Awareness towards the Organization Management Structure

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Abstract
Employee’s awareness towards the organization management structure is crucial to establish rapid and optimized decision making processes. As a result, this would significantly reinforce and accelerate the organization’s overall business management. In this case study, company ABC has conducted a survey to measure the employee’s awareness of the organization new business structure. The participants consist of 709 employees currently working in the organization. The survey questionnaire was using 5-point Likert scales and was conducted in September 2013. The data analysis was conducted by comparing the results of the survey with another company branch, the corporation as a whole and a research company national norm. Some improvement areas were identified and therefore salary and remuneration packages and employee development programs were strengthened. This would enable the managers to monitor the organization’s top management message awareness over the years and how the essence of the message is lived in everyday work environment.

Introduction
Every year, company ABC would conduct employee survey to measure the employee awareness of the organization management structure. The organization management is complex because it consists of top level management, middle level management, lower level management and employees at the lowest level. The survey is an important process to understand the current situation within the organization, the employee’s perception about the organization and their morale. In order to understand the result of the survey, the company had to compare the survey scores with those of other firms by using, for example, a research company High Performing Companies Norm and Countries Norm. The reason is due to company ABC’s decision to acquire the service of a business consultancy company to conduct the employee survey yearly. By doing so, managers could monitor the organization’s top management message awareness over the years and how the essence of the message is lived in everyday work environment. Third, the survey would enable managers to identify global and regional areas of action in order to implement transformation activities at different level of the organization. The survey areas were divided into 13 categories (Values & Objectives, Engagement, Supervision, Customer Focus, Empowerment, Climate, MVV (Mission, Vision & Values) Index, Collaboration, Senior Leadership, Employee Development, Innovation, Operation Efficiency, Pay & Reward) with a total of 55 survey questions. The administration period was from 2 September 2013 to 9 September 2013 with a response rate of 87.3% (62,830 responded out of 71,997 respondents).

Company Profile
Company ABC was established in 1989. Its global vision is to use the unlimited passion for technology, content and services to deliver groundbreaking new excitement and entertainment while its global mission statement is to be a company that inspires and fulfills the customer’s curiosity. The company’s value is to create products and services that are a step ahead and to create new entertainment cultures. Company ABC’s global corporation revenue was around USD72 billion in 2013. The company produces electronic products for the consumer and professional markets. Its working culture emphasizes a spirit of freedom and open-mindedness and a fighting spirit to innovate. Company ABC is not unionized but it has a Joint Consultative Committee (JCC), which has representatives from the employees and management. This JCC meets monthly and discusses issues related to employee well-being. In 1997, prior to consolidation, in Company ABC, the relationship between the employee and management representatives was not good. There was a lack of trust and
many issues remained unresolved. Following this, enlisting the help of local 7 Habits facilitators, an optimal training program was developed and deployed at a retreat. The immediate results of the training were clearly evident as the program progressed; the employee and management representatives who were not on good terms with each other prior to the event were smiling at one another. Discussions soon resumed, an atmosphere of proactiveness and understanding started to emerge, synergy between employee and management representatives was enhanced, and increased awareness of a principle centered leadership philosophy was achieved in quick succession. All new JCC members are required to attend the 7 Habits program to prepare themselves to be part of this culture. 7 Habits workshop was frequently conducted in Company ABC to improve the leadership skills of the employees in the organization. According to one of the senior manager of the human resource department, the 7 Habits program has enabled him to develop himself effectively while providing him with effective tools to successfully lead organizational change. Another head of staffing training and development department stated that the 7 Habits program has empowered her in all aspects of her work and the habits taught have nurtured her to be a great leader and a professional at work.

In order to strengthen Company ABC’s working culture, employee development program is important. Getting to Know Me" Program is a bid to enhance employees leadership skills, in which senior management in the company implemented a 360-degree competency assessment program whereby their performances were evaluated by their bosses, colleagues and subordinates. As of March 31, 2013, the company had approximately 146,300 employees globally, a The head count at the local plant in Malaysia is approximately 9000 as of March 31, 2013.

**Problem Formulation**

According to the results of the employee survey, Company ABC’s overall score was 68 compared to the national norm of 75 in same sector. The organization’s overall score gauged the overall status of the organization at a glance. It was calculated by averaging the scores of all the items in the questionnaire. The typical response scale was 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree).

From the 13 categories, employee development and pay and reward category have the lowest score at 60 and 50 respectively. Therefore, qualitative research questions could be formulated based on employee development and pay and reward category. In the employee development area, adequate opportunities for personal development and growth are important to improve the performance of the organization. Quality of work life depends on the job satisfaction and opportunities for personal growth (Luthans, 2005). The example of the opportunities include problem solving meeting with management team and product development teams.

Employee training is also crucial to sharpen their existing skills or acquire new skills. Bohlander and Nell (2007) stated that training would enhance the productivity of workers and prepare them on possible movement in the organizational hierarchy. Without the opportunities for employee training, job security would be reduced and employment continuity would be affected. Many workers would experience job satisfaction when they know their possible future prospects in the organization are good. (Drafke&Kossen, 2002). The future prospects include the career path that would be taken in the company that they are currently working. Without the opportunities to learn about their future career path in the organization, their job satisfaction would be decreased, leading to job dissatisfaction. Job training is an important aspect in the everyday work environment of the employee. For example, on-the-job training is an activity where employee is actually performing the actual job at the work place. Therefore, the employee could apply the relevant knowledge that they learnt to their actual work condition appropriately. A new learner could not drive a car by just reading the operating manual. The result of leaning and development activities could not be gauged in short time. The effect of the training on the employee’s performance could be observed only after certain time. Since the last employee survey was conducted one year before the most recent survey, it would be sensible to request for the participants’ feedback of their training impact towards their overall job performance since 12 months ago.
In the pay and reward area, the evaluation of job performance is important to measure the employees’ achievement and improve their current shortcoming related to their everyday working environment. However, job performance evaluation has to be conducted carefully and fairly to avoid unwanted reactions from the employees, mainly due to negative perception of bias judgment which might affect their pay and bonus. According to Pettijohn et al. (2001), individuals often have negative perceptions of performance appraisal. It was commonly understood that job performers were divided in poor, average and good performers. Many organizations treat absent without leave cases to be evaluated as poor job performance with ceteris paribus (Staw, 1986). Although absenteeism with notice could not be considered as poor job performance, it definitely could not be considered as good job performance as far as company performance is concerned especially if the frequency of cases is high pertaining to the specific personnel.

The employee’s perception about the relationship between pay and performance is important. Even though good performance is positively correlated with pay rise, there are some factors that would dictate the pay system such as political and economic conditions. The results of an organization survey would be able to provide opportunities to management to explain the current situation of the company. Non-monetary reward is equally important to the organization as it might have longer lasting effect in sustaining the desired job performance of the employee. Example of non-monetary reward includes flexible work hour, birthday gifts, company trip and job training. Armstrong (2007) highlighted that reward system was not only concerned about financial benefits but also non-financial benefits such as recognition, training, development and increase job responsibilities. Employees have the tendency to compare their rewards with other employees inside and outside the organization. Previous research has shown that there was a significance relationship between comparing rewards and happiness level. Frey and Stutzer (2002) wrote that “It is not the absolute level of income that matters most but rather one’s position relative to other individuals”.

Methodology
A qualitative research approach was used in this study. The methods selected were via personal interviews, observation and contextual analysis in understanding the awareness of Organization Management Structure. The research involved interviewing the respondents from top management of the company, and short surveys. The respondents were forwarded with an unstructured interview format. The interviews were carried out in informal manner to ensure that the respondents were comfortable to share the information and not holding any information back. It was conducted in English languages, the respondents did not misinterpret the questions that were asked. In view of the different background and job portfolios of the respondents’, the interview lasted between 30 to 60 minutes each. Through the personal interviews, this approach investigate and probe more into the understanding of the awareness of Organization Management Structure. In addition to interviewing respondents, an interpretive approach through observation and narrative in nature were also applied to understand the awareness of Organization Management Structure.

Strategic Interventions of the Problems
So far, 2 problems highlighted in the organization are employee development and pay and reward category. Several items are discussed for each category. This section will summarize the major problems and identify several solutions to tackle the problems. The advantages and disadvantages of each solution would be discussed also.

In the employee development area, problems resolve around the lack of opportunities for personal development and training to spur the positive growth of performance for the employees. Besides, clear and achievable training objectives related to their job are certainly needed to assist the employees to see the bigger picture of the organization. The results of the training related to the job performance could not be measured immediately, due to time constraint and some issues of turnover of previously trained employees which disturb the job evaluation process.

In the pay and reward area, there seems to be some lack of satisfaction among the employees regarding the benefits and remuneration which they received. This might be caused by the performance appraisal system which has to be updated and reviewed timely to reflect the most current working
situation in a dynamic and constantly changing organization such as Company ABC. It is difficult to adopt a common performance appraisal system to fit all levels of employees in the organization. Therefore, some employees felt bias and injustice for their side due to the failure of the management to meet their expectation related to the pay and salary. Besides, due to the personal network of the employees themselves, they could benchmark their salary with their peers or survey of the industry standard to position their current situation financially.

The major problems above have to be solved promptly. For employee development, overseas training could be considered to enhance the knowledge and skills and of the employees. Overseas training is an effective method to expose the employees to the latest technology and innovation in the market. However, overseas training is costly and some employees could not adapt to the new working environment and suffer from cultural shock or job stress. Alternatively, in-house training could prove to be an effective method to counter the problem. The availability of experienced employees could help the new recruit by becoming their buddy or coach. This could avoid the high cost of overseas training. However, technology transfer requires some time and therefore, the employees could not get the firsthand knowledge and technical know-how from the headquarters, thus dampen their learning and development speed.

There is lack of proper training for managers to utilize the performance measurement tool appropriately to monitor the performance progress of the employees. For example, there is a need for managers to learn about better way to manage poor performers and compensate better performers. Therefore, performance management class could be fortified and all managers are required to attend the class at least once annually. However, clear and concise purpose of the training must be established and it requires managers from different departments and human resource representatives to allocate sufficient time to discuss about the project. Tea talk activities are also possible to establish 2-way communications between management and employee and provide them a proper channel to suggest their ideas and report their grievances to the management. Dialogs and informal meetings could be organized but require participants to prepare their materials in advance which they could not express them spontaneously.

The organization should research the best practices to maintain job satisfaction among the employees. A recent survey has revealed that another manufacturing plant under the same corporation in Shanghai has the best job satisfaction level among their employees. Company ABC could send their related project managers and leaders to investigate the phenomena and conduct some interviews to discover the essence of success of that manufacturing plant in Shanghai. However, the disadvantage of this method is that there are other factors which affect the result of the survey, such as cultural, economic and other demographic factors. In addition, other than financial rewards, non-monetary rewards are equally essential. For example, management should introduce some awards and recognitions for best smiles, best dressed desk and confirmation of employment in public to boost the morale of the employees. These activities, if introduced frequently, would reduce the enthusiasm of the employees gradually due to the loss of interest of having repeated events.

Outcomes

After thorough and rigorous examination, management has decided certain interventions to be adopted to solve the current issues. First, for pay and reward problems, the human resource management team would implement the push and pull factor and integrate them in the next fiscal year strategy. Push factors include motivation, commitment and job satisfaction for the employees while pull factors include job opportunities and rewards outside the organization, family related considerations and work life balance concerns. Training would be provided for the managers to understand the push and pull factors clearly to be able to provide the best benefits and remunerations for the employees.

As for the employee development area, a new career development program would be introduced wherein the focus of the program package would be on 4 activities which are production training, 2nd batch talent development project, market genba and Get To Know Me (GTKM) to Assistant Manager (AM) plan.
From relevant data, most of the errors made by the employees are related to the production issues. As a consequence, the production defects are increasing and products quality are affected. Therefore, management decided to send chosen employees to production department to understand the production flow and processes related to their job. This includes on-the-job training and the related employees have to prepare a summary report of what they had learnt in the end of the program. These job-rotation liked activities would reduce the mistakes related to the production process and enable the employees to apprehend the job procedure and overall job system thoroughly.

For the 2nd batch talent development project, it is a continuation of previous project whereby employees with work experience within 2 to 5 years would be trained to be the group’s sub-leader and guide the newcomers which has work experience less than 2 years. They would need to initiate a mini project and at the end of the program, they need to report the results of their activities which has been done for the last 12 months. For example, if one of the activities is monitoring of the product sample ordering, then the evaluation is based on the number of actual mistakes versus the originally planned objective.

In market genba, the purpose of the program is to expose the engineers to the field and collect feedbacks from customers regarding the products currently in the market. Besides, the engineers would be able to support the sales personnel and gain experience in dealing with actual customers. They would be able to have hands on experience in experience different products in the market and not only the product that they designed. The feedbacks that they received would be vital to improve the design of the next generation of products.

Finally, GTKM to AM is a unique program where employees with work experience more than 5 years are eligible to participate in it. These are senior employees who would have one-to-one meeting with the top management to explain their future direction and plan. The employees have vast experience about the current situation of the company, and would be the solid foundation of the organization. Therefore, their comments and feedbacks are imperative to the survival of the company. Another reason is that these employees could participate in the strategic implementation section of the organization in the near future. For example, an assistant manager would support top management in surveying the best practice for employee job satisfaction in Shanghai.

**Justification of Managerial Decision Making and Critical Analysis**

From my working experience of 10 years, I have seen many talented employees left the organization and there are some less talented employees remaining in the organization. I have observed that most of the talented employees left the organization early, probably due to better job prospect outside the organization. Therefore, to retain the best talents in the organization, monetary and non-monetary factors are equally important to achieve the goal. Even though huge investment has to be made to retain the best talents such as training cost and higher remuneration package, I do agree that it is always hard to quantify those investments into tangible returns. However, without taking risk of investment, how can we retain the best employees in the first place? After all, business is all about profit as the bottom line. Without the best employees, the company could not sustain the operation not to mention about the profit or break even sales. Investments to retain the best employees are based on long term strategy rather than short term expectations. Hence, the push and pull factors integration in the pay and reward system has to be looked into widely and deeply. In my opinion, counter offer to employee with the intention to quit is inevitable especially if the employee is of exceptional quality.

In Japan, the company headquarter has adopted job rotation approach since long time ago. The purpose of the activity is to prepare and educate the employees to be familiarized with all the operations of the company and not just learning them on paper. The concept is rather exceptional, where the employees experienced the job funnel approach to learn from wide to deep and could choose the best job based on their preference and passion. In company ABC, this approach has just been started recently, and hopefully the production training program would enhance the performance of the employees and reduce the cost of defects.

For the 2nd batch talent development project, the project is still undergoing but from my observation, the 1st batch participants have increased confidence, more responsible and more aware of their job
scope and job functions especially when they involve with several departments in the decision making process. Previously, before graduated from the program, the related employee would make job decision hastily without getting agreement from all relevant parties, resulting in repeating jobs and conflict with each other. After attending the programs, there are differences observed at the particular employee. The employee would collect the consensus from all related person in change from different departments before making a decision, thus reducing redundancy in the job. This has shown that there are positive outcome from the program, as the employee has matured and obtained more understanding of the current job.

In the market genba program which was conducted from October 2013 to November 2013, the entire team of engineers has managed to contribute to the total product sales of RM500K. Due to the contribution, they have become Company ABC’s unofficial sales ambassador. Such activity has promoted the image and brand of Company ABC in the market so as to be perceived positively by the all its customers. There customers were also happy because the perceived sales personnel has very good technical knowledge besides their silky sale skills.

GTKM to AM program is a transition period of employees from senior position to lower management position. These employees have been working in the organization longer that some top management which just been transferred from headquarter to Company ABC. These top managers have limited knowledge about their new assignments and therefore have to acquire the information about their working place quickly. Therefore, they have better insights for the current situation of the company with the assist of these senior employees. Furthermore, top management has expected these senior members to lead by example to provide the best job model to their followers. Moreover, 2-way communication between the top management and the senior employees is a win-win situation whereby the employees would be able to obtain priceless ideas and guidance from the top management as well.

Conclusion
The case study discussed about the problems aroused from the survey to measure the employee’s awareness of new business structure in Company ABC and suggested solutions for them. There were mainly 2 problem related to employee development and pay and reward issues. In order to countermeasure the pay and reward problems, push and full strategy has to be integrated by the human resource department into the performance appraisal system to evaluate the employees fairly and squarely. As for employee development, career development program was introduced with the collaboration between human resource department and all other related departments to enhance the job performance of the employees. The career development plan was divided into 4 activities which are production training, 2nd batch talent development project, market genba and Get To Know Me (GTKM) to Assistant Manager (AM) plan.

There are basically 10 qualitative discussion questions which could be prepared pertaining to the issues of employee development and pay and reward. The questions are as follows:

REFERENCES