

Business and Management Internal Assessment

Research Question:

Should Company A give more responsibility to staff (office workers) in order to improve their motivation and achieve better results?

May 2012

Word count: 1999

I confirm that this work is my own and that it is the final version. I have also acknowledged each use of the words or ideas of another person whether written or oral.



Acknowledgements

Thank you to everyone who gave their input to this research investigation.

Thank you to the Managing Director and Human Resources Manager at Company for their interviews and all the staff members who completed the survey and gave additional information.

Research Proposal

Research Question:

Should Company A give more responsibility to staff (office workers) in order to improve their motivation and achieve better results?

(مورو) مربخون

Theoretical framework and rationale:

Company A is a copper tube manufacturing company. In recent years, the company was bought by another company and rebranded under this new company name. Company A has continued to operate much like it did before the acquisition, but they have started to wonder whether the old methods of management are the most effective way to handle the human resources of the company. I will investigate whether alternative management styles could improve the motivation of the staff and how these alternative management styles compare to the current management style in use.

I will investigate a range of different motivational theories and analyze their value for Company A. The main motivational theories that I will explore are: McGregor's Theory X and Y, Taylor's Scientific Management Theory and briefly Malsow's Hierarchy of Needs. I will also incorporate leadership theories by Tannenbaum and Schmidt, and Black and Mouton. I will also look at how organizational structure and span of control plays a role here and I will also investigate the corporate culture through Hofstede's model and Handy's theory.

Key Areas of Syllabus:

- 2.2 Organizational Structure
- 2.4 Leadership and Management
- 2.5 Motivation
- 2.6 Organizational and corporate culture

Methodology:

Primary Research

- Interview the Head of Human Resources at Company A
 - Find out what kind of management style is being used at the moment
 - o How well staff seems motivated overall at the moment
 - How the current management tries to motivate the staff
- Distribute an electronic questionnaire to a random sample of staff members at Company A to get information about motivation and management from the staff members themselves

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Secondary Research

- Use sources to find out what management strategies companies similar to Company A are using and evaluate whether Company A would benefit from a similar approach
 - o Check their website

Possible problems that may arise and solutions:

Possible Problem	Possible Solution
Bias from inferviewees affecting responses	Ask a range of questions to eliminate as much bias as possible
Confidential information	
Staff may not be honest in questionnaires	Ensure anonymity to encourage honesty
Problems with language may arise during interview/questionnaires because English is not the first language of the staff members	State all questions as clearly as possible to avoid confusion or misunderstandings

Action plan:

Date	Activity	Modifications
29/11/11	Selection of topic	The first chosen topic was finance, but this was then changed to human resources.
8/12/11	Research proposal	
17/12/11	Plan questions for interview with Head of Human Resources and Directing Manager. Arrange a meeting to	
	conduct interview	
28/12/11	Conduct the interviews	_
20/12/11	Prepare questionmaire for staff members Distribute the questionnaire	The questions need to be translated into Thai, so everyone would understand them, so the questionnaire had to be redistributed.
2/1/12	Analyze results of questionnaire	
4/1/12	Conduct secondary research	
16/1/12	First draft	7
28/1/12	Second draff	[
12/2/12	Final submission	

Word count: 496





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Executive Summary (Abstract)

The research question in this investigation is: should Company A should give more responsibility to staff (office workers) in order to improve their motivation and achieve better results? An interview was conducted with the Managing Director and Human Resources Manager. Then a survey was sent to the staff members.

Secondary sources were also used to investigate human resource theories and their application to the situation at Company A.

The results of the investigation showed that Company A is a bureaucratic company, which gives most power to managers and subordinates are tightly controlled. The corporate culture follows Asian norms mostly, despite the number of Europeans in upper management. The staff members also showed low levels of motivation and seemed most motivated by wages. However, most of them are happy with the amount of responsibilities they have and show a preference for set rules.

After the research and analysis of results, there were reasons to support an increase in staff responsibilities and reasons opposing this. Due to this, it was recommended that Company A try making changes with a group of staff members on a trial basis and make more permanent decisions if this proves to be successful.

Word count: 199

Introduction

Company A is a copper tube manufacturing company, which has offices around the world. However, the focus here will be on the factory located in Thailand. Company A was bought by another company during recent years, although much of the operation has stayed the same. This investigation analyzes Company A's management of human resources to see whether modifications should be made. Company A has both factory workers and office workers, but only the office workers will be considered in this investigation due to the differences between the two groups of employees. Company A's current management will be investigated and analyzed according to theories related to human resources like Hofstede and Tannenbaum and Schmidt. The focus will be on the leadership and management, functions of management, management theories, motivational theories and corporate culture of the organization.

The name of the company and people involved have been kept anonymous, so that all information is confidential.

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Research Question

Should Company A give more responsibility to staff (office workers) in order to improve their motivation and achieve better results?

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Procedure and Methodology

First of all, Company A's website was viewed but not a lot of relevant information was on the website. The company's **Managing Director (MD)** was also interviewed (Appendix III) about their human resources. However, he is not specialized in this, so his answers were more general. Due to this, the **Human Resources Manager (HRM)** was also interviewed (Appendix IV), as he had more pertinent information.

Then a **survey** was sent to the staff members. However, this survey was not very successful because there seemed to be some confusion about the language or it was not detailed enough. The survey was then revised and the HRM was asked to send out the survey again with the questions in Thai and English (Appendix I&II), so that language would not be a barrier. Anonymity was guaranteed to encourage honesty and protect the employees. This time the survey was successful and received 54 responses out of the 63 staff members. The responses seemed to accurately represent the views of the staff members, which made the answers highly valid. Secondary research on the Internet was also conducted on different theories related to the topic of this investigation, so that theories could be accurately applied to the situation at Company A.

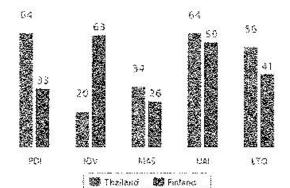


Main Results and Findings

The MD said the company was hierarchical because there are many different levels and everyone has their own place within the organization. There are also lots of managers for different duties and sections of the organization and this influences, who the subordinates must report to. At present, the staff has responsibilities and assigned work and the nature of these does not change much.

Most of the staff members are Asian and since the company is also located in Thailand, the Asian culture has an impact on how the employees behave. Hofstede's Cultural Dimensions Model was researched to see if there were similarities between the general markers for Finland and Thailand and the culture displayed at Company A. Company A exhibits high power distance (as is the norm in Thailand) in that there are strong hierarchies and large gaps in authority. The upper management is comprised largely of Europeans, but most of these members have been working in Asia for over 3 years and have adapted to the culture. Company A's staff also exhibit low individualism in that it is important to maintain harmony within the workplace and people feel more responsibility for each other. Also, staff members said they generally feel comfortable around those of the same hierarchy as themselves.

Figure T: Helstede's Culturel Dimensions for Thalland and Heland



Key

PDI = Power distance IDV = Individualism MAS = Masculinity UAI = Uncertainty avoidance LTO = Long term orientation

However, the survey showed that a majority of staff members think the working environment is stressful. Despite this, 38% thought it was friendly and comfortable. There seem to be some differences in the views of the staff and these could be highly dependent on individuals or it could be due to the nature of their work.

Figure 2

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The survey results also show that 60% of the staff are happy with their amount of work, but 40% are unhappy (Figure 3). Roughly half the staff wishes to have more responsibility while the other half wishes to have less responsibility (Figure 4), 60% of staff members also said they favored set rules rather than more freedom in their work (Appendix VI), indicating a preference for clear guidelines.

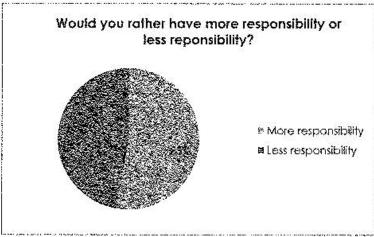
Figure 3

4. Are you happy with the amount of work you have to do? คุณมีความสุข 🂢 🖎 🕸 เพละ เพลา Response Percent Yes in 59.3%

No bi 48.7%

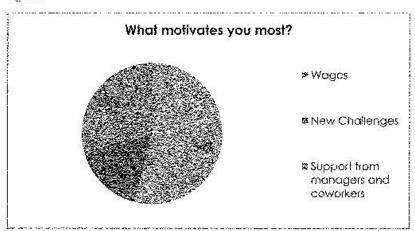
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Figure 4



The survey also showed that staff members were motivated most by wages and least by new challenges (Figure 5). However, when staff were asked to rate their motivation on a 1-10 scale, the average level was 5, but responses ranged from highly motivated to highly unmotivated. Several anonymous staff members also gave additional responses, which were once again varied. One said: "the base salary is appropriate to current conditions", but another said: "in comparison to other factories, Company A motivates me less by money." Several employees also stated that they found most motivation "working as a team of subordinates" or "motivation from colleagues in the department". The HRM also stated that "the well-being of the employees is taken care of well" (Manager) and one staff member said this was also an important motivator.

Figure 5



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Analysis and Evaluation

Corporate culture

The organizational culture of Company A is impacted by the bureaucratic nature and diversity in employee's cultures. This was examined through Hotstede's Cultural and diversity in employee's cultures. This was examined through Hotstede's Cultural and Dimensions Model. Since collectivist cultures tend to focus more on teamwork and respect traditions, it is often difficult to introduce change, so it might be difficult for the staff at Company A to adjust to new responsibilities. This is also reflected in the staff's responses (Figure 4). Also, collectivist cultures tend to focus on building skills more than getting specific tasks done, so giving staff more responsibilities could lower their motivation rather than raise it. In addition, 46% of staff members are over 40 years old and have been working in the same conditions for a long time, which could make adjustment harder for them. However, if change in responsibilities was introduced slowly Company A might be successful in raising the staff's achievement.

In accordance with **Handy's** archetypes in his "God's of Management" theory.

Company A exhibits "**role culture**". The MD verified that power is derived from the rank of each person and their role in the organization. "The culture functions well in a steady-state environment, but is insecure in times of change" (Sherwin) and this could prove problematic if staff members were given more responsibilities. If they resented the change or failed to see their place within the organization after their jobs have changed, it could hurt their motivation.

Main autivational theories

Company A has adopted a style of management that is close to McGregor's Theory X. The HR Manager said that staff members are not expected to be able to work and function well within the organization without close supervision and tight control. According to McGregor, this kind of approach does not produce a lot of motivation in the workforce as they are only being motivated by job security and money. However, the survey conducted showed that lots of the staff members were actually motivated by salary. However, since the survey also showed lots of employees had low motivation, it could be beneficial if Company A adopted an approach more similar to McGregor's Theory Y. This should increase the motivation of the staff, especially the ones who said they would like more responsibilities. However, it does not seem likely that all staff members would achieve more with a Theory Y approach because they like set rules and might not be able to work without specific guidance.

Leadership and Management

Company A utilizes fine management and has a hierarchical structure with a narrow span of control. The highly hierarchical structure of Company A makes if difficult to allocate more responsibility to the staff. This structure fits in with their management style, which resembles autocratic management, However, if the structure of the company was changed slightly to make it a broader span of control then it would be possible to remove some managerial positions, which would then open up new responsibilities for the staff members. However, the managerial positions are

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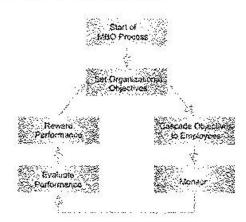
something employees can strive towards if they want a better position at Company. A, so this goal is a motivoting factor for some staff members

Due to the hierarchical structure, Company A also has formal lines of communication. This sometimes makes communication difficult or ineffective within the organization. The Managing Director mentioned that sometimes he does not get important updates straight from the person responsible for it and "the delays cause inefficiencies in handling situations" (Director). According to the survey, 30% of staff find it difficult to communicate within the workplace. Allowing more informal lines of communication to develop by removing some layers of hierarchy could then help Company A. Therefore, broadening the span of control could increase staff motivation. However, this could possibly also result in decreased motivation because staff are not monitored closely and may not be well-trained enough to handle new ** tasks.

Functions of management

Peter Drucker emphasized the importance of goals and goal setting in his "Management by Objectives" theory. Most of Company A's goals revolve around the production of copper tubes and their profit. However, "emphasis for goal setting among the staff is not stressed highly" (Manager) It could be beneficial for Company A to put more emphasis on this and introduce more goals for the staff as Figure 7 shows. This would give the staff a clear sense of direction, Additionally, their understanding of tasks they need to achieve would increase, hence allowing them to take on more responsibility. This could then motivate them to work harder, thus achieving better results.

Sigure 7: The Rive-Step MBO Process



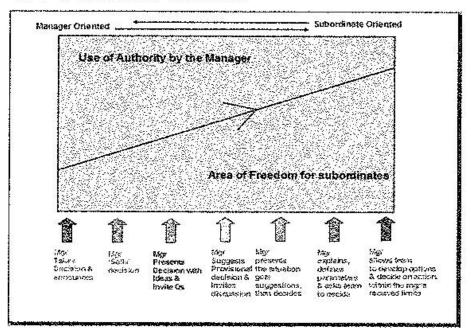
Management theories

Company A places a fot of importance on getting tasks done, but also pays attention to the needs of the staff, but only to a degree. The managers want the staff to have a good working environment, but concern for the people is not placed above everything else. On **Blake and Mouton's** scale Company A would be close to

"authoritarian" because although the culture values people, the nature of the business demands results.

Similarly, Company A's management appear more manager oriented on **Tannenbaum and Schimdt's** scale (Figure 8). This helps maintain power in the hierarchies and makes it easier to enforce set rules. Most of the staff like this, but the 40% who do not (Appendix VI), might benefit more from subordinate oriented management.

Figure 5: Touretdaoni&Schmidt Continuum Scale



A force field analysis was also conducted at the end of the investigation (Appendix V). The forces against change seem to outweigh forces for.



Conclusion and Recommendation

In conclusion, there are many different factors, which must be taken into account when considering whether Company A should give more responsibility to staff to improve their motivation and achieve better results.

The current bureaucratic structure and management of the company make change quite difficult. The Managing Director also expressed his worries over these matters because "things sometimes seem different in theory than practice" (Managing Director). The corporate culture in particular could pose a problem, but there are other benefits that could come from moving to a less hierarchical structure, like the improvement of communication. According to different motivational theories, it would also increase staff motivation if they were given more responsibilities and they should achieve more if they were better motivated. The force field analysis (Appendix V) suggests that the reasons against change just barely outweigh the reasons for change.

Therefore, there is a chance that increasing staff responsibility could increase motivation, but Company A should be careful in the way they introduce the change, so the staff have a chance to adjust to their new responsibilities. However, more research is necessary for a certain answer. Company A could test this tactic through a trial period and make the change long-term if it is successful in increasing motivation and achievement.

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sherwin.co.uk/guide_managing_change/html_overview/05_culture_handy.htm>.

Survey for staff members

Charts and graphs

Figure 1: "Hofstede Cultural Dimensions of Thailand and Finland," Chart, Geerf Hofstede, Itim. Web, 15 Jan. 2012. http://geert-hofstede.com/thailand.html.

Sarah

Figure 2,3&6: Personalized charts of survey results from SurveyMonkey

Figure 7: "The Five-Step MBO Process." Chart. Mind Tools. 2012. Web. 15 Jan. 2012. http://www.mindtools.com/pages/article/newTMM_94.htm.

Figure 8: "Tannenbaum & Schmidt Continuum Theory." Chart, Leadership Champions. 27 Apr. 2008, Web, 1 Feb, 2012.



Appendices

Survey for the staff members

This is a survey that I am doing for a school project. All your answers will remain completely anonymous and your names will not be recorded anywhere so please answer all the questions honestly.

- 1. What is your position?
 - a. Staff
 - b. Manager
- 2. What is your age?
 - a. 18-30
 - b. 31-40
 - c. Over 40
- 3. How would you describe your working atmosphere?
 - a. Friendly and comfortable
 - b. Unfriendly and uncomfortable
 - c. Very competitive
 - d. Stressful
 - e. Very relaxed
- 4. Are you happy with the amount of work you have to do?
- 5. Would you like to have more or less responsibilities than now?
- 6. Would you rather have more responsibility or less responsibility?
- 7. Do you like having a set of rules and commands to follow or would you prefer more freedom in your work?
- 8. How motivated do you feel at work? (1-10)
- 9. What motivates you most?
 - a. Money
 - b. New challenges
 - c. Encouragement and support from managers and coworkers
 - d. Other (please specify)
- 10. Is it easy to communicate with people at your workplace?

li) Survey for staff members translated into Thai

การสำรวจตวามติดเห็นด้านหรัพยากรบุคคล

- 1. ตำแหน่งงานของคุณคือ ?
- ์ เจ้าหน้าที่สำนักงาน
- ้ ผู้จัดการ





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2. อายุเท่าไหร่ ?
ि 18-30
^r 31-40
Over 40
3. สภาพแวดล้อมในที่ท่างานของคุณเป็นอย่างไร ?
มีความเป็นมิตร และ สุนใจ
^(*) ไม่มีความเป็นมีตร และ รู้สึกอัดอัด
้ มีความเครียดสูง
ุ๊ มีความผ่อนดลายสูง
าม 1 าทตอ <i>สหน</i> ะ เอย่า
4. คุณมีความสุขกับปริมาณงานที่คุณทำอยู่หรือให่ ?
 ผู้เหต่องเพต่อนเกิดเทล (เหต่อนหนา โดนิโนรท (ว.)
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C Naj
5. คุณมีความรู้สึกว่าคุณมีการะหบ้าที่มากหรือไม่ ?
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ਿ "111
6. คุณอยากจะมี ภาระหน้าที่มากภว่า หรือน้อยกว่า ?
บภาระหนาทบาก
ิ๊ มีภาระหน้าที่น้อย
w s
7. ดุณขอบให้มีการกำหนดกฎระเบียบและคำสั่งเพื่อให้ทำตาม หรือคุณลยากให้มีกฎระเบียบน้อยๆ ในงานที่คุณทำอยู่ ?
ี้ มีกฎระเบียบมาก
ี้ ที่กฎระเบียบน้อย
Little a range to the
8. คุณคิดอย่างไรกับการจูงใจในพื้นที่ทำงานของคุณ ? (ให้คะแนนจากน้อยไปหามาก 1-10)
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c	การจูงใจที่คุณได้รับส่วนใหญ่เป็นอะไร ? คำจัง มีเรื่องใหม่ๆให้ทำหาย สนับสนุนและได้กำลังใจ จากผู้จัดการและเพื่อร่วมงาน	
	ๆ (โปรตระบุรายละเอียต) . เป็นเรื่องง่วยหรือไม่ที่จะสื่อสารกับผู้คนในพื้นที่ท่างานของคุณ?	
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III) Interview questions for the Managing Director

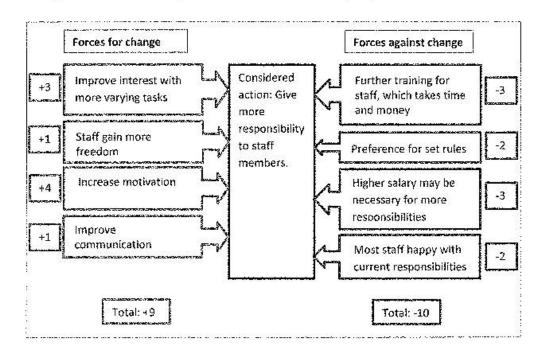
- 1. What kind of organizational structure does Company A have?
- 2. What is your role in the company?
- 3. What kind of corporate culture are you trying to achieve?
- 4. How would you characterize the general management style of the company?
- 5. In your opinion, do you think that the staff members would be more motivated if they had more responsibilities?

IV) Interview Questions for the Human Resources Manager

- 1. What is your role in the company?
- 2. Do the managers in general have a lot of power over the staff members?
- 3. Do you think that the staff members need to be monitored closely in order to make sure they work well?
- 4. Is this company very concerned about the needs and feelings of the employees or is it more important to see results from their work?
- 5. How do you motivate your staff?
- 6. Is it important for the staff members to feel united as a group or is it more important for them to work well independently?



V) Force field diagram constructed for Company A



VI) Response from the survey

7, Do you like having a set of rules and commands to follow of would you 📽 Crass Cisti prefer less rules in what work you have to do? คุณขอบให้มีการกำหนดกฎระเบียบแกะคำสั่งเพื่ หรือคุณอยาภให้มีกฎระเบียบข้อยๆในงานที่คุณท่าอยู่ ?

	Response Percent	
More rules มีกฎระเนียบมาก	59.3%	
Less rules มีกฎระเนิดมห้อย	40.7%	1

