

# Decision making environment types: case study

[Environment](#), [Environmental Study](#)



## Organization & Management

- Jiani Li

1. There are two major decision-making environments for managers to address changes, the programmed decision-making environment and the non-programmed decision making environment. Due to the different decision-making environments they work in, different managers may make different decisions in change management.

In this case, Specialist Apparel Ltd. may use two change management approaches to address its current change. One approach is to implement the directive approach, which highlights the boss' right and authority to impose changes. In this case, Henry is the boss who has the authority to impose changes forcibly. Henry favors the directive approach because he works in non-programmed decision making environment, where a new solution is often necessary.

The other approach is the expert approach that requires the problems in change management to be resolved by an expert (Northumbria University, 2014). In this case, the Production Director Jim Foster acts as the expert who argues that the company should rely on the existing employees and customers. Jim Foster favors the expert approach due to his programmed decision-making environment where he relies heavily on his past experience.

2. The directive approach requires the company to contract with temporary employees. The expert approach requires the company to remain and train the existing employees so that they can operate the newly-purchased machines.

If the directive approach is implemented, the change management will be subject to Henry's idea that the organization should focus on the new orders by bringing in new staff. The proponents of this approach include the boss, the sales staff and the new Korean customer Hyonsung.

The key details of this approach:

- bring contract specialist staff who design the products and run the machines
- lay off some of the existing employees who are currently useless

If the expert approach is implemented, the company should continue to focus on the existing orders by retaining the existing staff. The proponents of this approach include the production staff, the low-level employees, and the existing domestic customers such as Rebel Sport.

The key details of this approach:

- Train the existing employees so that they can use the newly-invested CAM and CNC systems

According to Bateman and Zeithaml, organizational change includes three major areas, the technological change, the structural change, and the people change (Advameg, Inc, 2014). All of these changes occur in the internal environment of Specialist Apparel Ltd. A firm's internal environment involves multiple factors including value, vision, policies, employees, shareholders, stakeholders, and assets and so on. In this case, the company can manage the technological change, the structural change, and the people change with the use of directive and expert approaches.

Firstly, the implementation the directive approach will start with people change by bringing with new staff. Then, the new staff will bring new technology into the organization, resulting in technological changes. At the same time, the company may manage the structural change through team building.

Secondly, the implantation of the expert approach will bring about significant technological change to the organization by training the existing employees. Also, structural changes may be made as to support the technological changes. For example, the company may change management structure by establishing a new department. In this case, this approach involves no significant people change.

Overall, no matter which of the approaches will be taken, there would be changes to the internal environment.

3. Specialist Apparel Ltd's change management problem is the conflict between the boss' desire to obtain new orders and enter new markets and the company's limited ability to fulfill it. The two approaches can be applied to these problems in different ways.

One option to overcome this problem is the directive approach proposed by the Managing Director Henry Buck worth. If this approach is applied, the company will focus on the new contract with the Korean customer but drop 65 percent of the existing business. The company will start " *bringing in new specialist contract staff to design the product and run the new machines* ". At the same time, the company will seek to identify how to supply Rebel Sport, its biggest customer in New Zealand for the next few months.

<https://assignbuster.com/decision-making-environment-types-case-study/>

According to its existing production capacity, Specialist Apparel Ltd would be unable to fulfill the domestic orders.

The other option to overcome this problem is to adopt the expert approach proposed by Production Manager Jim Foster. If this approach is applied, the company will focus on supplying the existing customers while abandoning the new orders. To achieve this, the company will train up the existing employees to operate the new equipment. Also, the company will retain the existing designing staff without contracting new ones.

4. A change agent refers to the person who has the authority or skills to stimulate, facilitate, and coordinate the change effort. A change agent can be either internal or external. There are different roles that change agents may play in change management, such as consulting, training, and research (Lunenburg, 2010, p. 1). In this case, Hyonsung, Henry Buckworth, and Jim Foster are the three major change agents in the change management process.

The Korean customer Hyonsung plays a role of initiator in the change management because the company is the change agent who triggers a series of changes to Specialist Apparel Ltd. The advantage of Hyonsung is that it has determining power to make the changes. The limitation of Hyonsung is that the Korean company has little knowledge of Specialist Apparel Ltd.

Henry, as the boss of the company, plays the role of leadership in the change management process. He has the power to enforce the change management approaches. Henry's advantage in change management is his

<https://assignbuster.com/decision-making-environment-types-case-study/>

superior power over the implementation and far vision of the organizational future. However, Henry has limitations due to his lack of knowledge in production.

Jim Foster plays the role of consulting in the change management process. As the Production Manager, Jim provides advices about change management approach, but need approval for further implementation. Jim's advantage is that he is production expert. However, Jim has limitation that he has no overall vision of the organization.

5. The contextual factors influence the company and the staff's response differently.

- The organizational culture, which refers to the beliefs, attitudes, and practices that define an organization. An organizational culture can be described as its personality or character. Organizational culture has double roles. On the one hand, it integrates all the organizational members, facilitating the internal communication. On the other hand, organizational culture also helps organizations make decisions to adapt to external changes.

In this case, the organizational culture may play a critical role in making the change management decisions. If the culture of Specialist Apparel Ltd is aggressive, it would be likely to adopt the directive approach, by bringing in new staff and focusing on new orders. By contrast, if the culture of Specialist Apparel Ltd is conservative, it would be more likely to adopt the expert approach, by retaining the existing staff and focusing on the current orders.

- Management style, refers to the way how the organization is managed. If the company has directive or authoritative manage styles, it is likely to adopt directive change management approach by bringing in new staff. If the company adopts affinitive or participative management style, it is like to adopt expert change management approaching by retaining the existing staff.
- Organizational ethics and value, which refer to the code of conduct that communicates the value of the organization to its employees(McGrew, 2014). If the company pay less attention to stakeholders, it is like to follow the directive approach. If the company's organizational ethics and value are based on the stakeholder theory, it is like to adopt the expert approach.
- Participation, which refers to the extent to which the employees participate in the change management. If Specialist Apparel Ltd has low level of participation, it is likely to adopt the directive approach. By contrast, if the organization has high level of participation, it would be more likely to adopt the expert approach.
- Communication, which refers to the level of communication within the organization. If the company conventionally has low level of communication, it will be more likely to implement the directive approach. By contrast, if the company has high level of communication, it will be more likely to follow the advice given by the Production Manager and adopt the expert approach.
- Environmental pressure, which refers to the pressure the company receives from the environment. The environment that a firm operates

in can be divided into three levels, i. e. the internal environment, the micro environment and the external environment. Accordingly, the environment pressure may come from a number of sources, it is more complex compared to other contextual factors.

In this case, the environment pressure mainly from the internal and micro-environment.

In the internal environment, the environmental pressure may come from the employees. If the organization receive great pressure from the existing employees, the organization would be more likely to retain the existing staff and provide training courses to them.

In the micro-environment, the environmental pressure mainly come from the existing and potential customers. If the existing customer gives great pressure, Specialist Apparel Ltd would be likely to focus on the existing orders. If Specialist Apparel Ltd receives great pressure from the potential customers, it would be likely to bring in new staff and drop some of the existing orders.

### **Reference List:**

Advameg, Inc., 2014, ' Managing Organizational Change' [online]. Available from: <http://www.referenceforbusiness.com/small/Mail-Op/Managing-Organizational-Change.html>[Accessed 4 June 2014].

Lunenburg, F. (2010) ' Managing Change: The Role of the Change Agent', *International Journal of Management, Business, and Administration* , vol. 13, no. 1, August, pp. 1-6.

<https://assignbuster.com/decision-making-environment-types-case-study/>



McGrew, M., 2014, ' Definition of Organizational Ethics Values' [online].

Available from: [http://www.ehow.com/info\\_8447553\\_definition-organizational-ethics-values.html](http://www.ehow.com/info_8447553_definition-organizational-ethics-values.html)[Accessed 4 June 2014].

Northumbria University, 2014, ' Change strategy and approaches' [online].

Available from: <http://www.jiscinfonet.ac.uk/infokits/change-management/strategy-approaches>[Accessed 4 June

2014].