

# Problem solution: global communications essay sample

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## Introduction

Global Communications is a telecommunication company whose market position has been severely challenged. From increasingly agile competitors, falling stocks and low investor confidence, the company has been forced to go back to the drawing board and come up with a strategy that would pull it out of the doldrums. A solution that has found favor with the board includes outsourcing of a big chunk of its core business to more competitive countries. However, the proposed solution stands at a great risk of failure due to union threats and ineffective communication strategies. Other pertinent issues undermining the proposed strategy are ethical concerns. In the fight for market relevance, where does the company's moral duty start and end?

This paper looks at various aspects entirely related to the company. First, a situational analysis is carried out with identification of the opportunities that are presently available to the company. Secondly, stakeholder perspectives and the ethical dilemmas facing each group are presented before a concise rendition of the problem statement. Here, we give a brief outlay of the overriding problem facing Global Communications together with opportunities which can be leveraged.

The end state vision is subsequently detailed in the next section. Here, the various goals to be attained along with the metrics and targets for meeting the goals are given. From these then, alternative solutions are developed before risk assessment and mitigation techniques of the goals is be carried out. Subsequently, we suggest a strategy which we consider to be the

optimal solution for Global Communications. Finally, a brief discussion of the evaluation process together with measures of success and tests of validity and reliability is considered.

## Situation Analysis

### *Issue and Opportunity Identification*

In the face of declining investor confidence, falling stock prices and cutthroat competition, Global Communications (GC) is faced with serious challenges that may well threaten its continued existence. In a bid to stave off competition, stay afloat and entrench its foothold in the market, GC has been forced to originate a strategy which seeks to drive down costs, increase its market share through entry into virgin markets, and shore up profitability. Entry into virgin markets is to be accomplished through expansion in global markets as well as a foray into the domestic market. The latter would be attained through strategic alliances and partnerships while the former would entail outsourcing the call center services to India and Ireland where the handling costs are markedly cheaper.

However, outsourcing would mean loss of jobs and salary cuts of up to 10 percent which would consequently lead to lower productivity, demoralize many, raise moral questions and lead to loss of skilled workers to competitors. Besides, union threats loom large and the company has no effective PR/communication policy and is thus unable to effectively communicate these plans to its employees.

To redress the problems occasioned by the anticipated salary cuts for the remaining workers, it is proposed that the employees be given a retention bonus of 15 percent with a promise of salary hike as soon as things stabilize. Even though this may sound to be a good solution, questions of continuance commitment arise. As defined by McShane – Von-Glinow (2004), “continuance commitment occurs when employees believe it is in their own personal interests to remain with the organization”. In other words, it is commitment that is not based on attachment with the firm but on purely personal benefit. Problems with this approach are many including lower performance by the workers in question. Additionally, employees with continuance commitment are known to be less likely to take part in organizational citizenship behaviors, while those that are unionized are more likely to use formal grievances. As it can be seen therefore, GC runs the real danger of maintaining deadwood in its staff. However, it is a strategy that may well help in employee retention and be useful especially where highly skilled members are retained.

Another example of emotional intelligence that crops up in this case is that of organizational comprehension. As McShane – Von-Glinow (2004) aver, this refers to a worker’s emotional attachment to, identification and involvement in an organization. Organizational comprehension is of vital importance because it helps cement employee commitment to the company, leading to affective commitment which has been cited as critical in improving performance as well as aiding in problem resolution activities by employees.

As stated by one of the managers in the scenario, focus should be on ensuring that GC employees are made aware about the evolving business.

Empathy is oftentimes displayed during interpersonal communication.

Defined, it simply means commiseration with the other person and is vital in enhancing communication. In their meeting with the union, the management expresses empathy by constantly associating with the union's position. This enhances communication between the two parties and if used within GC, empathy would vastly help the effective flow of information (McShane – Von-Glinow, 2004).

Social awareness principally concerns empathy where due consideration for others is made and a deep perception of the organization as well as social networks gained. The GC management, while conscious of the fact that they have few options to return to profitability, still has consideration for the workers to be laid off as manifested in the counseling sessions and retention bonuses they are willing to offer. This can potentially provide the basis on which GC can construct employees who have affected commitment thus improving the company's performance.

The GC management is deeply affected by the impending salary cuts and job losses but manages to keep their inner emotions in check. This enables them to push the deal through the board and also navigate through the whole strategy. Activated negative affect or AN is perfectly displayed in the case of GC where there is a lot of fear, distress, and jitters by Union and workers that jobs will be lost.

The rational attitude model posits that the perceived environment impacts on our convictions about an attitude entity. Thereafter, we gauge our feelings about the attitude entity premised on the convictions. These feelings then induce behavioral intentions in us which in turn cause observable behavior (McShane – Von-Glinow, 2004). It is precisely this factor that impels the union to so fervently express their fears. The union saw that workers had taken massive cuts in their pay. Fearful that GC's move would cut more jobs and not convinced that situation will eventually improve

Further, emotional dissonance is manifested where Maria, the union representative manages to keep calm and show proper etiquette and grace despite the fact that she deeply resents what is going on. This is important as it demonstrates that the technique can be successfully used in order to enhance understanding between the different parties.

The EVLN model supposes that job satisfaction is a factor of exit, voice, loyalty and neglect. Exit is used to describe the situation where the employee leaves employment to look for another job while voice describes the effort to change rather than escape from the situation. On the other hand, loyalty and neglect describe situations where employees choose to suffer in silence or perform sub-optimally by working less, displaying reduced attention, rising absenteeism and lateness. As GC's Nancy avers, people stay or leave a company depending on how well they are treated, not just depending on the money they earn This is an important lesson for GC because it gives the company an opportunity to create a company with

employees who largely have the desired affective commitment to the firm (McShane – Von-Glinow, 2004).

### *Stakeholder Perspectives/Ethical Dilemmas*

Global Communications stakeholders include the company's employees, management, customers, and the worker's union. Employee rights include the right to fair wages, the right to unionize or not to unionize, the right to take time off whether it is sick leave, annual leave, or maternity leave and the right to a safe workplace. Other employee rights include the right not to be harassed and discriminated against and the right to privacy in personal affairs. Besides, workers value economic security, job satisfaction, health, and family happiness and their interests are better pay, motivation, and flexible schedules. As will be seen shortly, these values are often at variance with the rights, interests and values of other stakeholders, most notably the employer.(see table 2, appendix).

On the other hand, employers have the right to hire and fire and deserve to be respected and obeyed whenever they make rulings which are within the statutes of the law and are sensible. They value hard work, integrity, honesty, loyalty, hard work, respect, punctuality, commitment. Among their interests is profitability, larger market share and their company's good image. Unions have the right to receive member dues and remittances, a right to be consulted over employee matters and the right of assembly. Their values include fair employment practices, justice, social cohesion and equity.

Unions' interests include mobilization, empowerment and eradication of poverty, capacity building and training.

Conflicting interests between the company's employees and the management are many. One, the employees are interested in better pay while the management is interested in profitability. Whereas the two interests are not mutually exclusive, the present circumstances are such that the company needs to cut costs by among others reducing its payroll expenses. Having previously slashed employee benefits, the moral dilemma is whether the company can reduce the salaries further considering that majority of their employees have been very committed to the organization.

Another source of conflict between the employees' interests and those of the management centers on the former's need for motivation and the latter's drive towards profitability. The company's overwhelming desire to conquer the global market leads to job losses and salary cuts thereby greatly demoralizing the employees. Further, jobs are given to nationals of other countries. The question is whether the company has the moral standing to ditch long serving and loyal employees in this manner. This move breaks the relational psychological contract between the firm and the employees as most of them have been under the belief that their interests come first as its motto of people first asserts.

There is conflict also between the union's rights and those of the company. For instance, the union finds it necessary that they should be consulted on issues touching on unionized employees before decisions are reached, a



position disputed by the company which asserts its right to self-determine especially so given the privacy of the action sought. Further, the union's right to receive members' dues is severely threatened or diminished with the impending lay-offs and transfer of workers to other distant countries. The dilemma is this, that the union has made several concessions including allowing their members' salaries to be reduced. Shouldn't it then be the company's turn to make concessions?

Whereas the union is interested in employee mobilization, empowerment, poverty eradication, capacity building and training, the company's management is more interested in profit maximization and a larger market share. The line between the company's responsibilities towards its employees becomes rather hazy and begs the question as to whether and where this responsibility starts and ends.

These considerations mirror the assertions inherent in The Parable of Sadhu (McCoy, 2002). First of all, we get to ask the rankling question, what are the limits of responsibility? Even though employers have a right to hire and fire and are motivated by profit maximization, shouldn't this be tempered by the psychological contract, whether implied or real, so that these particular committed and loyal employees are retained? Or should the push for profit overrule any other consideration?

Secondly, the assertion that moral dilemmas are ambiguous rings true. The nature of the dilemma is multi-faceted such that there can hardly be said to be a right solution. By outsourcing and retrenching workers, the company

will start on a promising future where growth is virtually assured. As a result, the jobs of new employees would be more secure thus benefiting many. Conversely, retaining the workers at present pay may harm the company and lead to job losses, not for a few, but for all and possibly the demise of the firm.

Thirdly, the dilemmas typify the urgent need for the creation of a group process that is hinged on carefully considered and pre-agreed set of values which will be used to develop consensus. The company may not afford to place too much a responsibility on itself, but it needs to have some group values which go beyond profitability

### Problem Statement

Global Communications aspires to attain market leadership position both at home and globally

1. Global communications will boost its brand image by developing an appropriate communications strategy
2. Global communications will provide excellent customer service by attracting and retaining only the highest qualified employees
3. Global Communications will consistently adopt efficient processes by investing in new technologies and processes
4. Global Communications will strive to attain the highest form of integrity in all its undertakings by adopting a well defined set of values

5. Global Communications will offer its employees a safe, stimulating and rewarding environment by offering them competitive terms and remuneration and training opportunities
6. Global Communications will seek to increase its global market share by launching new products and services and through aggressive marketing
7. Global communications will exercise social responsibility by carrying out its obligations in an ethical manner and giving back to the society through various charitable events

#### End-State Vision

1. Improve brand visibility

Goal – enhance communication within the company through use of company intranet

Metric – monitor website traffic

Target – 350 hits per day

1. Attain a market leadership position in both the local and international market, offer

Goal – Increase our market share

Metrics – percentage increase in no. of customers

Target – To achieve an annual growth in customers of 10% in the first year and

boost it by 15% every year

1. Offer the highest quality service that meets the international best practices and exceeds customer expectations

Goal – attain zero defects process in all our operations

Metrics – number of external review audits/ certification programs

Target – 1 every year for the next two years

### Alternative Solutions

Goal 1:

#### *The issue*

Increasingly, Global Communications has been faced with communication problems, as evidenced by the announcement in the media about the planned lay offs even before the company had taken the initiative to inform its employees

#### *The opportunity and alternative solutions*

This state of affairs offers the company an opportunity to improve communication, leading to a positive brand image. Alternative solutions include use of verbal communication, video conferencing, pod casting, e-zines, telephone, letters and newsletters. The relevance of these solutions is that effective communication will better organizes employees thereby enabling them to build up shared mental models. Besides it will meet the

needs of employees by reducing stress from work and fulfilling their need for socialization. Additionally, good communication will sustain the management of knowledge by improving its uptake and dissemination as well as help the firm attain bigger market share. As McShane-Von Glinow (2004) assert, there is a 7 percent rise in market value whenever a firm's communications integrity is improved. Finally, better communication will lead to worker satisfaction, enhance the loyalty of the workers and result in an improved decision making process

## Goal 2

### *The issue*

The Global Communications Company is faced with dwindling sales and rising competition, factors which have vastly reduced its market position

### *The opportunity and alternative solutions*

This situation affords the company the chance to attain a market leadership position in both the local and international market. Alternative solutions that will lead to attainment of this goal include formation of strategic alliances and joint ventures with other similar enterprises, foreign direct investment in other countries, outsourcing and licensing, as well as aggressive marketing. Alternative solutions will expand the firm's market thus giving it the opportunity to shore up its market share.

## Goal 3

### *The Issue*

With Offer the highest quality service that meets the international best practices and exceeds customer expectations

### *The opportunity and alternative solutions*

This state of affairs presents the company with the opportunity to differentiate its services and products through provision of the highest quality possible goods and or services. Alternative solutions to the previously stated solution include continuous employee training, business networking, investments in R&D, creation of a fully fledged QA department, participation in peer review processes, and studies of case studies.

### Analysis of Alternative Solutions

The identified alternative solutions were subjected to an evaluation so that the best possible solutions which can give the company the desired outcomes at a cost-effective manner, within the desired time frame and with relative ease could be ascertained. This would give the company ready and credible solutions which can be considered for implementation in the event that the primary solutions cannot be implemented or do not meet with success.

From the analysis carried out, video conferencing was given a weight of 2.22 with regard to the first goal. Employee surveys and pod casting were all assigned an equal rating of 1.78. Newsletters had a rating of 1.67. The second goal entailed increasing GC's market share. Here, joint ventures with

other firms was assigned a weighting of 3.67 as opposed to introduction of new services and products (2.11) and was found to also offer a better alternative than foreign direct investment, licensing and outsourcing. Finally, continuous employee training had a weighting of 2.0 and business networking a rating of 3.22 with regard to the third goal of provision of high quality services and products.

On goal one, video conferencing had a higher rating because of several reasons. First, compared to the other two alternatives considered, it is a rich media. It involves the use of nonverbal communication, display of emotions, and has lesser room for filtering as people communicate one-on-one. Silence and conversational overlaps are uninhibited which also makes communication to be rich. Additionally, it has high symbolism, making it highly relevant as GC is in the communications sector. Newsletters and employee surveys are not media rich. Emotions are less displayed, there is higher risk of filtering, flaming, additionally, there is no personal touch, there may be noise in the form of language barriers (e. g. use of standard British English to converse with non-native speakers) and there is a real risk of information overload. Therefore, video conferencing is more appropriate in communication between management, employees and customers.

Joint ventures had a higher weight because they require significantly less capital investments. Secondly, knowledge of the foreign country where the operations are being established is provided by the foreign partner and the risk of failure due to cultural conflicts is greatly minimized. Additionally, drawbacks due to stringent import or export regulations and government

policies little affect the company. As a result, market expansion can be attained at a lower cost.

Business networking was assigned a higher rating than continuous training as a solution for provision of high quality goods and services because of several reasons. These include lower costs, improved process efficiencies, development of high quality products and shorter innovation cycles. Besides, no significant investment in resources is required (Evans & Wolf, 2005).

### Risk Assessment and Mitigation Techniques

According to Puschaver and Eccles (cited in Billington, 1997 p. 3), risk can be defined as ““ bad things that do happen and good things that don’t happen.” Here, the importance of looking at both downside and upside risks is stressed and risk categorized as a hazard, as uncertainty and as an opportunity.

As a hazard, risk is looked at as potentially undesirable occurrences for which appropriate mitigating measures must be put in place. These undesirable effects may include financial loss, fraud, product recalls, injury and contamination. When looking at risk as uncertainty, quantitative techniques are applied to reduce the variance between the projected and actual outcomes. Finally, risk can be viewed as something that portends openings from which benefits can be obtained. This is the upside aspect of risk and it involves determining the openings that a risk may pose. It often requires entrepreneurship, innovation, and initiative (Billington, 1997).



## Optimal Solution

From the foregoing, it is opined that the most optimal solution which Global Communications can utilize in order to attain the end vision is getting into joint ventures with other multinational firms in the same business. Briefly, joint ventures are foreign market entry modes which entail a consensual agreement between the joint partners. These agreements involve the formation of a vehicle, temporary or long term, which is used by the parties to advance their business interests. These arrangements are favored because they lead to market entry, skill and technology transfer, access to distribution channels and conformance to the stipulations of the foreign country government (L'Estrange & Brett, n. d.)

This is the most optimal solution because it will enable the company enter into foreign markets without the need for huge capital investments. Entry barriers will be significantly reduced. The proprietary learning curve will be less steep and risk of cultural conflicts will be reduced vastly as the firm will be able to take advantage of the local knowledge of its joint partner. Still on entry barriers, the host country's government regulations especially those touching on excise duty, import policies and other trade restrictions will not significantly impact on the firm in a negative manner.

Additionally, the company will be able to diversify the risks associated with macroeconomic considerations. Operational risks, for instance risks occasioned by natural calamities such as earthquakes, will also be minimized through this diversification into many disparate regions. More markets will be

accessed and economies of scale thus obtained easily. Possibly, the product life cycle of the company's older products and services could be extended by selling them in less developed nations. The firm's brand image will be highly visible because of inter-market crossover clients. Moreover, expenses, risks and investments will be shared by both partners. Local employees of Global Communications could also benefit from technology and knowledge transfer from the joint partners. The company will also benefit as it will have access to distribution channels. On top of this, Global Communications may find it easier to gain political connections in the host country.

As stated in the end vision, entry into the international market is a key strategy which underpins the continued survival of the firm. Joint ventures with other companies will help Global communications attain this goal. Since the company also desires to gain a firm foothold in the local market, it could retain its employees and strengthen its local operations. Retrenching its experienced employees could be counter productive as they may be absorbed by its competitors and Global Communications will lose experienced people who could have helped the company penetrate the local market. By retaining the local employees, Global communications will avoid the potentially damaging conflict with the trade union besides tackling the ethical dilemma by fulfilling the psychological contract with its workers.

### Implementation Plan

The following are the steps which can be used to implement the suggested optimal solution are described in the table below;

Table 1 Implementation Plan for the optimal solution (L'Estrange & Brett Solicitors, n. d.).

Action plan	Major deliverable	Person responsible	Timeline
1. Identify target markets	list of target markets	1 week	Sy Rodriguez, Nancy Everhardt
2. Scout for potential partners	list of potential partners	2 days	Sy Rodriguez, Nancy Everhardt
3. Due diligence on partners	due diligence report	1 week	Sy Rodriguez, Nancy Everhardt
4. Formal approach	Proposal	5 days	Sy Rodriguez

			z
5. Negotiations	Co-operation agreement	2 weeks	Katrina Heinz
6.	Joint venture agreement	1 week	Katrina Heinz
7.	Memorandum and articles of association	2 weeks	Katrina Heinz, Joel Thompson
8.	Deadlock resolution framework	2 days	Joel Thompson
9.	Share transfer guidelines	2 days	Katrina Heinz
10.	Voluntary liquidation procedures	2 days	Katrina Heinz

1	Capital and		Katrina
1.	funding	1 week	Heinz
	guidelines		
1	Intellectual		Katrina
2.	property	2 fays	Heinz,
	framework		
			Katrina
1	Employe		Heinz,
3.	nt	2 days	Joel
	framework		Thompso
			n
			Katrina
1	Cross		Heinz,
4.	border	2 days	Joel
	trading		Thompso
	guidelines		n
1	Terminatio		Katrina
5.	n	2 days	Heinz
	agreement		
1	Constitution of Board of	3 weeks	Katrina
6.	the board	directors	Heinz,
			Joel

		Thompson
		n
		Katrina
		Heinz,
		Joel
1. Operationaliza	3	Thompson
7. tion of plan	months	n, Sy
		Rodrigue
		z, Nancy
		Everhard
		t

## Evaluation of Results

### Measures of success

1. website traffic – 350 hits per day
2. an annual growth in customers of 10% in the first year and 15% thereafter every year
3. successful external audit/ review and or certification by accredited standards body every year for the next two years

### Measurement Tools

Website traffic, a quantitative assessment, will be measured using reputable web tracking services such as Alexa. com. Annualized growth in customers is also quantitative and will be assessed using sales and revenue reports.

Finally, measures of quality will be qualitative and will involve looking at the successful completion of at least one external review and or certification annually.

### Validity and reliability

Validity is defined as “ the capacity of a measure to measure what it is supposed to measure” (Zikmund 2003 p. 303) In other words, validity demonstrates the extent to which collated data gives a true measurement of social reality (Livesey, 2008). Reliability on the other hand refers to the extent to which measures are free from flaws and thus give consistent results (Peter, 1979). Reliability is a function of consistency, precision, and repeatability of the collected data Livesey (2008).

Concerning the reliability of the measures of customer growth, the sales and revenue reports will be compared to other financial reports such as income statements, invoices, and auditor reports, among others to verify that there are no inconsistencies. It is assumed that this measure is valid as it explicitly points out the customer volume.

Reliability of website traffic results will be determined through the pre-test posttest method. Traffic will be analyzed by a different firm from the contracted company and outcomes considered reliable only and only if the figures from the different firms tally. It will be assumed that the outcomes are valid since it is the company's site that is being assessed.

Assessment of the reliability of the external reviews and or certification process on quality will be assessed using extra data collected from customer feedback forms and product recalls. Quality improvements manifested by successful certification and or reviews should accordingly be reflected in positive customer feedbacks and low level of product recalls. The converse is also true. Where this is noted, the measure will be deemed to be reliable. On this measure also, validity is explicit thus we assume that the measure is valid.

#### Measures of success and additional opportunities

Measures of website traffic will indicate to management how, when and to what extent communication about the company is accessed and by who. Opportunities for the company are hence plenty and include online employee surveys, e-transactions, customer profiling, and human resource management among others. Opportunities arising from assessment of customer growth can be used for trend analysis, customer relation management or CRM, forecasting, and growth planning. This data will also be the most vital in determining whether and to what extent the suggested solutions are working. Finally, Global Communications can use the external reviews and or certification processes for marketing purposes and training activities.

#### Conclusion

This paper discussed various aspects relating to Global Communications company. Adoption of a joint venture arrangement, creation of an effective



communication strategy hinged on its intranet as well as quality reviews and or certification were some of the solutions suggested to enable the firm overcome its challenges.

The paper enabled me to learn in great detail various aspects of situational analysis, problem solving, formulation of vision statements and goal setting, risk assessment, strategic planning, critical thinking and evaluation of outcomes. Additionally, I gained a deeper understanding of ethical perspectives in business, employee and employer rights and obligations, and the workings of trade unions. The various problems presented also enabled me to gain a deeper appreciation of the role of communication in any setting.

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