

Communication in management system

[Business](#), [Management](#)



An effective way of communicating is to let know all managers and employees the company's vision, and how it must be achieved. "

Good communication is essential to the smooth running of the people management system. It must be a two-way process. This can involve a cascade flow of information from the top and also feedback from lower levels." (Price, 2004 p. 80) We see that in the current structure of Meridian has proven not to be effective when communicating ideas, and specially that weakness has manifest with the introduction of the GTO Division and its purpose of developing, sharing and gathering knowledge from all other divisions and subsidiaries. "

One of the biggest things is that people don't understand the roles and responsibilities of GTO at the operations level, the business level... because today, I would bet, you go to any one of the plants and half the people there wouldn't even know what goes on here at GTO" (Case 5-4a, Meridian Magnesium: International Technology Transfer). The way an organisation is perceived by its members depends entirely on its corporate culture and the means used to introduce and developed the fundamentals that will help built a straight and forward communication in all divisions.

With the proposed structure, GTO will be in the middle of all production subsidiaries enabling a circular and an all-channel network communication system that will enhance all production plants sharing, and implementing new knowledge or innovations. At the same time all VP Divisions will also have an improve and direct contact with what is going on inside the production square, all though VP of Global Technology will be the one in

charge of letting know in an upper level the development of GTO and at the same time transmit all formal enquires from upper management.

R; D (Research and Development) - (KM) Knowledge Management " Globally linked innovation pools the resources and capabilities of many different units - at both the parent company and subsidiary level- to jointly create and manage an activity" (Bartlett p. 457). With the creation of VP of Global Technologies and later the GTO Division, Meridian started to introduce the idea of generating R; D and KM.

Some programs were developed and spread in all three subsidiaries but the integration of all of them towards achieving a common purpose of improving in both R; D and KM was not totally successful, " at the same time locations develop ideas that protect as their own without sharing with other subsidiaries, and if they do there is certain reluctance among them to adopt what they think ate outside ideas. 'Not Invented Syndrome'" (Bartlett p. 457). However communication problems jointly with the organisation's structure and the unclear message of their corporate strategy in upper and lower levels contributed that the GTO message did not had the expected diffusion, response and impact on all three subsidiaries.

Meridian is affronting barriers in KM that doesn't permit them to develop their GTO's purpose. There is a missing connection in the company's corporate strategy that has not permitted them to build a knowledge dimension that implies commitment and support from top management executives. There are information gaps between VP's and subsidiaries managers that together with the lack of understanding of knowledge

facilitation and training are not making solutions possible. There is little or no interaction at all between the facilities and GTO is perceived as a non-functional division precisely because of the lack of information and commitment from all its members to make it work.

" When experts share their expertise with others, they are frequently in the position of communicating with people less expert than themselves. This requires that they somehow bridge the gap between themselves and those with less expertise" (Hinds & Pfeffer, 2003 p. 5) At Meridian, the bridge is very weak and there seems to be not enough commitment from all the people involved but only until certain level.

Plant Managers are only willing to help and change if necessary, until certain degree that doesn't affect their 'way of doing' things, or 'their way of solving things'. " Knowledge Management (KM) is the process of creating value from the intangible assets of an enterprise. It deals with how best to leverage knowledge internally in the enterprise and externally to the customers and stakeholders" (Ergazakis, Karnezis, Metaxiotis and Psarras, 2002 p. 37)

On the proposed structure we can see that GTO is situated in the centre and will allow all three facilities to interact between them by sharing and accepting inside and outside knowledge that can benefit the company as a whole. At the same time KM will have a core unit, as it is GTO, which will be the division that receives, processes, shares and establishes priorities within innovation and R&D. Within each subsidiary there is permanent presence of GTO staff members that will help in the training, collection and implementation of new ideas, skills and techniques, turning each production

facility as an incubator of ideas that will eventually flow through GTO's appropriate management.

Human Resource Management It is said that in an organisation people is their most valuable asset. Managing people in organisations is a difficult task that involves the expertise of allocating the right people for the right job. One of the decisive factors when managing people in organisations is the way of motivating people to perform their tasks and under what guidance should they be oriented to do so.

In Meridian, according to its organisational structure HRM (Human Resource Management) has been exclusively handle by each of the facilities, with the introduction of GTO, a new division that had to deal with all subsidiaries, and that necessarily according to its objectives has to interrelate with all the members of the organisation in all levels, there has been some weakness within the process.

On the process selection of the CT (core technology) group, which was seen by the VP of Global Technologies, as the " team that would be able to do anything technology-related within the fields of magnesium, die-casting and auto parts" (Case 5-4a, Meridian Magnesium: International Technology Transfer). In other words and referencing it by its name, it was the core, the base of GTO. Its members are all experts engineers on their areas, most of them come from the Canadian and USA subsidiaries, what about Italy? Italy is the production plant that is still struggling behind the other two, and no one from that facility was incorporated to the team.

Following the proposed organisational structure, GTO staff and its three different ramifications, (advanced engineering, forward programs and CT), must enlarge their staff to be present on all three plants and start programs of R; D, and a posterior collection, analysis and diffusion of data (KM). By having members that after receiving the adequate training know what to do, how to do it, and how to measure its effectiveness on all three subsidiaries, communication will flow properly on all directions of the production square and consequently to its upper levels. Its important as a policy of International HRM in a MNE (multinational enterprise) to have people, if possible, that comes from each one of the subsidiaries to create a team that would share the problems and innovations of each of the production plants.

Rotation of personnel within the GTO division in each of the subsidiaries could be an option, but if communication channels were open for sharing expertise and knowledge it wouldn't be necessary, cause information would be flowing in all directions. Also, having people from outside the company can enrich the experience by submitting new and refreshing ideas and at the same time by not having any emotional or labour attachment to the production locations. A perfect complementation of new staff and company's staff from all different locations would be the ideal for the GTO division, under the leadership of an experience executive that can encourage and spread commitment, the goals and the corporate strategy of the company.

Recommendations Meridian Magnesium deeply shows a weakness in its organisational structure that when starting the new VP on Global Technologies and further down the GTO division put on evidence the

problem of a lack of knowledge of their corporate strategy at all levels. The implications that GTO would have in an area such as KM (Knowledge Management), that even though has been present all times on all its locations, was never measured and used properly when sharing information and expertise put on evidence many problems.

First of all the proposed organisational structure, will integrate all subsidiaries with GTO and its three ramifications. At the same time all VP's will have a more direct contact depending on their areas with production centres, but as a responsible of the layout and policies of GTO will be the VP of Global Technologies who will be the one to inform the programs conducted by GTO in an upper level. The creation of a new division that will necessary will require funds has urged the creation of a VP of Financial Solutions, who will be in charge of finding the best funding solutions not only for GTO but for all the companies necessities.

Even though the centralized disposition where GTO headquarters have being located geographically in the same area of the Canadian facility, with the proposed organisational structure there will be a rapid interaction with the GTO staff members in all three locations that will enhance a fluent communication of all the R&D programs as well as establishing the bases for a KM that would have start a program of sharing expertise and problem solution. To achieve all this, HRM has to develop an intensive program of recruiting new persons and the allocation of currently staff members on all its locations to develop all GTO programs successful.

All this proposed guidelines are mere interpretations of what has been considered as possible solutions, however the reality and panorama of the working environment of Meridian shows that they have the potentiality to overcome all these problems, after all, it's not about starting again with the GTO program but to improve and use all that intangible knowledge that is there, but due to a lack of commitment and proper communication of the corporate strategy, has been underestimated and considered as private property of each subsidiary.

References: Ackerman, Mark S. Pipek, Volkmar. Wulmar Volker. 2003, 1st edn, *Sharing Expertise, Beyond Knowledge Management*. Massachusetts Institute of Technology, USA. Bartlett, Christopher A. & Ghoshal Sumantra. 1990, 'Matrix Management: Not a Structure, a Frame of Mind' *Harvard Business Review* 68, pp. 138-145.