

Acetate department case analysis essay



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Synthesis The old acetate department located in an old four storey building follows a workflow that is heavily based on shifts/rotations because production is based on a per batch basis. A typical shift, the group leader and his crew would complete two or three batches. The night shift usually has lesser work because no deliveries were made. In the new system, the management wants to improve productivity. The department was redesigned from batches to continuous processing. Technical changes allowed the department to reduce its workforce due to acquisition of machines.

The new system expects an increase in production capacity to 25 million pound per year. There was also an increase in pay for the remaining employees. No one was dismissed, but other employees were transferred to other departments in the company. With the new system being implemented, the anticipated increase in actual production did not materialize and is still close to what the old technology was producing. Absenteeism is also causing setbacks and substantial losses resulted from several judgmental errors by operators. Point of View

Department Head is the overall in-charge. He sees the changes or problems that hinder the progress of acetate department Statement of Problem Why didn't the department's innovations improve output and performance? How can the New System of Acetate Department be effective? Objectives 1. To eliminate judgmental errors by operators in a month. 2. To achieve zero absenteeism in the next three months. 3. To increase actual output in six months. Areas for Consideration 1. Force Field Analysis -A useful technique for looking at all the forces for and against a decision.

The Analysis will be used in order to identify the problems that hinder the new system in the Acetate Department to work. Forces against change: Forces for change: Total: 15 Total: 12 To help eliminate errors (- 2 points), additional seminars or refresher training can be conducted (+ 2 on training). Less supervision (-2) can be addressed by bringing back a group leader to train and supervise the employees (+2 on training). Absenteeism (-1) can be addressed by providing additional bonus to the employees with perfect attendance (+1 on employee rewards and benefits).

These changes would swing the balance from 15: 12(in favor of the forces against the change) to 10: 17 (in favor of the change). 2. Traditional Approaches to the Measurement of Organizational Effectiveness of the New System Goal Approach -Consists of identifying an organization's output goals and assessing how well the organization has attained goals. Indicators
 System Profitability No Market Share Yes Growth No Social Responsibility Yes Profitability- the positive gain from business operations

Market share- the proportion of the market the firm is able to capture relative to competitors Growth-the ability of an organization to increase its sales, profits, or client base over time Social Responsibility-how well the organization serves the interests of society as well as itself. *With an increased capacity in the new system, it is expected that the company will earn more profits unfortunately actual output is below capacity and production is identical to that of the old system. Resource-based Approach - Looks at the input side of the transformation process.

It assumes organizations must be successful in obtaining and managing valued resources in order to be effective. Indicators

New System Bargaining Position	No	The abilities of the organization's decision makers to perceive and correctly interpret the real properties of the external environment	Yes
The abilities of the managers to use tangible (supplies, people) and intangible (knowledge, corporate culture) resources in day-to-day org activities to achieve superior performance	No	The ability of the organization to respond the changes in the environment	Yes

Bargaining Position- the ability of the organization to obtain from its valued resources, including financial resources, raw materials, human resources, knowledge, and technology. *When the new system was introduced, actual output has lagged well below the capacity due to employees' non-commitment resulting to absenteeism and several judgmental errors occurred. Internal Process Approach -Effectiveness is measured as internal organizational health and efficiency. Indicators

New System	Strong, adaptive corporate culture and positive work climate	Yes
Operational efficiency, minimal resources to achieve outcomes.	Yes	Undistorted horizontal and vertical communication
No	Growth and development of employees	No
*Employees were not informed and consulted about the changes in the department's system. There was no shared planning. Employees tend to resist to the changes, thus, there was no appreciation and proper application of the new system. ? With the analysis of the new system's effectiveness using the 3 approaches, the new system is found to be currently ineffective.		

Alternative Courses of Action 1. Go back to the unfreezing stage of the New Acetate Department System Advantages: -Will be able to clarify expectations with employees -Will open horizontal and vertical communication -Will give employees more time for training and orientation to the new system -Will eliminate judgmental errors by operators -Will achieve zero absenteeism - Will increase actual output/productivity Disadvantages: -Time consuming - Interruption on operations -Additional costs for training 2. Continue with no changes on the implementation of the New Acetate Department System.

Advantages: -Will save time -No Interruption on operations -No Additional costs for training Disadvantages: -Continue high rate of absenteeism - Continued operational errors -Low production compared to what is expected 3. Go back to the Old Acetate Department System. Advantages: -No training needed -No additional costs Disadvantages: -Slower production -Low production capacity -No innovation Recommendation Alternative Courses of Action Goal Resources Internal Process ACA 1 Yes Yes Yes ACA 2 No No No ACA 3 Yes No No

The resource-based and internal process approaches show that human resources affect the effectiveness of the new system. Misuse of this resource leads to their unachieved goal of profitability and growth. Taking the new system, the change needs to be effectively established. In order for the system to be effective, the new system should be able to gain people's commitment and cooperation. That is why we recommend that we adapt the system but re-establish the goals that usually happen during the unfreezing stage of the change. Implementation 1. Meeting with the employees the management should meet the employees in a quorum in order to inform

them the reason of adopting a new system and its advantages specifically of efficiency and productivity. In turn, the management should take note of the concerns raised by the employees because this will be vital in making the new system effective. When: As soon as possible, to eliminate the problems encountered (absenteeism, operational errors, low productivity) Resources: Time 2. Reorganizing the structure of the department -There will be changes in the structure in able to adapt to the new system.

All members should be flexible, knowledgeable of all the tasks and processes in order to fill in gaps and avoid lags in operation if ever a member is not present As part of the standards of the department and in order to keep the quality of its product, members should take turns to observe the cleanliness of the department. The instructions will come only from the group leader for close and direct supervision. There will be an assistant operator which will be in charge in case the group leader will attend a meeting or will be out of the office. He has an authority also.

All members should be flexible with the tasks for them to be knowledgeable of the process. Every member should engage in cleaning the area. When: After the meeting and agreement with the employees Resources: Maintenance and Operating Expenses (MOE) 3. Briefing of tasks and roles Incentives to employees with perfect attendance will reinforce the acetate department in making the new system effective. This signifies the participation and commitment of employees to the new system Delegation of roles and tasks should be supplemented by proper trainings and collaterals, as to introduce their part in the new system.

Roles should be clear among employees to avoid judgmental errors. When: After the meeting and agreement with the employees Resources: Cost for training, Cost for incentives and collaterals (handbooks) 4. Assessment of effectiveness of the new system After the first three steps are taken into consideration, assessment of effectiveness of the new system can be seen through actual production generated. Learning Points It's vital for any company to be continually infused with new ideas. Get your new ideas from those who are front-and-center.

And reap the rewards of inspired employees and innovation. Learn how to change company culture to boost your effectiveness and everyone will benefit. In order to effectively apply the changes in your company, goals and roles should be clear to each member of an organization to guarantee cooperation and thus achieving effectiveness. Everyone should be committed to achieve the team's goals. This will lead not only to increased knowledge and understanding but also to sustained change in practice or policy.