

Problem solution: global communications



Global Communication, on its quest to enter the global market, encountered internal and external conflicts. Faced by an ethical dilemma, it had to choose risking the fading of GC against the background of the telecommunication industry or to lay off many workers. Choosing the latter option, this then proposed a problem with the union and themselves became a main stakeholder. First, I will explore the events (symptoms) that lead to the problems that GC is currently facing. Then, identify the conflicts that occur when parties with opposing interest meet face to face like GC and the union.

And finally, I will analyze the goals it needs to set in order to find a solution to the trap it has fallen into, by presenting some suggested solutions it should follow to regain its momentum. In GC's situation, the executives failed to coordinate with technologies workers union to achieve their ultimate goal: globalization. This objective clashed with the union's ambition to provide employees with their basic rights like maintaining their jobs. GC's approach to go international is due to the competition they face in the telecommunication industry.

There is no need to follow a Machiavellian approach, " Effective communication is vital to all organizations because it coordinates employees, fulfills employee needs, supports knowledge management, and improves decision making (Steve L. McShane, Mary Ann Von Glinow, 2005, p. 3). The lack of partnership with the technologies workers union disturbed the route of communication with the public and its employees. GC permitted the wrong level of media richness with the workers union and employees; they chose to communicate through the corporate grapevine channel in this unique situation.

Even though GC should have prevented the grapevine communication, “ 75 percent of employees typically receive news from the grapevine before they hear about it through formal channels,” (McShane, Von Glinow, 2005 p. 30) . By not informing the union and employees of the future arrangements, there was not a solid explanation of what was to come of everyone’s future. Therefore, the union and employees were forced to receive information from the grapevine. GC’s management assumed that the communication was accomplished by selling their idea to the union.

This brought about a stumbling block with their communication with the union. As mentioned in this statement “ The greatest problem with communication is the illusion that it has been accomplished. ” (McShane, Von Glinow, 2005, P16). GC failed to recognize how the union might have reacted to their policy to spread globally at the expense of many their worker’s jobs. Other than not predicting the union’s next move, it also failed to actively listen to one another and to sense each others goals, evaluating and responding. GC’s inability to communicate was ineffective because of the lack of listening to the union.

As stated here “ Nature gave people two ears but only one tongue, which is a gentle hint that they should listen more than they talk” (Steve L. McShane, Mary Ann Von Glinow, 2005, P25), The only way that communication can be effective is when you listen to the opposing party and try compromise while considering their interest as well. Conflicts occur from lack of listening as I have mentioned, as well as when dissimilar standpoints and goals clash in trying to get a unified point or solution. The merging of different viewpoints generates a competent judgment.

Everyone in the scenario is a stakeholder since they are all affected by the new policy. GC is competing in industry where they are falling behind due to cable companies, therefore if they do not take action soon GC might not survive. According to this proposal, many workers will lose their present occupation in GC. On the other hand, the workers union tries to provide their employees with appropriate working conditions under any circumstances and getting laid off is not in their agenda. For the sake of the company's privacy, GC did not reveal their upcoming tactics because the information was confidential.

The managements of GC at this point faced an ethical dilemma between revealing the company confidential information and incorporating the union in their decision making. The union has to make sure that workers are being treated fairly while; GC has to respect its company's privacy. These targets are poles apart and crash when they encounter each other. While Global Communications decision to enter the global market and find new ways to increase profits and cut costs to remain competent in today's market is quite reasonable, however it failed to communicate it in the appropriate manner.

The inputs from the technologies workers union will help GC make an informant decision by better understanding the outcome of their strategy. In an organization, the most efficient decisions are made when everyone's perspective are taken into consideration simultaneously, placing yourself at the top of the list. An alliance with the unions in decision making will yield a better solution where anxieties due to a loss of law suit or one's reputation would not exist. Using more persuasive channels would have prevented communication barriers.

Communicating with the workers union from the start would prevent rumors of the circumstances of the company and employees. At this point GC should have taken the time to role play any complications that they predict would arise like the reaction from the workers union. GC should have considered the cost of the reaction by the union and whether the legal action will compensate the gain of lying off workers. Global communication can enter the global market by first accomplishing its end state goals.

The first step to achieve after relocating to Ireland and India is by increasing their profits and cutting costs. In able for a system to attain that goal is by preparing and monitoring costs on a monthly basis. An additional end state goal is to aim for the recuperation of their most important assets: their reputation. By reconstructing their reputation they are restoring their stock value and employee's loyalty. GC should try to regain the public's trust in order to increase the amount of investments in GC to play a significant role in the telecommunication industry.

Also, internally employees suffered a great loss in losing their jobs and even those who remained are probably questioning their individual worth to the company and whether or not their positions in their job are guaranteed. To restore their reputation, also means not losing their best employees to their competitors. Ford Motors like Global Communications must look for new lines of income by going global and cutting costs to remain competent in today's market. Although they are very different industries their relationships with the union are congruent.

In order for Ford Motor's corporation to remain competitive in the automobile industry, it has to increase profits, which means cutting costs from some areas. Ford Motor Corporation did so by laying workers off in the US and using Magna International to fabricate some of their parts in European countries. This cropped up rusty relationships with the United Autos Union, but presently it is a priority for Ford to have level of communication with the unions. " With the economic condition of the auto industry, I'm surprised that our national bargaining committee came up with such a good contract" (Mills, 2007).

Global Communications as well, did not see the significance of communicating to the telecommunication union about their plans to lay off workers which offset a possible law suit. Ford like GC should keep a close alliance with the unions especially in matters where the employees are major stakeholders. Forming an alliance with the union is the first step in increasing communications, but that can be completely useless if there are no good negotiating/communicating skills amidst the clashing interest of different parties.

Global one is called courageous technology: a globally shared resource. The three main parent companies lacked communication due to their own internal interests: Deutsche continued to try and make an unsuccessful and unsolicited bid for Telecom Italia, and Sprint was trying to support both French and German partners about merge with MCI WorldCom. Unable to make a collective agreement increased tension between the parental bodies of Global One. The lack of negotiation and communication was also evident in Global Communication .

This forced communication barriers and forced rumors to dance around the grapevine. Once VF Image Wear, located in Martinsville, Virginia, produced 75 % of the world's sweatshirts. The company has now relocated to Mexico, Honduras and Pakistan because it unable to compete in American soil. Overseas they can take advantage of lower cots and cheap labor. Thousands of its loyal employees who have worked fort them all their life were left jobless. Many of them are too old and uneducated to star over. Due the new established markets built overseas, 85 % of their manufacturing jobs are abroad.

Global communication sought to go overseas to Ireland and England, by doing that they cut cost for about 40 %. Outsourcing for VF Image wear worked efficiently for them, they are still in the market although they also had to lay off workers like GC. However, with the application of allying with union and effective communication it can be done easier. Outsourcing will help Global Communication compete in its industry, but the plan they executed lacked well thought out strategies and sensitivity. Global Communication should take the appropriate steps to become financially secure once again.

What frequently companies fail to do is properly manage cost on monthly basis, such as investment risks and managing a budget. When a company, like Cable ; Wires, start making substantial amount of money and grow confident, they begin to think it is a permanent state. Without careful measure of money dealings, what you have worked so hard to build up can come crashing down. The major collapse came when Cable ; Wireless filed in

the UK for in-land revenue protection, or bankruptcy protection here in the United States. Their debt to income ratio was swaying.

It is important to have team of experts that can frequently prepare and monitor costs on a monthly basis that can advise the company and take part of major decisions. In the recently born Information Age the Yahoo! , which existed during the first years the internet began to sprawl up, is now loosing competition to Google. This becomes especially difficult when Fortune 500 Magazine said that Google is one of the best places to work for, while Yahoo's employees are openly discussing and exposing the maltreatment they are facing.

Yahoo should provide them with more benefits and promises as to why they should continue to work patiently for Yahoo as it grows and prosper with no guarantee. This is similar to that of Global Communication situation where the employees that remain and will relocate to Ireland and England are getting 10% cut in their salary. This is a chance for competitors to crawl in and take the best employees. To maintain loyal employees that risk the security of their position with a company that just fired many workers will take a lot of promises.

Like a percent increase in their income and benefits that will make them more secure. Although a company can set numerous goals to target, naturally we prioritize one from the other due to resources, time and gain. In Table 3, I listed five goals that Global Communications should aim for starting with cutting cost and increasing entering the global market.

According to global communication's needs and current stand point they are

in a position where if they do not take this measure they might become irrelevant.

Globalization will help them reduce cost and increase profits. By expanding its unit abroad they can cut cost for about 40 % and increase, which explains why I set the cutting cost goal second. Cutting cost is important for the company to grow in the long run by putting up a fight against the cable companies. But in the expense of relocating unfortunately many employees will be laid off. My third goal is restoring its reputation. When the company sought to lay off workers this was not done through the advice and incorporation of the union.

In this case Global communication should seek to do any means necessary to insure the union and employees that in the future this will not happen again and help them cope with loosing their jobs. In order to make it self distinguishable from other companies in the same industry is by providing better and more sophisticated technicians as I have listed as my number 4 in my list. And finally the last goal is to try in earning the publics loyalty by increasing investments in its company. The public's support can help them expand further.

In Table 3 the best alternate solution that I ranked the highest is outsourcing, Outsourcing will help Global Communication compete in its industry and cut cost by using cheaper labor , This will result in increasing the profit margin and regain the investors trust. The second highest rating is that of cutting non-value added cost. The cost will help also increase the profit margin and restore the investor trust. The third highest alternative solution ranked is

partner ring with the union because this will restore the company reputation and will prevent the negative outcome from the disagreement with the union.

Transactions and negotiation are key factors in any company as we have seen in GC scenario. Although they had a great plan well thought out, a law suit from the union caused by the lack of communication can change everything. A decision to relocate is done within the company and those in charge, not until it is communicated to public. In regards to the goals, first with globalization, I ranked it a four because a decision to relocate is done within the company and those in charge, not until it is communicated to public do you actually need to hire an effective communicator.

The second goal, cutting costs, I ranked it five because cutting costs is the most importance aspect of the company performance. However in relation to the restoring reputation I ranked it a four because your reputation is through how the company is represented and how others view them. Most likely the wrong diction and language can affect others point of view. The lack of communication from GC's part was viewed as a lack of consideration of the employees, the customers and the unions.

A good level of communication between them could have prevented any surprise and probably yielded a compromise between both of their interest. In regards to GC providing more sophisticated service as one of their goals I ranked it a two. Plain and simple: you can't talk your way into offering a good service, either you do or you don't, meaning you can't verbally convince someone that you do. And last but not least it is increasing the number of

investments in GC. This requires that the public begins to trust them and believe that their money is well invested in.

Therefore I ranked this a four because hiring a good communicator can help convince people to see how their investment today will benefit them in the long run. This takes good communication skills. Every alternative solution has its risk and consequences that need to be carefully considered. Breaking them down can even whether you might apply it. The first alternative solution I will be analyzing is monitoring costs. First and foremost when you have a budget like most companies do, you try to minimize cost and maximize profits as much as possible.

The risks of monitoring cost, like using cheaper labor from abroad, can affect the quality of the service or product. Companies usually struggle between maintaining their budget and using a less qualified labor force in order to reduce costs. A budget also decreases the expansion of R& D and investments. Mitigation techniques best suited for these condition is hiring a cost budget expertise to prevent spending in non-value added expenses and keeping up to date in technology by benchmarking against the best in the practice.

Highlighted the negative outcome of this altering solution does not narrow my choice of executing it. The benefit from actually monitoring cost that keeps you from falling into financial traps is something that can be taken care with a good financial team. Another alternate solution that I will explore is that of increasing benefits to the remaining employees. This will help the employees feel more secure and less likely to up and leave for a competitor,

on the other hand, this will increase cost for the company as well as sending mixed messages to the other laid off employees.

It will be ironic that they can spend more money increasing benefits when they could have just kept all employees. Mitigation techniques that will go along in this situation are increase employees profit sharing percentage. From analyzing it I do find that it narrows my choice of using it because according to current circumstances there are more people than there are jobs, therefore if one rejects it, surely another will take it. After much research of Global Communications bench marking and analyzing, I have formed a solution to make the goals we have been previously talking about tangible.

The first step is globalization. Their plan was a pretty good alternative solution for their standpoint. Entering the global market will help them take a stern role in the telecommunication market once again and compete against cable companies. This is a good way to diffuse the company internationally and allow it to be able to compete against others in the industry. As I mentioned earlier in various examples of companies (VF Image wear and Ford) outsourcing has been on most cases a successful route to take in order for a company to reduce cost and grow.

Outsourcing is important in the sense that it will reduce cost for GC by 40 %, therefore increase profits and become a more competent candidate in the telecommunication market. Relocating to Ireland and England will also provide internet services to small business and offer more sophisticated services. If we look at VF Image wear they would not be able to compete and survive in

the textile industry had it not been for outsourcing. And by observing Ford and General Motors situation as a reference, we can see how well they were after outsourcing.

For example, Ford Motor Corporation decided to use Magna International to fabricate some of their parts in European countries. The decision to outsource has made Ford Motor Corporation more competitive globally than General Motors or Chrysler, which is exactly what Global Communications was looking to do in their strategic plan (Hoffman & Howes, 2007).

Relocating to Europe is the best solution right now for GC, but in this case it is at the expense of the US union workers. Although this is a situation that no one wants to be in, and although GC carried out this decision in a wrong manner, it is a good plan for them.

However this matter that is so sensitive and big, it needs a lot of compromise, gentleness and openness to opinions. Global communication failed to communicate to the telecommunication union about their plans that obviously affected the employees, whom they are supposed to look after. Working and allying ones company with the union is an important strategy when a plan that a company hopes to execute affects employees directly. Keeping communication lines open with unions can have some benefits, as Ford saw a marginal increase when dealing with the union.

What we must clarify here also is that working with the union or anyone even your own business partner is not useful unless communication is effective. The lack of communication between GC and the union first caused a possible law suit. Second it forced rumors to channel from the grapevine from not

communicating to others about their plans. GC should hire an effective communication team to handle circumstances where sensitivity and even a little “beating around the bush” are needed. This team should be used during negotiations or when speaking to the public when necessary.

We can explain the importance of communication by just looking at the example of Global One. When the lack of a collective communication route is not properly conveyed it can restrain the growth and expansion of accompany. By following all of these solutions, GC should then become noted in the market and thus restore its reputation. After the Union vs. GC incident surely to many, they will be portrayed as unfriendly to employees. Therefore it should restore its reputation by immediately having meeting with the union to crop up some compromise regarding its employees, to benefit in the long run.

Improving their reputation with employees and the public as well as hiring a good communication team will help “re-earn” the public's trust and increase GC investments. In order to implement our plan critical steps must be taken immediately and in sense of urgency, our plan will not be enlighten except successful execution and coordination of all the executives team been pursued. We should start with sending a memo to the employees regarding the situations and what are the company procedures to cut cost to get back as the industry leaders, we should end the grapevine communications between the employees and prevent the speculation.

I will suggest that a memo to be send next week by Katrina to every one in the company by specific information about which departments will be

affected and what the employees should expect in the next couple of months. In the mean time we should also try to restore the negotiation with the workers union by sending them a letter, the letter will be sent by Katrina Heinz and Joel Thompson to focus on how we will try to work some thing out with the union leaders to the laid off employees. We will dictate how we can partially compensate the loss of the employee's jobs by offering them some benefit such as severance payment for a period of time.

Market visibility study for the new overseas locations will be our next step in order to fill the board and the investors in the specifics, we will use Sy Rodriguez market experience in order to provide the board and the investors with sophisticated market study. After the approval of the board the market visibility study will be part of our press release to the investors along with the 5 years budget analysis will be prepared by the CFO. Due to the current speculations about our company future and going concern the press release to the investors shouldn't be later than next month.

One of the challenges we will face about going global, open offices in multiple locations and outsourcers is the culture deference's, therefore, Inputs from multi-culture consultant will be important. After the press release the proposal from the multi culture consultant will be accepted. The ability of Global Communication to excel will be measured against how much it can accomplish in short term period. First thing is first, Global Communication should reconstruct itself into a competent candidate to be able to compete in local and global markets thus, race against its competitors as an equal.

Within a year time it should increase its markets share and sales by 10 % starting. If it can accomplish this then it has a standing chance in the competitive world of the telecommunication industry. Because the time that it has to try in accomplishing as much as possible it so compressed it should hit as many birds with the same stone. By restoring its reputation a qualitative goal that is a matter of not how much profit it can make but how many promises it can keep, to its employees and the public, whose support it so desperately needs.

Fist by having a plausible plan it will increase the individuals who are willing to invest their money in hopes to see a gain. Within a two year time frame I believe it can manage to present the publics and employees a strategic plan which will help those Stocks to be traded at \$20 per share in the stock exchange. Notice how I mention the public and employees. You might be wondering why it should appeal to the employees if they are not investing. But they are investing maybe not money but their time and security.

That is why to prevent GC from loosing its best employees to its competitors it should earn their trust by a qualitative measure which is Low turnover of the employees. GC to decrease the turn over by 30% within 2 years, now after the qualitative measure its time to talk numbers. To enhance from its present situation GC should use cost cutting measures to increase profitability by increasing its profit margin percentage to increase by minimum 10 % starting next year of the plan implementation.

Overall we examined the failed strategic plans of GC to reimburse for its economic losses by lying of its union workers due to the lack of

communication. We then benchmarked GC against its peers to come up with ideas and strategies to regain momentum. After acknowledging what solutions worked for others in its similar place we were able to customize solutions that GC can follow. Although some of its decisions were correct like outsourcing, like the one I proposed as an ultimate goal, it was the manner in which GC carried out this plan that caused a tribulation, not the plan itself.