

The concept of organization restructuring management essay



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The main motive of this chapter is to indicate that the problem which is chosen by the Researcher is crucial and significant enough to accomplish the investigation and method which are used by the researcher are appropriate and practicable to conduct the research in order to have some fruitful, relevant and productive results to add value to the academic field. This study brings many fields together to collectively investigate their role in the process of restructuring. The ground of this investigation is Human Resource Management; to this context this study brings many areas together to understand their links with the hot topic of restructuring. The most important areas of this investigation are strategic management, change management, talent management and knowledge management but the knowledge from all the subject areas studied in MBA will practically be utilized to conduct this research project. This study will be conducted on very burning issue of restructuring which while recession can be widely studied even in the news and there have been numerous studies conducted on this dynamic field and this investigation will be carried on the Largest passenger carrier of the United Kingdom British Airways.

1. 1 Background of the study

The concept of organization restructuring was introduced in the corporate language in 1970s' in the very first time. In the beginning it was only associated with the economic distress and restructuring was assumed to be implemented in downturn or recessionary period in order to cut cost by reducing the number of jobs. Restructuring took more positive connotation in 1980 when it was considered a tool to enhance the efficiency and

profitability of the business through making structural changes in the operations and processes of the organizations.

Today there are several motives of the restructuring other than just taking it as a cost cutting tool. It is the considered a major part of the business as dynamic change in the technology and ever increasing competition in the market due to the globalization and changing customers' expectations the change in the internal operations and processes is essential. Richard (2005) indicated that the restructuring may take place due to several reasons which are categorized into following heads; economical, political, social, demographic, technological and demographical. To grasp available opportunities from the competitive market and to cope up with the threats offered by the changing situations the companies need to update their internal processes to meet the customers' requirements efficiently and competitively. Same is the case with British Airways as its competitors have been more dynamic and cost efficient due to the utilization of the efficient processes and introduction of the new management techniques in the form of well managed team work and culture of collaboration and coordination to meet with the ever changing expectations of the customers. The British Airways was not well prepared to implement this organizational structure and has to face massive resistance while converting it into a cost efficient service provider.

One of the most imperative and vital issues in today's business world is restructuring which carries even greater importance in the time of recession when competition comes to its climax and some time survival becomes alarming question for the companies. Restructuring is known as an <https://assignbuster.com/the-concept-of-organization-restructuring-management-essay/>

elementary change in the strategy and direction of the company which influences the structure of that company. Several changes may occur in the organization while implementing this change. These changes may involve increase or decrease in the layers of the organization, change the ways operations are being performed inside the organization or reassigning the responsibilities and roles to the employees of the organization (Wanberg, 2000)

Wanberg and Banas (2000) indicated that in order to increase the profitability of the business the operations of the organization should be continuously improved and restructuring is there to fulfill this motive of meeting with ever changing external environment.

1. 2 Research Rationale

While my preliminary research of finding any pertinent topic for the completion of this project I came across with large number of recent hot topics on different current issues and one of them was strikes in British Airways. There has been continuous and wide range of strikes against the cost cutting activities of the management. The Unite has been opposing the decision of the management of implementing restructuring plan in British Airways. The CEO Willie Walsh remained determine to implement the restructuring plan in the British Airways in order to improve efficiency and profitability of the business by cutting the cost through promoting team work behavior among the crew members. But the Unite has always been opposing the decision against this plan to restructure the overall company.

By considering restructuring process as one of the important issues in business management especially in the period of recession when motive is to cut the cost the researcher selected this topic to conduct the research for his dissertation module to expand his knowledge not only through practical understanding of the reasons and impacts of the restructuring but also the different methods used by the company to cope the resistance offered by the employees against this change process.

Research Title

Implementation of restructuring plan; A case of British Airways (BA)

Research Question

How did the BA management implement the restructuring plan to increase the efficiency of business?

1. 3 Research Aim and Objectives

Restructuring is very practicing management practice to cut down the additional business expenses especially in the time of recession the need of restructuring arises. After understanding the importance of restructuring concept the aim for this research is set to explore the possible impacts of restructuring in British Airways (BA) and how successfully the BA management has implemented the restructuring to attain the desiring benefits. However, the research objectives for this research are described below:

To evaluate the possible reasons of restructuring in British Airways

To critically analyze the restructuring implementation process in British Airways

To assess the impacts of restructuring plan in British Airways

CHAPTER: 2

LITERATURE REVIEW

2.0 Literature Review

One of the reasons of the restructuring as indicated by the Gallos (2006) is the process of Privatization in the companies. The organizations try to get rid of the bureaucratic constraints in order to quickly respond the external changes and rapid technological advances. In recession when every company tries to reduce its cost and become efficient and customer oriented the restructuring is the best tool. This idea has been supported by the Bahrami (1992) that use and adoption of the process technology and innovative manufacturing is publicized as source where the increasing burden of the work can be managed through the limited number of people. An organization may use restructuring as a defensive tool against the contextual and external pressures. This idea has been supported by the Frenkel (2003) that restructuring is an organization move against the competition, economic and political and some time cultural change as well. This process impacts all level of organization employees. Restructuring may increase the level of empowerment among the employees due to the wide efforts of the lay off and downsizing. This view has been supported by the Comfiled (2001) that decrease in number of employees in any organization is on the other hand an opportunity for rest of the workforce to become more

empowered and responsible. One of the ways of coping with the external changes in the environment is using the tool of restructuring. This view has been supported by the James (2000) that organization may cope with these economical and environmental changes by increasingly looking at the alternatives to get rid of the traditional hierarchal structure. They may attempt to initiate and design changes in forms of the organization and management practices. He further elaborated that change in the number of layers of the organization is also an important way to implement this process. Downsizing practices are only possible when number of layers inside the organizations are decreased and when jobs are defined and assigned to the employees in a new way. Jeffrey (2000) indicated that the restructuring is also carried out to increase the coordination and collaboration among the employees by developing the structure to promote the spirit of team building and mutual cooperation. He further added that organization may change their approach of internal focus to customer centric organizations by using the concept of restructuring. There are several hindrances in the ways of implementing the process of restructuring and most of them come in the form of the resistance to change the organizational structure which is offered by the employees.

The decision making about the appropriate workforce size and required skills, capacity of the plant, possible functions and designing possible shifts in the production is called as operational restructuring. Bickerstaff (2001) indicated that organization may initiate the process of restructuring to become flexible and focused towards the customer needs and in order to

meet individual needs of the customers or to implement the concept of customization in the organizations.

Variety of the work place challenges is faced by the HR practitioners in order to implement the change strategy of restructuring inside the organization (Gilley and Maycunich, 2003). The impacts of the restructuring process on the performance of the organization while the process in continued has been elaborated by the researchers. Probst (2007) indicated that downsizings have negative impacts on the performance of the employees as employees who are concerned about their status will not be in a position to give their 100% productivity and their error ratios to perform different tasks may also be increased. This is therefore seen that resistance to the change should be dealt very appropriately in order to maintain and enhance the level of productivity of the employees. Organizational responses against the global competition, government deregulations and technological advancement may appear in the form of restructuring. These responses are intended to increase the financial position of the organizations. Szabla (2007) indicated that there is an emergent need of the employees' participation in order to implement process fully and properly. The reduction in the resistance to change is very much important in order to implement this change process of organizational restructuring. The HR practitioners may give facilitation to the process in several ways. Proper support from the management, implementation of the training programs and communicating information to the stakeholders are the supporting functions which may facilitate the process of change and may result in decreasing the level resistance offered by the employees (Kongpichayanond, 2009). He further added that human

resources unit in the organization do not have very clear path to meet with the challenges in contrast to the other units in the organization. HR has to design sometime its own contingency plan to meet the customized needs of the employees by looking the matters at individual level.

CHAPTER: 3

RESEARCH METHODOLOGIES

3. 0 Research Methodology

The following section of proposal is emphasized on the methodologies chosen by the researcher to gather the data followed by the research ethics and proposed time scale for completion of this investigation.

3. 1 Research Methods

Since the aim of the study is set to critically evaluate the reasons, restructuring implementation process of BA and finally the impacts of restructuring on the company, this descriptive nature of research will be conducted by the researcher and the proposed research method for this investigation is qualitative. Through adopting the qualitative research method, researcher is intended to conduct the telephonic and face to face interviews for gathering the volume of data. Since the aim of the studies does not allow to collecting the required data by restricting the respondents in structured questions, hence the qualitative technique is adopted to acquire the desired data from the respondents. In support of this investigation there is much desired researcher provide some previous evidence and Ghouri (2005) explained that there are two broad methods for collecting the data; Secondary Data Collection and Primary Data Collection.

3. 1. 1 Secondary Data Collection Method

According to MecNeill (2005) secondary data is not researcher's own work but the pre-existing data is collected for supporting the primary research.

Since the main aim of the secondary data is to back up the current investigation of researcher with existing data, the sources for collecting the secondary data for this investigation will be articles, journals, periodicals, books, websites newspapers and university online resources.

3. 1. 2 Primary Data Collection Method

According to Chapman (2005) primary data is the researcher's own work to figure out the answers for the research question and objectives. Since

primary data is not the existing data, so it allows the researcher to gather the most desiring data matching with the purpose of his own investigation.

The main sources of primary data collection are surveys, questionnaires, interviews, focus groups and personal observations but for this study interviews both telephonic and face to face are selected to collect the primary data.

3. 2 Sample

Choosing the respondents (research participant) for survey or research is known as sample (Donald and White, 2009). Since restructuring in BA is mainly under focus in this study, so the research sample for this report includes HR personnel and also the crew members of BA.

3. 2. 1 Sample size

For this research report, sample size of BA HR personnel, executives and crew members is given below:

Selected Sample

Sample Size

HR Personnel

04

Executives

04

Cabin crews in BA

04

3. 3 Research Ethics

Each research should tag along the moral and ethical presumptions through preserving the dignity of the gathered data as well as upholding the respondents' privacy. To maintain the decorum of research all the data is referenced appropriately in this report and the respondent personal information will be kept secret to avoid any undesired situation. The researcher also ensures that no data will be poorly referenced and this report will also hold the information collected through authentic sources. To avoid any complexity or biasness, interviews will be arranged through taking prior appointments and in the suitable timings of the respondents. Although researcher has selected the random sample but to maintain the authenticity of the study, both management and crew members (workers) of the British Airways are selected.

3. 4 Limitations

Shortage of time and resources may be the limitation of this research.

Moreover lack of access to the British Airways executive may also be a sort of limitation for this research. The respondents' hesitation in delivering unbiased information may also be a limitation for this research. These limitations of the research can be overcome by following ways. Proper schedule will be prepared to manage the project efficiently by the researcher in order to overcome the time limitation of the project. Prior appointments for interviews and availability of the workers and their willingness to participate the research project will be considered. The respondents will be ensured that information delivered by them will be totally confidential and private and that this research is conducted for learning purposes with constructive meanings. An authorized approval form from the institution will also help in increasing worth and importance of the research.

3. 5 Time Scale and Resource Implementations

Dissertation Tasks

April

May

June

July

August

September

Preliminary Research

Topic Selection

Proposal preparation and Submission

Introduction for dissertation

Literature review for dissertation

Final Methodology

Data Collection

Data Analysis and Research Findings

Recommendation

Final Review and Submission