# Free people management report sample

# INTRODUCTION

In the age of tight competition and total globalization many organizations should constantly analyze their performance, employees' satisfaction and search for the new methods of work to remain competitive, profitable and sustainable. Effectiveness of any organization may be considered according to five major interconnected components: culture, leadership style, structure of organization and decision-making, people (staff) and work processes. The united leadership team, which includes talented staff performing on success, should have clear priorities, roles and responsibilities within a structured organization which processes and systems are efficiently supported. The interrelation of the listed components is described in the chart below ( Figure 1).

Figure 1. Organizational Components

The scope of this writing is to analyze the impact of organizational structure, culture and leadership styles on employees' behavior, to outline their role and relying on the examples of best practices to recommend some measures to promote the performance in any organization.

## Organizational Structure

Any organization as a system can be represented as a set of interconnected subsystems which structure, location and nature of the relationship define the structure of the organization. Thus, organizations are characterized by the certain structures to ensure coordination and control activities of their departments and employees. The structures of organizations differ in their complexity (i. e, in the level of activities divided according to the functions

fulfilled), in formalization (i. e. the degree of use of pre-established rules and procedures), in the centralization and decentralization ratio (i. e. the level at which management decisions are adopted).

## An effective organizational structure must meet the following principles:

- Efficiency (cost of maintaining the organizational structure should be minimal)

- Optimality (ensuring efficient communication between departments)

- Efficiency (links in the organization should not prevent information exchange)

- Reliability (the information within an organization must be clear, correct and accurate).

Organizational chart shows the structure of organization. Graphically, this scheme can be represented by horizontal and vertical lines and blocks. Blocks define staff activities; the lines indicate the relationship between them. The number of horizontal blocks indicates the quantity of organizational levels.

## Management theory identifies four main types of organizational structures, namely:

- Line structure is a simple hierarchical structure, which consists of a head and multiple levels of hierarchy. Generally, the larger the organization, the more levels it has.

- Functional structure - the organization is divided into separate elements (departments), each of which represents a particular line of business. Some departments have sufficiently broad autonomy.

- Divisional structure - a temporary structure built for the implementation of a complex project within the allotted time, financial and human resources.

- Matrix structure is based on functional and additional structure types. Additionally, it has the so-called vertical and horizontal management. However, it is extremely difficult to find an organization with the clear structure described above. Very often the structures mix depending on the work performed.

## Structure of organizations has a tremendous impact on the employees:

- Communication – in companies with simple structures and fewer level of management information can be distributed easier and faster.

- Employees' Satisfaction – organizations with simple structures are believed to be more appropriate for staff satisfaction as they create less anxiety.

- Relations with Customers – functional structures cause problems while addressing the questions from the customer. Multi-functional structures are more acceptable by the customers.

- Total success – the factors listed above may influence the total company success.

In the recent years there have been significant changes that led to the transition to new organizational structures and redistribution of priorities for management decisions. At the forefront of large companies the task of strategic planning based on the formulation and implementation of long-term goals are put forward. These goals and objectives are largely based on the development and implementation of a fundamentally new product that will not only meet the needs of the market, but is adapted to the

requirements put forward by the laws of the country and other countries in

the area of price regulation, as well as numerous measures developed in the

framework of international economic organizations. These and other

measures of trade and political nature have led to significant changes in the

economic policy of many American companies. The main feature of American

business enterprises in modern conditions is systematically pursued

organizational restructuring.

Modern companies, like The Coca-Cola Company, have flexible structures

which are aimed at the teamwork encouraging. For instance, at Coca-Cola

Great Britain employees from different departments closely cooperate when

developing a new product. At meetings, they present and discuss the issues

they are responsible for, evaluate possible risks and prospects for the future

(The Coca-Cola Company Site).

Therefore, in a broad sense, the task of managers is to choose the structure

that will best meet the goals and objectives of the organization, as well as

affect its internal and external processes.

## Organizational Culture

It is logically to assume that there is a tight relationship between the type of

organizational structure and organizational culture. This assumption is based

primarily on the essential assumption that the organizational structure

generates the appropriate type of organizational culture.

Organizational culture is considered as the atmosphere or the social climate

of the organization, directly affecting the achievement of organizational

goals and influencing the design of organizational structures, because the

organization must be seen as a dynamically developing object. According to

the structure of organization, there are several types of culture structures (Bushardt):

- Role Culture is appropriate for a hierarchical structure of organizations. This type of culture is suitable for employees organized hierarchically and suits the business regulations and rules. It is mainly applied in large organizations where position is the major source of power and procedures are the major source of impact.

- Power Culture suits best a matrix structure. It is concentrated around the team leader.

- Person Culture provides administrative assistance to a certain person in the company.

Coca Cola, for instance, is characterized by the role culture where each employee has a defined role and responsible for a certain project or its part. Thus, important aspects of culture at The Coca-Cola Company are the focus on teamwork. The company considers its employees to be the most valuable part of their work and assets because motivated staff may increase the Company's profitability and guarantee its sustainability. People feel valued when they work in a single team and have the common goal. As the result they are encouraged to increase their productivity and to generate great innovative ideas. The Company's success is the result of friendly culture and motivated innovative staff. Moreover, open communication channels are extremely important for culture supporting: Coca-Cola uses meetings of their leadership teams, department teams, employees, and surveys (The Coca-Cola Company Site).

If the culture of organization is bad, it affects the quality of employees' work

and their punctuality. This means that if the Company had a poor culture, its employees might be late for work and might perform badly. This would result in the business inefficiency and bad company sustainability, disagreements between managers, anxiety and anger of employees. However, if the organization had a good culture, the staff would avoid stress and perform well in a friendly atmosphere.

## Leadership Styles

One of the most studied issues in management is the problem of leadership style that means a stable system of methods, techniques and forms of managers' impact on the employees. This problem became an extremely important in the recent years; many prosperous companies pay the special attention to it. It is extremely difficult to find the pure leadership style. As a rule, there is a combination of different styles, but still signs of one style dominate. For instance, the Coca Cola Company uses different leadership styles in different departments: autocratic, democratic and consultative democratic. However, it mainly adopts democratic style that includes empowerment. In this leadership style employees have certain responsibilities and make different important decisions within a certain framework. They are responsible for their tasks fulfillment. Thus, with this leadership type managers may feel comfortable and employees feel trust in them making some sort of decisions. Democratic managers have feedback from their subordinates as they listen to employees' opinions and act in accordance with their proposals. Actually, this type of people management is rather effective as it helps to increase staff's productivity and satisfaction level.

## Good Working Practices: Benefits and Impact

The main modern trend and problem in company's management is to create work-life balance and pleasant working environment. Nowadays, the workforce is almost female even in the male-dominated sphere. Thus, the work should be organized in such a way that women have an opportunity to efficiently join both professional and private life. There should be perfect maternity protection and life insurances in order to create the health working atmosphere and family-friendly workplace.

Another important issue here is the use of flexible working-time schedule and security at work. A system of flexible working hours offers employees the great opportunity of working in accordance with their commitments and private needs. The main advantages of the flexible-working schedule are:

- Employees obtain more freedom

- Employees have more time for work (they avoid long travels to the working places)

- Lateness can be reduced

- Long lunch breaks can be avoided

## Actually, there are both advantages for employees and employers.

The secure working environment has the tremendous impact on people performance that is why it is so crucial to keep the workplace as safe as possible to avoid anxiety, accidents and reduced productivity of the employees.

## The Coca-Cola Company, for instance, uses the following workplace practices in their relationships with their employees:

- Work Environment

The Company creates the equal working conditions for each

person independently on religion, race, color, gender, sexual orientation.

They exclude any discrimination that is highly appreciated by the

employees.

- Safety and Health

The Company provides a safe workplace applying several policies that makes

it possible to reduce the risks of injuries and accidents.

- Salaries and Benefits

The Coca-Cola Company provide their employees with the worthy salaries

according with the local and national wage laws and give opportunities to

improve their professional skills and abilities.


## Ethical Practices and CSR Agendas

Ethical Practices and CSR agendas are extremely important for the

successful performance of any organization. The Coca-Cola Company, for

example, has its own standards of corporate ethics and CSR agendas. Their

ethics program is called the Code of Business Conduct where integrity and

honesty are required from the employees in their relations with each other,

with the customers and suppliers. Every employee is obliged to know the

main content of the Code and follow it in everyday working activity. Thus, if a

company has the strong culture level and ethical standards, it has a positive

and powerful influence on employees' behavior. Moreover, very often

companies motivate their employees financially for the keeping to the main points of the company ethical codes. Such motivation improves the quality of performance and employees' self-confidence.

## Workforce Issues

The important issue that impacts the personal behavior at work is individual differences as people perceive things differently and, consequently, they behave and interact with the colleagues and clients differently. Different people have different perception, educational and productive level. Hence, the effective managerial practice needs that these differences are timely revealed and taken into account while managing employees' behavior in the organization. Therefore, managers use the managerial styles that may differ according to the employee's behavior. For instance, the Authoritarian style is applied when a person needs some instructions, additional education or trainings of new skills from the manager. The managers, in their turn, supervise their performance and consult in the case of something goes wrong. However, the authoritarian managers are task-oriented and usually hard on their employees.

Team leaders are the most productive as they encourage their workers to improve their performance and to reach the highest level of potential. Each employee is connected with other members and is highly motivated for the reaching of their common business goal.

Country Club Style occupies the central place between the authoritarian and team leaders: they also instruct their employees how to act but allow them to make some decisions independently. The managers use this style when the workers can perform, however they are not fully confident in their

actions.

Impoverished Style is used by the managers who like to delegate their task to the team and allow it to do what it wishes. Employees fulfill their tasks independently and may just offer a new project to the manager in the case if they need some assistance.

Manager use different methods to motivate their staff and to increase their performance. There exist several motivational theories that can be applied to develop people's potential at work. The effective manager knows how to apply motivational theories to satisfy his team. Thus, several steps can be offered to the managers when applying motivational theories:

- Use compensation strategies that are interconnected with the performance goals in order to motivate the staff.

- Establish employee development strategies, healthy company culture that corresponds to the acquired needs theory. According to this theory, the employees need power, personal progress and social approval. Moreover, employee recognition strategies help to increase staff self-estimation and confidence.

Coaching and mentoring are the effective tools that help managers to address changes and find the effective decisions in business situations applying their personal resources. Coaching and mentoring are proved to be the ways of establishing the high performance culture in any company.

Individuals' trainings and development is vital to any organization as any modern business is evaluated, first of all, in accordance with its intellectual capital, i. e. the professionalism of its personnel. Training serves as the method of the intellectual capital enhancing. Moreover, trainings make

employees more independent and managers can easily delegate their tasks to them. The benefits of trainings to staff and businesses are numerous:

- Productivity and performance quality increase

- Employees become more confident in their abilities

- Workers are fully supported and supervised in their actions

- Employees get additional skills that help them in targets achievement

- Employees' turnover reduces

- Companies get fresh views and bright ideas from the skilled employees

- Improved personnel's performance indicators increase financial gain

Thus, there are many components that can form the business strategy. However, people management strategy also plays a crucial role in organizational strategy. There five main strategies that are used by the managers:

- Recruitment – is the initial stage of any management strategy used in the organization. At this stage the employees and managers learn everything about each other.

- Training and Development is extremely important as the employees are the main and the most valuable asset of any business and their constant education and development is extremely important for company's success.

- Performance Management allows the managerial staff to control and supervise the performance of their employees in order to support them in the case of need and to analyze the results of their achievements.

- Employee Engagement is the method of employees' satisfaction measuring. The effective managers should constantly control the level of staff's satisfaction and address their problems.

- Recognition and Rewards demonstrate the employees that they are valued and appreciated. It is one of the most important things for improving of individual's performance. When employees are happy and satisfied, they increase their productivity and reach the highest levels of their potential.

## RECOMMENDATIONS

Managers have always been focused on high levels of employees' performance. Basing on the analysis presented above we can recommend some improvements that should be implemented while promoting the staff's performance:

- Organizational structure and culture should be brought into correlation by creating award-for-performance culture.

Estimating employees' performance managers reward their staff for their actual result. This kind of motivation is applied by many companies with the goal to reach the highest levels of potential. Moreover, this leads to great motivation, satisfaction and allows avoiding stress factors at workplaces.

- Individual Goals should be brought into correlation with Corporate Strategy.

It means that employees' roles and responsibilities should be aimed at the common goal. It is a powerful management tool that demonstrates the employees that they are trusted and valued and as the result this tool helps to improve the staff's performance.

- Wide implementation of different workforce issues: work-life balance, flexible working schedules (in the case of need), life insurances.

- Constant education and mentor practices that improve employees' skills.

- Introduction of ethical practices and following them in everyday working

activities. Of course, employees should be awarded for the excellent compliance of the ethical principles.

Actually, the modern companies are rather flexible in choosing the managerial strategies and in changes introduction. They can introduce new strategies according to the project they are involved in and to the external factors (such as economical, political and social one). No matter what strategy has been chosen for the promotion of staff performance. The most important thing is employees' satisfaction and excellent performance indicators.

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