

Employee overview of merger assignment



I worked for the company at the headquarters in Charlotte, NC and then Fort Mill, SC. I was employed in the Post Closing department as a Loan Specialist. When I began my career at Decision One it had already been acquired by Household Finance. During that transition, no changes were made to Decision One's culture or policies. However, once Household was acquired by HISS and thereby Decision One it became evident some changes would occur. The need for HISS to make changes within the Decision One unit was fueled by the fall of the supreme mortgage market.

The losses being faced by its major competitors forced HISS to reevaluate the decision to assume a supreme unit. Rather than state the obvious, the choice was made to make issue with the processes, perks and rewards in place at Decision One. The stated Intended outcome for the changes HISS made within Decision One was to keep the unit operational as supreme with the look of a traditional conventional unit. The real intended outcome was to phase out the unit altogether, which is what eventually happened.

The downturn in the market made Decision One appear to be gangrene in the leg of the HISS body. The Decision One unit was restructured to fit under the corporate Wall Street unit. This was an impossible situation. Decision One was built on supreme lending principles, procedures, and policies; the corporate Wall Street unit did not deal in sub prime. My evaluation at ten change Otto n t HISS set tenet top company prolepses as cost savings and imposing and enforcing their regulations on Decision One.

They sent operations offshore, laid-off people, reduced perks and rewards, expected more output from each employee, and, did not value their Decision

One employees as an asset. All of the changes led to a decrease in employee morale and inevitably a decrease in production. The problem started with the changes to the perks and rewards. Changes to the processes quickly followed. These changes became the beginning of the end for Decision One. Assessment / Diagnosis The HISS philosophy is a combined policy of principles, values, core business reminisces, and business values.

The company feels this achieved through loyal and committed employees who make lasting customer relationships and international teamwork easier to achieve. The following chart lists the main business principles and values in practice at HISS. HISS Core Business Principles Outstanding customer service Effective and efficient operations Strong capital and liquidity Conservative lending policy Strict expense discipline Key Business Values The highest personal standards of integrity at all levels implementation Commitment to truth and fair dealing Fast decisions and

Putting the Group's interests ahead of the individual's Hands-on management at all levels The appropriate delegation of authority with accountability Openly esteemed commitment to quality and competence Fair and objective employer A minimum of bureaucracy A merit approach to recruitment/selection/promotion A commitment to complying with the spirit and letter of all laws and regulations wherever we conduct our business The promotion of good environmental practice and sustainable development and commitment to the welfare and development of each local community (HISS, 2008).

The need for HISS to make changes within the Decision One unit was fueled by the fall of the supreme mortgage market. The losses being faced by its major competitors forced HISS to reevaluate the decision to assume a supreme unit. Rather than state the obvious, the choice was made to make issue with the processes, perks and rewards in place at Decision One. HISS set their top company priorities as decrease in production. Rather than state the obvious, the choice was made to make issue with the processes, perks and rewards in place at Decision One. To accomplish the change task, HISS used a force-coercion strategy.

Force-coercion strategy uses authority, rewards, or punishments as primary inducements to change (Hunt, Osborn, & Shoehorning, 2008). In this situation, the change agent acted unilaterally to command change through formal authority of position. The threat of job loss was never directly stated. However, the company's change agent created an atmosphere in which the message was conveyed clearly. Analysis of the Change Strategy Although the underlying change strategy in practice was force-coercion, the implementation strategy was based on Lippin's change model.

The model is based on three steps known as unfreezing, changing/movement, and refreezing. Unfreezing involves the reduction in forces engaging in the behavior to be changed within the organization. Changing/movement is the process that shifts the organization to the new desired behavior. During refreezing, the state of the new equilibrium is stabilized (Lebanon & Stone, 2008). The change was structured based on the Lippin model though seemingly the employees of Decision One only saw and felt the refreezing stage.

Political support for the change process was provided by HISS upper management; Decision One management and employees had to accept the hanger or gain other employment. Any resistance to the change was met with employees being quietly warned to accept, embrace, and move forward or move on. Results / Outcomes The stated intended outcome for the changes HISS made within Decision One was to keep the unit operational as supreme with the look of a traditional conventional unit. The real intended outcome was to phase out the unit altogether, which is what eventually happened.

The downturn in the market made Decision One appear to be gangrene in the leg of the HISS body. The Decision One unit was restructured to fit under the corporate Wall Street unit. This was an impossible situation. Decision One was built on supreme lending principles, procedures, and policies; the corporate Wall Street unit did not deal in sub prime. HISS is a large corporation with international reach. Overall, it is not a bad company to work for. The problem when such a large company takes over a smaller, more intimate organization is culture shock.

The big fish does not take the time to understand the culture or processes of the little fish and things start changing overnight. This was the cause of problems between Decision One employees and HISS. There was no care taken to examine the rewards/goals relationships already in place before the takeover. The rewards/ personal goals relationship is the degree to which organizational rewards satisfy an individual's personal goals or need the attractiveness of those potential rewards for the individual.

This ultimately determines how individuals respond to the reward systems in place. Established reward systems have the ability to influence decision makers by suggesting to them what choices are preferable in terms of personal payoff. Rewards can also influence the degree to which individuals are motivated to reduce dissension. High rewards accompanying high disagreement tend to reduce the tension inherent in the conflict. The rewards act to reduce discord by increasing consistency side of the individual's balance sheet. Rewards can also be used as a form of manipulation.

Complex compensation programs are designed by organizations to reward employees Tally Tort tenet work performance. Incent programs are also designed with the intention to motivate employees. They are designed to encourage employees to engage in behaviors that management desires and to extinguish behaviors that management wants to discourage. An example of such behavior is salary levels. Salary levels typically reward employee loyalty, encourage the learning of new skills, and motivate individuals to assume greater responsibilities in the organization (Judge & Robbins, 2007).

This was the approach HISS took. Instead of trying incorporate existing policies into its practices. The package offered was great benefit/reward package neatly wrapped to disguise the fact that Decision One employees were losing already established perks/rewards such as OPT for exceptional performance, off-site team building exercises, and quarterly celebrations. Evaluation of the Effort Appropriate goals, well-designed reward systems, and adequate resources are all essential to support long-term performance accomplishments.

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Group performance, just like individual performance, can suffer if goals and rewards are focused too much on individual-level instead of group-level accomplishments. It can also suffer if adequate budgets, facilities, work methods, procedures, and technologies are not available. In contrast, “ the right goals, rewards, and resources can be a strong launching pad for group success” (Hunt, Osborn, & Shoehorning, 2008). In the equines realm, it has been stated that rewarding employees on the spot for positive behavior can be cost effective.

Doing so demonstrates the kind of values and actions that an organization wants to encourage among its workforce. When ready to launch an instant reward process the following factors should be considered by the organization: Rewards don't have to be expensive as long as they are valued by employees. Be careful not to offend when giving gifts such as chocolate and wine. Vouchers can add flexibility and offer choice. Creating a buzz around the giving of a reward can help reinforce the message behind it. Schemes can be structured so the entire workforce can benefit as long as there is some flexibility around reward choice. (Donovan, 2008) Effects of reward systems can be applied to many different lines of business. Highly motivated employees are a critical factor in the long-term success of many organizations. Given this, interests are increasingly growing in how elements of control systems affect employee motivation at all organizational levels. Employee empowerment has been advocated by management as a way to increase employee motivation.

For example, the balanced scorecard concept, advocated by many managers in the accounting field, stresses the importance of empowering employees to

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increase their motivation, learning, and growth. Similar studies have also shown employees who feel empowered have higher levels of task motivation, which in turn, has been linked to greater organizational effectiveness and performance (Drake, 2007). In reference to pay, half of employers use organizational performance to determine their pay rewards, according to the fifth annual reward survey by the Chartered Institute of Personnel and Development (CUPID).

The survey of 535 organizations, with a total of 1. Million employees, found that just over 40% of employers' benchmark against inflation rates, and 35% compare their reward packages with competitors. Recruitment and retention issues also play a part, with AT employers saying it incenses tenet approach to reward. A little more than a quarter of respondents to the CUPID survey admitted that pressures from unions and staff had an impact on their reward strategy. The level of government funding is also an important factor for 21% of respondents.

But the National Minimum Wage had little impact, with less than 10% of employers taking it into consideration. Other actors used by employers to determine pay awards include organizational performance, going-rate of competitors, recruitment and retention concerns, and rate of inflation (... Yet, 2006). Although there are many positives to having a merit-based reward system, there are some negatives. It has been reported that merit-based rewards and other common performance management practices used by the majority of U. S. Companies can increase bias and reduce equity in the workplace.

Such practices and policies can result in women and minorities receiving less compensation than white men despite equal scores on their performance valuations. Performance reward bias can be overcome by increasing accountability and transparency in the organizational processes and routines (Merit, 2008). Companies or organizations will have to be careful that whatever reward system they choose to implement is a fair one and includes accountability factors. If management wants employees to give good service, it has to reward good service.

It needs to provide ongoing recognition to employees who have demonstrated extraordinary effort to please customers and who have been singled out by customers for going the extra mile. In this instance, pay and promotions will be contingent on outstanding customer service. In developing high-performance teams, evaluation and reward systems should be extended to include group as well as individual performance. Things to consider are group-based appraisals, profit sharing, gain sharing, small-group incentives, or other system modifications to reinforce team effort and commitment.

The established reward systems need to encourage cooperative efforts rather than competitive ones. Examples include annual bonuses based on achievement of team goals or an even-split reward between individual efforts and team-like behavior. Promotion, pay raises, and incentives should be given to individuals for how effective they are as a collaborative team member. Rewarded behaviors would include training new colleagues, information sharing, resolving team conflict, and mastering new skills that are needed but in which team is deficient (Judge & Robbins, 2007).

Effective managers are able to recognize individual differences and know not to treat all employees alike. Time should be taken to recognize the differences in likes, dislikes, culture, and what is important. The use of goals and feedback can enhance communications. Using hard specific goals as well as feedback on how they are faring in pursuit of goals allow employees to participate in decisions that affect them, which can help increase productivity, commitment to goals, motivation, and Job satisfaction. Wise organizations know to link rewards to performance, meaning rewards should be contingent upon performance.

There should also be a method to check the system for equity. Rewards should equate with inputs employees bring to the Job, meaning experience, skills, abilities, and effort should explain differences in performance and hence, pay, Job, assignments, and there rewards. I cannot honestly say that HISS will be harshly affected in 3-5 years if some changes are not made to the current takeover policies and procedures. However, IT teeny walls to retain good talent Trot ten companies teeny take over, I would behoove them to strongly consider employee input before making changes to existing company reward systems.

A company so large will always have employees and people wanting to be employees. The effect may not be felt until the attrition costs start to seriously affect the budget and cut into profits. Lessons Learned from Managing Organizational Change This assignment has helped me understand personally and professionally what my issue with HISS was. It was not a bad company to work for. The pay and benefits were some of the better I have ever had. Had I not had to complete this paper, I would never have taken the <https://assignbuster.com/employee-overview-of-merger-assignment/>

time to isolate the topic and determine how it related to my issues with the company.

My role in the organization was low on the totem pole but I still felt the effect of the takeover; so did the others around me. The assignment has, in addition, helped me determine the type of company I want to work for and how I would handle things differently if I were in a position to do so. It is not my intention to paint HISS in an ugly light. I just feel they have a lot to learn about taking over companies and thereby the culture and lives of the associated employees. If nothing else, my research skills are more refined and I am better able to isolate an issue and build upon it.

From the Managing Organizational Change course, I have learned that organizations must evolve to keep up with today's dynamic and competitive environment. There has to be a focus on why a company needs to change, what can be changed and how to appropriately plan and implement that change. I also learned that there are both rational and emotional aspects of change which help to explain how individuals, groups, and the organization can improve their ability to move through the change process. My feelings about change have always been that it should not happen overnight.