Problem diagnosis using organisational behaviour concepts business essay

There are several significant concepts which are used when managing the workplace in changing business environment. The workplace environment becomes more complex in which the complexity of interactions, relationships and processes often makes difficult to understand. In the organization, managers are required to be effective in organizing, decisive, and maintain good relationship with employees (Kimball 1997).

According to the case analysis, practise of empowerment is used as the new tool by Becker for the hotel to be more effective and implement the capacity of employees to make decisions and to be innovative in the working environment. On the other hand there are certain situations where employees were not familiar with change in the management. Focuses on issues and problems of implementing empowerment within the organization.

Motivation refers to the forces acting on and coming from within a person that account, in part, for the wilful direction of one's efforts towards the achievement of specific goals (Dennis & Michael)

According to the case, in the past Regency Grand Hotel was one of the most prestigious hotels in Thailand and the employees enjoyed working.

Example: The hotel provided good welfare benefits and good salary rates to the employees. End of the year employees were given a salary increment regardless of the hotels overall performance.

This could be due to personal relationships to build a more close relationship with the employees. Employees were motivated and they enjoyed working with the current general manager.

Motivation theories are very important in the corporate world. Primarily motivation theories are divided into two types. (Dennis & Michael)

Theory 1: Content theory

This focuses on identifying the specific factors that motivate people internally which contributes to strengthen and direct the behaviours of employees within the organization. (Dennis & Michael)

Content theories focus on specific factors that motivate people. McGregor's Theory X and Theory Y and Herzberg's Motivation-Hygiene Theory will be discussed linked to the case.

3. 1 McGregor's Theory X and Theory Y

Douglas McGregor proposed two different motivational theories. Managers tend to believe one or the other and treat their employees accordingly.

Theory X states that employees dislike and try to avoid work, and must be coerced into doing it. Most workers lack ambition and value job security more than anything else.

According to the case the employees were rewarded with a yearend bonus regardless of the hotels overall performance, may be due to lack of motivation which the manager saw in his subordinates to work within the organization. Due to that we can identify that employees were satisfied and job security was ensured and also for it to become a prestigious hotel the efficiency of the fellow employees would have been a reason.

3. 2 Herzberg's Motivation-Hygiene Theory

According to Herzberg, job satisfaction and dissatisfaction exist in the corporate world. Hygiene factors could cause an employee to become unhappy with their job. Lack of motivation could bring out job dissatisfaction such as pay, job security, and physical work environment.

On the other hand Motivation can increase job satisfaction by providing recognition for their achievements and more responsibility's.

Change

Internal and external factors affect the organization towards the complexity and changing situations.

Mostly, people do not accept and understand the benefits in changing the management. Organization needs to consider the internal and external factors in implementing a new strategic management. It is important to develop strategy to help employees learning about the change (Cameron & Quinn)

Managers are also required to develop good communication within its employees since people may come from different cultural background, skills, age, and gender (Holden 2001).

These differences will create barriers in communication based on different values and perceptions. The effective management of workplace in organization requires an understanding of leadership and motivation in managing the workplace on performing the job and being motivated to do so. (Holden 2001)

In the case with the change of ownership there will be a change in the organizations business practises. It's important that the existing employees are aware of the change and that they should adopt according to the change. For that there should be trainings, workshops organized by the management in order to make them understand about the change.

Without effective diagnosis, managers may believe that the problem is significantly different than it is, and the change alternative may be ineffective in resolving the problem. (Dennis & Michael)

In organizational development one should recognize;

The need for change

Diagnose problems

Develop change alternatives

Implementation of change

Reinforcement of change

Evaluation of change

Implementing further change actions

4. 1 Delegating authority

When delegating authority Becker did not explain properly what are the responsibilities of the employees. As stated in the case he did not give a

criterion to differentiate minor and major issues which arose in the organization. Proper organization structure was not implemented.

5. Culture

According to the case the Regency was able to merge with a large American chain that was very keen on expanding its operations into Thailand. With the new ownership the current general manager decided to take early retirement. There is nothing more valuable than local knowledge or understanding culture of a particular organization when merging with an organization. It is important to be aware of the culture and business practices especially when changing ownership with a different country.

Organizational culture is referred to, a code of attitudes, norms and values and the way an individual thinks. It determines how we see ourselves and how we see the world. Culture can be either right or wrong inherited about individual behaviour. Organization culture affects the way strategy is determined, how goals are established and how the organization operates. (Marie & Roger, 2008)

With the retirement of the current general manager a new general manger from the US was appointed to the Regency. According to the case, John Becker the newly appointed general manager has 10 years of management experience in the hotel industry and was selected because of his previous success. The case states that in his previous achievements he took over organizations with poor profitability and poor morale and managed to succeed in achieving desired objectives.

Organizational culture can be different from one country to another. The success of an organizational culture has to do with external and internal factors (Marie & Roger, 2008). With the change of the ownership one should identify the cultural variations from one organization to another or from country to country. Considering the culture in Thailand and in the US the business practices can be completely different there can be a cross cultural affect within the organization. Cross culture explains the behaviour of people in organizations around the world and describes and compares organizational behaviour across countries and cultures seeking to understand and improve the interaction of its subordinates (Adler, 2002: 11).

Identifying organizational culture

6. 1 Corporate Culture in the US

The world's third largest country both in size and population, the United States is a nation moving forward rapidly and successfully with its unique cultural diversity. Today, the US is considered to have the strongest and most technologically powerful economy. (Communicaid Group Ltd. 2009)

In the US people are more work oriented where individualism and equality are two main important aspects in the US corporate culture which has a significant effect on their business etiquettes (Cameron & Robert). In the US performance is more important and individuals will be rewarded according to their achievements this is why individualism is important in the US. American business culture is task oriented. Paying attention to guidelines and rules dictated by business policies, laws and procedures is important in the US.

6. 2 Corporate Culture in Thailand

Thai people are mo re relationship oriented when doing business. International business practices are widely accepted for Thai business person. In general, Thais are naturally friendly and open-minded; however, there are some practices and values to be considered (Thailand Business Guide, 2010)

Thai business people can accept new ideas quickly. Thai people are calm and quite. Thais take confrontation extremely seriously. In the west you loosing temper may be familiar and accepted where in Thailand it's not accepted. There is nothing worse than an upset, impatient employer who is making demand on Thais. Acting this way will serve no purpose other than alienate. (Thailand Business Guide, 2010)

6. 3 Cross Culture – (United States & Thailand)

According to the research carried out it's clear that from one country to another their business practises diverge. Culture in one country can be different from one another. What is suitable in the US will not be applicable in Thailand. Certain practises used by Becker will not be applicable in Thailand. His success in previous organizations can be a failure in the Regency. Understanding organizational culture at all levels is important because the culture points out both appropriate and inappropriate behaviours of the employees.

According to the case Becker wanted his employees to " think out of the box". He expected the employees to be creative, innovative and to make judgments to satisfy guest needs. Throughout my research I identified that

being innovative and creative will help to achieve organizational goals. The culture Becker previously worked is a culture based on innovation and creativity. With his new placement in a different country (culture) he implemented the same theory assuming he will succeed.

Contrary to the culture in Thailand and the US, the existing employees were used to a different organizational culture from the culture Becker worked previously.

According to the case, under the previous management ' the responsibilities of the employees were to ensure that the instructions from their managers are carried our diligently and conscientiously. Innovation and creativity were discouraged. Indeed, employees were punished for their mistakes and discouraged from trying out ideas that had not been approved by management. As a result, employees were afraid to be innovative and to take risks.

This can be due to the normal organizational culture carried out in the industry in Thailand. We assume that they were more task oriented. Team work was not encouraged and individual achievement was encouraged. An organization's culture also determines the way in which employees are rewarded. (Business Management Group, Inc) But without considering the performance of the employees everyone was rewarded with a yearend bonus. Because of this there can be dissatisfaction and un-equality among employees.

Management tends to focus on a dominant source of motivation, such as pay, status, or opportunity for personal growth and achievement. The

accessibility of management and the ways in which decisions are made are reflections of an organization's culture as well. (Business Management Group, Inc)

Empowerment

Empowerment can be defined as a term used to express the ways in which employees can make independent decisions without consulting their superiors. Employee empowerment can begin with training and converting a whole company to an empowerment model. Conversely it may merely mean giving employees the ability to make some decisions on their own (Murrell & Meredith)

According to the case Becker is a strong believer in empowerment. He believes empowerment increases employee motivation, performance and job satisfaction. He expects employees to go beyond guidelines and make work more effective. According to Becker employee empowerment has always been a successful tool for him in the corporate culture. He believes that by introducing empowerment to the new organization will replicate his previous success in the industry.

Implementing empowerment might not work in the new place where it will be difficult to change one's perception and employees will not like to deviate from his/her believes, attitudes and routines. Since empowerment is new to the existing employees they might not understand what Becker is expecting unless he should provide certain trainings to educate his subordinates. On the other hand empowerment will encourage the employees to be innovative, creative and make judgments.

Managers believe when they delegate jobs, they are empowering their employees; empowerment is more than simple delegation. It is giving the employees the authority, training and resources to make decisions within defined boundaries. Through these actions, employees gain the power and potential to both grow and strengthen the company (Weiss, W. H.)

Existing employees at Regency had to go through administrative control which result more bureaucratic procedures in the organization. " The front-counter employees needed to seek approval from their manager before they could upgrade guests to another category of room. The front-counter manager would then have to write and submit a report to the general manager justifying the upgrade"

With Becker's implementation of empowerment, the employees will have to follow his instruction if not there will be a contradictory between the employees and the general manager.

In the previous management employees were punished for mistakes and they did not have the freedom to be innovative or creative or make decisions on their own. With Becker's new plan the employees might hesitate to adopt directly according to the change if relevant training and briefing isn't done appropriately. So Becker should communicate fully in order to build confidence among the fellow employees.

7. 1 Advantages of implementing Empowerment at the Regency

Gives more freedom for the employees to be innovative, creative and make decisions

End output will be more effective

More flexibility within the organization

Motivated employees – creates a good working environment

7. 2 Disadvantages of implementing Empowerment at the Regency

Fear about job security – when the lower level employees in the organization have power/authority the existing managers will have a fear of losing their jobs.

Employees might use the power un-necessarily

There will be more people involved in the decision making process which might take more time and disagreement will rise resulting divergence.

(Murrell & Meredith)

Problems and symptoms

Employees had lack of confidence

High employee turnover rates within the organization – due to delegation of authority

With the implement of the new plan Becker did not monitor the progress of the new plan implemented

Becker did not have alternatives if the plan of implementing empowerment failed

Becker failed to identify/study the corporate culture of Thailand – didn't study the culture before implementing new tools to the organization he is not a good consultative leader

Assumptions were made without any prove based on personal judgement

Employees who displayed initiative and made good decisions in satisfying the needs of the guests rarely received positive feedback from the superiors

Becker did not take in to account the feedback he got from several managers – the body language (nodding their heads) meant a disagreement to some extent

Delegated authority without considering the impairment which will occur within the organization

Proper organization structure was not implemented – employees didn't know to whom they should report.

Lack of organizing, planning and controlling

Solutions

9. 1 Having alternatives

Empowerment is not the only tool to motivate employees in the corporate world. By using performance appraisals, superior's can praise and recognize the employees at Regency who displayed good innovative and good decisions to satisfy customers. Employees like been appreciated and like to hear the superiors say that they have done a good job. Reward systems for

their accomplishments such as incentives, salary increments, yearend bonus for good performers and promotions can be used to motivate employees rather than only using empowerment. A manager should always be transparent and should not be biased when evaluating ones performance.

9. 2 Conduct research

When implementing a new plan one should always study the culture and identify the need for change. According to the case, Regency was a profit making organization and the need for change was not necessarily important. Without studying the culture Becker implemented empowerment in to the organization based on his personal judgements. To motivate employees at Regency, Empowerment was not the appropriate tool. If prior research was conducted Becker would have introduced different tools to motivate employees. It's very important understand that corporate culture can vary from one country to another.

9. 3 Conduct Trainings

With the implementation of empowerment employees at Regency was not aware of what exactly they should do and was afraid to be innovative and to take risks due to the bureaucratic procedures conducted by the past management. In order to build confidence in employees, trainings, workshops such as " Employee Performance Management" trainings can be conducted to educate them about how important empowerment is to succeed in the corporate world.

9. 4 Observe the employees

By observing the employee superiors can identify what employees should stop doing, what employees should continue doing and what employees should start doing and write reports about relevant employees in order to be more effective and achieve desired goals.

9. 5 Have a proper organization structure

Becker had lack or planning, organizing and monitoring. He did not monitor after implementing the new plan. Once a new plan has been implemented it's important to monitor the progress to see whether it has been effective throughout the organization structure.

Close relationship with the employees

According to the research Thai people are more relationship oriented so it's important that Becker should have a more close relationship with the subordinates. Having meetings at least twice a week is important in order to build up a good relationship. It's important to listen to your subordinates. Active listening guarantees that the other party understood him or her. It is a necessary part of any exchange to motivate employees.

9. 7 Decrease employee turnover

To decrease employee turnover in future superiors existing should consult ex-employees and discuss the reasons for leaving and make decisions to avoid turnover in future and try to maintain a lower number of employee turnover within the organization. Implement better hiring decisions to fill in the existing gaps.

9. 8 Keep employees up-to-date

It's important to keep the employees informed about all changes that may affect them. When implementing tools within the organization it's important that you make them aware about every single rule and regulation in order to avoid stress and un-efficiency.

Recommendation

Considering the above solutions the most appropriate recommendation is to first identify the difference between organizational cultures and when implementing new business practises it's important to train and provide sufficient information to the employees in an organization.

Conclusion

The purpose of this report was to diagnose the problems in this case using organisational behaviour concepts and recommend solutions to overcome or minimise the problems and symptoms in this case. There are several solutions identified in order to minimise the problems and symptoms occurred during the implementation of empowerment at the Regency.

Using several organizational behaviour concepts to diagnose the problems at the Regency, such as motivation, organizational culture, employee empowerment, crosses cultural effect and change. The report found out that what may be applicable in one culture will not always be applicable/suitable in a different organizational culture. Empowerment was not effective in Thailand though it was effective and gave excellent results in the US.

There are a number of contradictory findings among different authors and therefore due to a lack of clear findings at this stage it is not possible to definitively state whether empowerment is the only method of motivating the workforce. Monitoring the progress once a new plan is implemented will greatly increase efficiency and productivity within the organisation. Having alternatives will have a great deal to do with the organizations progress and how it handles the various unexpected situations such as employee turnover and low profitability. Planning, organizing and monitoring the organization are important tools in order to succeed.