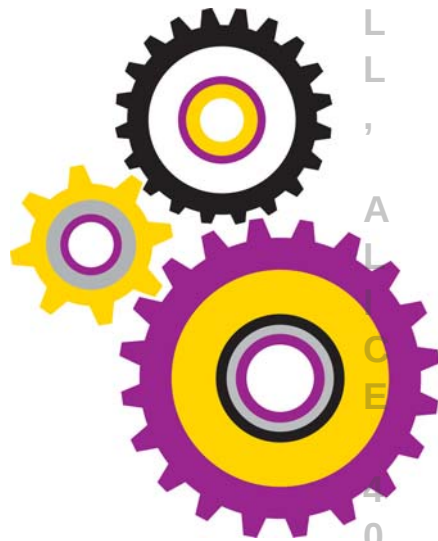


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Review & Summary: A Brief Assessment of Opportunities

After reviewing the core principles of Systems Theory, the focus shifts from the descriptive phase to the prescriptive or the application of the knowledge.



The initial phase (*descriptive*) presented the core principles with the primary objective of expanding the comprehension level of Systems Theory and its overall impact on organizational behavior.



The focus of the *prescriptive* is placed on how such knowledge can be applied to improve the organizational performance. The prescriptive begins with the process of assessing the opportunities for organizational improvements, then developing a strategy to improve performance within the organization.

The structure and systems analysis phase should have yielded a list of opportunities to improve the organizational performance. The next step is to conduct a brief assessment of each topic based on attainability, feasibility for implementation, and overall value to the organization.

Six Major Areas of Possible Improvement

While the possibilities for improving organizational performance are virtually unlimited, there are six general areas where the best opportunities are most easily found. Those areas are:

- Communications
- Work Processes
- Incentives
- Layout/Structure
- Organizational Productivity
- Employee Performance.

Completion of the system and structure analysis process helps identify areas for possible improvement. Reviewing each of the six areas will help identify possibilities that may not be obvious. Also, opportunities differ depending on the specific needs of the organization, as well as changing industrial trends

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#1. Communication Network

Let's begin by exploring the all important organizational communication network. Remember that Systems Theory's foundational principle suggests a view of a modern organization as a whole made up of interconnected parts where, to a varying degree, the performance of each part affects and is affected by the performance of all others.

Prescriptive

With interconnectedness being the true nature of organizational components, we can now shift to a prescriptive mode and ask *how that knowledge can best be utilized to improve organizational performance.*

An effective structure where the all components fit together can be achieved through a healthy and active communications network that keeps all parts working together and on the same pace.



An effective way to start the improvement process is to ask a general question, the answer to which can provide a foundation for a practical improvement opportunity.

Effective Communications Network

An effective communications network can best be defined as timely dissemination of sufficient information on a need to know basis. The general idea behind any network of communications is keeping everybody functioning together. An effective way to start the improvement process is to ask a general question the answer to which can provide a foundation for a practical improvement opportunity. In the area of organizational communication, a generic (broad) question can be phrased in the following manner:

How do we improve the effectiveness of this communications network?

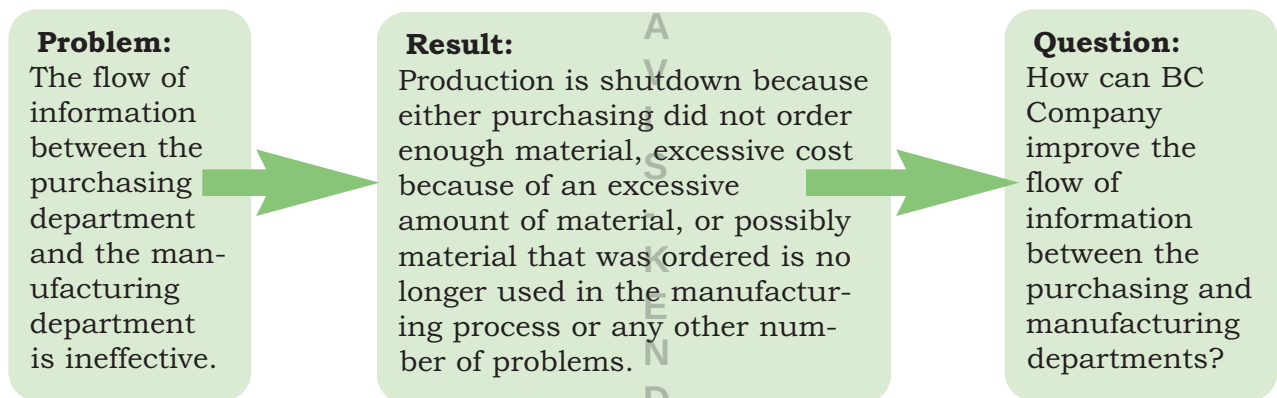
An effective communications network should be built to facilitate the unimpeded flow of information between the separate components that make up the organization. Various departments, divisions and sectors within the company must share information needed to operate.

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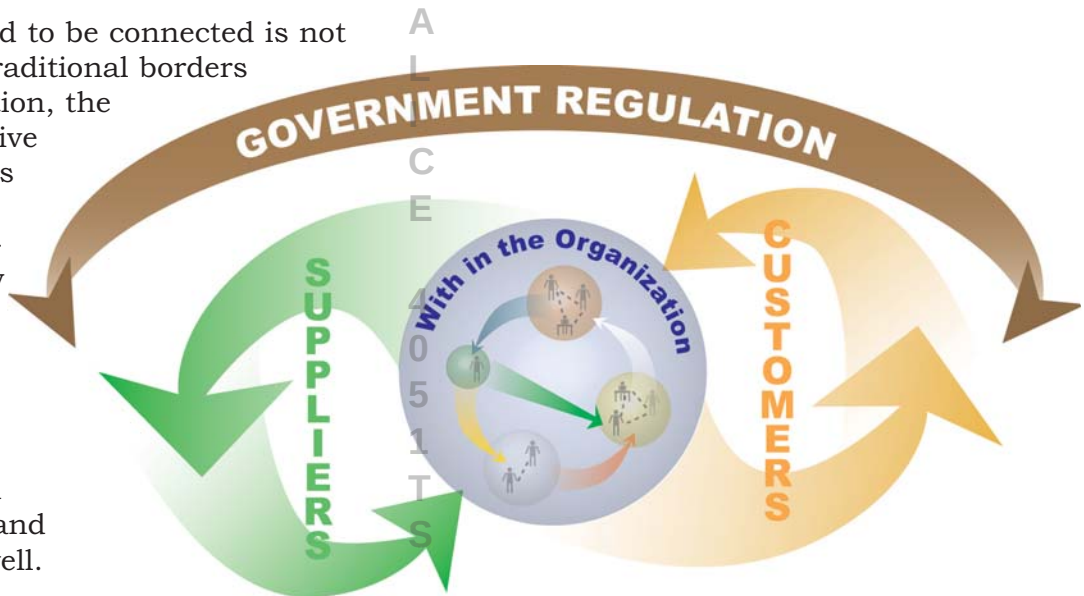
The structure and system analysis may have identified a problem or an opportunity to improve the flow of information between two different departments, shifts or others dealing with the organization (i.e. suppliers or customers). Consider the following situations as examples of how to narrow the scope of research to become a more manageable project.



In some cases, the more pressing issue may actually be the flow of information not just between departments but also between shifts. If so, the question becomes:

How can BC Company improve the flow of information between day and night shifts?

Just as the need to be connected is not limited to the traditional borders of the organization, the role of an effective communications network is not limited to facilitating good flow of information between internal elements only. Information must be shared with suppliers and customers as well.



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If you manage or own a restaurant, you need to have the right information sent to the food or drink suppliers as well as know when the food and drinks will be delivered and if they happen to be out of certain items. The question then becomes:

How can BC Company improve the flow of information to and from the suppliers?

Similarly, sufficient flow of information to and from your client base is another critical element of effective communication. In this case, the research question would be:

How can BC Company improve the flow of information to and from our customers?

Consider not only external communications, but also the costly face-to-face meetings that take place almost daily within the organization. This can also be expanded to include direct meetings with other stakeholders outside the organization. With the increasingly effective means for electronic communications, the organization will also be charged with developing ways to reduce the cost of such daily, weekly or monthly meetings.

Your Access to Information as a Factor

Consider your specific role within the organization before prioritizing the final list of opportunities or questions and selecting a single one. For example, your analysis may have uncovered a major problem in the flow of information from the company's main overseas supplier creating problems for several divisions including your own. Although such a problem directly affects your own ability to perform, it also involves multiple layers of management above and beyond the purchasing department and/or specific agents. As a frontline supervisor, your ability to influence the outcome or resolution of such challenge will undoubtedly be limited by your distance and lack of authority to negotiate with such supplier. You may volunteer to share pertinent information with those who are in better position to resolve this issue but you and the organization would benefit more if you chose to focus on improving the flow of information between your department and others within the factory; or, improving the flow of information between management and the employees you supervise. **The bottom line here is that your role directly affects your ability to access information and needed data as well as the needed authority to implement any recommendations.**

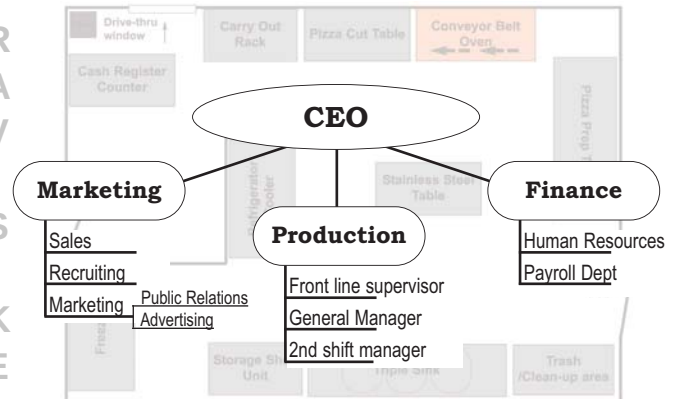
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#2. Layout or Structure

Organizational Structure is the next category to explore. Either **physical layout** or **governing relationships** offer significant opportunities for improving organizational performance. Effective structures focus on proper alignment of organizational components to better support the efficient completion of needed work activities. Beyond major restructuring of organizational components or governing relations, physical layout often offers a more attainable means to improving organizational performance. For example, there may be good potential to improve efficiency by changing the layout in your office, factory floor, or other work venues.



Effective Alignment

The central focus here must be on effective alignment. In some cases, simple realignment of office furniture or production machinery can enhance *workflow* and improve efficiency. Suppose a new project increase the needed interaction between several employees who are located on different floors or in separate buildings. Small steps between offices can quickly add up and slow the flow of information between various team members. Realigning the physical layout of some offices or creating a matrix layout that can better facilitate flow of information or execution of steps can increase overall effectiveness and improve overall productivity. If so, an appropriate question may be phrased as:

How can your company realign office layout to improve workflow?

Workflow may not be a problem in your organization; *accessibility* may be the problem. What if there is a situation where layout impeded the accessibility of the worker to interact with the rest of the office?

In considering effective alignment we must also consider *traffic flow*. Are there objects such as tables or machinery that limit the flow of traffic within the office? Would it be beneficial to change the layout to improve traffic flow for workers as well as potential customers or stakeholders to easily maneuver?

Accessibility to needed equipment may be an issue that many coworkers do not even realize is a problem since things have “always been that way.” Maybe it is a copier or fax, used by most of the staff that has always been in the same location. In its current position it limits accessibility and reduces the efficiency of the rest of the workers. It may not be that big of a drain on a daily basis, but if all of the wasted time going back and forth for all employees over weeks or months is considered, then hours start to add up.

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While efficiency is important, it is not the only concern of organizational performance; image is another. Appearance to the customers and stakeholders can have a direct influence on the revenue stream. Adding an attractive picture behind a receptionist can directly impact the impression of the first time customer in an office. If such an opportunity exists, then the research question may become:

Small Changes/Significant Savings

In one specific case, a manager studied the possibility of rearranging the location of a fax machine and adding multiple machines to reduce wasted time. The plan eventually led to an \$86,000 reduction in overhead expenses for the company. Seemingly a small change led to significant savings of time and money for the company.

How can BC Company realign to improve appearance or image?

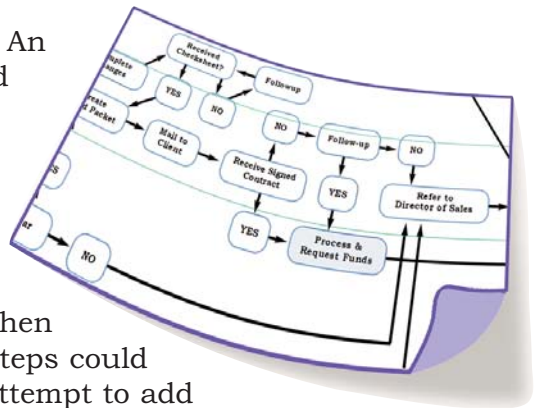
The previous scenarios offer examples of how to change the physical structure of the organization to improve efficiencies. Once again, specific organizational needs differ and so will the research question depending on the overall assessment. The idea is to examine the current structure in search of a more effective alignment to enhance work flow, traffic flow, appearance, image, or accessibility.

#3. Work Processes

It is very important to remember that the system of any organization is made up of work processes. The *efficiency* of those processes is determined by the set goals or desired outcomes. Differing goals such as increased revenues, higher quality, or faster service require different processes or processes with a different sequence of steps. The idea is to examine the current processes to see which may be a candidate for improvement.

Simply defined, a process is a sequence of steps. An efficient work process is one where all the needed steps are deliberately aligned and specifically sequenced to achieve the desired objective while utilizing the least amount of resources possible.

Adapting work processes to gain efficiency is another opportunity. Earlier in the course, you identified a single process and traced its steps. Then you were asked to analyze it to determine what steps could be added, modified, combined, or deleted in an attempt to add efficiency to the process.



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Saving time is essential to an efficient work process. If you wanted to look at a specific process in terms of saving time, it could be that there is an unnecessary step in the process that adds time without adding equal value. Eliminating that step is sure to reduce time and improve efficiency.

Efficient Work Processes

A process may involve two departments and saving overall processing time may involve reallocating a couple of steps from one department to another or simply reversing the order of steps.

While many organizations are aware that desired outcome or set objective directly affect the design of a particular work process, departmental objectives are often changed without modifying the work processes. For example, if the initial training process is designed to serve the goal of faster orientation, then more than likely, new employees are rushed through a quick tour of work stations and a brief description of their roles in their respective departments. After years of quick orientations, management realizes that the turnover rate among new employees is directly related to the inadequate initial training and is costing the company more money in the long run.

The goal then shifts to a higher quality orientation for all new employees. The shifting of goals from reducing cost to improving retention requires the orientation process to be redesigned. In this case, it would be more logical to extend training time or improve the quality of instructions even if it means additional cost.

The processes are dictated by the end objective.

If the objective changes, the processes need to be re-evaluated.

In the marketing department, the scenario may be that the marketing process needs to be redesigned to set clearer expectations for customers, potentially resulting in more satisfied customers and increased revenue or simply adding more funds to the marketing budget. Here, the simple point that is often missed is that *with any shift in the organizational direction or change in departmental objectives, processes must be examined and modified to produce the desired outcome*; otherwise, shifting the goals alone is unlikely to produce the desired outcome if the process stays the same.

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#4. Organizational Productivity: $OP=R+T+E$

The fourth category of potential opportunities is organizational productivity. As you may recall, the formula for maximizing organizational performance suggests that proper management of resources, technology, and effergy may be the key for optimum organizational productivity

All organizations require some input in the form of raw materials, IT, equipment, or general supplies. Such resources come from various sources. A key question to consider is whether the company can find an alternative source for materials that could be cheaper or more reliable. The actual goal (answer) here would be to find a supplier who offers faster delivery or more reliable service.



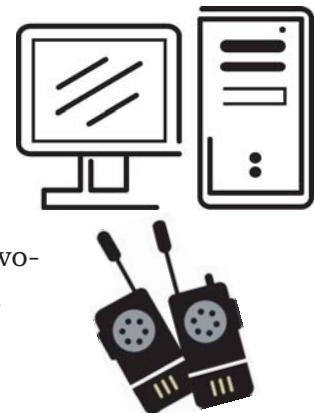
Resources (Raw Material)

A commonly successful topic focuses on the opportunity to pool different branches of the same company together to increase buying power therefore reducing overall costs on raw materials and supplies. If there is a similar opportunity within your company, it would be worth exploring.

Technology (IT)

The second element directly affecting organizational productivity is Technology. What current technology can be upgraded to improve productivity? Specifically, is there a newer version of software that can perform the task better or faster with greater accuracy? Or has the company updated the software without upgrading the hardware? If so, the full impact of the updated software may not be fulfilled without newer, faster, more capable computers.

Obviously, technology involves more than software or hardware. As an example, a manager researched the opportunity of using two-way radio communication between the warehouse employees and the office, cutting the response time and maintaining production schedules while cutting back on shutdowns.



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Effergy (efficient use of effort and energy)

The third element impacting organizational productivity is Effergy. Effergy is the combination of human effort and raw energy. The clearest example of how such a concept manifests itself lies in *automating processes* traditionally completed by human effort. For example, the vending machine provides customers with cans or bottles of their favorite drinks 24/7 and often faster than a clerk behind the counter of a store that may not be open 24/7. Here a machine automated a work process that previously required human effort.



Another example is the newer automated garbage truck that is equipped with an electronic metal arm to pick up the garbage cans. Here, we see a process dreaded by most who performed it and is difficult to staff by those who managed it. The new mechanized arms reduced the need for two or more men who chased the truck from corner to corner. Another historical example is the logging industry where automation multiplied its production many folds with the utilization of chainsaws and heavy tree logging machinery to replace axes and saws.

In the case where such an opportunity is identified and the effectiveness can be proven; it is almost a guaranteed recommendation to be implemented. Keep in mind, that while such opportunities are rare and require significant insight to find, such opportunities can elevate someone's career faster than any other.

Another possible consideration here is *outsourcing* where specialization offers greater potential for efficiency. For example, there are many firms that specialize in cleaning services that range from cleaning offices to heavy industrial equipment. Based on your assessment, do potential opportunities exist for such considerations? If so, a good research question can be: would outsourcing cleaning services or employing a professional answering service that provides a live voice 24/7 for clients without having to triple administrative staff provide greater reliability and improved efficiency and savings?

Outsourcing to a company that specializes in your need is an example of effergy.

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Keep in mind that the primary goal for this overall assessment is to identify attainable research (improvement) opportunities. Even though each of the three elements: resources, technology, and effort offer viable opportunities to improve organizational productivity, it is unlikely that an assessment will yield attainable opportunities in all three areas. The list of questions may pertain to specific situations and an assessment of the scope and attainability of each is necessary. Below are some possible sample questions for this area:

Can BC Company find alternative sources for materials that would reduce costs?

Can BC Company find alternative materials that would reduce costs?

Can BC Company utilize alternative software or hardware to improve productivity?

#5. Incentives

The fifth category of possible improvement opportunities is *Incentives*.

The core purpose of any incentive program aims to **increase the satisfaction level of employees**. Jack Welch, former CEO of General Electric, said, "A satisfied employee is a productive one." In essence, we are simply asking the general question of how to improve the incentive program? The key consideration here is *Rewards*.

If morale is an issue at the organization, then an appropriate research question may be:

Can a new incentive program improve employee morale?

or

What changes if implemented could improve the effectiveness of the current incentive program?

The final phrasing of the research question ultimately depends on the specific organizational opportunity. In most cases, it may be a modification to the existing program that is really needed. When properly designed, an effective incentive program has proven to be a significant morale booster in many organizations. Maybe the sales figures are lower than expected and a change in the incentive program for salespersons could spark an increase?

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The core purpose of any incentive program aims to increase the satisfaction level of employees.

The goal may be a decrease in absenteeism or tardiness that is hindering productivity in the organization. A specialized incentive program designed to address those issues could help remedy the problem.

The *fairness* of the general perception of an incentive program is always an issue within the workplace. It is often a problem because employee buy-in is essential before it can motivate their performance. While the *perception* of unfairness on the part of a certain employee may be a problem, it is also an opportunity to get them involved in the redesign of the incentive program. For example, restaurant employees have been known to share tips to acknowledge the contributions of cooks and busboys. In most cases, the overall tip percentages were increased since higher satisfaction levels from the customers resulted in more tips becoming available.

Consider for a moment the use of incentives in the areas of health care and overall health issues. What if there were high levels of absenteeism due to health issues? Would providing incentives for employees to live healthier lives decrease the absenteeism and improve overall productivity within the organization? Such incentives have proven effective in a variety of organizations and industries. Does such opportunity exist in your organization?

What is the need in the organization? What specific role can the incentive program play in improving attendance, increasing retention, and enhancing morale? These again are just examples; your role in the organization and the specific issues that plague the company will determine the best research topic at the time.



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#6. Performance

The final category of possible improvement opportunities is *employee performance*. In addition to motivation, performance is affected by *capability* and the *support system* within the organization.

Capability

Employee capability, in part, is dependent on the natural talent of the recruits. The higher the talent level the more capable the employees are in completing the tasks assigned to them. So, naturally, an appropriate research question may always be:

How can the company improve the recruiting of needed talents?

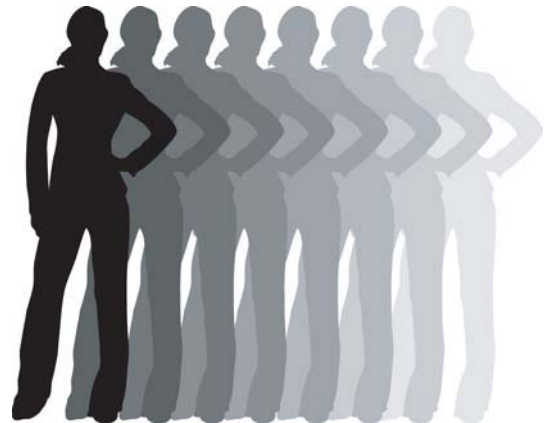


In addition to natural talent, *effective training* can directly transform capability into higher performance ability. Can the company restructure the training of new hires to gain greater speed in proficiency of the job description?

Another area with high impact potential is *continuous development* that, if properly delivered, can directly enhance performance levels of new as well as senior employees. Is there an opportunity to develop skills in first line supervisors or lower level managers in a specific area such as conflict resolution or basic communications skills that would provide overall benefits?

Support

Let's shift to the Support element of performance. Can the organization gain by granting greater *empowerment* within varying levels of employee ranks in hopes of fostering greater creativity? Another element within the Support System deals with the *equipment* necessary to get the job done. Here, we consider if there may be better software that could speed or improve processing time?



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Another important element within the Support System is policies and procedures. For example, most organizations have specific salary guidelines for various jobs. Suppose an organization needed to hire a new sales representative in an area with living expenses higher than most other locations where the business operates. Such policies may limit a manager's ability to attract sufficient talent to fill the position and may cause higher than average turnover in that area in addition to other problems. Then the research question might read:

How can current hiring guidelines be modified to better attract qualified individuals in metropolitan areas where BC Company operates?

Helpful Hints in Choosing your Research Topic

By now, you have a pretty good idea of how the general nature of research questions can be narrowed into a more manageable proportion. At this point it is important to keep in mind that your final research question really *depends on the specific needs of your own organization*, which can only be assessed after thoroughly analyzing your organizational structure and system of operations.

As mentioned earlier, your current role within the organization is another key consideration. For example, if you are a frontline supervisor your research question should be focused on the flow of information between your employees and/or your management team as opposed to the flow of information between company headquarters and overseas suppliers.

You should carefully consider the overall attainability and accessibility you have to information you will need to answer your research question. Another way of narrowing your focus is by simply consulting with coworkers or supervisors within your organization. That will allow you to benefit from the knowledge, insights, and experiences of others. The primary idea is to assess the current situation within your own organization considering the various options you have before determining a specific research question.



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In prioritizing your list, keep in mind that your own assessment is the ultimate determining factor of which guidelines are valid and which are not. Naturally, your question would then depend on your own findings.

Again, the previous material addressed potential areas where opportunities are commonly found. Your own organizational needs, specific role/position, and the attainability of what you find should be the determining factors of the final prioritization process.

This is a copy of the questions you will answer in the COMPLETE section of this unit's coursework.

The **System & Structure Analysis** form accounts for 25% of the final grade and is the equivalent to the final paper for the course. Make sure you cover all the elements required in each of the seven sections below. Answer the questions in Word, then copy and paste your responses into the proper fields on the online form.

- A. Write an overview of the organization including the types of services and/or goods produced and the industry in which it operates. Give a brief history of the organization, where it is located, when the organization was founded and major events in its history. Remember that any information you retrieve from an outside source, whether paper or electronic, must be cited in APA format.
- B. Discuss the industry in which the organization operates. Include significant recent trends in the industry or environmental factors that have affected your organization (such as higher fuel prices for a trucking firm). Potential factors include government regulation, new competitors, substitute products or new technologies.
- C. Provide a narrative of the departmental structure based on the structure analysis you completed earlier in the course. Discuss the interconnectedness of the department with other departments in the organization. Remember to cite the sources of any charts you acquired from other sources.

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- D. Present and discuss the mission statement of the organization in a narrative. You should quote the mission statement and cite the source in APA format. This section should expand on the statement to include discussion of why the organization chose this as its mission and if the majority of employees know and believe in the organizational mission.
- E. Provide a narrative of the major goals of your organization as well as the specific objectives of your department. This should include discussion of how these goals and objectives help the organization achieve its mission and an overall assessment of the clarity and effectiveness of such goals and objectives.
- F. *Throughout the course, you have identified several opportunities for improvement in the areas of communication network, organizational structure, physical layout, work processes, organizational productivity, and employee performance. Below is a list of questions that will help guide you in identifying specific opportunities in each of those six areas. List each answer fully and completely. Please make sure to complete the read and attend sections before attempting to complete this section.*
1. What is your assessment of the health of the **communication network** within your organization? List any opportunities identified during your assessment.
 2. List any discovered opportunities to improve the **structure or physical layout** of your workplace.
 3. List the top recommendations discovered while completing the **Work Process Analysis** form.
 4. Here, list and briefly describe the top recommendation reached while completing the **Organizational Productivity** questionnaire.
 5. List and briefly discuss any opportunities to improve the current **incentive program**.
 6. What was the top recommendation to improve the **performance** of employees within your department?
- G. After completing the previous section, rank the top three opportunities based on their value to the organization, the feasibility in terms of implementation, and the consideration of your own role within the organization.