13.0 Suggestion and Recommendation

Cargill Oilseed Malaysia is weak in purpose but strong in process. Cargill has implemented successfully a lot of horizontal processes that cut across the boundaries that separating organizational unit's mater such as TQM and ISO 9002. However the turn over rate of the knowledgeable employees was showing upward trend in the most recent years. Cargill could not retain or create loyal employees that can serves the company for longer period, unlike the employees working with Cargill in other locations. Many instances showing that Cargill senior manager in head quarter works with Cargill since graduated from university until retirement. Cargill Oilseed Malaysia's employees are weak in purpose.

According to the value matrix, Cargill falls inevitably into the bureaucratic quadrant of the value matrix. Cargill Oilseed Malaysia is very bureaucratic in the sense that the senior managers of Cargill Oilseed Malaysia still assuming full control of setting the company's objectives and determining its priorities. In an environment where the fast-changing knowledge and expertise required to make such decisions are usually found on the front liners. In order to push the purpose up, the managers shall create an organization with which members can identify, in which they share a sense of pride and to which they are willing to commit. In short, senior managers must convert the contractual employees of an economic entity into committed members of a purposeful organization.

Christopher A. Bartlett and Sumantra Ghoshal in their popular journal – Changing the Role of Top Management: Beyond Strategy to Purpose (Harvard Business Review, November-December 1996) commented on this issue and gave few suggestions on how to create an purposeful organization:
1. Embedding corporate ambition in order to create individual who care and who have strong emotional link with the organization by capturing employees' attention and interest; get the organization involved and creating momentum to build sustainable commitment to the objectives of the organization.
2. Instilling organization values/cultures by building on core values, sow the message across and measure the progress.
3. Giving meaning to employees' work or creating sense of fulfillment by recognizing individual accomplishments, commit to developing employees and foster individual initiative by building an organization in which employees right down to the front lines know that they are connected with and are contributing to overall corporate goals.

Structure follows strategy, system supports structure. In the journal written by Christopher A. Bartlett and Sumantra Ghoshal - Changing the Role of Top Management: Beyond System to People (Harvard Business Review, May-June 1995) argued that having process and purpose in place were not itself sufficient without having people element. In a highly bureaucratic organization, management's role was to ensure that workers' tasks were well defined, measured and controlled with the objective of making people as consistent, reliable and efficient as the machines they supported. Managers came to regard their subordinates as little more than another factor of production. Managers designed system, procedures and policies that would ensure that all employees conformed to the company way. The goal was to make the middle managers' and workers' activities more predictable and thus more controllable or the "Organization Man". Unfortunately the systems that ensured control and conformity also inhibit creativity and initiative. This resulting the organizational culture to grow passively; with amused resignation. Creativity and initiative are 2 important elements in value-based competition and creation. The authors in their article stressed the importance of creating individualized people in order to foster the growth of creativity and initiative. The authors came out with the following recommendation:

1. Reduce reliance on strategic planning systems by influencing the organization's direction through the development and deployment of key people.

2. Lighten the burden of control systems by developing personal values and interpersonal relationships that encourage self-monitoring.

3. Replace much of its dependence on information system by developing personal communications with those who have access to vital intelligence and expertise.
True behavioral change of the senior managers is vital in order for the senior managers to lead the organization by examples. The disadvantage of the matrix system in Cargill perhaps is that the senior managers are required to report to 2 different parties of different interest for example the plant manager. The first party the plant manager needs to report to is the regional technical director on all the issues related to the technical aspects of the business such as productivity, downtime, overtime, safety, manufacturing costs and etc. On the other hand the plant manager is also reporting to the managing director of the local business unit on issues related to the profit and loss and the survival of the company. Many instances showing that the objectives of both parties were not aligned creating a lot of conflicts in the organization. The local business unit required flexible management in order to create value for the customers whereas the technical director required strict controls that inhibit creativity and initiative e.g. overtime and manufacturing costs. Many incidents occurred in which the merchant accused the plant manager was not customer-oriented and not supporting enough. Hence without the senior manager change in behavior, the front liners will have difficulty to follow through.

The measurement and reward system that Cargill has shall measure and reward the right behavior so that it does not contradict with the organization goals and strategic intent that Cargill wanted to achieve. The individual and departmental SMART goals shall align with the organization’s objectives and goals.

Knowledge is power. Cargill shall recognize the needs for training in order to enhance their employees’ knowledge and skills. The senior managers shall be exposed to effective management skills in order for them to manage the organization well towards achieving of the organization’s corporate strategy. Knowledge also enables the employees to see the flaw in their current practice and behavior, hence necessitate the needs of improvement.