

CHAPTER 2

LITERATURE REVIEW

2.1 Identification Of Organization's Problems

H. James Harrington in his book Total Improvement Management, said that most managers think that they know all the problems that are plaguing the organization. The real truth of the matter is that most managers do not know about most of the problems that are preventing their employees from doing an excellent job. In a study designed by Sidney Yoshida (Harrington 1995: p. 292), a leading Japanese consultant, he reported that:

- 4 percent of the organization's problems were known by top management
- 9 percent of the organization's problems were known by middle management
- 74 percent of the organization's problems were known by supervisors
- 100 percent of the organization's problems were known by the employees

Since the top management know only 4 percent of the organization problems, the priority set by them to improve the organization would not bring enough change to the organization (Harrington 1995: p. 292).

Dr. Joseph M. Juran has long stated that 80 to 85 percent of all problems in an organization are caused by management (Harrington 1995: p. 198). Donald Stratton,

Manager of quality at AT&T Network System reported the following findings in a Quality Progress articles (Harrington 1995: p. 198). According to him:

- 82 percent of the problems analyzed were classified as common cause. These are processed problems owned by management.
- 18 percent of the problem analyzed were special cause. These are problems that were caused by people, machinery, or tools. Only a small portion of these problems can be solved by employees teams.
- Of the 82 percent management controlled:
 - 60 percent of the corrections could be implemented by first and second-level management.
 - 20 percent of the corrections could be implemented by middle management.
 - 20 percent could only be implemented by top management.

2.2 Methods To Obtain Feedback In Organizations

There are various ways adopted by organizations to allow the flow of information from the employees to the top management. The use of a Request for Corrective Action (RCA) process provides a way for the employee to inform management about the problems in the present process that prevents them from performing their work effectively (Harrington 1995: p. 292). Any employee who is having problem or knows of a problem can fill out an RCA form and send it in to the improvement control center. Organizations that have implemented this type of program has indicated that over 90 percent of the items submitted can be acted upon and brought to a successful conclusion.

Another method commonly used to identify problems of an organization is called action research (Greiner and Metzger 1983: p. 213). Action research is a technique employed by an organization development consultants to flush out critical problems that affect a large segment of the employee population. Questionnaires are used to inquire about a wide range of subjects from job satisfaction to the leadership effectiveness of supervisors. Results are analyzed and forwarded to management for open discussion forum.

Another way to solicit and identify problems is the use of retreats attended by 15 to 25 key employees (Greiner 1983: p. 214). The management consultant acts as a moderator in helping the respondents to focus on major problems or issues. One better approach is to ask each participant to bring along a list of four to six issues or problems, in his or her opinion, need attention by the larger group. The total respondents will be divided into three to five subgroups that meet for a few hours to merge their individual issues into a group consensus. The various subgroups then report to the total group, from which a composite list of issues is created. Finally new subgroups are being formed to work on the provision of solutions to each of these issues or problems. Each subgroup will then be asked to make a final report within a few weeks after studying the issues more carefully.

In this research we are soliciting problems from respondents that are geographically dispersed and the respondents will make a group decision to determine the ten most important problems that need to be addressed by the TNB Generation top management. The most commonly techniques used for improving group decision making are brainstorming, nominal group technique and Delphi technique

(Schermerhorn, Hunt and Osborne 1994: pp.311-312). However since our respondents are geographically dispersed, it is not possible to carry out the brainstorming and nominal group technique in the course of this research. The most feasible approach for this research is the Delphi technique. The Delphi technique was developed by Rank Corporation for use in situations where group members are unable to meet face to face(Schermerhorn 1994: p.312). In this method, a series of questionnaires are used to help geographically dispersed members reach a decision.

2.3 Recent Findings On Problems Of Other Organizations

It is easy to see that the major problems within organizations throughout the world are the processes that management are responsible for modifying and controlling. There are ten major roadblocks and obstacles to improvement identified within most organizations (Harrington 1995: p.194). They are:

- Lack of employee trust
- Lack of management credibility
- Lack of training
- Poor communications
- Fear of risk taking
- Lack of delegation
- Untimely decision making
- Misdirected measurement systems
- Lack of employee loyalty
- Lack of continuity

Hence it will be quite interesting to check and compare the results of this study with the findings of Dr. Harrington. We are also able to check whether the problems faced by TNB Generation are common in organizations which are facing a change or improvement process? If the problems are similar, we can learn from the experience of other organizations on ways to resolve those problems.