

CHAPTER 1

INTRODUCTION

The objective of this study is to conduct an organisation diagnosis on a selected firm to derive appropriate intervention strategies. In the planned change process, organisation diagnosis is a process of collecting information which then be used to assess how the organisation is functioning and determining the best change intervention. Data collection involves gathering information on specific organisational features, such as inputs, design components, and outputs. One of the more direct ways of collecting data is simply to *observe* organisational behaviours in their functional settings. Data analysis organises and examines the information to make clear the underlying causes of an organisational problem or to identify areas for future development.

1.1 ORGANISATION OF THE STUDY

The study report comprises of 5 chapters. This chapter summarized the purpose and significance of the study, research propositions and research questions, scope of the study, limitation of the study and description of the organisation chosen for this study.

The previous empirical studies will be reviewed in chapter Two. Chapter Three will describe the research methodology and data analysis which including research propositions, selection of measures, sampling design, data-collection procedure and data analysis techniques.

The findings and interpretation of the study will be covered in chapter Four. This includes the statistics of the measures, analysis of measures, testing of propositions and summary of research results.

Chapter Five will conclude the findings of the study and provide recommendation of strategies based on the findings. The chapter ended with suggestion for future study as well as implications of the study.

1.2 PURPOSE AND RESERCH QUESTION

The purpose of the study is to diagnose the selected organisation and to recommend appropriate intervention strategies in order to achieve greater effectiveness and ensuring continuous improvement. The diagnosis will serve as a base for intervention strategy in the organisation, and to find out the answers for the following research questions:

- i) Is the organisation under studied viable towards change?
- ii) Is the organisation under studied functioning effectively?

1.3 SIGNIFICANCE OF THE STUDY

The study provides a good diagnosis and gives a fare assessment of health of the organisation under studied. The research goes through real world and the system thinking part of the SSM cycle in order to gain an insight in the problems or situation in the organisation before designing intervention strategy. It gives a holistic picture of what ails the organisation and paves the way for planned intervention and change. The study also provides to set the platform for future in-depth study.

1.4 RESEARCH PROPOSITIONS

The following research propositions were designed in order to answer the research questions outlined earlier:

P1 : The organisation maintain its stability through the process of self-actuation, $\mu = 4$ or $\mu > 4$.

P2 : The organisation is able to survive under change through actor system adaptation, $\mu = 4$ or $\mu > 4$.

P3: The organisation structure is able to survive change through its dissipative structure, $\mu = 4$ or $\mu > 4$.

P4 : The organisation is viable according to the six level organisation diagnosis, $\mu = 4$ or $\mu > 4$.

P5 : The organisation management system is sufficient according to the ISO 9001:2000 international standard, $\mu = 4$ or $\mu > 4$.

Propositions one to three are designed to answer the first research question whilst propositions four to five are intended to answer the second research question.

1.5 SCOPE OF THE STUDY

The scope of this study is confined to a medium size multinational pharmaceutical firm based in Malaysia. The results as well recommendation of the intervention strategies will only apply to the Malaysia operation.

1.6 LIMITATIONS OF THE STUDY

The research is limited to the core activities of the company under studied. As such, the management manual derived from this study may not appropriate to represent the model for the whole pharmaceutical industry in Malaysia.

1.7 ORGANISATION SELECTED FOR THIS STUDY

Pharmacia Corporation is a top-10 global pharmaceutical company, and one of the most dynamic and fastest growing companies in the pharmaceutical industry. The company's primary focus is the discovery, development, manufacture and sales of prescription pharmaceuticals.

The present company is the result of a few mergers during the period of 1990's and year 2000 that brought together a number of well recognized companies including Farmitalia Carlo Erba, Kabi Pharmacia, Upjohn Company as well as Searle/Monsanto. The company's global pharmaceutical business is headquartered in Peapack, New Jersey, U.S.A.

Pharmacia Malaysia Sendirian Berhad (PHA) was incorporated in Malaysia on 1st June 2001. The Malaysia operation has an annual turnover of RM58 million; it ranked 6th in the local pharmaceutical industry with a market share of 3.5%.

The company in study comprises of 4 business units. The eye care business unit (BUE) deals with ophthalmology range of products. The cancer care business unit (BUC) deals with various cancer treatment chemotherapy agents. The pain care business unit (BUP) deals with pain relief medicine. Lastly the multi-source business unit (BUM) deals with a broad variety of medicine ranging from antibiotic, anti depression, diabetic and women's health products. The company has eighty-six employees comprises of six employees from BUE, four employees

from BUC, seventeen employees from BUP, forty employees from BUM, seven management executives and twelve supporting staffs.

The company's core activities focus on sales and marketing activities to promote innovative medicines, products and services to the medical community. The functional support capacities in PHA are still being developed and need to be further strengthened especially in Human Resource, Finance, Training, IT and Logistic. Also a high priority is to strengthen core sales and marketing capabilities through effective skill development and recruitment programs.

Building a strong, cohesive company with emphasis on teamwork, cross-functional interactions and open communication is essential to further develop the company to its fullest potential. Upgrading pertinent job skills at all level in the organisation including administration and support areas remains to be a critical success factor.

Pharmacia is taking a fresh approach when it comes to the company's culture. The culture is defined as behavior – the way our people work with each other, and the way we operates as partners with customers, patients and our many other stakeholders. Pharmacia Malaysia had set specific business behaviors ranging from accountability, to coaching other people, to cross-functional, and participative management.