

CHAPTER 5

CONCLUSION AND RECOMMENDATION

Analysis of the result concluded that the organisation under studied is not viable from the point of self-actuation (P1 is rejected); as such the organisation is unable to maintain its stability through processes of self-actuation. The organisation is also not viable in the areas of actor system adaptation (P2 rejected) and dissipativeness (P3 rejected). Therefore, the organisation will not be able to survive under change. The organisation also found that not functioning effectively as shown in the six level organisation diagnosis (P4 is rejected). Lastly, the organisation failed to shown its effectively in terms of quality measurement against the ISO 9001 (P5 is rejected). Therefore, PHA needs a comprehensive plan to implement the change process.

5.1 RECOMMENDTIONS

To improve the weaknesses of PHA's organisation, the Cummings model is used as a framework for the intervention design. Below are the four intervention strategies that are proved to be effective in overcoming the organisation problems and widely used in planned organisation change: It is divided into four types of intervention. There are human process interventions, technostrutural interventions, human resources interventions and strategic interventions.

5.1.1 HUMAN PROCESS INTERVENTION

Human process intervention is recommended include T-group, process consultation, team building and organisation confrontation meeting. T-group intervention is required for inter-personal conflict that arisés among individual. In this intervention, individuals gain understanding, insight, and self-awareness about one's own behavior and its impact on others, including the ways in which

others interpret one's behavior. This will enable them to correct their behavior to suit others. The interventions are aimed at helping group members assess their interactions and devise more effective ways of working together.

Process consultation (PC) focuses on inter-personal relationship and social dynamic problems occurred in work groups. PC helps people and groups own their problems, diagnose and resolve them. It assist group members diagnose group functioning and devise appropriate solutions to process problems, such as dysfunctional conflict, poor communication, and ineffective norms.

Third-party intervention focuses on conflicts arising between two or more people within the same organisation. Conflicts can arise from a variety of sources, including differences in personality, task orientation, and perception among group members, as well as competition for scarce resources. Third-party intervention is used primarily in situations in which conflict significantly disrupts necessary task interaction and work relationships among members. The third-party intervener helps people resolve conflicts through such methods as problem solving, bargaining, and conciliation.

Team building is also recommended to help work groups become more effective in accomplishing tasks. It refers to a broad range of planned activities that help groups improve the way they accomplish tasks and help members enhance their interpersonal and problem solving skills. It helps members diagnose group processes and devise solution to problems. It includes examination of the group's task, member roles, and strategies for performing tasks.

Organisation confrontation meetings change method mobilizes organisation members to identify problems, set action targets, and begin working on problems. The intervention generally includes various grouping of employees in identifying and solving problems. The application of this intervention is to

increase the dissipativeness of the organisation. The intervention will encourage employee to participate and contribute ideas.

By implementing the human process intervention, PHA will be able to improve the scores or performance in dissipative structure systems diagnostic, all group diagnosis, individual actor system diagnosis and management system.

5.1.2 Technostructural Interventions

The second type of intervention based on Cummings model is the technostructural intervention. The recommended intervention includes structural design, employee involvement and work design.

The intervention of structural design describes how the overall work of the organisation is divided into subunits and how these subunits are coordinated for task completion. It is a key feature of an organisation's strategic orientation. The intervention will enable information to flow more effectively when the correct organisation structure is being used. Changes of organisation structure will also increase dissipativeness in the organisation.

The employee involvement intervention aimed at moving decision making downward in the organisation, closer to where the actual work takes place. This increased employee involvement can lead to quicker, more responsive decisions, continuous performance improvements, and greater employee flexibility, commitment, and satisfaction. The employee involvement intervention is able to help the organisation be more dissipative.

Work design intervention aimed at creating jobs and work groups that generate high levels of employee fulfillment and productivity. Generally there are three approaches towards work design: engineering approach, motivational approach and sosiotechnical system approach.

In general, the technostructural intervention will enable the organisation to improve the condition of the individual effectiveness, strategic orientation of the organisation and the dissipative structure of the organisation.

5.1.3 Human Resource Management Interventions

The third intervention strategy according to Cummings is the human resources management intervention concerned with managing individual and group performance. Performance management involves goal setting, performance appraisal and reward system that align member work behavior with business strategy, employee involvement, and workplace technology.

Goal setting describes the interaction between managers and employees in jointly defining member work behaviors and outcomes. Goals setting can clarify the duties and responsibilities associated with particular job or work group. When applied to job, goal setting can reinforce individual contributions and work outcomes. When applied to work groups, it can be directed at group objectives and can reinforce members' joint actions and overall group outcomes. Organisational effectiveness can be enhanced if Organisational goal and personal goal is aligned.

Performance appraisal involves collecting and disseminating performance data to improve work outcomes. It is the primary human resource management intervention for providing performance feedback to individuals and work groups. It facilitates career counseling, provide information about strength and diversity of human resources in the company and link employee performance with rewards.

Reward systems are powerful incentives for improving employee and work group performance and employee satisfaction. They can support goal setting and feedback systems by rewarding the kinds of behaviors required to implement a particular work design or support a business strategy. The reward system

designed should be able to reward and motivate employee towards Organisational goal.

Career planning involves helping people choose occupations, organisations, and jobs at different stages of their careers. Career development helps employees achieve career objectives. The career planning and development interventions helps to attract and hold highly talented employees and can increase the chances that their skills and knowledge will be used.

Employee wellness interventions, such as employee assistance programs and stress management, recognize the important link between worker health and Organisational productivity. This intervention will assist employee in their problem in life through counseling program because employee personal problems are related to employee's job performance.

In general, the human resources management intervention program will enable the organisation to improve the condition of personal characteristic, individual effectiveness and dissipative structure of the organisation.

5.1.4 Strategic Interventions

The final group of intervention according to Cummings is the strategic interventions. These interventions address the relationship between an organisation and its environment. They focus on helping the organisations position themselves strategically in their competitive environments and achieve a better fit with the external forces affecting their goal achievement and performance.

The recommended strategic intervention for managing organisation and environment relationship for this project includes integrated strategic change and transOrganisational development. Besides this, culture change and self-designing organisations is recommended for transforming the organisation.

Integrated strategic change is a comprehensive intervention for addressing organisation and environment issues. Individuals and groups throughout the organisation are integrated into the analysis, planning, and implementation process to create a more achievable plan, to maintain the firm's strategic focus, to direct attention and resource on the organisation's key competencies, to improve coordination and integration within the organisation, and to create higher levels of shared ownership commitment.

TransOrganisational development is a form of planned change aimed at helping organisations develop collective and collaborative strategies with other organisations. It helps organisations to enter into alliances, partnerships and joint ventures to perform tasks or solve problems that are too complex. Transorganisational development intervention can better the external condition which poses treat to the health of the organisation. Condition such as dominant buyer can be enhanced using this intervention.

Culture can affect strategy formulation and implementation as well as the firm's ability to achieve high levels of performance. Culture change involves helping senior executives and administrators diagnose existing culture and make necessary alternations in the basic assumptions and values underlying Organisational behaviors. Culture change intervention helps organisation develops cultures appropriate for its strategy and environment. The intervention will enable the employee in the organisation to adapt to any changes required to sustain the viability of the organisation. Thus, organisation becomes more effective.

A self-design change strategy helps an organisation gain the built-in capacity to design and implement its own Organisational transformation. It helps the organisations gain capacity to change itself fundamentally. This intervention is important since the business environment is changing rapidly. The organisation

needs to change itself in order to remain competitive. Organisation will be able to set strategic direction and designing and implementing appropriate structures and processes.

Organisation learning and knowledge management interventions help organisations develop and use knowledge to change and improve themselves continually. Knowledge management focuses on how that knowledge can be organized and used to improve organisation performance. The intervention enables organisation to obtain continuous improvement.

In general the strategic intervention are able to set clear direction and better condition in all area of the organisation.

5.2 CONCLUSION

The strategic intervention should be the first priority in the change process. The organisation needs to decide what products or services they will provide and the market in which they will compete, as well as how to relate their environments and how to transform themselves to keep pace with changing conditions.

Secondly follow by technostuctural intervention where orgnizations must decide how to divide work into departments and then how to coordinate among departments to support strategic directions. They also must make decisions about how to deliver products or services and how to link people to task. If it does well, structural design and work design can help to improve strategic orientation and dissipative of the organisation.

The human process intervention will then fit into the strucfure and work design to deal with social processes occurring among organisation members, such as communication, decision-making, leadership, and group dynamics. T-group,

process consultation and third-party intervention are required to resolve the existing interpersonal conflict and social dynamic problems in the work groups. Team building need to be introduced to enhance employees' interpersonal and problem solving skills.

Concurrent with the above intervention, human resource management intervention can facilitates performance appraisal and reward system and link employee performance with rewards. The intervention also helps to attract competent people to the organisation, setting goals for them and ensuring that they develop their careers and manage stress.

The self-design change strategy, organisation learning and knowledge management, and culture change can be developed after completing the above. The application of these interventions is to increase the dissipativeness of the organisation. The intervention program needs regular monitoring (using the Gantt chart) to ensure the success of transforming the organisation.

Summary of Intervention, its corresponding Quality Management Systems and Required Resources

<i>Proposed Interventions</i>	<i>Quality Management Systems –Requirements (ISO 9001)</i>	<i>Required resources (Number of Man Days)</i>	<i>Targetted Date To Complete</i>
- PHA needs to positioning strategically in the highly competitive environment through strategic intervention (4.2.1.2)	<u>I) Quality Management System</u> - General requirements. - Documentation requirements.	6 senior managers X 6 days = 36 man days	Sep 2002
-PHA should increase the clarity about the team's goal through technostrutural intervention (4.2.2.1) -Organisation learning and knowledge management interventions help to develop and use knowledge to change and improve themselves (4.2.3.2) -Work design intervention aimed at creating jobs and work group that generate high levels of employee fulfillment and productivity (4.3.3.3)	<u>II) Management Responsibility</u> - Management commitment - Customer focus - Quality policy - Planning -Responsibility, authority, communication - Management review	40 (from BUM unit) X 2 = 80 man days 72 X 6 days = 432 man days 12 (supporting staffs) X 2 days = 24 man days	Nov 2002

<p>-PHA needs to focus on strengthen its human resources systems especially on performance appraisal and reward systems (4.2.1.3) & (4.2.3.2).</p> <p>-PHA should increase the clarity about its working culture through culture change intervention (4.2.1.3).</p> <p>- PHA needs to develop healthy interpersonal relations and overcome the inter-personal conflict through human process intervention, e.g. process consultation (4.2.2.1)</p>	<p><u>III) Resource Management</u></p> <ul style="list-style-type: none"> - Provision of resources - Human resources - Infrastructure - Work environment 	<p>86 X 2 days = 192 man days</p> <p>40 (from BUM unit) X 2 = 80 man days</p>	Dec 2002
<p>- PHA could focus on increasing the integration and coordination within its organisation (Sales, Marketing and logistics) and with its suppliers and distribution partners – through structural design intervention (4.2.1.4).</p>	<p><u>IV) Product Realization</u></p> <ul style="list-style-type: none"> - Planning of product realization - Customer-related processes - Design & development - Purchasing - Production & service provision 	<p>13 middle managers X 2 days = 26 man days</p>	Oct 2002
<p>- PHA needs to improve its core activity and measurement systems (e.g. tightening the SOPs for sales activities) through structural design intervention (4.2.1.3)</p>	<p><u>V) Measurement Analysis & Improvement</u></p> <ul style="list-style-type: none"> - General - Monitoring & measurement - Control of nonconforming product - Analysis of data - Improvement 	<p>19 (6 senior managers & 13 middle managers) X 3 = 57 man days</p>	Oct 2002
TOTAL MAN DAYS		<p>927 man days (about 4.5% of the annual 20,640 man days of working)</p>	

Summary of Intervention on Quality Management Systems (ISO 9001:2000) and Required Resources

<i>Proposed Interventions</i>	<i>Quality Management Systems –Requirements (ISO 9001)</i>	<i>Required resources (Number of Man Days)</i>	<i>Targeted Date of Complete</i>
- The organisation needs to establish, document, implement and maintain a quality management system and continually improve its effectiveness in accordance with requirement of the international Standard.	<u>I) Quality Management System</u> - General requirements. - Documentation requirements.	6 senior managers X 12 days = 72 man days	June 2003
- Top management of PHA needs to provide evidence of its commitment to the development and implementation of the quality management system and continually improve effectiveness by establishing the quality policy.	<u>II) Management Responsibility</u> - Management commitment - Customer focus - Quality policy - Planning - Responsibility, authority, communication - Management review	Same as above	June 2003
- PHA had met satisfactory results in this areas.	<u>III) Resource Management</u> - Provision of resources - Human resources - Infrastructure - Work environment	Nil	Completed
- The organization needs to plan and develop the processes needed for product realization.	<u>IV) Product Realization</u> - Planning of product realization - Customer-related processes - Design & development - Purchasing - Production & service provision	13 middle managers X 3 days = 39 man days (meet on quarterly basis)	June 2003
- PHA needs to plan and implement the monitoring, measurement, analysis and improvement processes needed to demonstrate the conformity of the product and the quality management system.	<u>V) Measurement Analysis & Improvement</u> - General - Monitoring & measurement - Control of nonconforming product - Analysis of data - Improvement	19 (6 senior managers & 13 middle managers) X 3 = 57 man days	June 2003
TOTAL MAN DAYS		168 man days (about 0.8% of the annual 20,640 man days of working)	

GANTT CHART :

Intervention Plan for PHA from June 2002 - May 2003

	2002						2003					
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<u>Quality Management System</u>												
Strategic Intervention:												
- Integrated Strategic Change	X	X										
<u>Management Responsibility</u>												
Technostructural Intervention:												
- Structured design		X	X									
- Work design		X	X									
Strategic Intervention:												
- Organization learning and knowledge mgmt interventions	X	X	X	X	X	X	X	X	X	X	X	X
<u>Resource Management</u>												
Human Process Intervention:												
- Process Consultation				X	X	X			X	X	X	
- Third party Intervention				X	X	X			X	X	X	
- Team building				X	X	X			X	X	X	
Human Resource Management:												
- Appraisal						X						
- Reward			X			X		X			X	
Strategic Intervention:												
- Culture change						X						X
<u>Product Realization</u>												
Technostructural Intervention:												
- Structural design		X	X									
<u>Measurement, Analysis and Improvement</u>												
Technostructural Intervention:												
- Structural design		X	X									

5.2 SUGGESTION FOR FUTURE STUDY

Future study can consider expand into the entire pharmaceutical industry rather than just study an individual organisation. It can also extend the study to evaluate the effectiveness of the four intervention strategies.

5.3 IMPLICATION OF THIS STUDY

This is a preliminary study of diagnostics and planned organisation change on a medium size healthcare firm using an adapted version of Soft System Methodology. It provides a good reference for future research to confirm the application of the similar methodology for other similar size company in the pharmaceutical industry.