**Additional Notes from Semester 1**

Comparison of Functional & Geographic Organisational Structures

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|  | Functional | Geographic |
| Communication between Departments | Since the functional units are not accountable to each other and share decision-making power, the process is more bureaucratic and tends to take longer. While the flow of communication within a department is expedient, communication between departments and synchronisation of work and project completion is more difficult to manage. | Communication between representatives of the different business functions is much more personal in a geographical organisational structure. Rather than having to establish working relationships with people on the other side of the world through email and telephone, employees in a geographical structure often work side by side with personnel from various departments. |
| Customer Service | Customer service quality may be compromised. In a functional structure, a customer support representative in India might speak with a customer from England, then call an account manager in Germany to obtain the information to help the customer - access to representatives from other functions may be difficult, which can reduce efficiency. Also, customer support representatives may not fully understand the customer’s language and idiomatic expressions.  | Customer service quality can be enhanced by implementing a geographical structure. Customers can feel more at ease when speaking with local representatives who fully understand their language and idiomatic expressions. Customer support representatives will also have greater access to representatives from other functions, which can allow them to handle customer issues much more efficiently |
| Organisational Flexibility – responsiveness to change | Difficulties with communication between departments potentially decreases flexibility and innovation. Too much focus leads employees to neglect the larger view of the company and its objectives. | Grouping employees this way encourages the formation of strong, collaborative teams that work well together, engage in planning and decision-making together, and understand each other's personalities and work styles. An advantage of this close working proximity is the ability of the team to adapt quickly to changes in divisional goals and processes, and to bring everyone on board with new strategic initiatives. |

Change Management Strategies:

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| Strategy | Why the strategy is useful | Activities to facilitate the strategy |
| **Communicate the threat of not changing** | Helping staff understand the business drivers of change can draw their attention to organizational requirements rather than focusing on personal desires. | Face to face meetings, newsletters, memos, letter, email, company internal website, access to documentation that outlines bottom line. |
| **Involve the team in decision making** | Communication is a two-way process. If an organization simply shares details of the forthcoming changes with the workforce, but does not provide a mechanism for people to share feedback, then employees may perceive change as being pushed on them, rather than feel that they are being given a voice to influence change. Employees need to feel that their opinions count and that they are being heard. | Call for suggestions : Staff meetings; suggestion box, submissions via email. Survey staff. Vote on proposals: at meetings, via online ballot |
| **Minimise uncertainty** | Access to the decision makers (firsthand information - the higher in the organizational hierarchy the “author” is, the more credibility the message will have) Publish a process timeline with estimated start and end dates. Honest tone in messaging, Consistent language and terms, Message content that “connects the dots” for employees. Focus on the positives - focusing on the benefits the new work environment will bring and how those advantages will be achieved. | Make someone available for individual staff members to discuss the effect on them, regular updates on progress for all staff (website, email, etc). |
| **Celebrate successes in moving towards the goal** | Create and agree on a limited number of specific goals and outcomes for the workplace change management process, when a goal is met celebrate or reward staff efforts. | Having a morning tea, lunch, staff bonding or wellbeing exercise. |
| **Keep explaining the reasons to change** | with a large organisation thousands of employees may be affected and how they are affected may shift and change as the change process rolls out.  | Face to face meetings, newsletters, memos, letter, email, company internal website – explaining progress to date and next stage/s. |
| **Be as transparent** as possible | when there is an information vacuum people often assume the managers are plotting terrible things | Regular face to face meetings, access to documentation (website), regular updates – memo, email, newsletter |

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Management Styles

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|  | **Autocratic** | **Democratic/participative** | **Laissez-faire** |
| **Characteristics** | * ruling with unlimited authority
* swiftness of project completion - efficient
* employees often coerced and threatened to complete tasks
* manager makes all the decisions, communication lines are direct
* employees can feel unmotivated and disconnected
* limited staff development.
 | * requires and encourages participation from everyone and shares decision-making
* for the betterment of the organisation
* leaders reward employees through financial gains and positive evaluations which in turn increases motivation and morale
* encourages employee commitment as employees feel valued
* develops leadership skills in subordinates
* can be time-consuming reaching decisions.
 | * Very little guidance from leaders
* Complete freedom for workers to make decisions
* Leaders provide the tools and resources needed
* Group members are expected to solve problems on their own
* Power is handed over to followers, yet leaders still take responsibility for the groups decisions and actions
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| **Job satisfaction** If the employees find their job fulfilling and rewarding, they tend to be more satisfied with their jobs. | Autocratic management styles tends to foster lower job satisfaction levels because:• work tasks are directed not negotiated• manager opinion valued above others• minimum communication lowers positive feedback necessary to foster a satisfactory work environment• more value placed on manager’s goals and company efficiency at the expense of employee satisfaction and personal efficiency. | Democratic/Participative management styles tends to foster higher job satisfaction levels because:• employee’s input valued• opportunity for personal and professional development• there is a shared decision-making process• the increasing social commitment of working in teams and valuing other’s input leads to greater satisfaction• employees feel a sense of empowerment and ownership, as they are part of the decision-making process• open communication between all levels of management. | Laissez-faire:* Great for teams in which individuals are very experienced, skilled self-starters, as they have complete freedom to make decisions, do their work and set their own deadlines – high job satisfaction and increased productivity
* Damaging if team members don’t manage their time well as deadlines are not met or if they are lack knowledge, skills or motivation to do their work effectively – poor achievement levels lead to low job satisfaction.
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| **Workplace efficiency** | - less distractions as work directions are handed down and not questioned- less meetings so more time is spent on tasks- rewards are task-orientated so acts as an incentive to complete work- the completion of the directed task is paramount so work schedules are prioritised to maximise collective output. | - as the approach is team-orientated everybody works towards a common goal- new ideas and methods are raised to improve workplace efficiency- a collaborative manner ensures each individual is placed in an appropriate part of the work process to maximise efficiency. | - Delegate authority to capable experts – so efficiency of decision making maximised- Maximize the leadership qualities of staff – individuals motivated to perform- Efficiency is maintained by allowing staff to solve problems and manage challenges but monitoring closely enough to know when to step in and lead during a crisis |
| **Workplace productivity** | - each individual is focused on their own performance so each unit of performance can easily be measured- rewards and coercion often used by management so an employee’s work is constantly monitored- processes and methods are simplified to ensure employees follow instructions accurately to maximise individual output. | - each individual is trained and supported to optimize their individual productivity- as part of a team an individual does not wish to lessen their input so they work to maximise their output. | - Allows experts to function productively and challenges them to take personal responsibility for their achievements and failures- Motivates people to perform optimally and gives them latitude to make correct decisions that might not be supported in a more structured environment- Reinforces successful performance and leads to a higher retention of experts who thrive in creative environments that support autonomous decision-making |
| **Workplace sustainability** | - as the focus is task-orientated each element of the task is completed on schedule and deadlines are met- a successful autocratic leader keeps abreast of changing global trends and implements appropriate methods and processes to ensure continued viability.  | - working in a team environment, individuals are always investigating new methods due to global pressures to ensure sustainability of the organisation- individuals have a strong sense of ownership and will work together on responding to new trends in the marketplace.  | - Sustainable provided team members are supported to maintain their high level skills, extensive education and/or experience to ensure ongoing relevance of work output.- Sustainable provided manager maintains knowledge base to enable effective monitoring of group and individual performance and to stay on top of new trends. |

Changes in the workplace

**Political/legal**

* **Government Initiatives –** This factor relates to the way in which political changes might impact on an organisation’s future strategic plans. Political factors abroad, which may affect Australian businesses, must also be considered. An example of political change would be if a company was receiving tax incentives for locating in a deprived area and if those tax ‘breaks’ were later withdrawn by the government. E.g.’s : solar panel rebates, car manufacturing, small business incentives, childcare reforms, trade agreements, tariffs
* **Changes in Government** - The ideological orientation of governments and the nature of competition between political parties influence unemployment, economic growth, inflation, and monetary and fiscal policy. Patronage does unfortunately occur, this is a term used when politicians or governments undertake or endorse projects that benefit a group of citizens in return for that group's support or campaign donations. This spending mostly benefits the needs of a small select group despite the fact that the entire community's funds are being used. E.g. Road vs rail development for transport
* **Legislative workplace reforms** - Government, both State and Federal, legislate (make laws) to achieve the best possible workplace relations and to cope with the challenges posed by the economy and changing community needs. Workplace Reforms must recognise two features of labour markets; Labour is not just an ordinary input, and, that there are ethical and community norms about the way in which a country treats its employees. Without regulation, employees are likely to have much less bargaining power than employers, with adverse outcomes for their wages and conditions. The challenge for Workplace Reform is to develop a system that provides balanced bargaining power between the parties, that encourages employment, and enhances economic efficiency. E.g.’s “ enterprise bargaining (industrial relations), allowances and entitlements, Fair Work Act – National Employment Standards

**Technological**

* **New software** - developments in consumer technologies such as mobile phones, have changed the way business is conducted. No longer do people have to be in the same building to take part in a meeting – video conferencing, for example, allows staff in different locations to take part in a meeting. The software used must be compatible across all devices and platforms – whether it be for inhouse video conferencing or online customer sales. New software can open new ways of doing business and access to new markets.
* **New operating systems** - Innovations in technology can force a business to change just to keep up. Employees who have never used computers need to be trained to operate the new computer system. A business also can benefit by implementing a technological change. The airlines' introduction of email ticketing and eCheck-in has resulted in increased efficiency and better customer service while meeting little customer resistance. Less customer service staff are required for ticket sales and the check-in process, which represents a significant cost saving to the airlines.

**Social:**

• **Ageing population** - Over the next four decades in Australia, the number of people aged over 65 will almost double. Within just seven years, about 85% of labour market growth will come from people over the age of 45. One of the economic implications of ageing is the increased burden on the pension, welfare and healthcare systems. One of the governments’ approaches for dealing with this fiscal pressure is to keep people in the workforce for longer by increasing the eligibility age for the age pension. This has implications for employers with regard to maintaining the occupational health and safety of these older employees, as well as maintaining productivity and efficiency. E.g.; BMW reorganising production line, need for transition to retirement – reduced hours, changed job role

• **Change in traditional gender roles** – In the past 50 years women’s participation in the workforce has increased significantly while men’s has decreased, now both partners of couple families are likely to be employed. Impacts workplaces through the need for increased access to family friendly leave provisions/ workplace flexibility, affordable child care

• **Consumer preferences** - The individual consumer has a set of preferences which are dependent upon culture, education, and individual tastes, among a plethora of other factors (think social media, environmental awareness, allergies, etc). Demand for a product or service, and therefore the sustainability of a business, can rise or fall in a viral storm on social media. Impact on workplaces is that companies must have an active presence on the Web to monitor their brands continuously, and also to be innovative and proactive to stay ahead of consumer trends.

How changes in political/legal, technological and social factors drive change in the workplace

• more flexible work arrangements to retain workers (from home)

• improved maternity/paternity entitlements (to entice workers to stay with an organisation)

• organisations subsidise training courses offered to retain workers (university, TAFE). Nationally accepted training and education standards that are more readily accepted across the nation by employers

• new ideas/processes are introduced into organisations as workers change employment more frequently. Workers are familiar with positive change management

• jobs become redundant and new jobs emerge

• uncertainty about changing workforce (predicting future employment patterns and processes

• being able to negotiate effectively in the workplace (e.g. pay and working conditions

• failure to understand technology (changing at a rapid rate)

• longer working hours (less leisure time); (impact on work-life balance)

• increased pressure/stress at work (meeting deadlines/work commitments)

• working to an older age (pension/superannuation changes); particularly demanding in trade positions (e.g. construction)

• FIFO arrangements favoured by mining companies which some studies have indicated cause mental illness issues as well as relationship issues (family issues)

• increased environmental focus across all industries

• increased sense of corporate responsibility

• increased competition from globalisation drivers greater innovation

• government policies may force workplaces to become more sustainable in their operations. This may force investment in alternative processes in the workplace, e.g. reducing the size of the premises to reduce rent, utility consumption, etc. as more reliance is placed on ‘work from home’ arrangements or installing solar cells on workplace premises to offset resource/utility use

Changes that could provide opportunities

**Technology** – greater use of technology, e.g. software and Operating Systems:

• learning/training/upskilling provided by employer for new software/OS

• encourages networking opportunities

• identification of industry trends is available through improved technology (increased mobility)

• increase in professional development opportunities (e.g. advancement, secondment, change in role)

• access to telecommunications (satellite, web cams, the Internet, videoconferencing

• new products/trends/markets emerge (new jobs created)

**Political/legal** – a greater number of job changes in a person’s working life:

• multi-skilling

• more adaptable to change

• job sharing and job rotation

• national, international work positions in larger organisations increases

• enhanced development of transferable employability skills

• ageing workforce – utilising their skills

• more opportunities to change career pathways

• importance of lifelong learning with many job changes over a lifetime

• ability to develop more work-life balance with more part-time work opportunities

**Social** – increase in part-time work:

• opportunity for work-life balance

• opportunities provide women with the power to gain a greater control over when in their careers they choose to become a mother and when to re-enter the workforce

• part-time work provides greater flexibility of work hours

• part-time work is seen as a transition to retirement by older full-time workers

• an important trend for women over the past three decades has been the change in fertility patterns – namely, women are generally having fewer children and having them later in life preferring to focus on their career first

• importance of lifelong learning with many job changes over a lifetime

• older workforce – engaging them better

• new products/trends/markets emerge (new jobs created)

Performance Management

* Performance management focuses on the efficient and effective use of the human resources of an organisation and usually involves a periodic written review of individual performance, in the context of the ongoing performance management process.
* Managers and employees are responsible for completing a yearly performance review as part of ongoing performance discussions.
* The performance management process facilitates constructive discussion between the employee and manager in order to clarify performance objectives, provide feedback about the employee’s performance with respect to skills and behaviours, provide a framework for identifying the employee’s development plans, and serve as a basis for merit increase decisions.
* A Performance Review Form template may be used which includes the following key areas;
	+ Major Areas of Responsibility (This is what you do and should include a self appraisal of the past review period);
	+ Performance Competencies—Skills and Behaviours (This is how you do it);
	+ Overall Assessment (by employee and manager); Development Plan (identification of training needs, etc in line with career goals and organisational needs);
* Performance Goals and Expectations

360 Feedback

Positives

* The 360° evaluation would give us the most accurate, best possible analysis of individuals and their performance within the company.
* The format tends to be most valuable if it is used for purposes of individual development, rather than for making administrative evaluative decisions.
* The 360° feedback system can provide specific suggestions about how to improve individual competencies.
* It can minimise some of the most common problems with the performance appraisal process (supervisor evaluation only methods).

Negatives

* It takes a significant amount of time for a group of individuals to evaluate one person if we use a 360° format.
* By using up so much organisational time, it costs us a significant amount of money. If we multiply the numbers based on the time required to evaluate one individual to count everyone in the organisation, the costs can quickly become massive.
* The integrity of anonymity can be easily compromised making subordinates/peers less truthful in their assessments of a supervisor/co-worker for fear of repercussions.