



MAS5697

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Executive summary

The report attempts to identify the business issue faced by the organisation. A description of the issue is provided and it is explained that why the issue has arisen in the first place. Certain factors are identified which contribute to the business issue. It has been found that modern trends in the management functions and employment structures are some of the reasons which require that the business issue should be resolved if the company needs to survive in the future. In the end, a brief conclusion and few recommendations have been suggested.

Introduction

The business profile is a successfully running micro processing systems company which follows the traditional organisational structure consisting of the top-down approach. Under a top-down approach, the visions, as well as imperatives of the upper management, are focused upon. Essentially, the directives and the goals of the company flow from the top management to the employees below. So far, the approach has proved beneficial for the company. However, the company now faces a business issue in that it wishes to know if it needs to change its traditional organisational structure towards a more employee focussed bottom-up approach in view of the transformations occurring in the business environment and trends occurring in the nature of the workforce. The issue faced by the company would have crucial implications on the decision making, planning and overall management and running of the business. One of the main management functions involved here is that of planning. The issue will be addressed by understanding the pros and cons of changing the organisational structure and also studying real life examples where a change in such structure has resulted in consequences, positive as well as negative. Upon a better understanding of the aspects involved, a conclusion and few recommendations will be arrived at.

Defining and framing the Issue

The requirement of a bottom-up approach has arisen as the top-down approach has certain disadvantages. Subordinates do not form part of planning in case of top-down approach organisations (Jeston&Nelis, 2014). The missions, visions, and goals pertaining to strategy and other plans come from the owner of the company and is simply communicated to the employees working below him. Thereafter, the front line is responsible for translating these goals and missions into actual results(Weihrich& Koontz, 2012). The issue with this approach is that it places too much emphasis on top management and places a rare focus on employees. In the absence of having effective control in their own hands, they are not able to show their creativity and the will to take initiatives. The requirement for the change in this approach is also due to the fact that under top-down approach decisions flow slowly thus the response to changes in the market are also made slowly. Further, there are rivals who are based upon the idea of teamwork and empowerment of employee also contribute to this issue (Hill, Jones & Schilling, 2014). The issue is also due to the reason that top management is rarely able to actually see the kind of talent that runs within the organisation. In absence of appreciation, such employees are then willing to

work for some other organisations that have an eye for talent and are willing to recognise the same (Wheelen, & Hunger, 2017). In contrast, the top-down approach will be able to retain only those employees who are interested only in an eight-hour shift and simply following direction. The organization may lack the ability to implement or benefit from the knowledge and experience of its employees on the lower levels.

The current practices of management functions indicate that there is a trend of flattening hierarchies. Under this situation, the role of an employee is promoted through delegation of the process of decision making. The reasoning behind this model is that workers who are well trained are more productive when they play an important role in the process of decision making instead of being supervised by various management layers (Wulf, 2012). Another practice of management function in modern trend is that of decentralisation. Under this, the lower level of employees is able to inform the higher officials of ideas suited to ground realities of the company. Further, employees are being empowered more than ever before (Rudani, 2013).

Reasons for the issue also include the trends expected in the nature of the workforce. There is an expected increase of 2 million jobs in the sector of engineering by 2020. Further, the bottom-up approach becomes even more relevant in view of the significant categories of jobs that are expected to become vital in years to come. Data analysts and sales representatives will play a crucial role in providing data for a future course of action and the latter will explain the products of the company. The requirement of giving power to bottom level also becomes important in view of the fact that in future it will become increasingly difficult to acquire talent, specifically in the field of technology and engineering (World Economic Forum, 2016).

These factors explain the reasons that have contributed to the need for requiring a change in the organisational structure.

Addressing the Issue

Innovative employees

One of the key reasons that have required the organisation to look for changing the organisational structure is that employees who are innovative and have a creative edge are not given adequate power to make decisions as per their understanding of the field (Høytrup et al, 2012). In order to resolve this issue, the current practice of making decisions pertaining to the

creative field will be delegated to the specific employee. He will be allowed to choose the method of design and tools for design. Factors such as costs and other elements will be decided by the higher management while involving he said team employees in the discussion. Further, the employees will be allowed to determine his place and time of work subject to the condition of working hours policy of the organisation.

Trends in current practices

Modern practices of management functions by other companies such as flattening or hierarchies, decentralisation etc. has empowered the rival companies. The workforce is easily moving towards such companies which are offering freedom and space to work. The employees feel empowered and consider themselves as part of the company's missions and visions (Nijhof&Paashuis, 2014). In order to resolve this issue, employees will be included in the decisions making the process of the companies. Circulars will be distributed to gather collective opinion on matters of relevance in every department. Employees of the front row will be made to interact with clients directly in some matters where discussion on expert matters will be done by both parties. Further, during the period of recruitment of new workforce, it will be informed to employees that they will play an important role in the planning within the company. Important suggestions will be requested from employees from time to time of which some will be implemented to show that they are in fact part of the decision-making process.

Nature of employment

By 2020 the demand for employees is expected to grow rapidly. In view of the competition for talent, the company will have to attract employees by presenting efficient work profiles where their role is clearly marked and has a scope of allowing the employees to act independently in their field of work (Kavanagh & Johnson, 2017). Further, the importance of job categories such as data analysts and sales representatives in future business practices will require that these employees are allowed to make decisions as per their understanding of the trends n market and consumer requirements.

Conclusion

In the end, it can be said that the organisation has had a successful run with its traditional approach since the 1990s. However, the modern trends which focus on employees have required re-evaluating its top-down management. It has been found under the report that current practices

in management are more focused on removing the various layers of the top level and bottom level management. Employees are now becoming a direct part of the planning process rather than simply implementing the policies laid down by higher officials. Certain measures can be found within the report which the organisation should take to resolve the issue of moving from the top down management approach. It is expected that such measures will effectively resolve the business issue faced by the company.

Recommendations

In order to resolve the issues discussed above, following recommendations are made:

1. Top management should create policy wherein each department in the organisation allows the heads to encourage their team members to include themselves in the planning stage for any project. The suggestions made should be carefully understood. The employees giving the suggestion should be allowed to do a follow up on it as well. In case, a valuable suggestion or planning implementation by an employee results in the benefit to the company, the same should be acknowledged by the company. The expected solution should be able to resolve the issue in nearly 6 months.
2. The Human Resource department should frame job profiles under which the new recruitments are made. It should clearly state the responsibilities and roles of the employee. A brief description of independence of work should be mentioned in the profile. The expected solution should be able to resolve the issue in nearly 6 months.

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