

**ORGANIZATION DEVELOPMENT
AND
PERFORMANCE IMPROVEMENT PLANNING :
*A Case Study of STPA ENELCOM***

**A THESIS
SUBMITTED TO THE DEPARTMENT OF MANAGEMENT
AND THE GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
OF BILKENT UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

**By
ALEY DUZGUN
MARCH, 1991**

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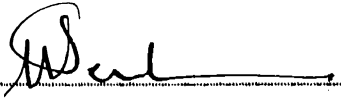
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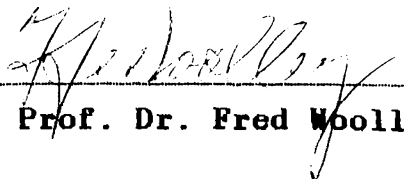
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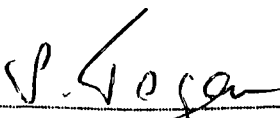
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Associate Prof. Dr. Güliz Ger

Approved by the Graduate School of Business Administration.


Prof. Dr. Sübidey Togan

ABSTRACT
ORGANIZATION DEVELOPMENT
AND
PERFORMANCE IMPROVEMENT PLANNING:
A Case Study of STFA ENERCOM

ALEV DUZGUN

Master of Business Administration

Supervisor : Prof. Dr. ÜMIT BERKMAN

March 1991, 113 Pages.

Organization Development is a guidance of the Performance Improvement Planning Method, which is widely used to operationalize organizational change.

The fundamental assumption of this study is that the Process Consultation Technique is an effective means to facilitate organization development and increase performance.

This thesis first presents a literature survey followed by an analysis of a case study conducted at STFA ENERCOM.

Key Words: Organization Development, Process Consultation, Management By Objectives, Planning, Performance Improvement Planning , Organizational Change.

ÖZET

ÖRGÜT GELİŞTİRME VE

PERFORMANSI ARTIRMA İÇİN PLANLAMA:

STFA ENERKOM'daki bir çalışmanın incelenmesi.

ALEV DÜZGÜN

Yüksek Lisans Tezi

Tez Yöneticisi: Prof. Dr. ÜMİT BERKMAN

Mart 1991, 113 Sayfa.

Örgüt Geliştirme, Performansı Artırma için Planlama Metodunun bir yol göstericisidir. Bu metod, örgütsel değişimin işleyişini sağlamak için yaygın bir şekilde kullanılmaktadır.

Bu çalışmada temel varsayım; Yöntem Gösterme Danışmanlığı Tekniğinin, örgüt geliştirmeyi ve performansı artırmayı kolaylaştırıcı etkin bir araç olduğudur.

Bu çalışmada ilk önce literatür taraması yapılmış, daha sonra STFA ENERKOM'daki uygulama incelenmiştir.

Anahtar Kelimeler: Örgüt Geliştirme, Yöntem Gösterme Danışmanlığı, Amaçlara Göre Yönetim, Planlama, Performansı Artırma için Planlama, Örgütsel Değişim.

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Mr. Orhan Aylangan, Accounting and Cash Management Manager,

Mr. İsmet Ergökmen, Personnel and Administrative Services Manager.

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CHAPTER I

1.0.0.0. INTRODUCTION:

1.1.0.0. PURPOSE OF THE THESIS:

The primary purpose of the thesis is to study Organization Development (OD) in a wider context and, in specific, to examine the Process Consultation Technique, one of the various OD intervention techniques, and to explore the validity of the assumption that the Process Consultation Technique can be employed as an effective means to facilitate organization development and increase performance.

In this context, a study of Process Consultation has been attempted by applying the Organization Development and Performance Improvement Planning (OD/PIP) process and cycle, which was developed by the International Labor Organization (ILO) in early 1980s and has been implemented in a variety of countries.

A case study was conducted at a Turkish firm named STFA Energy Telecommunication Industry and Trade Inc. (STFA ENERCOM) for a better understanding of how the technique may be employed and to determine its chance of success in a Turkish corporate environment.

1.2.0.0. INTRODUCTION TO THE CONCEPTS:

The fundamental prerequisite for organization change is the recognition of the need for change by its members. As pointed out by Schein (1990), at all stages of Organization Development every human system needs assistance. This assistance may be obtained in three major forms: The first is use of outside expert advice, which basically consists of acquisition of guidance from a consultant and applying it in the organization. Second method, which is similar to the first one, also calls for the use of an outside expert, but in a more comprehensive manner, involving investigations and survey within the organizational setting and reporting the findings and recommendations. This is somewhat analogous to a physician examining his patient, reaching a diagnosis and prescribing a treatment. The third method is **Process Consultation** as coined by Schein. In this method, the problems are identified and efforts employed to eliminate them within the organization using its own resources and talent.

A fundamental assumption underlying the OD/PIP approach as well as Process Consultation is that sizable potential for improving the organization and its performance exists within

the human resources of the organization. In other words, it is assumed that the organization has the capability of identifying its own problems and producing viable solutions. It is further argued that using outsider expert advice may result in lower acceptance of the solutions by the employees. In the Process Consultation Technique, since the consultant provides procedural performance in facilitating the working of the management team through use of the OD/PIP instrument, the consultant may be from inside or outside the organization. (Abramson and Halset, 1981:23). This is best expressed by Schein: "Helpers must help their clients (organization) to learn how to learn" (1990, p.60).

Organization Development (OD) is a philosophy of how change should occur in an organization. Performance Improvement Planning (PIP) is one of the many methods of implementing the OD philosophy.

One of the intervention techniques of OD is Goal Setting which involves human resource management interventions. One approach to Goal Setting is Management By Objectives (MBO) which is a participative way in establishing and accomplishing organizational goals (Huse and Cummings, 1985).

As Carrol and Tosi (1973: 3-16) pointed out that the three main characteristics of the MBO approach are goal setting, feedback on performance, and participation of subordinates.

The OD/PIP strategy and process also emphasizes joint objective setting and action plans, measurable objectives, performance evaluation by results, and linking individual manager and unit objectives with overall organization objectives.

The PIP method utilizes the group process as its basic technique. Thus, the PIP is a highly participative, and an effective method in interpersonal relations and group behavior. The expected benefits of using this method may be summarized as follows:

Since the OD/PIP approach improves both managerial cognitive skills (planning and problem solving) and behavioral skills (teamwork and human relations), organization performance (in terms of profits, production, service, efficiency, i.e., reduced waste and cost) should be increased, which helps revitalize the organization and improve its health in terms of morale and human satisfaction and development (Abramson and Halset, 1981).

1.3.0.0. INTRODUCTION TO THE CASE STUDY:

In order to obtain a more concrete understanding of the application of the PIP method and determine the conditions of its applicability, an applied case study at STFA ENERCOM was conducted. Consent of the General Manager was obtained before the study was undertaken.

The study was regarded as a pilot study in the firm. It aimed at exploring the applicability of the PIP method in a major organization. During the study it was possible to examine the compatibility of the current organization structure of the firm to the method, prerequisites, and the contributions of Process Consultation Technique to the application of the PIP method.

There were two reasons why STFA ENERCOM was chosen for this case study: The first one was to conduct the study in a major division in a large firm. The second important reason was the willingness of the management of the company for such a case study.

As a result of these encouraging factors, the PIP method was applied with all managers of the Finance and Administration Department, which is one of the six major departments in the company. With full participation of the

managers of this department, three group meetings were held and four phases were applied in the course of two months. The findings of the study and current problems faced by the company were also discussed with each individual executive in separate personal interviews.

1.4.0.0.LIMITATIONS OF THE STUDY:

This case study was limited by the application of the PIP method in only one company. However, comparison between more than one company in the same sector could provide more valid results. Therefore, the limitation makes it difficult to generalize the interpretations. This is the most important shortcoming of the study which was inevitable due to time constraints.

Furthermore, difficulty in obtaining quantitative data needed for performance measurement during the application of the PIP method at STFA ENERCOM posed another limitation and made it necessary to confine the scope of the study only to application of the method.

1.5.0.0.ORGANIZATION OF THE STUDY:

This thesis consists of three major sections: The first section is devoted to literature survey to explore the fundamental concepts of OD/PIP approach. Second section deals with the application of the PIP method at STFA ENERCOM and interpretation of the findings. The third section presents the conclusions and suggestions.

CHAPTER II

2.0.0.0. OD/PIP APPROACH:

Organization Development and Performance Improvement Planning (OD/PIP) is a results-oriented approach and methodology using process consultation to help an organization solve its problems in an effective and economical way (Abramson and Halset, 1981:7). One of the main objectives of the OD/PIP approach is to help revitalize the organization. Other one is to improve its health in terms of human satisfaction and development in order to satisfy the need of change. The PIP is a cost effective and viable method because it can be implemented using the organization's own resources without outside expert assistance.

The concept of Organization Development (OD) will be analyzed because OD is a system of planned organizational change with a primary focus on people. It uses knowledge and techniques from the behavioral sciences to improve organizational and employee climate, values, health, functioning, and well-being (Umstot, 1980). Its goal is to improve organizational performance by creating a positive

human resource climate in which employees can be better performers. Unlike the traditional authoritarian organizational habits, OD encourages power sharing, decentralization of decision making, openness and trust. As a result, important targets of OD are individual growth and interpersonal competence within the organization (Burke and Schmith, 1971).

OD literature is replete with the benefits derived from process consultation. From the perspective of internal consultation, the rationale for applying process consultation has been summarized in three aspects (Turner, 1982):

- (1) It builds consensus and commitment.
- (2) It facilitates client learning.
- (3) It impacts organization-wide effectiveness.

Furthermore, this approach ultimately leads to the participative design and implementation of strategic plans, as suggested by Wortman (1982).

Since the PIP method uses Process Consultation, it can be recognized as an alternative to the conventional consultancy approach where an outside consultant comes in, diagnoses organizational problems and presents a report with recommendations for action steps to bring about improvement. Therefore, the OD/PIP approach can be characterized as a do-

it-yourself effort. An organization can diagnose its own problems and find solutions by itself. The consultant's responsibility is that of facilitating procedures and controlling steps in the application of the method.

The PIP is a planned and systematic approach to change. In addition, its root is based on the concepts in management science such as Organization Development (OD) and Corporate Planning.

Since the environment of organizations changes continuously and rapidly in their social, political, economical and technological aspects, OD is an essential and necessary part of the effective management to controlling and directing the change process. One of the OD intervention techniques is goal setting which enables the manager to define his department's objectives mutually with his subordinates. One approach to goal setting is MBO which utilizes a participative process for translating organizational goals into individual performance objectives (Huse and Cummings, 1985).

As Carrol and Tosi (1973: 3-16) stated that, research advocates that there are relevant relations between MBO and three certain aspects, namely goal setting , feedback on performance , and participation.

Since the PIP method helps people in organizations define their objectives and then develop some strategies to attain their objectives in both short and long term perspectives, it can be utilized at any level (strategic, operational or supervisory) as a means of planning for change.

Abramson and Halset (1981) described the PIP as a combination of performance measurements, comparison means and "Action Learning" processes. Their schemes have been developed to provide a link between the establishment of effective productivity measurement systems and the more humanly task of improving the organizations. The aim is to introduce the practical ways of improving performance to the organizations in order to act as a spur to change. These programs have many dimensions, scales, targets and even names such as "planning for improved performance", "performance improvement planning" and "performance improvement programming". One of them is the OD/PIP Approach and Methodology which was gained on the field of assignments for a number of ILO management development projects. The OD/PIP is an organizational approach for performance improvement programs.

The OD/PIP approaches and methodology have been tried in a number of United Nations and ILO technical co-operation projects. They have been used widely in many developing countries, including East Africa, Nigeria, Ecuador, Iran, Jordan, Somalia, Sri Lanka, Syria, Venezuela, Zambia, and others. In Turkey, especially the National Productivity Center has used the Approach and gained experience in its implementation. From the experience it has been observed that the OD/PIP Approach can be applicable to both public and private organizations (Abramson and Halset, 1981).

These concepts will be examined in greater detail in the following sections.

2.1.0.0.ORGANIZATIONAL CHANGE:

Change appears when an individual, an organization or a society behaves differently. A manager can move from an autocratic to a participative management style. An organization can change from a male-dominated management structure to one which encourages women managers. Moreover, a society can change electoral systems to proportional representation. These are examples of change of life.

Change, in a system, can occur in three general ways (Boulden and Lawlor 1987: 10-11):

1. **Natural Change:** This is the change which occurs in a system during its formative years just like the life cycle stages of anyone or any organization.

2. **Imposed Change:** This is the change which is enforced by an outside power. For example, economy may be an external force to induce change.

3. **Negotiated Change:** This is the process which results in a meaningful change in either an individual or group's behavior through negotiation within a group, two people or with an individual. It has four steps in its process which involves the system in its own change:

a. **Recognition:** Creates an environment in which those who have the problems are forced to own them.

b. **Decision:** Encourages the "owner" of the problem to make the decision to do something about it.

c. **Permission:** Reduces risk and gives "authority" for the action.

d. **Action and Support:** Provides the support and encouragement necessary to achieve results.

The process starts with the natural change. However, after a while, the initial position is not appropriate. People, society and organizations need to change in order to survive. However, it is very difficult to be successful in imposed change. There is always a tendency toward the negotiated change because it is implemented by gaining the applicant's acceptance. In this type of change, as the steps above-mentioned followed, the last stage shows the action processes in which organization should choose the appropriate program to develop plans and improve its effectiveness. Therefore, Organization Development efforts are directed by planned change.

In general, people resist the change because they feel fear of loss or possibility of loss. Kotter and Schesinger (1979) suggested six strategies to deal with the resistance to change:

1. Education and Communication: Resistance can be reduced by explaining the logic of change. In addition, the source of resistance lies in misinformation or poor communication. This can be reduced through one-by-one discussions, memos, group presentations or reports.

2. Participation: If individuals are involved to make a meaningful contribution, it is difficult for them to resist the change.

3. Facilitation and Support: An organization that offer a change program should encourage employees by spending supportive efforts to reduce resistance. This tactic can be a new skill training program or an extra payment for successful applicants. However, these are time consuming and expensive. Moreover, it has no assurance of success.

4. Negotiation: Exchanging something of value always brings individuals together. This reduces the resistance.

5. Manipulation and Cooptation: Twisting and distorting facts are all examples of manipulation. They make them appear more attractive, withholding undesirable information, or creating false rumors to get employees to accept the change .

However, cooptation is a combination of both manipulation and participation. Resistant group or individual can be included the change process in an active role. These all reduce the resistance.

6. **Coercion:** This is the application of direct threats or force upon the resisters. However, this can backfire if the subjects become aware of it.

A successful change process consists of three steps, namely **unfreezing** the status quo, **movement** to a new state, and **refreezing** the new change to make it permanent (Lewin, 1951). Unfreezing can be described as an change effort to overcome the pressures of both individual resistance and group conformity.

The status quo can be considered an equilibrium state between restraining forces and driving forces as it is seen in Figure I (Robbins, 1989: 530):

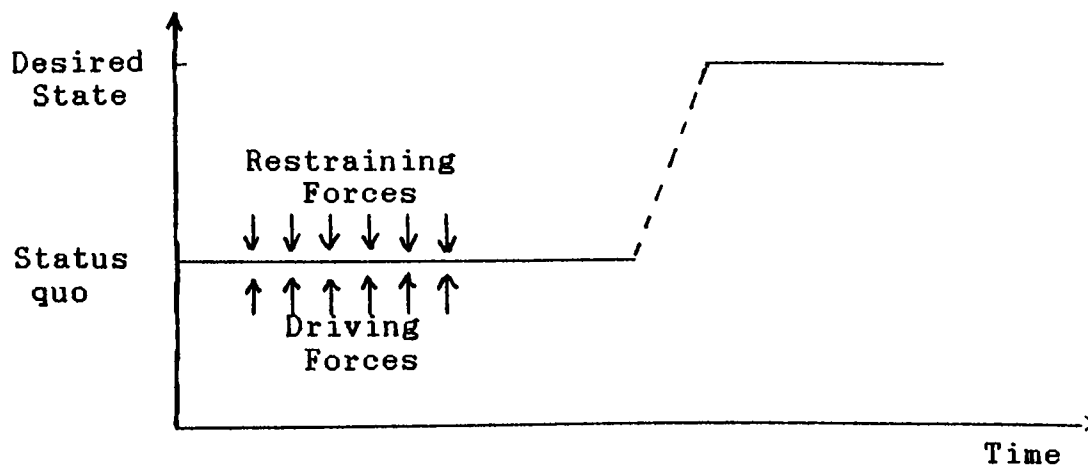


FIGURE I
Unfreezing The Status Quo

Unfreezing is necessary to reach a desired level above the status quo. This can be done in three ways: First, driving forces, which direct behavior away from the status quo, can be increased. Second, restraining forces, which hinder movement from existing equilibrium can be decreased. Third is the combination of these two approaches. This can be used when the resistance is extremely high.

When unfreezing has been accomplished, the change itself, is implemented. Consequently, there is no distinct line between the unfreezing and the movement steps.

If the implementation is successful, i.e., if it can achieve its aim, the new situation needs to be refrozen so that it can be sustained over time. It may mean putting the driving or restraining forces in permanent norms by formalizing them.

Abramson and Halset (1981) describe OD/PIP approach as a planned and systematic change effort or process.

2.2.0.0. ORGANIZATION DEVELOPMENT:

Organization Development (O.D.) is a systemwide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness (Huse & Cummings, 1985). This definition has several features that differentiate OD from other approaches to organizational change and development. These can be explained in six points.

1-OD can be implemented in a total system such as a company, a single plant of a multiplant firm, or a departmental work group, unlike the approaches focusing on one or only a few aspects of a system such as Management By Objectives.

2-While operations research and engineering aspects focus on technical aspects of organizations, OD is based on behavioral science knowledge and practice, including microconcepts like leadership, group dynamics, and work design, and macroconcepts. Besides, organization strategy and structure, organizational and environmental relations can be the examples of macroconcepts.

3-OD is concerned with planned change, but it is not as rigid as formal sense typically associated with business planning.

4-OD can provide both creation and subsequent reinforcement of change. It encourages a more stable and institutional change within the organization.

5-Although different OD programs focus on one kind of change, OD can encompass the change in strategy, structure and process. This provide a wider perspective for solving the problems.

6-OD is oriented towards improving organizational effectiveness. This involves two assumptions. First, an effective organization can solve its problems by itself. In this stage, OD helps managers to gain ability for solving them. Whereas, an external expert can find and solve them without any feedback and participation from inside the organization. Second, an effective organization has both a high quality of work life and productivity. OD can motivate employees to be more effective by giving them opportunities to find and solve their problems by themselves. Furthermore, increasing organization's performance provides satisfaction of external groups of the organization, such as stockholders, customers, suppliers, and government agencies.

2.2.1.0.THE OD CONSULTATION PROCESS AND TECHNIQUES:

An OD process is a continuous, circular system, which requires the services of a consultant. To start the process, the consultant (who may be internal or external to the organization) may intervene at any level or in any process in the organization. However, executives should avoid using an OD consultant to take problems off their hands. Prokopenko (1987: 146-147) presents another explanation for the topic of OD by giving a model of a typical OD process. He explains this by the flow chart in Figure II:

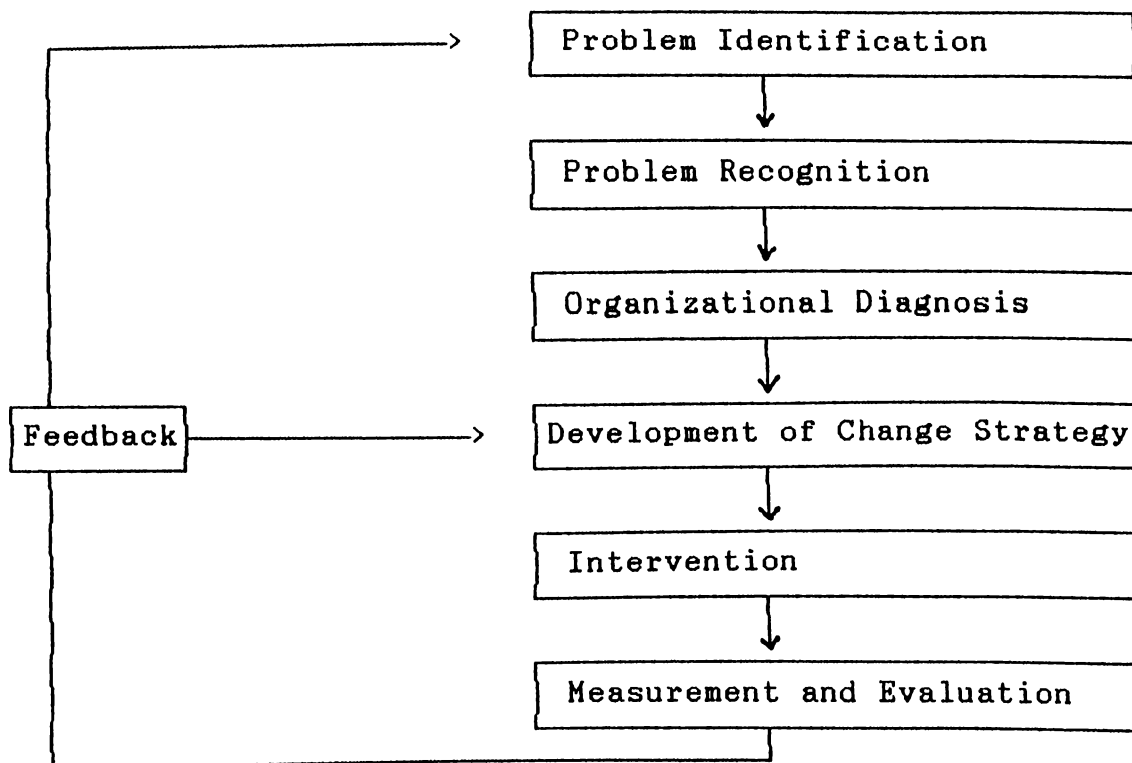


FIGURE II

Problem identification and recognition stages allow data gathering about the expression of dissatisfaction at every level to reveal the problems. These stages are starting points of OD process so that there is a dialogue between consultant and the client by using common techniques such as surveys, interviews and direct observations.

Organizational diagnosis stage deals with the identification of the nature and scope of the problem within the organization. The important characteristic of this stage is creating a learning environment for the organization and managers. One of the important tool is Performance Factor Analysis which focuses attention on the variables that influence organizational behavior, particularly work performance. The factors analyzed are communication, training, motivation and freedom for individuals. Furthermore, other tools and techniques which are widely used in OD processes at this stage are Management By Objectives (MBO), Reward System Analysis, Norm Modification, Force-Field Analysis and Brainstorming.

Brainstorming and Force-Field analysis are used in PIP method widely. **Brainstorming** is an organized idea-generating process in which there are no limitations on who says what.

Therefore, it is an uninhibited discussion in an open atmosphere, in which new ideas (solutions to problems) are encouraged.

The technique of **Force-Field Analysis (FFA)** is a tool for analyzing a situation that needs to be changed. It helps the client to alter a condition with a minimum of effort and disruption. FFA is based on the concept that any given level of performance-productivity is the result of equilibrium between "driving or impelling forces" (those factors which support productive action, and "restraining or impeding forces" (factors that inhibit productive action). The analysis is prepared in the form of a simple diagram (Figure III):

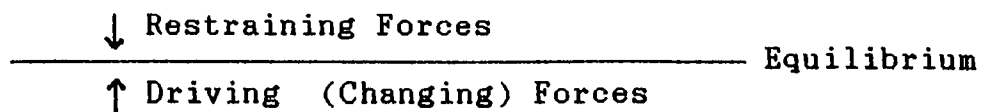


FIGURE III

Development of the change strategy is the major decision-making stage of the process. Selection of the change instrument, such as original group inquiry, specially appointed design committee, the company OD specialists or outside consultants, is the important part in this stage.

The aim of this stage can be listed as follows:

- Investigation of the areas of the organization where change is needed.
- Establishment of the objective of the change strategy.
- Preparation for the change through research and education.

At this stage, Team Building techniques are particularly useful, as they help the members become more effective as a problem-solving, or project-planning group.

In intervention stage, the organization should make the strategy design. In other words, organization should decide which interventions should be made. For example, interventions can be made in organizational structure or in culture norms. In addition, implementation should start in this stage.

After full implementation of interventions, the evaluation and measurement stage has to be a long-term perspective undertaking with procedures for continuous monitoring of progress. The form of this evaluation could be results and objective-oriented progress reports. For example, monthly or quarterly management reviews provide feedback to close the OD cycle.

The speed of these stages depends on people who can follow the procedures of techniques such as problem-solving,

job re-design, quality circles or team building. In addition, people can learn best by doing, consequently, there should be a pilot program before any implementation of OD process in order to increase speed of the cycle.

Kolb and Frohman (1970: 25) express the OD consultation processes in seven main stages which are similar to Prokopenko's explanation:

Scouting - In this stage, the consultant(s) and clients(s) get to know each other without contracting to carry out a project. The consultant tries to understand the organization's position before the implementation. If the organization is ready for change and its resources and capacities are available to this process, the consultant forms a first impression of the organization's needs, problems, and capacities to decide the implementation.

Entry - The consultant and the clients negotiate about their expectations for the project. Then, both of them form a contract specifying the timing and nature of the consultant's activities; staff and facilities to be supplied both parties.

Diagnosis - In this stage, the consultant gathers the data about the organization and then analyzes them to diagnose the problems and examine the solutions.

Planning - Consultants and clients jointly establish objectives for the project's action phase and plan any steps (interventions) to be taken to solve problems and improve effectiveness.

Action - Clients implement these plans with the help of the consultant.

Evaluation - Clients and consultants assess the impacts of the action phase and consider further actions.

Termination - The project terminates if no further action is planned. The project may break off earlier if clients or consultants become dissatisfied with it.

As it can be seen in Figure IV, the last stage, termination, may not be reached and first loop may be possible in the full organization development projects. As a result, if client wants to continue to the same project, it should start at the diagnosis stage and continue through the stages again. Otherwise, client leaves the initial project and may start another one. In this position, second loop is available for new project.

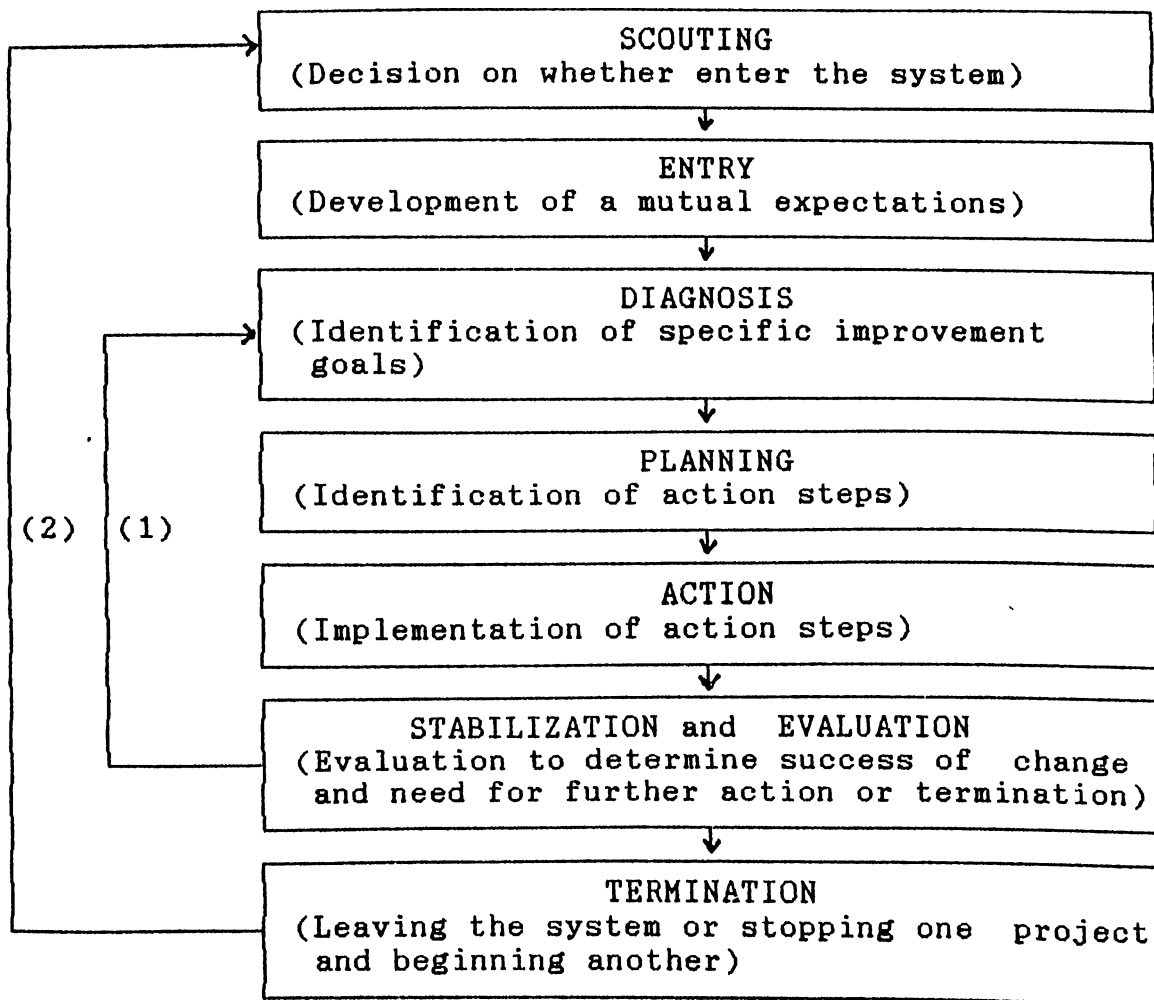


FIGURE IV

2.2.2.0. ORGANIZATION DEVELOPMENT INTERVENTIONS:

Huse and Cummings (1985) define the OD interventions as those actions intended to help organizations improve their effectiveness, including increased quality of work life (QWL) and productivity. In addition, the term intervention is the planned change activities purposed to help an organization become more effective in solving its problems. They categorize the OD interventions in four main parts: Human-processual interventions, technostructural interventions, human resource interventions and finally strategy interventions.

The human-processual interventions are divided further into two groups. One is more related to interpersonal relations and group dynamics. In other words, it is related with intragroup relations or behavior which express the elements of behavior within groups. In addition, intragroup behavior can be affected by four dimension of groups:

- (1) individual characteristics,
- (2) situational factors,
- (3) group dynamics, and
- (4) the emergency of group structural dimension.

The human-processual interventions include the following four interventions:

1-T-Group Discussions: It is designed to provide members with experimental learning about group dynamics, leadership, and interpersonal relations. The basic T-group consists of about ten or fifteen members who meet with a professional trainer to examine the social dynamics that emerge from their interactions. Members can get a feedback about their own behavior as well as group dynamics.

2-rocess Consultation: The aim is to help members gain the skills and understanding the necessary conditions to identify and solve problems by themselves in a work study. Therefore, members can get a feedback about interpersonal relations and social dynamics occurring in work groups. In OD/PIP Approach, this intervention method can be used widely.

3-Third-Party Intervention: This method is a form of process consultation aimed at dysfunctional interpersonal relations in organizations. The third-party intervener helps people resolve conflicts through such methods as problem solving, bargaining and conciliation.

4-Team Building: This intervention is concerned with helping work groups become more effective in accomplishing tasks. Like process consultation, team building helps members diagnose group processes and devise solutions to

problems. The consultant may also function as a resource person offering expertise related to the group's task. The other group of human-processual interventions is more systemwide. It focuses on the total organization or an entire department, as well as relations between groups. These include the four change programs, namely Survey Feedback, Organization Confrontation Meeting, Intergroup Relations and the Normative Approaches.

The technostructural interventions are focusing on technology (for example, task methods and job design) and structure (for example, division of labor and hierarchy) of organizations. Three types of change programs are used in the technostructural interventions. First one is concerned with organization design which includes differentiation and integration, structural design and collateral organization. Second one is quality of work life (QWL) which is aimed at improving employee well-being and organizational effectiveness. Finally, third one is work design which is concerned with designing work for work groups and individual jobs.

Human resource management interventions focus on personnel practices used to integrate people into organizations. These practices include career planning,

reward systems and goal setting. In recent years, interest has grown in integrating human resource management with organization development. In human resource management interventions, there are four main change programs. These are as follows:

1-Goal Setting: This involves managers and employees in jointly determining subordinates' goals, assessing progress on them, and providing support and counseling when necessary. By orienting employees to appropriate kinds of behavior and work outcomes, it can reinforce the work designs. It can clarify the duties and responsibilities associated with a particular job or work group. In addition, it can identify the kinds of organizational and personal outcomes required for work success. Finally, it can specify the kinds of feedback and support needed to monitor and achieve those goals. One of the most popular approaches to goal setting is called Management By Objectives.

2-Reward Systems: They are concerned with rewarding desired behaviors and work outcomes. They can reinforce goal setting by assuring that people are rewarded for achieving their goals. Similarly, they can be used to support work design by rewarding the kinds of behaviors required to implement a particular work design.

When describing goal setting and reward systems, it is important to emphasize that human resource management interventions are traditionally implemented by the personnel departments of organizations.

3-Career Planning and Development: This intervention involves helping people choose organizations and career paths and attain career objectives.

4 Stress Management: This change program is aimed at helping organizational members cope with the dysfunctional consequences of stress at work. It helps managers reduce specific source of stress, such as role conflict and role ambiguity.

Strategy interventions focus on organizing the firm's resources to gain a competitive advantage in the environment. They include choosing an appropriate business strategy and creating values and norms to promote it. Open-system planning (OSP) is a systematic strategy to help organization members develop a strategic mission for relating to the environment and influencing it in favorable directions. This can be a guideline to create a corporate culture which is the key stone of organizational effectiveness.

In general, OD interventions involve training either a group or an organizational level like in the OD/PIP approach. Target groups can be chosen from the workers at any level in the organization. However, in the OD/PIP approach, target group is determined from all managers. To have a successful OD intervention, senior management in the organization must recognize the need for OD and must provide enthusiastic support for the change. This is also true for the OD/PIP approach. As a result, OD interventions mentioned-above can be used effectively in OD/PIP applications. However, every organization should be careful in choosing one of them that fits its structure, mission and culture.

2.3.0.0.MANAGEMENT BY OBJECTIVES:

Management By Objectives (MBO) is a form of goal setting which is sometimes used in Organization Development. It is important to understand both the philosophy and the procedures of MBO in order to appreciate its role in the OD process.

Huse and Cummings (1985) describe MBO as systematic and periodic manager-subordinate meetings designed to accomplish organizational goals by mutual planning of work, periodic review of accomplishments, and mutual solving of problems that arise in the course of setting the job done. All organizations have goals and objectives; all managers have goals and objectives. However, in many examples, there is misunderstanding between managers and subordinates as to what objectives are. As a result, MBO programs can solve these problems using a participative, end-result oriented philosophy through the firm's objectives.

Carrol and Tosi (1973) discussed the researches on the core activities included in MBO, namely setting of goals, feedback or knowledge of results and subordinate participation in decision making. These three have been incorporated into the the PIP strategy and process. For example, the first step in the PIP method is aimed to firm up

managers ideas about corporate mission and objectives. In this phase, some processes, such as joint objective setting, measurable objectives, linkages between individual manager and unit objectives with overall organization objectives, need a base which the PIP method follows. Therefore, the procedures utilized in part of the MBO are also the base of the process of PIP, especially in the beginning. It helps to build a correct direction to reach appropriate objectives by means of its root of goal setting (Abramson and Halset, 1981:73-77).

The MBO participative processes of finding problems and solutions as well as in reaching corporate's objectives are incorporated with the OD/PIP philosophy in its other steps. Participation seems to be helpful in gaining the subordinate's acceptance of decisions, and it may lead to improved understanding between superiors and subordinates (Carrol and Tosi, 1973: 5-6). Therefore participation is the basic feature of the PIP method.

Since the development and popularization of the concept of MBO by Drucker (1954), it has become one of the more widely discussed ideas in management. In his book, Drucker points out the advantages of managing by "objectives" rather than managing by "drives". In managing by objectives, he

says, each manager from the highest level to the lowest level should have clear objectives that reflect and support the objectives of higher-level management. Drucker also stresses that it is desirable to have every manager help establish higher-level objectives as well as his own. This, Drucker indicates, enables the individual manager to know and understand the goals of his organization as well as his superior's expectations with regard to his own performance. Therefore, Drucker argues that MBO is very useful in improving managerial motivation. It provides a manager's personal involvement in delineating the nature of his tasks (participation) and the specific activities designed to accomplish the now personalized goals (action planning). Consequently, the self growth of the manager provides effective management of the organization. In addition to the managerial improvements, MBO offers an attractive alternative to the traditional trait approach to judging managerial effectiveness. Drucker uses the word "philosophy" when he describes the MBO and the self-control. Both of them gives managers individual strength and responsibility, and at the same time, common direction of vision and effort, establish team work and harmonize the goals of the individual with the common weal.

Mc Gregor (1975), another advocate of the MBO approach, points out that many performance appraisal programs fail because of resistance to them by both superiors and subordinates and that MBO can be a solution to this problem. Therefore, he suggests that, each manager should establish short-term performance goals for himself after first reaching agreement with his major job responsibilities. Specific plans for achieving the short-term goals should also be established by the subordinate. Then he should appraise his accomplishments at the end of a short period of time, such as six months. Thus, this self-appraisal can be established. Mc Gregor argues that this approach is superior to the traditional performance appraisal methods because it gives the subordinate self insight and shifted the emphasis from the weaknesses to the strengths and potentials of the organization in analyzing the performance.

Furthermore, Mc Gregor describes the superior's role as a helper rather than a judge for a subordinate in a MBO approach. In addition, he points out that, this approach enhances subordinate acceptance more than the traditional procedure because the former emphasizes performance rather than the personality of the subordinate and emphasizes his future actions rather than his past behavior.

Carrol and Tosi (1973) explains the difference between the main ideas of Mc Gregor and Drucker in their book. They conclude that Mc Gregor directs his attention to MBO more as a performance appraisal technique, whereas Drucker stresses integrating the activities and balancing the objectives of the organization. As the difference can be seen in the applications, MBO is used in many types by the organizations. Some organizations stress the use of MBO as a managerial planning approach, whereas most organizations seem to view MBO as a superior method of evaluating performance and conducting performance-appraisal reviews with managers. Besides improved managerial appraisal and motivation, MBO has potential advantages in the areas of planning and control. Odiorne (1974), an early advocate of MBO, argues that it is a means of controlling and implementing change. He starts his article with Machiavelli's suggestions to the managers: "The Prince" to manage by objectives. Then he describes Machiavelli's idea, "one man's well being the other's ruin". According to Machiavelli, there are many ways to reach an end but also there are limitations to achieve this results because some ways are immoral. Odiorne gives his ideas by looking at this as an innocence and naivete viewpoint in terms of getting the princely managerial job achievement. In

order to give a brief literature about the history of the occurrence of MBO philosophy, he explains the relation between Dewey's instrumentalism and MBO. Odiorne points out that both of them focus upon ends and means, problem-solving through the application of pragmatic and scientific methods. After instrumentalism, he describes Merton's view as a behavioral approach. And he concludes that means, methods and skills produce attitudes which lead to a transference of attitudes from the aims of the organization into the behavior required by the rules and practices of the past. Then he reaches the goal displacement concept describing the sentence of "an instrumental value becomes an end rather than a means".

Throughout the early literature survey, Odiorne concluded that MBO was not a new idea when it was firstly published by Drucker's article in 1954. Odiorne describes MBO as a system under which the manager and subordinate sit down at the beginning of each period and talk until agreement upon job goals are achieved. He continues that during the period, the subordinate is given wide latitude in choice of method. At the end of the period, the actual results are jointly reviewed against agreed upon goals, and an assessment of the degree of success made. So the process is begun again.

In brief, MBO can be defined as a systematic, formal goal setting and review conducted jointly by managers and subordinates (individually or in groups) throughout various levels of an organization.

2.3.1.0. BENEFITS FROM MBO:

Odiorne (1974) explains the expected benefits from the MBO in four points. First, he says that, MBO from the top management perspective is a direct attempt to build into management systems without losing attention to the purpose. Second, it should clarify role conflict and ambiguity between individual managers and subordinates. Therefore, MBO attracts directly the gap of expectations and directly defines "success" in specific output terms. Third, MBO should be causally associated with overall success of the organization. And then he adds his observations on leading firms and concludes that in the more successful firms more people are aware of their goals than in less successful organizations. Thus, MBO, he adds, should improve overall organization performance and increase the level of participation. Fourth, according to him, MBO should be both functional (gets the job done) and developmental (helps the individual grow). So the individual growth and corporate success should run together.

Therefore, MBO should not be only for organizational developments but also for managerial improvements. In other words, it meets the requirements of humanistic, personal and developmental needs.

A research, consulted by Ivancevich (1974), analyzes the longitudinal study of performance in a manufacturing company using MBO. Moreover, in this study a multiple-time-series quasimental research is used. Schuster and Kindall (1974), in their article, report a study of the Fortune 500 largest Industrial firms. These two articles have almost the same conclusions and suggestions: There is a considerable range of advantages beyond those originally anticipated, such as improved job planning, better understanding and support of organizational goals, better informed employee groups, increased job satisfaction, more participation in the goal-setting process, and better organization of functional task groupings. However, there are serious organizational problems associated with management by objectives in the literature.

2.3.2.0. SHORTCOMINGS OF MBO PROGRAMS:

Although widely accepted as a managerial philosophy, with practical principles for management, management by objectives has its shortcomings.

DeFee (1977) describes these by scanning the literature in his article. He concludes that making MBO works on a practical basis requires an investment of time, effort and often expert assistance. As applications of this system have increased, so the literature, describing the problems, benefits, and general experiences of either those implementing the system or those affected by it, has also increased.

Ford, McLaughling and Nixdorf (1980) research the implementations of MBO in organizations by a survey with twenty thousand personnel administrators. Their project on which the article is based was designed to answer some of the more commonly asked questions by gathering data from managers who had experience with a MBO program. Therefore, the responses yield valuable insights about the organizations best suited for MBO, the problems and benefits, and other important information needed by those considering the use of MBO or those wondering how their program matches others. The study is based on ten questions. First question is about

the success of MBO programs. In spite of the volume of complaints heard in discussions with individual managers as well as in the literature, this survey shows a surprising level of satisfaction with the concept. Second question asks the percentage of organizations which are using some type of MBO program. The data support the belief expressed in MBO literature that about 50 percent of organizations are now using MBO, and indicate a general acceptance of MBO. Third question asks whether type of organization affects the effectiveness of MBO program. The analysis shows no reason to infer that the effectiveness of an MBO program is depend upon the type of organization in which it is implemented. The fourth question asks the effect of the size of the organization in which it is implemented on an MBO program. The survey data indicate that in large and small organizations, MBO applications have an equal chance of success. The fifth question asks whether MBO programs which are suggested and implemented by the top manager are more likely to succeed than other programs. The chief executive officer must be involved in the adoption and implementation of the program is not supported by the personnel or human resources group. Question six asks whether the amount of time spent on training managers affects the success rate of

MBO programs. The answer is supportive. But the relation between the hours of training and the effectiveness of the program is not statistically significant. Question seven is about the dependency of the effectiveness of MBO program on the frequency of reviews of managerial performance. It is reasonable to conclude from the data that the frequency of managerial review is an important factor in determining the effectiveness of an MBO program. Question eight is about the major benefits expected in using MBO. Managers respond this emphasizing the major benefit on improved communication between subordinates and managers on individual job objectives and responsibility. Question nine asks whether MBO programs are meeting the expectations of managers. Most of the respondents (almost 80 percent) indicate that they expect considerable or extensive improvement on meeting the expectations. Question ten is about the major problem areas that may inhibit the effectiveness of MBO programs. The responses mostly focus on the insufficient review and evaluation of program goals and the lack of support of philosophy of MBO throughout organization.

Two important studies are reported by Raia (1965, 1966), who examines the impact of a program called "Goals and Controls" in Purex Corporation, a variant of MBO. Raia

analyzes production records, conducts interviews, and administers questionnaires which are obtained from 112 managers after a goal-setting and control program. According to his findings, he mentions two main advantages provided by his Goals and Controls program: It improves management planning and control on the job and provides motivation to improve individual performance. Despite the apparent success of the Goals and Controls program, Raia mentions several problem areas which remain to be unsolved and some dangers which appear to be inherent in the program itself. These can be summarized as follows:

(1) Full participation can be somehow limited to managers "near the top".

(2) Paperwork is excessive and burdensome.

(3) There is an overall emphasis on quantitative goals.

(4) There is really little additional incentive to improve performance.

As a result, although its implementation is easy, there are many problems to reach the main philosophy in MBO programs.

In conclusion, similar results may be found in other researches. Applications in MBO are successfully realized by means of adaptation of the programs toward the organizations' structure, mission and goals.

2.4.0.0. BUSINESS PLANNING:

The critical step in the OD process is planning the appropriate change strategies. The success of all OD programs is determined by the quality of the plan for change, therefore, planning procedures and skills must be investigated in order to understand the full nature of the OD process.

Abramson and Halset (1981: 54-55) explained the Planning concept as a crucial OD/PIP intervention as well as the Goal Setting concept. They added that planning emphasized measuring and quantifying where the corporation was right now and where it wanted to be in the future in terms of performance and service.

Therefore, variety of planning concepts should be at least, briefly mentioned.

Denning (1971:2) defined business planning as follows:

"A formal systematic, managerial process, organized by responsibility, time, and information, to ensure that operational planning, project planning and strategic planning are carried out regularly to enable top management to direct and control the future enterprise!"

A plan should answer three important questions in an organization (Scholes and Klemm, 1987):

- (1) How the company's resources should be used?
- (2) When various tasks should be carried out?
- (3) Who would be responsible for the various tasks needed to make the plans successful?

Murdick (1971) defined the concepts of planning as a process which is not the same as forecasting. Reflective thinking, imagination and foresight are extremely helpful to the planning process. He categorized planning in six basic types in terms of their activities.

1-Physical planning which deals with spatial arrangements of objects such as office layout planning, building location planning.

2-Organizational planning is concerned with the grouping of activities. For example, development of a pattern or structure of working relationships among people in the enterprise, lines of authority, and development of people are related with organizational planning.

3-Process planning has its major objective like development of a method or process which may be required. The process can be a manufacturing method , a procedure for operating a chemical plant, or a procedure for firing a satellite into space.

4-**Financial planning** is concerned only with obtaining the right amount of money at the right time.

5-**Functional planning** incorporates with other types of planning, such as physical, organizational and financial planning in order to apply functional objectives.

6-**General planning** is total planning which mentions master planning for the firm, institution or organization as a whole.

Murdick states that part of planning process is the establishment of objectives and goals. Since planning is important in the PIP method, determining corporate objectives and goals is the major task in its steps. Then action plans can be prepared in terms of these objectives.

In order to gain a clearer understanding of the various types of planning, it is helpful to identify three different levels of planning which typically occurred within organizations. Figure V shows levels of planning and functions:

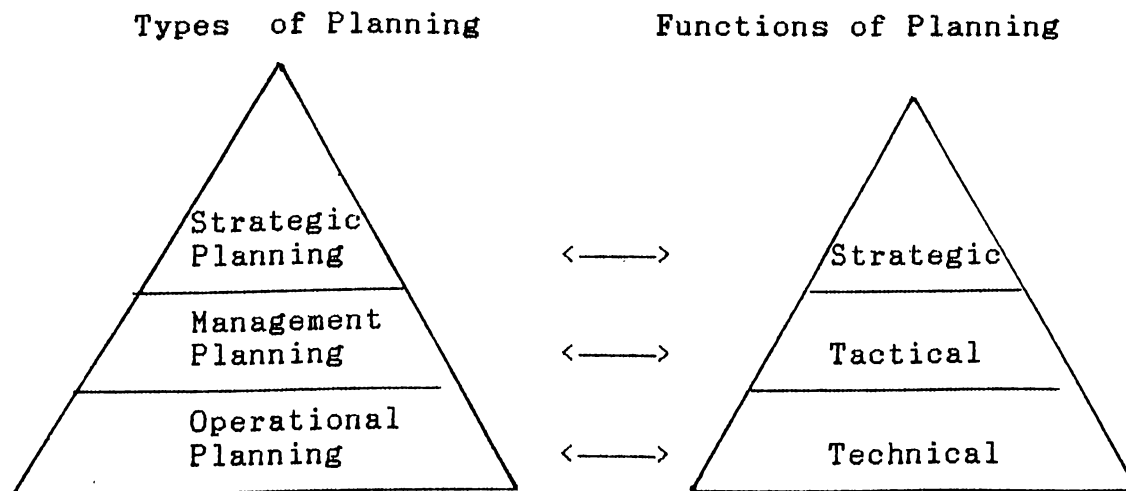


FIGURE V
Levels of Planning

2.4.1.0. STRATEGIC PLANNING:

As it is seen in Table I, strategic planning is concerned with the broader issues about an organization, its future and the way in which the organization will cope with change. Corporate mission, culture, and strategies are shaped in this planning process. For example, strategies about the company size, the range of products/services, which markets to serve, employment, wages are all included in strategic planning issues. Cooperates' objectives can be characterized by means of strategic planning. In addition, SWOT analysis is a better performer technique for strategic planning.

2.4.2.0. MANAGEMENT PLANNING:

It combines the relation between technical and strategic types of decisions by giving tactical decisions. It is often concerned with the relation and rescheduling of resources in order to facilitate company strategy. Therefore, it is used more structured types of methods than making strategic plans.

2.4.3.0. OPERATIONAL PLANNING:

This is the most detailed and technical level of planning within the organization. It focuses on the smooth running of the day-to-day activities. For example, preparing

work schedule, payments to suppliers and receipts from customers are all operational level of planning. It is used highly structured, often programmed systems and it is easy to asses in terms of strategic and management level of planning.

2.4.4.0. OD/PIP AND BUSINESS PLANNING:

OD/PIP may be applied in all these levels of planning. It is a generic planning system that is applicable to any organizational level. The procedures remain the same but the content changes for each level.

OD/PIP may also be utilized by organizational sub-units with in each level. It has been used with great success to identify and solve departmental and even sub-departmental problems. It need must always be utilized at the organizational level.

CHAPTER III

3.0.0.0. INTRODUCTION:

The objective of this section is to present a detailed account of the case study conducted at STFA ENERCOM. The conclusions derived from the observations during the study will constitute the basis for a framework for the applications of OD/PIP process and cycle at a company and help analyze the conditions for a successful implementation of the method.

The analysis in this section is based on the literature survey presented in the previous chapters.

3.1.0.0. GENERAL DESCRIPTION OF THE FIRM:

STFA ENERCOM became a member of STFA Group in 1983 with a TL 2.0 Billion paid-in capital which was later raised to TL 10.0 Billion in 1989.

The company has been active in three major industrial sectors, namely, power transmission lines, telecommunications and manufacturing.

STFA ENERCOM is the third largest company in the Turkish energy and transmission lines industry according to the industry performance data prepared by the Istanbul Chamber of

Industry in 1988; the two leading firms are Cukurova Elektrik and Kepez Co.. It ranks as number 186 among 410 largest Turkish private companies and number 212 among the 500 largest Turkish companies according to the first six-monthly data published by the Istanbul Chamber of Industry (see Appendix A, Part I).

The firm obtains contracts, mostly for government projects, through competitive tenders. Major clients are PTT, TCDD, TEK, State Airports and Harbors Construction Authority and BOTAS.

3.1.1.0. ORGANIZATION STRUCTURE OF THE FIRM:

As it is seen from the organization chart of the firm in Appendix A, Part II, five Deputy General Managers report to the General Manager, which, in turn, reports to the Board of Directors. In addition, a new department has been conducted in the head of Special Project Manager. This department will be responsible for the performance of all projects in the whole company.

The management of the STFA Holding, which owns the company, has influence on the management of the firm, namely strategic decision making, supervision on financial and administrative decisions.

An Executive Committee at STFA ENERCOM, which consists of the General Manager and the Deputy General Managers, also has an advisory function in the management of the firm. This committee helps the General Manager to manage the company by exchanging views on important issues. The Deputy General Manager in charge of Finance/Administrative Department have to be involved every meeting. In addition, the committee should meet periodically every week or more often (see Appendix A, Part III, A).

Among the six main divisions headed by the Deputy General Managers, the three of them are named "Operations", although they have tasks and responsibility in different fields. These three major industrial activities are power transmission, telecommunications and manufacturing related to these sectors. The other two divisions, namely, Logistic and Finance/Administration divisions are tasked with tender preparations, contracts and related financial analyses as well as financial management and accounting.

3.2.0.0. INTRODUCTION OF THE CASE STUDY:

The PIP method was applied during two months period (July and August, 1990) with participation of four managers, including the Deputy General Manager who is the head of the Finance/Administration Department, the Accounting and Cash Management Manager, the Budgeting and Finance Manager and finally the Personnel Manager. The study involved three workshops (meetings) with the full participation of all four managers. A Senior Expert from the National Productivity Center specializing in OD/PIP conducted these workshops as a process consultant (see Appendix A, Part III, B).

The original flow chart of four steps of the PIP method (see Appendix B, Figure I) is almost followed in its application at STFA ENERCOM. The four main phases (see Appendix C, Figure I) which were applied in the study of STFA ENERCOM had the following names:

- (1) Interviews with key personnel (managers) to collect data for an organizational diagnosis,
- (2) Feedback session with the managers,
- (3) Workshop session with the managers to develop an action plan and,
- (4) Adoption and implementation.

As it is seen at Appendix C, the process and cycle of PIP method does not reach an end. If management of the company wants to continue this program, the first cycle should be followed in the diagram.

3.3.0.0. ORGANIZATIONAL DIAGNOSIS:

The organizational diagnosis consisted of in-depth interviews with the four managers at STFA ENERCOM (see Appendix A, Part III,B). Each respondent was asked six broad questions:

- (1) What business are you in?
- (2) What are your short and long-term corporate objectives?
- (3) What activities do you perform as part of your job?
- (4) What are the strengths and weaknesses of your company?
- (5) What are the major problems you face in the company? A self-criticism was requested.
- (6) What are your expectations from a consultant?

The first two questions were helpful to determine the firm's short and long term objectives as well as the strategy of the company (see Appendix D).

The information obtained from the third question on expectations was helpful to the consultant in understanding the overall business, as well as the interaction patterns of the managers.

The question on expectations about the consultant was helpful in minimizing the potential for misunderstanding the role of the consultant. Consequently, managers' ideas about the functions of the consultant have been learnt and managers have prepared to the Process Consultation Technique by explaining what are the tasks of the consultant.

This phase were helpful to the consultant in focusing on key problems. The analysis of the data from the third and the fourth questions were resulted in a list of 11 strengths and 9 problems (see Appendix E).

In-depth analysis of the 9 problems provided three major categories with a number of the issues causally related. The categories were as follows (see Appendix F):

- (1) Recruitment,
- (2) Management,
 - i- Communication and
 - ii- Inflexible, Non-Participative Senior Management.
- (3) Training.

The following analysis is based on these three categories.

3.3.1.0. RECRUITMENT:

The two problems, namely difficulty in recruiting personnel with required qualifications and the conservative attitude of the management in personnel recruitment basically emanate from the wage and salary policy of the company. The wage and salary policy of the firm as a subsidiary of the STFA Group may be outlined under four headings (see Appendix A, Part III, A):

- (1) A job evaluation program to establish a scientific and realistic wage and salary system.
- (2) Ensuring equal pay for equal work.
- (3) Motivating employees by maintaining fairness in remuneration.
- (4) Deploying efforts to offer attractive wage and fringe benefits.

However, despite the above listed favorable aspects of the wage and salary policy of the firm, the current policies are still too conservative and the wages offered remain too low to enable the firm to attract qualified personnel and obtain a high level of performance. This shortcoming is more obvious particularly with new employees.

3.3.2.0. MANAGEMENT:

The managerial problems faced by the company may be examined under two headings. These are Communication and Inflexible, Non-Participative Senior Management.

3.3.2.1. COMMUNICATION:

A separate division, named Computer Center is responsible for data processing. Since batch processing method is used for data entry in the company, data entry, processing and retrieval are performed periodically, usually once a month. This presents a major drawback as the system operates too slowly in contrast to requirements of the business. This results in considerable delays in the preparation of accounting and financial reports.

Furthermore, although the entire information network is computer based, communication with and between the Deputy General Managers and the General Manager is done through reporting files, instead of using computers because senior management is not involved to the computer network in the company.

Due to the lack of an on-line communication network between the job sites, factories and the headquarters, the data sources often fail to satisfy the needs on time.

3.3.2.2. INELEXIBLE, NON-PARTICIPATIVE SENIOR MANAGEMENT:

The difficulties arising from the resistance of the senior management in adapting innovations and new ideas is the basic problem in this part.

The lack of face-to-face relations between the lower level employees and the upper management may be argued to be the basic root cause for the resistance of the upper management to accept innovative ideas and suggestions.

In addition, the case study and observations revealed an inherent problem related to the delegation of authority. Instead of allowing a degree of freedom for individual initiative, the lower managers are required to submit reports to both the General Manager and the Deputy General Managers. This rule becomes even more strict in important corporate issues. For example, the Budgeting and Finance Division is required to present budgetary and financial reports to the General Manager as well as to the Deputy General Manager in charge of the Finance/Administrative Department. This often results in a situation where the Deputy General Manager can not fully exercise his authority.

It was also determined during the interviews that the inability of the current job descriptions, which define distribution of authority and responsibilities, causes some

major problems such as confusion and uncertainties in allocation of responsibilities.

3.3.3.0. TRAINING:

Training programs have been found to be inadequate to facilitate improvement of performance and enhance the skills of the staff. Although occasional seminars are organized by STFA Holding for all group companies, these activities are limited only to the upper level managers such as General Manager and Deputy General Managers. The need for more frequent training programs for all level managers has been identified and expressed during the workshops.

3.4.0.0. FEEDBACK SESSION:

The aim of this phase was to get feedback from the managers about the findings obtained from previous section. Especially, in-depth analysis on problems by means of classification and Force-Field analysis were major tools in getting feedback and ideas. Brainstorming technique was used widely, consequently, the four managers were involved as a group in major part of this phase. In both the Force-Field Analysis on problems and strengths, and the classification of problems , four managers, one consultant and one observer were in attendance.

Classification of the problems (see Appendix G, Part I) confirmed the findings of Halset and Abramson (1982, p. 36) that more than 80 percent of major problems and impeding forces were found to be within the control of the management.

According to the findings derived from Force-Field Analysis (see Appendix G, Part II), the degree of strength of impeding forces (-30) were found to be lower than that of impelling forces (+45). After each problem was numbered by each manager involved in the study, in terms of their strength on the department, final results were gained by the consensus.

These findings may be interpreted as follows:

- The department has the potential capabilities for handling the nine major problems (see Appendix E) related to the impeding forces.
- The department must utilize and control the impelling forces in solving these problems.

3.5.0.0. WORKSHOP SESSION:

In this phase, workshops were conducted and the Brainstorming Technique was used to devise action plans (see Appendix H) for the four problem categories. A separate action plan was devised for each problem category. During this process all group members were able to express their views and suggestions freely.

As the Brainstorming Technigque required, every action plan obtained by group studies was made available in writing to the group members to encourage further discussions. Moreover, the consultant created a free-wheeling atmosphere, by explaining the importance of this technique for improvement of the company's and manager's performance. In addition, he encouraged the management team by giving examples for the process of creative thinking and applied imagination in order to enhance the creativity of the group and stimulate its members to come up with the appropriate solutions.

Furthermore, each action plan was developed with consensus of group members.

The findings of the preceding phases provided guidance during this phase. For example, determination of the short and long term objectives of the firm as well as the department during the organization diagnosis phase were helpful in developing the action plans and defining the limits. Again, utilization of impelling forces was facilitated through analyses during the feedback session. Thus, all phases in sequence constitute a whole.

3.6.0.0.ADOPTION AND IMPLEMENTATION:

The first step of this phase was the assignment of a responsible manager for each action plan by the management team involved to the workshops. By doing so, a control mechanism was established to compensate the deficiencies during the workshop session and to reach the group's objectives obtained from organizational diagnosis phase.

However, it was not easy to obtain the acceptance and decision to apply these programs. First of all, it was necessary to receive the consent of the General Manager and the Board of directors who did not participate in the study. Furthermore, the application of the study in other departments of the company would facilitate the implementation of the action plans and provide a co-operative effect. As a result, implementation of these action plans can only be possible with the consent of the upper management and the support of other departments.

3.7.0.0.FINDINGS:

The findings of the case study at STFA ENERCOM will be presented under the two following main headings: by-products and group effectiveness.

3.7.1.0. BY-PRODUCTS:

As Turner (1982) argued, the effective application of process consultation not only helps produce solutions to organizational problems but results in significant by-products. Three important by-product have emerged at the end of the study as the outcome of both PIP method and Process Consultation technique. These are consensus and commitment, client learning, and finally, organizational effectiveness that have long-range as well as immediate benefits for the client.

3.7.1.1. CONSENSUS AND COMMITMENT:

Consensus and commitment, by-products of Process Consultation as well as OD/PIP method, are important tools in analyzing the problems effectively. However, consensus of organization's members is not enough. According to Turner (1982) not only must the consultant be persuasive with his/her finely tuned analytical skills but he/she must be able (1) to build agreement regarding the necessary steps that should be followed in identifying and solving problems and (2) to establish the momentum required to follow through.

There was a supportive approach to consensus and commitment in all phases. A brief look at these will enable the following suggestions: The interview phase was important in developing trust and in diagnosing the organization. It includes the inaugural attempt to determine the department's objectives while explaining company goals. The interviews and the feedback session were instrumental in formulating agreement regarding the problems facing the company. The work session was useful in proposing tentative solutions acceptable to the managers while building momentum toward the implementation of solutions. The meeting during which the management action plan was adopted was an event in which all participants overtly expressed their commitment by means of Brainstorming Technique. Therefore, each action plan was developed with consensus and commitment.

3.7.1.2. CLIENT LEARNING:

Another by-product of the OD/PIP method is client (work group or organization) learning. This process is necessary to develop client ability to solve problems. This was accomplished by including all middle level managers of the department in all phases of the implementation of the study.

For example, the managers admitted that they had attempted to hold meetings in the past but they were rarely successful in arriving at sound decisions in a timely manner. Because, they were the opportunity for visualize their problems systematically and reach effective solutions. As a result, the same individuals attended similar meetings in the past, they concluded that those meetings were not as productive as the meetings during this study. Consequently, they decided to organize more frequent and periodic meetings applying PIP method. Therefore, as it was mentioned in the preceding section (Chapter 2, Figure IV), continuous application of OD/PIP method during the first cycle before reaching the termination stage, the last one of seven stages proposed by Kolb and Frohman (1970), is a desired and expected result.

Furthermore, assigning primary responsibility to selected managers in adoption and implementation phase for implementing various aspects of the management action plans and programs was an attempt to facilitate continued client learning following the study as well as to enhance commitment.

3.7.1.3. ORGANIZATIONAL EFFECTIVENESS:

The third by-product of the OD/PIP approach relates to developing solutions to problems that benefit the whole organization.

These benefits may be explained by examining the following solutions proposed for the four main problem categories:

1. **Recruitment:** Wages are among the leading means to attract employees. It is one of the important objectives stated by the company to have a fair wage policy and find solutions to other problems related to the wage policy.

The problems concerning with the recruitment (see Appendix F) in this department is mostly related with the wage policy of the company's management. The incompatibility of the current wage policy does not allow for recruiting and maintaining qualified staff. The management team decided during the workshops to consider the following solutions to this problem:

(1) Implementing a cost saving program in the department and use these savings in raising the salaries.

(2) Cooperating with other departments to support this cost saving program for the purpose of raising salaries.

(3)Discussing this problem with the Board of Directors during budget preparation and requesting their assistance in providing financial support.

(4)Preparing weekly reports on the problems of recruitment for the top management in an effort to bring the problem to their attention and to persuade them for the solutions.

(5)In addition, developing suggestions to improve the current wage policy by researching new applications in the industry.

The Deputy General Manager of the Department and the Personnel/Administrative Services Manager were assigned to control for implementing these programs efficiently by the managers team.

An initiative which has been taken by the management of the company to tackle the problem is the establishment of a committee headed by the System Organization Advisor within the Logistic Department to undertake salary surveys and determine wage lines for all categories of employees.

2.Management:

Communication: The lack of a centralized data base which will allow on-line access particularly to financial and economic data required by top management and the need for an efficient computer network appear to be significant problems.

In general, the importance of cooperation is obvious in solving this problem. In addition to support services, this department is responsible with the duty of preparing reports on problems and developments for relevant departments, thus contributing to the establishment of a future Management Information System (MIS) by reporting. On the other hand, introducing a more concrete and helpful MIS will enable the organization to adapt to modifications in the information system within the firm.

Inflexible, Non-participative Senior Management: This problem could only be solved with the participation of senior executives, especially the General Manager of the company to the OD/PIP workshops. However, the managers' team decided that they should report the problem to the senior management in order to inform them.

Other problem, related with the delegation of authority, was solved by preparing a more detailed and a clearly understandable job description for the department by a new committee involved all four managers (see Appendix F). In addition, the Deputy General Manager and the Personnel Manager were assigned to responsible for the application of these plans by the management team. This committee will

assist in preparation of a new job description by consulting with the employees of the Finance/Administration Department. Thus, it was intended to relieve the work load of this department in during the studies throughout the company. The increased participation will facilitate the efforts to reach more productive results accommodating a majority expectations in the future.

It was observed that studies have been in progress by a committee in the company, which has been directed by the System Organization Advisor within the Logistic Department.

3.Training: In order to solve the problems of this section (see Appendix F), management team in this study decided to set up a new unit which has responsible to implement the current applied training programs in the company in order to get a more comprehensive and productive manner. In doing so, the management intends to improve the skills of the staff and provide R&D services in a limited scope within the department. In order to achieve this, it was agreed to seek the Board of Director's support and a larger share in the budget. In the end, it is anticipated that the new training unit will also contribute to the training programs in the overall organization.

The support of the Holding headquarters has already been obtained and preparations to develop the unit have been started. A survey questionnaire has been launched by the management of the company in the company to determine the deficiencies in the training programs as perceived by the employees and the areas which need special emphasis. In the light of the results of the survey, new training programs have been organized at the Holding headquarters for all staff.

3.7.2.0. GROUP EFFECTIVENESS:

Team Effectiveness Rating Form (see Appendix I, Part I) was filled out twice by each group member in two-month study period. The first one was completed in the beginning and second one at the end of the study.

In this form, nine basic issues were ranked by the group members from 1 through 7 in the order of importance. These basic issues are as follows:

- Mutual trust,
- Mutual support,
- Levels of communication and of listening,
- Understanding and commitment to objectives,
- Handling of conflicts,
- utilization of member resources,
- Control of team behavior,
- Organizational environment,
- Team problem-solving capacity.

The results were discussed with the respondents in order to give them an opportunity to evaluate the state of affairs within the group. Since the forms were filled without mentioning the names of the respondents an objective assessment was achieved. This also enabled them to visualize the problems related to group dynamics vis-a-vis the relationships and working attitudes.

In the subsequent session, a brief discussion was held to compare the effectiveness and quality of teamwork with the previous sessions in an effort to find ways to work through any teamwork problems.

The results of these two applications (see Appendix I, Part II) may be outlined in a comparative manner as follows:

-Mutual Trust and Mutual Support were ranked high. This indicates improvement as a result of workshops.

-A drop was observed in the ranking of Levels of Communication and of Listening indicating problems in this area which were also admitted by the group members.

-The lower ranking in Handling of Conflicts was affected by deficiencies in interpersonal communication and listening.

-The data obtained from the first and second questionnaires concerning Control of Team Behavior indicate that the group members influence one another.

-The group is convinced that Organizational Environment has a supportive effect.

-Team Problem Solving Capacity was ranked 6 or 7 by all group members (see Appendix I, Part I). This verifies the assumption that the management team is capable of solving its own problems.

The results of the questionnaires were given to the group members to provide them a better understanding of workshops.

Higher scores of 5, 6 and 7 in both questionnaires might indicate the tendency of the group towards ranking their attributes high. This bias may be interpreted as the disadvantage of conducting questionnaires with a group which consists of people who work together as a team.

The largest contribution of the results of the questionnaires to our study was the validation of the assumption that the management team has the capability of finding and solving its own problems without the assistance of an outside consultant. This is a basic assumption on which PIP method as well as the Process Consultation Technique are based upon.

CHAPTER IV

4.0.0.0. CONCLUSIONS AND SUGGESTIONS:

4.1.0.0. CONCLUSIONS:

The results of the pilot application of OD/PIP at the Finance/Administration Department at STFA ENERCOM may be summarized as follows:

1. Process Consultation can be an effective technique in OD/PIP applications. This conclusion is supported to some extent by the By Products of the study, which were mentioned in the preceding chapter. The results related to **Consensus and Commitment, Client Learning and Organizational Effectiveness** were also the results of Process Consultation Technique. In other words, these are fundamental tools during workshops where Process Consultation is applied.

Furthermore, Process Consultation Technique promotes do-it-yourself efforts or processes which strengthens the ability of the "client" to pinpoint and solve its own problems as well as improving learning ability.

Therefore, Process Consultation Technique improves the efficiency of OD/PIP process and cycle to reach the results of by-products, using the tool of do-it-yourself effort.

2. During the pilot application of PIP method, the findings and results support the initial assumption (see Chapter I, pp. 2-3) that the organization has the capacity to identify and solve its own problems. Indeed, with the help of Process Consultation Technique, which primarily has an orientation purpose, the case study group could diagnose, discuss and solve its own problems.

Furthermore, although numerical results could not be reached from the application, finding problems for the whole organization as well as for the department and developing solutions were the basic indicators of the assumption mentioned above. Moreover, recent development in the company (in terms of solving its problems) supports the validity of the assumption (see Chapter III, 3.7.1.3.).

3. Although the method could be applied in only one department of the organization due to time constraints, it was possible to discuss the problems concerning the company as a whole. This may be an indication of potential effectiveness of OD/PIP in attacking organizational problems.

The OD/PIP approach can be used not only to develop action plans, but also to assist in strategic decision making. It was very interesting to note that although the

General Manager and members of the Board of Directors did not participate in the study, this was not an impediment to discussing the overall organization's problems, proposing possible solutions, and developing and applying action plans. However, this is by no means to deny the fact that participation of the Board members would be a valuable (and essential) contribution to the success of the study.

4. The management has already launched a company-wide initiative to tackle the problems (outlined in Appendix H) and the initial efforts have to-date produced positive results. This is a sign that the management has recognized the benefits of the PIP method.

5. The group has demonstrated enthusiasm and willingness to participate by means of Group Effectiveness Rating Forms (see Appendix G, Part II). This was evident from the Group Effectiveness scores. To be cautious, however, this may be a result of a bias. It should, therefore, be taken into consideration that a group of individuals who work together in the same department may easily be inclined towards bias when they assess each other. Despite this shortcoming, it was revealed through the questionnaires that problems exist particularly in "Level of Communication", "Listening and Understanding Each Other" and "Handling of Conflict".

The scores of the " Group Effectiveness Rating Forms" would be more realistic if the survey was conducted throughout the company with more heterogeneous groups.

However, these findings still will be helpful in their future endeavor in solving their problems.

Another important conclusion from examining Group Effectiveness Rating Forms is the supportive results for validity of the basic assumption of OD/PIP and Process Consultation Technique. That is, the results getting from these forms advocates that this group can find and solve their organization's problems by themselves without any help from an outside expert (i.e. conventional consultation services).

4.2.0.0. SUGGESTIONS:

This pilot study aimed at examining the applicability of OD/PIP processes and cycles, and verifying the assumption that Process Consultation is a viable technique in reaching the objectives of OD/PIP. However, the study was conducted in only one department of the company. This presents a major problem concerning the generalization of the findings, which could have been more reliable if the scope of the study would

have been enlarged to allow comparisons of the results to be obtained from other departments and other companies. Therefore, due to this limitation, PIP method was mostly explored by following procedure of the OD/PIP which mentioned in literature survey (see Chapter I and II). It is obvious that more concrete results would be obtained if the method were applied in more than one company in the same industry. Furthermore, for the sake of "universality", the method may be applied in different countries in order to explore the effects of cultural, economic and geographical differences. However, a study of this scope exceeds the confines of the current project and qualifies to be a topic for Ph.D. thesis.

The most important point which should be in mind is that every organization should adapt the processes and cycles of OD/PIP according to its own structure and characteristics (Boulden and Lawlor, 1987). This will permit a more effective and result-oriented application.

A final comment may be to state that using this pilot application as basis by rectifying its deficiencies, a study involving the overall company should be undertaken. This will lead to the introduction of a management style more compatible with "Management By Objectives" particularly in strategic decision making.

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APPENDICES

-APPENDIX A-

PART I:

STFA ENERCOM:

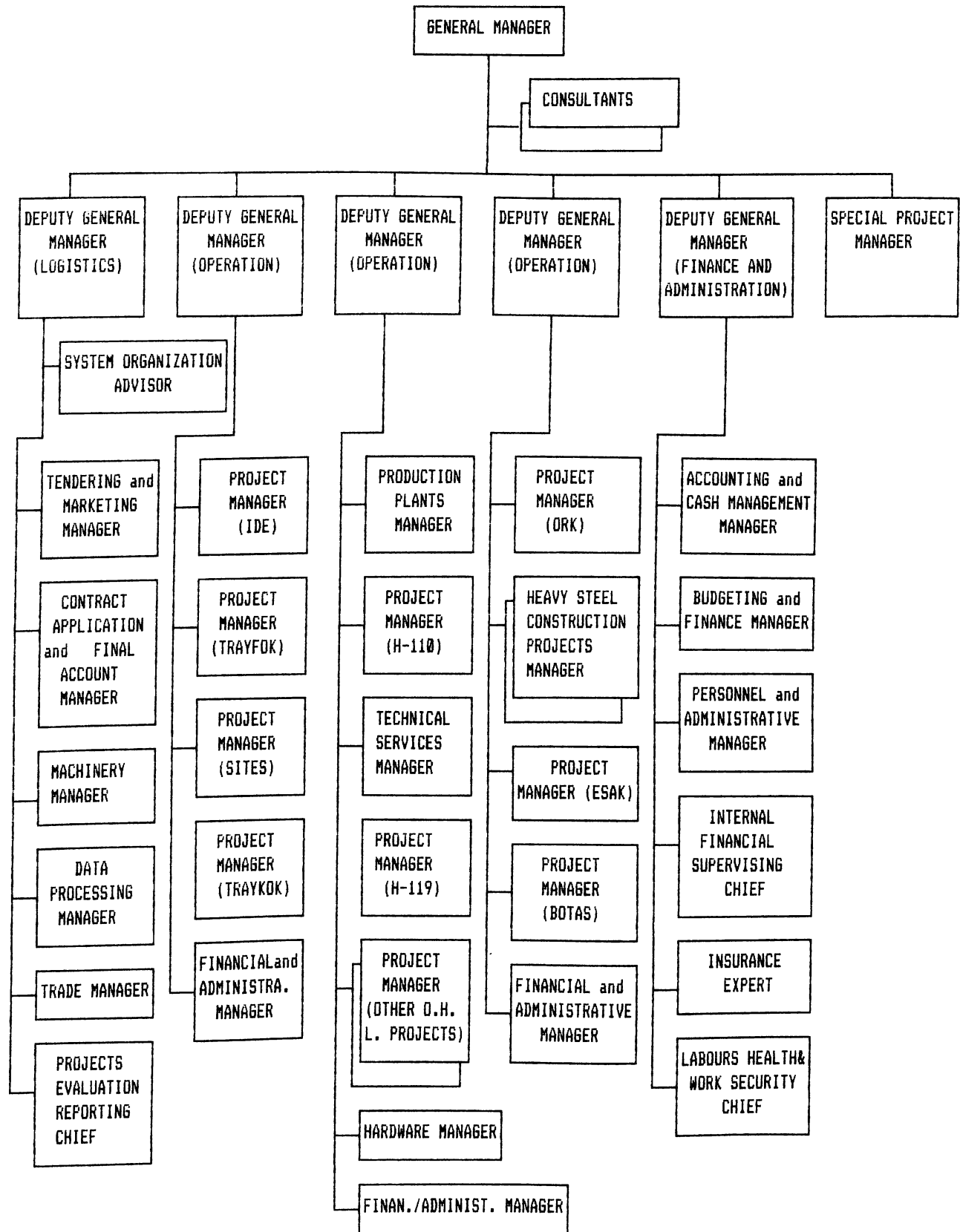
	<u>Rank</u>	<u>Amount (1000 TL)</u>
Production Sales:		79,755,048_
Sales:	183 (Chamber of Ankara)	79,755,048_
Gross Margin:	212	20,240,950_
Shareholders' Equity: (Except Net Income in 1989)	143	44,501,308_
Net Assets:	155	131,775,790_
Net Income Pre-tax:	196	4,986,085_
Export:	158	15,257,792_
Amount (1000 \$) :	7,105_	
Private Firm:	166	
Average Number of Employees:	130	
Number of People: 800		

Economic Activites Group: 383- Elektric Machinery, Devices and Equipment Industry.

Resource: Journal of ISO, August, 1990. No. 294.

PART II:

FIGURE I: ORGANIZATION CHART OF STFA ENERCOM



PART III:

A.The following company publications have been used:

- Guideliness for Management Principles.
- Guideliness for Operating Principles and Various Circulars.

B.The following people were involved to the case study:

- Mr. Emin Taylan**, Deputy General Manager in the Finance and Administration Department, at STFA ENERCOM.
- Mr. Bayram Mülâyim**, Budgeting and Finance Manager of the Finance and Administration Department, at STFA ENERCOM.
- Mr. Orhan Aylangan**, Accounting and Cash Management Manager of the Finance and Administration Department, at STFA ENERCOM.
- Mr. Isnet Ergökmen**, Personnel and Administrative Services Manager of the Finance and Administration Department, at STFA ENERCOM.
- Mr. Orhan Pazarcık**, working in the National Productivity Center as a Senior Expert.

-APPENDIX B-

Four stages of the OD/PIP workshops and performance improvement instrument

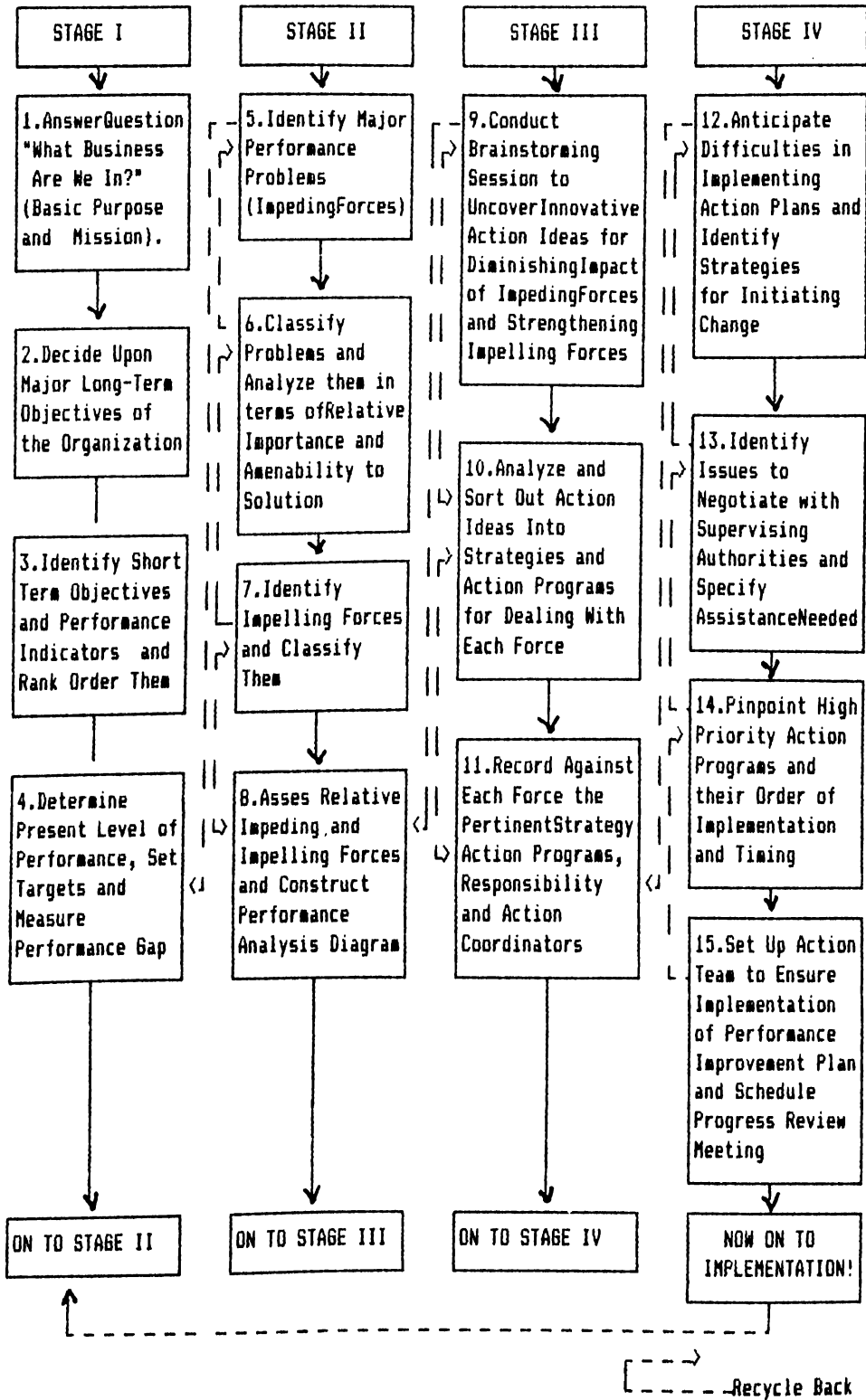
Stage No	Steps	Stage
I	Organization objectives and performance measurement	
	1. What business are we in? Basic purpose or mission.	
	2. Major long-range objectives.	
	3. Short-term objectives performance indications and priorities.	
	4. Measuring performance and setting targets.	
II	Identification and analysis of performance problems and impeding/impelling forces	
	5. Problem census.	
	6. Classification and analysis of problems.	
	7. Identification and classification of impelling forces (Opportunities).	
	8. Assessment of relative strength of impeding and impelling forces (Force field analysis).	
III	Evolving strategies and action programs for performance improvement	
	9. Brainstorming for innovative action ideas.	
	10. Analysis and sorting out of strategies and action programs (Alternatives and payoffs).	
	11. Assignment of action responsibility and coordinators. (End product: A performance improvement plan for the organization).	

IV. **Arrangements for implementation**

12. Anticipate difficulties and how to overcome them.
13. Identify issues to negotiate with supervising authorities and specify assistance needed.
14. Pinpoint high priority action programs, order of implementation and timing.
15. Set up action team and schedule progress review meeting.
(Stress teamwork, commitment to action and performance improvement as a never-ending cycle).

Source: Abramson and Halset (1981), Planning For Improved Enterprise Performance: A Guide for Managers and Consultants. ILO, Geneva: page 24.

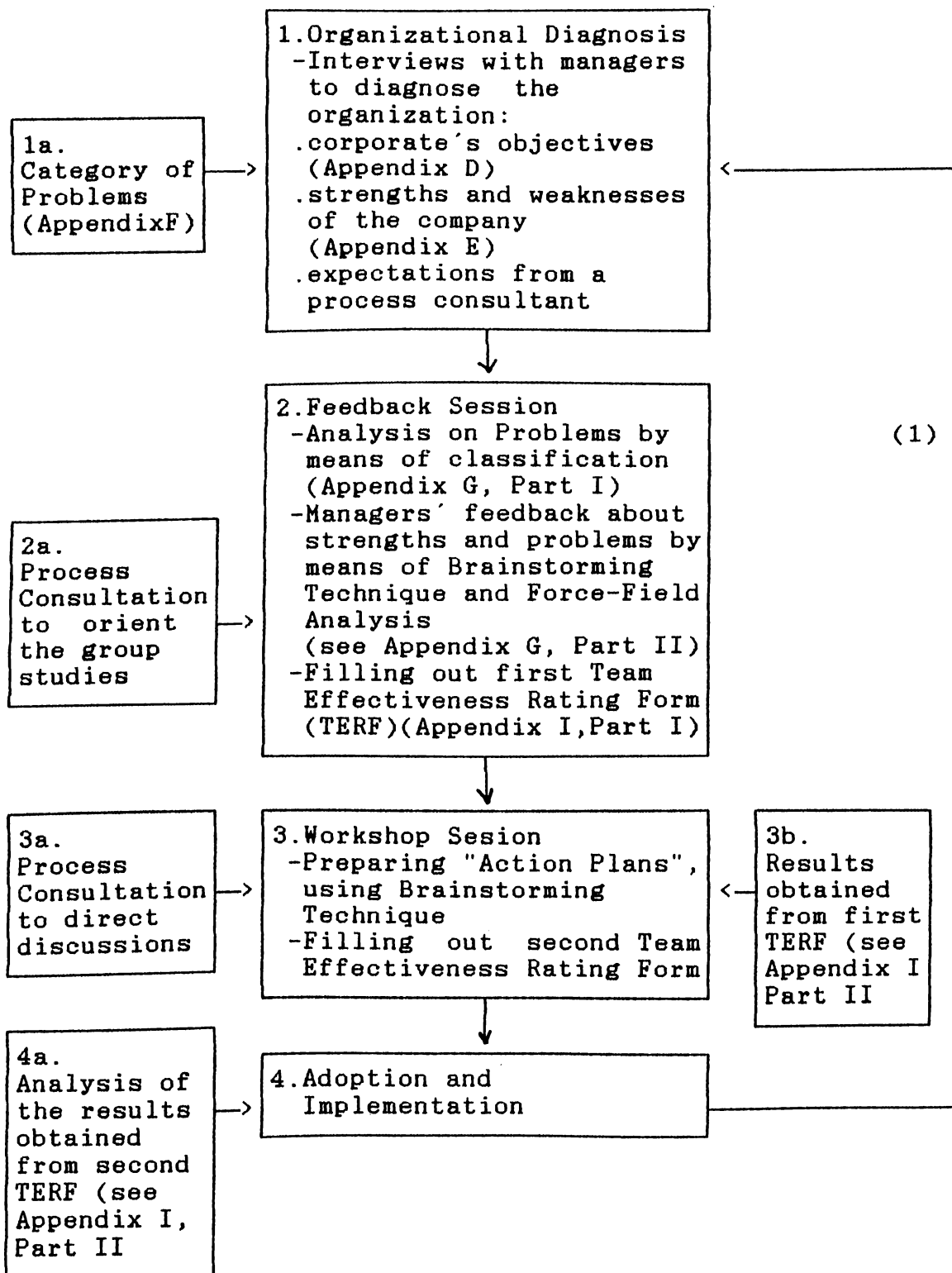
FIGURE 1: Flow Chart of Steps:



Source: Abramson and Halset (1981). Planning for Improved Enterprise Performance. International Labor Office. Geneva. p. 141.

-APPENDIX C-

FIGURE I:OD/PIP Process and Cycle at STFA ENERCOM:



-APPENDIX D-

THE PRIMARY PURPOSE OF THE FINANCE AND ADMINISTRATIVE DEPARTMENT:

The department is responsible for all administrative and financial activities in the firm; for taking the necessary measures in coordination with other departments to ensure satisfactory performance for maximum profitability of the firm as a whole.

LONG-TERM OBJECTIVES OF THE FINANCE AND ADMINISTRATIVE DEPARTMENT:

For the Deputy General Manager for Finance and Administrative :

- 1.To do research in order to determine the domestic and international market opportunities in energy, electrification, signalization and telecommunications fields towards expanding the company's business activities.
- 2.In addition to the administrative and financial functions for new contracts, to improve budgeting and financial techniques by applying the newly developed techniques; to help the top management explore new business opportunities.
- 3.To prepare long-term budgets on the basis of master plans.

4.To help establish an MIS to provide an efficient communication between the headquarters and job sites and the factories.

5.To help establish a corporate culture. All rules and corporate regulations should be maintained in written form so that the company can be managed in accordance with these written rules and regulations instead of personal discretion of individuals. This will ensure continuity of the firm.

SHORT-TERM OBJECTIVES OF ADMINISTRATIVE AND FINANCE DEPARTMENT:

For the Deputy General Manager for Administrative and Finance:

- 1.To improve the quality and promptness of the services.
- 2.To ensure cooperation and coordination between departments.
- 3.To help improve the management of the firm; to ensure communication lines with the top management via the Deputy General Managers.
- 4.To execute all administrative and financial programs set forth in the master plans. To establish an administrative and financial data base for the master plan and other programs.

For the Budget and Finance Manager:

- 1.To devise a speedy and realistic budgeting system.
- 2.To develop a systematic data base to evaluate the financing possibilities in a fast and realistic manner.
- 3.To keep abreast latest developments for a new budgeting and financing systems. For example, to monitor developments in stock exchange and financing sources.

For the Accounting and Cash Management:

- 1.To help ensure on-time preparation of financial statements for a speedy information flow.

For the Personnel Manager:

- 1.To establish a centralized recruitment system.
- 2.To establish a data base for periodic recruitment.
- 3.To attract qualified personnel by giving special benefits (such as social activities, bonus).
- 4.To get a fair wage policy.

-APPENDIX E-

STRENGTHS AT THE FINANCE AND ADMINISTRATIVE DEPARTMENT OF STFA ENERCOM:

No.	Impeling Forces
1.	Security for future.
2.	Sense of belongingness to STFA.
3.	Timely payment of salaries.
4.	A very high level of corporate prestige.
5.	Friendly and concerned attitude of the top management.
6.	In addition to favorable working conditions, a satisfactory pay level.
7.	Easy flow of information concerning the problems.
8.	A harmonious managerial relationship between the upper and lower management.
9.	An active social environment.
10.	Openness of the Deputy General Manager to listen the problems.
11.	Initiatives from the upper management for improvement.

PROBLEMS AT THE ADMINISTRATIVE AND FINANCE DEPARTMENT OF STEA ENERCOM:

Problem No.	Definition of Problems (Impeding Forces)
1.	The conservative attitude of the top management in personnel recruitment.
2.	The difficulties in timely recruitment of personnel with the required qualifications.
3.	Economic and cultural conditions of the country which forces the company to employ unskilled workers.
4.	The incompatibility of the current wage and salary policy of the firm to allow employment of qualified personnel.
5.	The less-than-satisfactory level of on-the-job training.
6.	The difficulties arising from the resistance of the upper management in adapting innovations and new ideas.
7.	The inefficiencies in accessing ready information.
8.	The inefficiencies in information flow within the Holding concerning financial, personnel and training activities.
9.	The lack of coordination and communication between the divisions and units within the firm.

-APPENDIX F-

CLASSIFICATION OF IMPEDING FORCES:

PROBLEM CATEGORY:

1. RECRUITMENT:

- The conservative attitude of the top management in personnel recruitment.
- The difficulties in timely recruitment of personnel with the required qualifications.
- The incompatibility of the current wage and salary policy of the firm to allow employment of qualified personnel.

2. MANAGEMENT:

a. COMMUNICATION:

- The inefficiencies in accessing ready information.
- The lack of coordination and communication between the divisions within the firm.
- The inefficiencies in information flow within the Holding concerning financial, personnel and training activities.

b. INFLEXIBLE, NON-PARTICIPATIVE SENIOR MANAGEMENT:

-The difficulties arising from the resistance of the upper management in adapting innovations and new ideas.

3. TRAINING:

-The less-than-satisfactory level of on-the-job training.

-Economic and cultural conditions of the country which forces the company to employ unskilled workers.

-APPENDIX G-

PART I:

CLASSIFICATION OF PERFORMANCE PROBLEMS (IMPEDING FORCES) AT
THE FINANCE AND ADMINISTRATIVE DEPARTMENT OF STEA ENERCOM:

The purpose of this classification is to determine whether the proposed solutions are feasible; if the solutions are possible within the Department, whether the problems are organizational or technical; whether the solutions are possible by means of the available management techniques; and whether these problems are multi-dimensional. The performance problems are regarded as drawbacks against development and achieving organizational objectives.

PROBLEM CLASSIFICATION AND CRITERIA:

GROUP 1:

A1: Organization-wide Problem.

A2: Sub-system (departmental) Problem.

GROUP 2:

B1: Physical, Technological, and Quantitative Problem.

B2: Human, Manpower and Organizational Relations Problem.

GROUP 3:

C1:Problem amenable to solution by Management Science Techniques.

C2:Problem not amenable to solution by these ready-made models.

GROUP 4:

D1:Solution of the Problem inside the Organization.

D2:Solution of the Problem outside the Organization.

GROUP 5:

E:Multi-dimensional problem.

APPLICATION:

PROBLEMS:

CLASSIFICATION:

1. Conservatism of the top management in personnel recruitment.	A1,B2,C1,D1,E
2. Difficulty in timely recruiting personnel with the required qualifications.	A1,B2,C1+C2,D1,E
3. Necessity to employ unskilled workers due to the conditions of the country.	A1,B2,C1,D1
4. Limitations arising from the current wage and salary policy preventing recruitment of personnel with the required qualifications.	A1,B2,C1,D1
5. Inadequacies of on-the-job training programs.	A1,B2,C1,D1
6. Resistance to innovations.	A1,B2,C1,D1,E
7. Difficulties in accessing current information.	A1,B1,B2,C1,D1+D2,E
8. Inefficiencies in the information flow related to financial, personnel and training.	A1,B1,B2,C1,D1,E
9. The lack of effective communication and coordination among the divisions within the company.	A1,B2,C1,D1,E

PROBLEM DISTRIBUTION:

A1: 100% Organization-wide Problem.
A2: - Sub-system (departmental) Problem.

B1: 22% Physical, Technological, and Quantitative Problem.
B2: 100% Human, Manpower and Organizational Relations Problem.

C1: 78% Problem amenable to solution by Management Science Techniques.
C1+C2: 11% Problems which are partially possible to solve using the available management techniques.

D1: 78% Solution of the Problem inside the Organization.
D1+D2: 11% Problems which are partially possible to solve within the Department.
D2: 11% Solution of the Problem outside the Organization.

E : 67% Multi-dimensional problems.

The above findings are interesting from OD/PIP point of view. While the distribution conforms with the general practice, the managers almost eliminated the alternative: Problems can not be solved within the Department. The strong confidence in the company and the Department is also reflected with the fact that none of the respondents assigned a degree of strength "5" to impeding forces.

INTERPRETATION OF PROBLEM CLASSIFICATION:

The managers, involved the OD/PIP workshops, defined nine problems during organizational diagnosis phase which was helped to determine the weaknesses of the organization as well as the Department. As it is seen in the Problem Distribution section, 100% of the problems emerged as problems concerning the whole Department. While 22% of the problems proved to be of physical, technical and quantitative nature, 100% of them are related with human, manpower or organizational relations. 78% of the problems are possible to solve using the current managerial techniques. Half of the remaining 22% of the problems are partially possible to solve, while the other half is impossible to solve using the available management techniques, which should be considered to be a low ratio. The fact that 78% of the problems can find solutions within the organization (including the Department and the Holding) confirms the OD/PIP practices and experience.

PART II:

FORCE FIELD ANALYSIS FOR IMPEDING AND IMPELLING FORCES:

INDICATORS USED IN FORCE FIELD ANALYSIS:

- (1) Weak.
- (2) Below Moderate
- (3) Moderate
- (4) Above Moderate
- (5) Very Strong

IMPEDING FORCES:

<u>PROBLEM NO.:</u>	<u>DEGREE OF STRENGTH:</u>
(1)	(4)
(2)	(2)
(3)	(4)
(4)	(4)
(5)	(3)
(6)	(3)
(7)	(4)
(8)	(3)
(9)	(3)
	<hr/>
TOTAL:	(30)
AVERAGE:	3.3

IMPELLING FORCES:

<u>INCENTIVE NO.:</u>	<u>DEGREE OF STRENGTH:</u>
(1)	(5)
(2)	(4)
(3)	(5)
(4)	(3)
(5)	(2)
(6)	(4)
(7)	(5)
(8)	(5)
(9)	(4)
(10)	(5)
(11)	(3)
	<hr/>
TOTAL:	(45)
AVERAGE:	4.1

FORCE FIELD ANALYSIS FOR IMPEDING AND IMPELLING FORCES:

Impeding Forces	Impelling Forces
<p>The conservative attitude of the top management in personnel recruitment.</p> <p style="text-align: center;">(4)</p>	<p style="text-align: center;">Security for future.</p> <p style="text-align: center;">(5)</p>
<p>Economic and cultural conditions of the country which forces the company to employ unskilled workers.</p> <p style="text-align: center;">(4)</p>	<p style="text-align: center;">Timely payment of salaries.</p> <p style="text-align: center;">(5)</p> <p style="text-align: center;">Easy flow of information concerning the problems.</p>
<p>The incompatibility of the current wage and salary policy of the firm to allow employment of qualified personnel.</p> <p style="text-align: center;">(4)</p>	<p style="text-align: center;">A harmonious managerial relationship between the upper and lower management.</p> <p style="text-align: center;">(5)</p> <p style="text-align: center;">Openness of the Deputy General Manager to new ideas.</p>
<p>The inefficiencies in accessing ready information</p> <p style="text-align: center;">(4)</p>	<p style="text-align: center;">Sense of belongingness to STFA.</p> <p style="text-align: center;">(5)</p>
<p>The unsatisfactory level of on-the-job training.</p> <p style="text-align: center;">(4)</p>	<p style="text-align: center;">In addition to favorable working conditions, a satisfactory pay level.</p> <p style="text-align: center;">(4)</p>
<p>The resistance of the upper management in adapting innovations and new ideas.</p> <p style="text-align: center;">(3)</p>	<p style="text-align: center;">A good social environment.</p> <p style="text-align: center;">(4)</p>
<p>The inefficiencies in information flow within the Holding concerning financial personnel and training activities.</p> <p style="text-align: center;">(3)</p>	<p style="text-align: center;">A very high level of corporate prestige.</p> <p style="text-align: center;">(4)</p> <p style="text-align: center;">Initiatives from the upper management for suggestions.</p> <p style="text-align: center;">(3)</p>
<p>The lack of coordination and communication between the divisions and units within the firm.</p> <p style="text-align: center;">(3)</p>	<p style="text-align: center;">Friendly and concerned attitude of the top management.</p> <p style="text-align: center;">(3)</p>
<p>The difficulties in timely recruitment of personnel with the required qualifications</p> <p style="text-align: center;">(3)</p>	<p style="text-align: center;">(2)</p>

-APPENDIX H-

LISTING OF STRATEGIES AND ACTION PROGRAMS TO DEAL WITH THE PROBLEMS:

PROBLEM CATEGORY NO:(1)

PROBLEM: Recruitment.

STRATEGIES:

-To get a fair wage policy.

-To improve quality and promptness of the services.

ACTION PROGRAMS:

- (1)Build a committee including all managers of the Department to do the following actions.
- (2)Implementing a cost saving program in the department and use these savings in raising the salaries.
- (3)Cooperating with other departments to support this cost saving program for the purpose of raising salaries.
- (4)Discussing this problem with the Board of Directors during budget preparation and requesting their assistance in providing financial support.
- (5)Preparing weekly reports on the problems of recruitment for the top management in an effort to bring the problem to their attention and to persuade them for the solutions.
- (6)Developing suggestions to improve the current wage policy by researching new applications in the industry.

ACTION RESPONSIBILITY AND COORDINATOR AT THE DEPARTMENT:

Deputy General Manager and Personnel/Administrative Services Manager.

PROBLEM CATEGORY NO: (2)a

PROBLEM: Management.

-Communication.

STRATEGIES:

- To develop a systematic database to evaluate the financing possibilities in a fast and realistic manner.
- To establish a database for periodic recruitment.
- To devise a speedy realistic budgeting system.
- To help establish an MIS to provide an efficient communication between the headquarters and jobsites and the factories.

ACTION PROGRAMS:

- (1)Build a committee in the department to report the recent problems to the upper level management of the company.
- (2)In order to facilitate initial database system in the company, cooperate with Computer Center.
- (3)Research the developments of the technology on MIS and report them by means of the committee.

ACTION RESPONSIBILITY AND COORDINATOR AT THE DEPARTMENT:

All managers in the Department.

PROBLEM CATEGORY NO: (2)b

PROBLEM: Management.

-Inflexible, Non-Participative Senior Mangement.

STRATEGIES:

-To do research in order to determine the domestic and international market opportunities in energy, electrification, signalization and telecommunications fields towards expanding the company's business activities.

-To help improve the management of the firm; to ensure communication lines with the top management via the Deputy General Managers.

-To help establish a corporate culture, all rules and corporate regulations should be maintained in written form so that the company can be managed in accordance with these written rules and regulations instead of personal discretion of individuals, which will ensure continuity of the firm.

ACTION PROGRAMS:

(1)In order to reduce the resistance of the senior management for new methods and techniques, all managers should be responsible to do researches for new techniques and methods inside the department, and to inform them by

preparing specific reports about the problems and solutions which are related with the company (as well as the department).

(2)The Personnel Manager should start studies on preparation of a clearer and more understandable job description schedule for the department.

(3)Have a participation of all employees of the department by taking their ideas for preparation of the job description schedule.

ACTION RESPONSIBILITY AND COORDINATOR AT THE DEPARTMENT:

The Deputy General Manager and the Personnel/Administrative Services Manager.

PROBLEM CATEGORY NO: (3)

PROBLEM: Trainning.

STRATEGIES:

- To improve the quality and promptness of the services.
- To attract qualified personnel by giving special benefits.
- To ensure satisfactory performance for maximum profitabilty of the firm as a whole.

ACTION PROGRAMS:

- (1)The Personnel Manager should prepare on-the-job training programs for new personnel as well as for the initial staff.
- (2)A research should be made to determine the needs on training by applying a questionnaire.
- (3)Another researh should be made to see the results of current training programs. In addition, suggestions should be obtained from all employees in order to improve these programs.

ACTION RESPONSIBILITY AND COORDINATOR AT THE DEPARTMENT:

The Personnel and Administrative Services Manager and The Deputy General Manager.

-APPENDIX I-

-PART I-

Team Effectiveness Rating Form
Building A Managerial Team: Analyzing Team Effectiveness

- | | | |
|---|---------------|---|
| 1. Degree of mutual trust:
High Suspicion | 1 2 3 4 5 6 7 | High Trust |
| 2. Degree of mutual support:
Every man for himself | 1 2 3 4 5 6 7 | Genuine concern
for each other |
| 3. Communications:
Guarded, cautious | 1 2 3 4 5 6 7 | Open, authentic |
| We do not listen to
each other | 1 2 3 4 5 6 7 | We listen: we
understand and are
understood |
| 4. Team objectives
not understood by team | 1 2 3 4 5 6 7 | Clearly understood
by team |
| Team is negative
toward objectives | 1 2 3 4 5 6 7 | Team is committed
to objectives |
| 5. Handling conflicts within
team: We deny, avoid, or
suppress conflicts | 1 2 3 4 5 6 7 | We accept
conflict and
"work them
through" |
| 6. Utilization of member resources:
Our abilities, knowledge,
and experience aren't
utilized by the team | 1 2 3 4 5 6 7 | Our abilities,
knowledge, and
experience are
fully utilized by
the team |
| 7. Control methods:
Control is imposed on us | 1 2 3 4 5 6 7 | We control
ourselves |
| 8. Organizational Environment:
restrictive; pressure
toward conformity | 1 2 3 4 5 6 7 | Free; supportive;
respect for
individual
differences |
| 9. Team problem solving
capability: Low | 1 2 3 4 5 6 7 | High |

Source: Douglas McGregor, *The Professional Manager*, pp. 172-173.

-PART II-

Team Work Effectiveness Rating Form

Organization: Department of the Finance and Administration, ENERCOM.
Number of team members: 4.
Location: ENERKOM, Ankara.
Stage: First implementation.
Date: 12.8.1990

No.	Factor	Good	Adequate	Poor
1.	Mutual trust	100% (75%-7; 25%-6)		
2.	Mutual support	100% (25%-7; 75%-8)		
3.	Levels of communication and listenning	75% (25%-7; 50%-6) 75%-7	25%-5 25%-5	
4.	Understanding and commitment to objectives	100% (25%-7; 75%-6) 75% (25%-7; 50%-6)	25%-5	
5.	Handling of conflicts	100% (25%-7; 75%-6)		
6.	Utilization of member resources	75% (25%-7; 75%-6)	25%-5	
7.	Control of team behavior	100% (50%-7; 50%-6)		
8.	Organizational environment	75% (50%-7; 25%-6)	25%-4	
9.	Team problem-solving capacity	100% (25%-7; 75%-6)		

Team Work Effectiveness Rating Form

Organization: Department of Finance and Administration, ENERCOM.
Number of team members: 4.
Location: ENERKOM, Ankara.
Stage: Second implementation.
Date: 6.9.1990

No.	Factor	Good	Adequate	Poor
1.	Mutual trust	100% (75%-7; 25%-6)		
2.	Mutual support	100% (50%-7; 50%-6)		
3.	Levels of communication and listenning	100%-6 75% (25%-7; 50%-6)	25%-5	
4.	Understanding and commitment to objectives	100% (25%-7; 75%-6) 100% (75%-7; 25%-6)		
5.	Handling of conflicts	100%-6		
6.	Utilization of member resources	75%-6	25%-5	
7.	Control of team behavior	75% (50%-7; 25%-6)	25%-5	
8.	Organizational environment	100% (50%-7; 50%-6)		
9.	Team problem-solving capacity	100% (25%-7; 75%-6)		

VITA

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