

HRO383 – Contemporary Management Practice





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By

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This is submitted to the

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In partial fulfillment

Of the requirements for the degree of

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Acknowledgement

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Executive summery

There the entire report is mainly focusing on the contemporary management practices in the given case study about the national utility company which is basically acting as distributor of power and energy services more than 400000 customers itself. Thus here it is seeking the availability to make necessary changes within its organizational setting and the overall departmental processes as well as its regulatory processes according to the contemporary changing management models and frameworks which have been already explained and practiced by other people in the world. In order to make this effort successful it has described clearly the entire changing process of the organizations with the types of changes, models of changes, need for effective change, organizational metaphors & finally it may give some appropriate and relevant recommendations in order to become success in this overall changing process while giving an appropriate conclusion in order to overcome from the barriers of effective change and make the overall changing process more effective and efficient.

Introduction

There the entire report is basically aimed to provide a better understanding and analyzing regarding the contemporary management practices within the given national utility organization in order to face with the dynamic and complex global business world while adapting to such changes successfully in order to achieve the stated organizational goals and objectives effectively. Thus it may give an appropriate conclusion and timely recommendations for the given organization to match with the changing environment within the given constraints as well.

Literature review

2.1 Definition of the Change Management

"Today's corporate elephants must learn how to dance as nimbly and speedily as mice if they are to survive in our increasingly competitive and rapidly changing world" (Burnes, 2004, P.24)

According to the above definition it is said that the big organizations should have to make the necessary changes quickly in order to survive within this continues changing globalized business world. Here the word 'corporate elephants' indicates the big organizations and meanwhile 'mice' represent the small firms in the overall business world. Thus it further explains that the small organizations are more capable of adapting to the dynamic changes than the large scale organizations because there are several hierarchical levels and rigid bureaucratic structures. Furthermore it can be explained that the basic reason on behind of this factor is the organizations should have to give a clue to the general public that they are in the competition and possible to change with the global changes with updated knowledge itself.

"To cope with a changing world, an entity must develop the capacity of shifting and changing. It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change" (Beitler, 2006, P.452)

According to Beitler, the organizations should have to change with the changing world but they should have the ability to change while making the quick responses to them than being stronger or more intelligent.

Finally, it can be defined that the change management is about the appropriate modifications and transformations have to be done within the organizations in order to make the whole organizational processes and procedures effective and efficient. On order to survive and grow within this dynamic and complex business world each and every organization should have to adapt with such changes while making necessary quick adjustments on their own business

context. Here the given case study is about a national utility company which is mainly focusing to make appropriate changes in its department and its regulation procedures itself.

2.2 Need for Change

When it comes to concern about the need for change, the main reason is that the organizations should have to signal to the general public that they are in the competition and they are capable of adapting to the changes in the business world and otherwise they have to windup their overall business activities as there are none customers will attract to the organization further more if it is using the traditional methods and techniques with outdated knowledge itself.

Here it is better to see the available theories and the frameworks of the need for change of the organizations which may vary with the organizational settings and its scale as well. According to Stacey (19993) there are main three types of changes can be happen within the organizations which is basically aligning with the organizational scale such as “Closed”, “Contained” and the “Open Ended”

When it comes to identify the closed change, Stacey (19993) it implies that the changes to be done can be easily predicted and basically this is deal with the small scale organizations or the departmental wise in the large organizations. And then the contained change may indicate the changes have to be done largely and it may generate high costs to the organization as well. Those changes cannot be predicted easily and this may happen in the large scale organizations here. The last change named as open ended is the vital change of the organizations which may ultimately greatly affect to the organizations as its process is highly volatile and difficult to predict as well. So these changes should have to be done with more carefully and properly unless it may cause to the huge loss or overall business failure ultimately.

According to the given context, this national utility company is required some kind of contained change as this is a large scale organization and the whole departmental process should have to be changed as it has not changed over the last three years and expected to change overall regulatory process and infrastructure facility areas widely.

However there is a main function has to be done by the organization is to carry out a proper PESTEL analysis regarding its external environmental context in order to get a better idea

about the changes of the external environmental factors. Otherwise it becomes difficult to predict the necessity changes to be done and their behind reasons for changing itself. (Appendix 01)

The PESTEL analysis can be identified as the process of looking at the organizational external influences in macro perspective including political environment, economical environment, social environment, technological environment, environmental influences and finally the legal environment as well. (Thompson, J. and Martin, F. 2010, P.204) Strategic Management) it should be noted that these factors are basically considering about the macro level of the business world itself.

Thus according to the given case study the departmental head and the head of the distribution and the other operational level managers should have to forecast or predict the required changes to be carried out effectively meanwhile analyzing its external ,macro environmental factors using the PESTEL model as explained in the above.

2.3 Barriers to Effective Change

“Despite the potential positive outcomes, change is often resisted at both the individual and the organizational level” (Mullins, 1999, P.12)

According to the above definition it explains that there should be a great contribution from both individual level as well as the organizational level of the organization in the changing process as both of them are affected through these processes simultaneously. Thus it can be identified that there are some available barriers for the effective change in the organization from the individual wise as well as the organizational wise. (Cameron, E., & Green, M., 2004, P.154)

Organizational barriers to effective change

These are can be summarized as the following manner;

- ✓ Lack of the clearly defined goals and objectives within the organization
- ✓ Financial difficulties face by the organization in the changing process
- ✓ Less resources and ineffective resource allocation

- ✓ Rigid and bureaucratic organizational structure
- ✓ Less communication channels
- ✓ Lack of better leadership within the organization
- ✓ Organizational cultural issues

Then it is able to explain some kind of individual level barriers for effective change within the organization as the all human beings are concern with their well being and the fulfillment of the individual needs and wants. According to the Abram Maslow's Hierarchy of needs, it explains that the people are willing to fulfill those separate needs and wants in each stages of the lifetime. (Appendix 02) Thus they prefer to have some additional incentives or enhancement of the work life through the expected changes as well. This further can be explained through the **"Force Field Analysis" & "Twelve Principles for Managing Change"** which describes the available forces for change and the barriers for effective change. (*Twelve Principles from Managing Change - Change Management Recourse Library (Internet Resource) <http://www.lyncoco.com/12prin.html>*) (Appendix 03)

According to the given case study it should be noted that this national utility organization also should have to face some barriers including organizational wise as well as the employee wise in the organization such as this may cause to increase the operational cost of the department as the expected Customer service incentives of £15 million for achieving customer service targets & meanwhile a penalty of £30 million for underachievement which also cause up to £2 million levied if the department cannot demonstrate it has effective policies relating to ethical practice. On the other hand it has given that the employees are not in satisfactory condition now as the company has changed its rules and regulations and its policies previously, but those were failed to get the expected benefits and now they are questioning from the managers the relevancy period of the new changes since they are not sure about such changes. And also it has said that it may cause to increase the absenteeism level of the employees as well. Thus the organization should have to reconsider these factors and after that it is possible to make effective changes with the coordination of both parties.

2.4 Models of Change

When it comes to identify the available models of change, it can be seen that there are several kinds of models available and here, it has explained some kinds of them as follows;

I. Kurt Lewin's model of change

According to the psychologist Kurt Lewin there are main three stages of the change and this also refereed as the “unfreezing, change & refreeze model” (appendix 04)

Here “Unfreeze stage” implies that the changing process is becoming somewhat more difficult as the employees of the organization are not fully aware about the expected changes and the reasons on behind that. Thus it takes more long time period to get them aware about such changes and to adapt with those changes effectively. So there the organization firstly should have to make them aware about the expected changes and the reasons and the need for effective change and only the organization is able to make such changes and without having the support of the employees it is impossible to achieve the expected goals and objectives effectively through this changing process itself.

Then it the “change step” the organization should have to carry out those plans and intended changes in order to make them actual or practical. So here the organization should have to seek about the practical applications of those changes with the support of the current employees of the organization as well. Otherwise it is unable to get the desired behavior or the desired outcomes through the expected changes by the organization itself.

The final stage is the “refreeze” and here the organization should have to make those changes permanent and they should have to merge them with the organizational culture as well.

"For change to be effective, it needs to be implemented at all levels and embedded in the culture of the organization". (Cameron & Green 2004, P.34) according to this statement it's clearer that the organization should have to reconsider about the impact of such changes to the organizational culture and it should be developed as per the cultural differences as well.

II. Kotter's eights steps to change

Here it has said that there are main 08 stages to change as mentioned in (appendix 05) & the benefits and the limitations of this model with comparing to the other models can be further explained as the following manner; (Cameron, E., & Green, M., 2004, P.154)

Benefits/ advantages

- Basically focus on the success of the overall changes
- Clear stages can be given a better guidance to the followers
- Properly match with the classical hierarchical organizations

Limitations/ disadvantages

- Less of the true participation of the engaged parties with the changes
- May cause to make frustrations if the employees are felt that they are not considered by the organization itself.

In this manner there some advantages as well as the disadvantages of each models and their appropriateness will be depended upon the organizational structures and the scale of the organizations as well. There are some another models are explained in (appendix 05) with their advantages and disadvantages furthermore.

However the above mentioned both models as well as several models of change have not paid much more attention regarding the employee impact on each changes with their work satisfaction and commitment, motivational level, turn over, absenteeism level as well as their ability to change while developing new skills and modern knowledge. Thus according to the given case study it also has to consider about those matters when they are going to select an appropriate model for their expected changes and this will be vary with the organizational context as well as the awareness of the management regarding such applications properly.

2.5 Organizational Metaphors

When it comes to consider about the organizational metaphors it is better to see the Gareth Morgan's "*The 08 Metaphors of the Organization*". As in (appendix 07) it has described that the organization can be seen as machine, organism, brain, culture, political system, psychic prison, system of change and flux and finally an instrument of domination itself.

As an example when it comes to see the Organization as System of Change and Flux, it thought that dynamical flowing stream & it highlights several aspects such as Organism metaphor in different manners like dissipation, physics ideas & entropy etc. so this also can

be considered as a market leading metaphor while the Machine metaphor has become a dominant metaphor here. (Cameron, E., & Green, M., 2004, P.154)

3.0 Recommendations

Finally after considering the all above mentioned theories, frameworks, models, definitions regarding the contemporary change, it is possible to give some reliable and timely recommendations to the given national utility company in the case study as follows;

- As this company is a national utility company, the company can be done their changes by using the above mentioned “Contained” change style as it is serving to more than 400000 customers in the field of delivering power and energy services.
- But there the company should have analyze its external environment in order to get a better understanding regarding the modern complex and dynamic global business world and its changes by using the PESTEL analysis
- The company should have to get a proper understanding and awareness about the changes to be done within its organizational settings and what are the reasons for doing that, as well as the company should have to decide their expected outcomes through these changes simultaneously.
- In order to have an effective change within the organizational settings, the organization should have to enhance their financial capacities as well as the other necessary additional resources for the expected changes in future
- The organization also should have to make the employees aware about those expected changes and they should have to be explained the reasons for doing those changes and the need for change in order to get their maximum contribution towards accomplishment of the expected changes
- And also the organization should have to develop the expected changes while merging with them organizational culture and otherwise it is impossible to retain or maintain those changes within the organizational context as there is some mismatches between the policies of the organization and the culture of the organization
- Make sure the expected changes are aligning with the organizational culture

- The organization should have to give appropriate modern necessary training & other necessary practices to the current employees which will be help to avoid their unnecessary fear about the coming new changes of the organization in future
- The organization should have to discuss about the new changes with their employees in order to make them clear and solve their emerging problems with the new changes
- There should be better coordination, communication as well as employee commitment towards the new changes within the organization in order to make them realistic and effective.
-

4.0 Conclusion

Ultimately it can be concluded that the national utility company is capable of making necessary changes within its organizational settings while making sure that the expected changes are meeting their expected goals and objectives successfully. Here it should be noted that the organization should have to make its employees more aware of these changes in order to avoid their hesitations on new organizational changes itself. And also the organization should have implement new strategic changes in its context in order to build customers as well as the employees trust worthiness because the key parties of any organization is to maintain better customer relationships as well as the employee relationships in order to accomplish the pre established organizational goals and objectives successfully. After making the expected changes, it should have to evaluate the performance of these changes in order to ensure that the actual performance is aligning with the expected performance itself. So if there any deviations appeared then the mangers should have to revise them appropriately.

There the most important thing is that the organization should have to develop its changes while merging them organizational culture successfully. If there are mismatches arisen between the organizational culture and new changes, then the employees have to face to more complex situations within the organization for the selection of the correct thing, so the managers should have to get a better understanding about the organizational culture and implications of the changes on it as well.

On the other hand the managers of the company also should be more dedicated and active persons as well as more knowledgeable persons with the modern changes in the world in order to make effective changes and other wise if the managers are not having a better understanding and updated knowledge about those changes in the modern globalized business world, then is become more worse situation to the organization than the current condition of it.

Thus the changing process of the organization should have to done with more accuracy and carefully since the magnitude of the impacts through the failures of such changes may be higher than doing nothing or existing same manner without making any change. Unless that it will cause to the winding up the overall business or huge wastage of the financial as well as the human resources & other physical resources within the organization unfortunately. Since that the national utility company in the given case study should have to reconsider the above mentioned facts with the influence to the employees of the organization & finally to the overall society itself. After making ensure that the all parties may be influenced in better manner through these new changes, the organization is capable of carry out its intended modifications and transformations within its context & otherwise it may lead to make huge failure or loss to the overall businesses as well.

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Appendices

Appendix 01

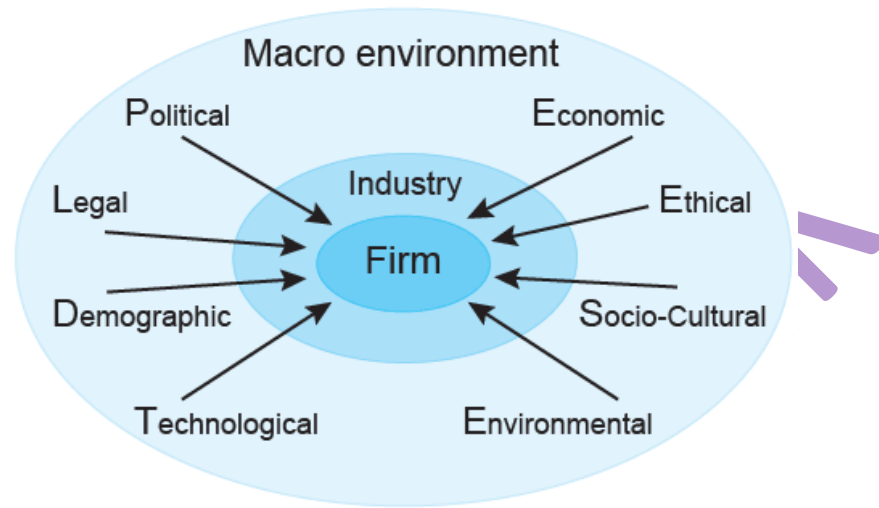


Chart 01- Macro Environment

Here it shows that macro environment is consisting with main external factors of economical environment, political environment, legal environment, demographic environment, technological environment, social and cultural environment, environmental issues as well as the ethical environment itself. Thus the organization should have to analyze each and every factors of the macro environment in the organizational context.

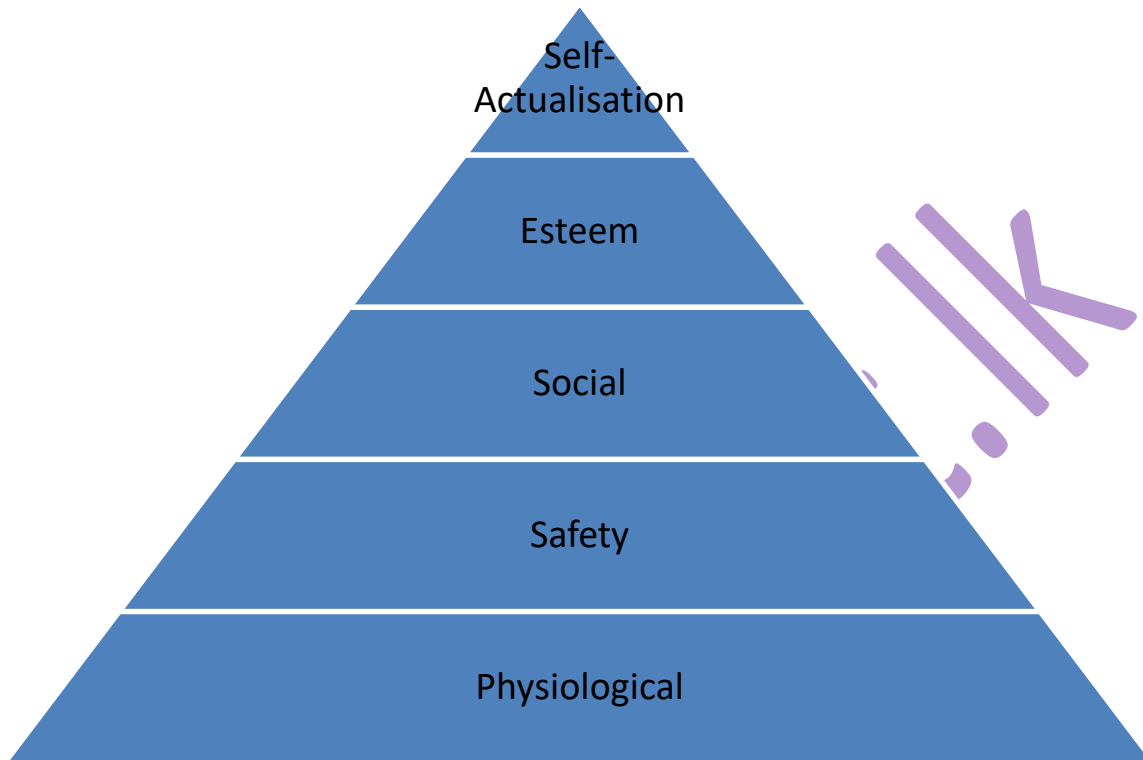
Appendix 02

Chart 02 - Abraham Maslow's Hierarchy of needs theory

There the diagram is explained that the satisfaction of the employees will be depended upon their fulfillment of the needs and wants step wise such as, physical needs, psychological needs, social needs, esteem needs and finally self actualization needs. Thus the organization should have to consider these stages of the fulfillment of the human needs and wants in order to get the maximum contribution and commitment from the employees for the contemporary change within the organizational settings itself.

Appendix 03

Forces for change

Forces against Change

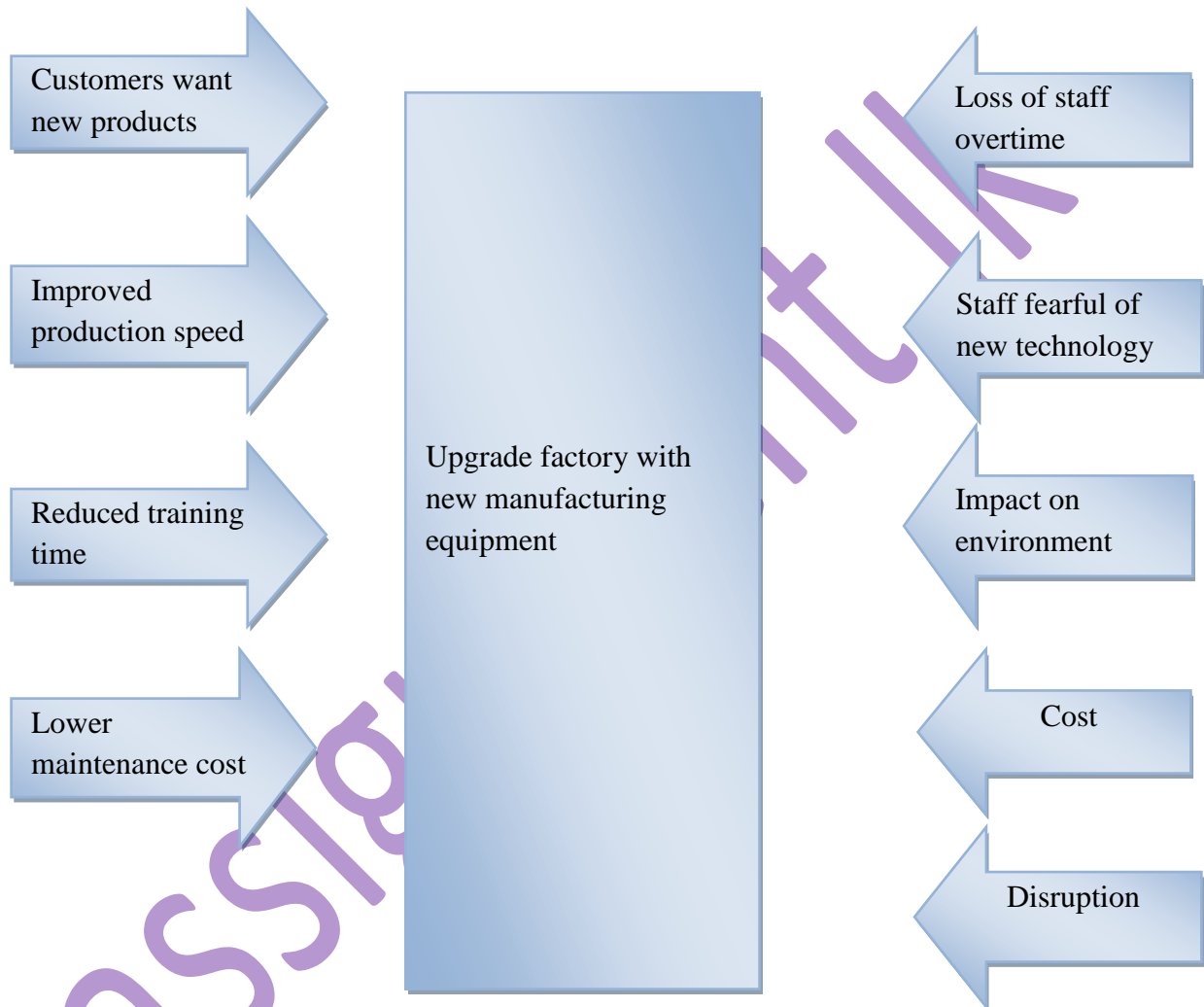


Chart 03 - Force Field Analysis" & "Twelve Principles for Managing Change

Twelve Principles for Managing Change

These principles provide the cause and effect of managing change strategically:

1. Thought processes and relationship dynamics are fundamental if change is to be successful.
2. Change only happens when each person makes a decision to implement the change.

3. People fear change it "happens" to them.
4. Given the freedom to do so, people will build quality into their work as a matter of personal pride.
5. Traditional organizational systems treat people like children and expect them to act like adults.
6. "Truth" is more important during periods of change and uncertainty than "good news."
7. Trust is earned by those who demonstrate consistent behavior and clearly defined values.
8. People who work are capable of doing much more than they are doing.
9. The intrinsic rewards of a project are often more important than the material rewards and recognition.
10. A clearly defined vision of the end result enables all the people to define the most efficient path for accomplishing the results.
11. The more input people have into defining the changes that will affect their work, the more they will take ownership for the results.
12. To change the individual, change the system.

*(Twelve Principles from Managing Change - Change Management Resource Library
(Internet Resource) <http://www.lynceo.com/12prin.html>)*

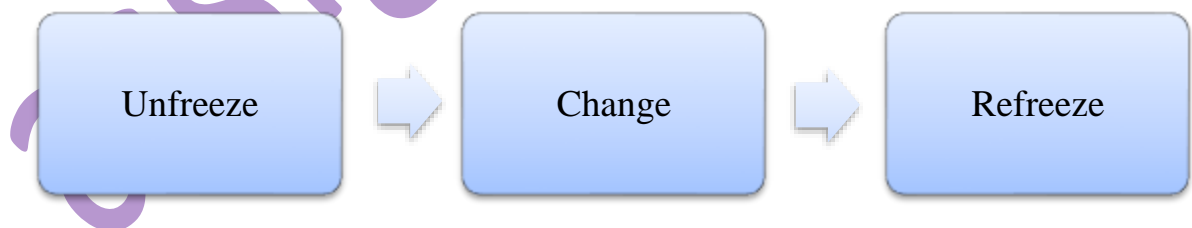


Chart 04 – The unfreezing, change & refreeze model

- Unfreeze – create right environment
- Change –Support Change to Desired State
- Refreeze-Reinforce to anchor change

Appendix 05

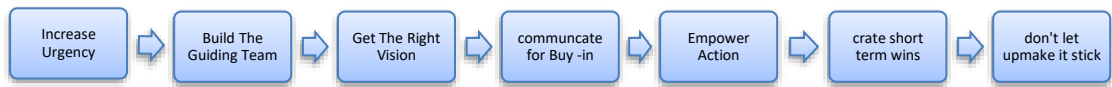


Chart 05- Ktters Eight Steps of change

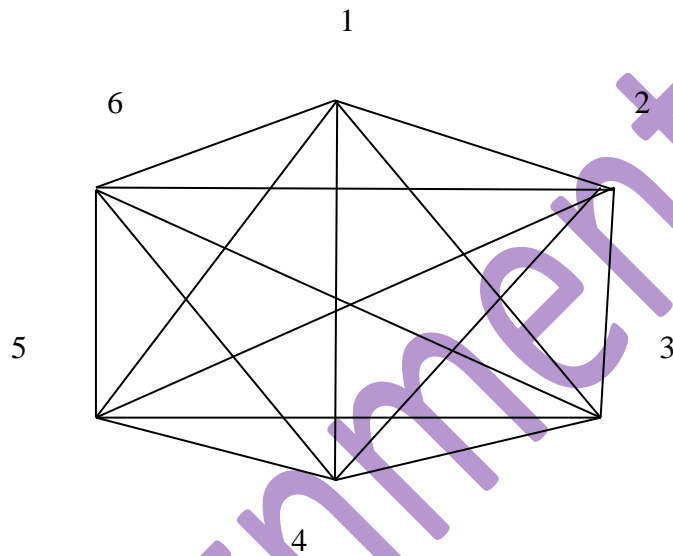


Chart 06 - Managing Change Six step processes

1. Envisioning
2. Activating
3. Supporting
4. Installing
5. Ensuring
6. Recognizing

Bridge's Transition Model

When placing the organizational change what do happen are the providing ideas of bridges that can help to understand it well. He differ the concept of change and transition, he stated that change happen without human involvement whereas transition is somewhat psychological and there is three stage process where human gradually accept the information of the new event and the changes occurred in it.

Benefits	Limitation
<ul style="list-style-type: none"> Support to identified human attitude towards your guide them to a change. the psychological effect clarified by it 	<ul style="list-style-type: none"> Even though model important to change implementation it not appropriate other changes. That mean it is not an independent model.

Table 01- the Benefits and Limitation of Bridge's Transition Model

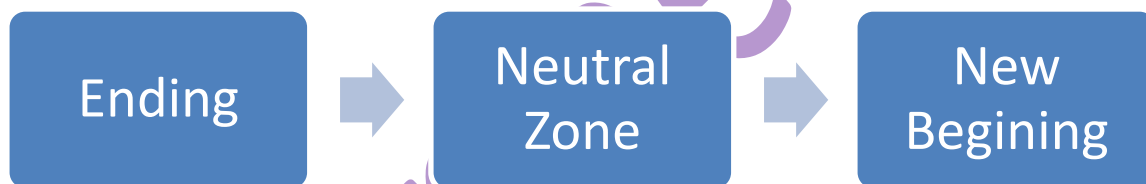


Chart 07 - Bridge's Transition Model

Roger's Technology Adoption Curve

Adoption of technology in lifecycle model focused on theory of "diffusion of innovation" (1962), explain the adaptation of product innovation based on psychological and demographic features of defined adopter work team. The adoption procedure explained as a normal distribution or "bell curve" this indicated first team of people to usage of new product. It is a called innovator indicated by previous users after that come the early and late adopters, and the last group to gradually adopt products which are called laggards.

Knowledge, persuasion, decision, implementation, confirmation are the 5 stages of technology adaptation indicated on the curve.

Benefits	Limitations
<ul style="list-style-type: none"> • Support to determine of the audience for change. • Give raw data for determine the opinion makers and influencers. 	<ul style="list-style-type: none"> • It does not need to fall into one category of change adoption • They move from category to category based on the certain change or innovation. • In hindsight only the adoption terms are accurate. Try to tell about how to respond to change or innovation by population.

Table 02- the Benefits and Limitation of Roger's Technology Adoption Curve

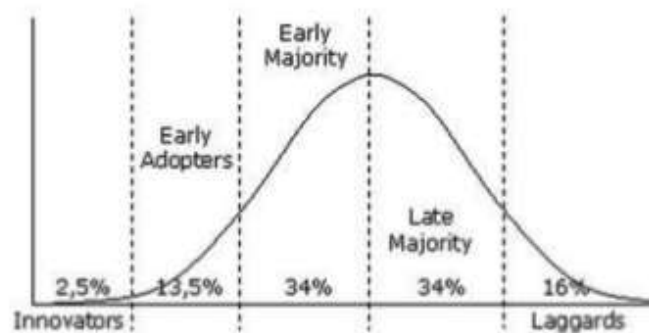


Chart 08 - Roger's Technology Adoption Curve

Ross Five stage model the change curve

The curve of change focused on a model introduced in 1960s' by Elisabeth Kubler Ross for the detailed the grieving process. She stated that a ultimately ill person would face though 5 steps of grief at the time informed of their illness by the 1980s, the curve exist in firms' change management circles. This curve and its included expressions can used to inform how performance may be affect by the noticing and subsequent developing of a huge change.

Benefits	Limitations
<ul style="list-style-type: none"> • Can be strongly captured of an 	<ul style="list-style-type: none"> • Assumption of bad reaction to

individual's action and it help to establish a communication strategy.	change. • Cannot identify transition between stages. • Group applying is much difficult.
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Table 03- The Benefits and Limitation of Ross Five stage model the change curve



Chart 09 - Kubler-Ross five stage model the change curve

ADKAR Model

Introduced in 1998 by Prosci, later his research which is greater than 300 corporations involved huge change projects of “ADKAR” that is subjected to universal management which let to be change group of management in focusing their roles of certain corporations’ results. This method firstly use to get knowing if a management things like training and development and communication have favorable outcomes in the period of organizational change.

Benefits	Limitations
<ul style="list-style-type: none"> • It offer dimension related to business or process and individual change. • Having a check list for manage the change. 	<ul style="list-style-type: none"> • Out of the scope of leadership, principle of management programmed which provide direction to change.

Table 04- The Benefits and Limitation of ADKAR Model

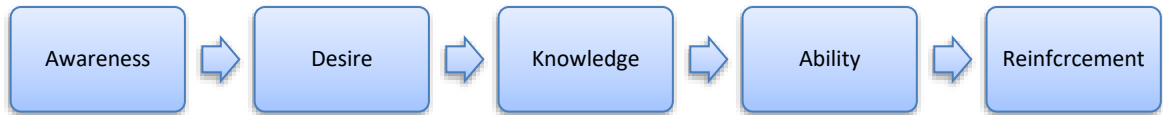


Chart 10 - Prosci's ADKAR Model

Appendix 06

Organizational ethics

In practical world every business mainly focusing on the profits due to the high rivalry in the environment but there is a thing that managers more consider in now it is ethics. Managers believed that a good ethical behavior can secure the organization and can be attract the customers and stick in the business.

There is not a universally recognized specific definition for the ethics. Many writers define the world ethics in different ways somehow among of these definitions have some common feathers. Ethics can be defined as “the way an organization should respond to external environment. These ethics consisting various guidelines and principles in determine the way employees should behave in work place.

Business ethics are principles and standards in business operate according to the organizational principles. It mainly include act fairly, be passionate, recognition and responsibility, integrity. Employees in all levels in organization understanding of this ethics are the key to the directors and managers of any organization. Giving a proper training to the employees is the best way to communicate the ethics from higher level to lower level.

There are lot of ethical thing can exist in an organization perspective. Those types of the ethical behaviors can be illustrated as follows.

- Not using unfair ways and means to earn profit with the purpose of gaining competitive advantages that mean money is not the only important thing in doing business. Other ethical factors are also important such as employee welfare
- Children who under the fourteen years of age not recruited to the work place because we cannot deprive of children's childhood.
- Employees should not give any valuable internal information to the outsiders for the purpose of gaining unethical advantages.
- There should be fair transactions and all training programmed.
- Should not discriminate based on the sex, age or family, appearance.
- Should care the safety of the employees in the work environment.
- Do not lie to the customers.
- The products should not pose a threat to environment and mankind.

Importance of the Ethics

Ethics is a more critical factor for the survival in the industry. Therefore managers must give attention on that ethics. Ethics can be categorized according to their functions. Those categories can be illustrated as follows

- Uniform treatment
- Social responsibility
- Financial ethics

In uniform ethics mainly consider about treatment in fair manner to all employees in an organization. It can lead to improve the employee commitment to the success of the company and ensure the employee diversity.

Social responsibility goes beyond the internal aspects it focusing of the welfare of the society also.

In financial ethics mainly stated about proper conducting the operation relating to the investing, finance, and expansion.

Importance of the organizational ethics is as follows

- It can gain the customer loyalty towards business operations
- Through a good customer service company can gain a better competitive advantages
- Can increase their profit in order to survive in the industry
- Improve the organizational commitment of employees
- Can easily fulfillment of the corporate governance and other regulations imposed by the government.

Ethical issues in the case study

This company is national security company and provide the service of the power and energy to the domestic, industrialize and commercial. In refer to this company they have some strategic and operational ethical issues. These issues can be discussed as follows.

Operational issues

- According to the company situation there are many complaints from customers regarding to their day to day operation. Their power disconnect policy should be adjust according to the industrial average.
- They not focusing of the extra activities which relates to the social welfare.
- Employee should work 37 hours per week therefore it has not a flexible working environment for the employees.
- Employee safety is the major determinant of the organizational ethics where as there are no sufficient precautions to ensure employees are much safety.
- There are no more focusing activities that related to the employee welfare. Only annual bonus and pension scheme is their.

Strategic issues

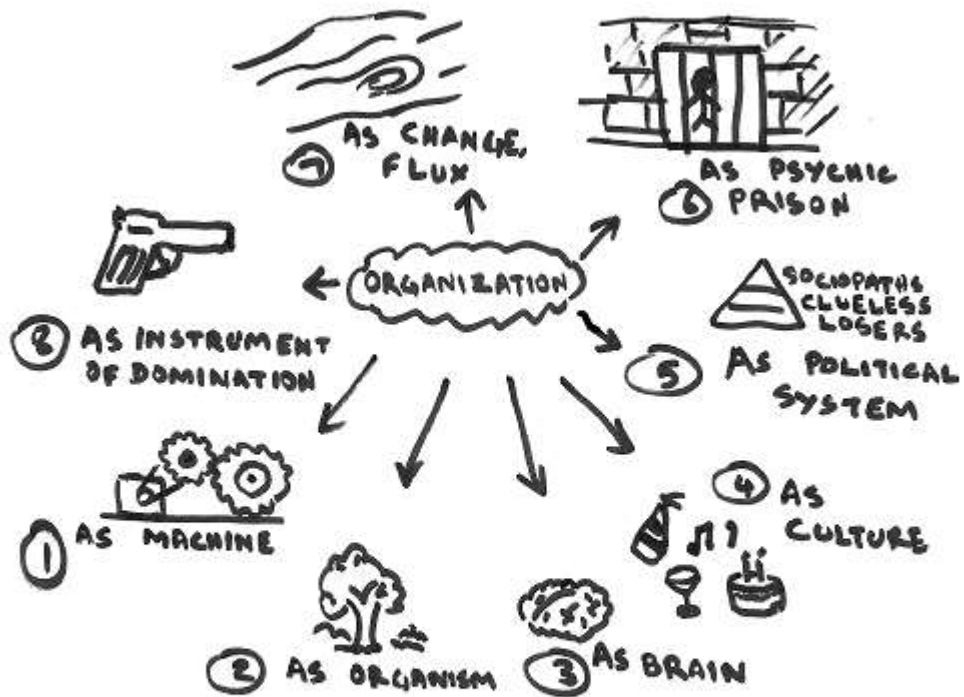
- When consider about the decision making top management centralizes their authority in decision making and participation of the employees is lower.
- Staff working place and managers working place situated in two differently. Therefore there is not a proper interaction between these two groups.
- Introduction of new policies are not accepted by the more employees.

Implications of these issues for leaders and managers

When consider about the implication of this issues for organization leaders it can be illustrated as follows.

- Without the employee acceptance on the policies they introduced leaders or managers cannot drive the business to the desired vision
- Increasing the consumers complaint will lead to reduce the customer loyalty towards the business
- Without increasing the employee welfare they cannot obtain a maximum commitment from employee.
- Without increasing the employee safety. Employees' satisfaction becomes lower level.
- Increasing the social responsibility activities company can obtain a social recognition.
- In proper work place arrangement managers can be able to communicate and interact with employees in an efficient and effective manner.

Appendix 07



The 8 Metaphors of Organization
From Gareth Morgan's *Images of Organization*

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