



## *1. Executive Summary*



Within this report is an analysis of Perfect Pizzeria's existing situation in relation to its operating environment. A brief introduction will be given on Perfect Pizzeria existing condition so as to have an overview of how well the company is doing.

The group has adopted 3 perspectives to identify the problems encountered in Perfect Pizzeria, namely; Planning and Controlling, Job Design and Managing Conflict. After the identification of problems, recommendations base on individual implications will be given to tackle them so as to resolve or minimise it, improving the present condition of the company.

## *2. Introduction*



While the planning function provides direction, the controlling function adds the vital regulatory element, allowing managers to monitor performance and take corrective action when needed. Conflict too, needs to be both controlled and managed. (Bartol, Martin, Tein, Matthews, 1998, pg. 640)

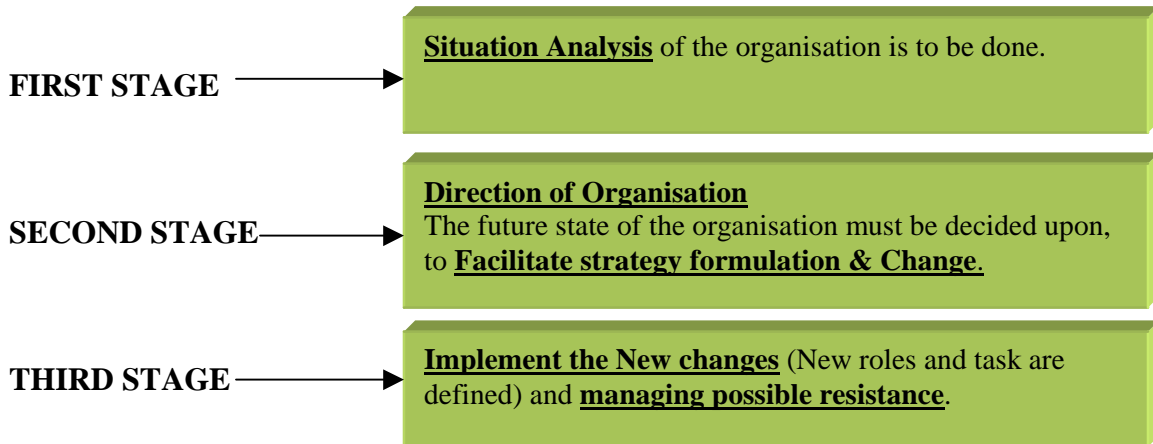
The lack of planning and controlling often result in differences in perceptions and goals. In the case of Perfect Pizzeria, it had shown a perceived difference between managers and staff, resulting in conflicts. (Bartol, Martin, Tein and Matthews, 1998)

Conflicts can be constructive as well as destructive, but if it is left unmanaged, it may result in dysfunctional effects on an organisation and it's people. To curb this, there must be good planning on the part of management.

One subset of planning is in the area of Job Design. Proper Job-design serves to define job roles and tasks so as to frame up responsibilities and accountability, which may minimise conflict in the workplace.

### *3. The Framework*

We will be tackling the case through this framework, a 3 stage process to achieve good planning.



All stages must be fulfilled in order to achieve the objectives of the organisation.

#### *3.1 Stage 1: Situation Analysis*

Job opportunities in Southville are limited, as it is a relatively small town. The population there is restricted to whatever job the town can offer, as such, they sometimes have to bear with unsatisfactory conditions that come along with the job.

With regards to Perfect Pizzeria, it had shown that the relationship between the management and employees is strained. This is due to a number of problems, which have been broadly categorised into three sections:

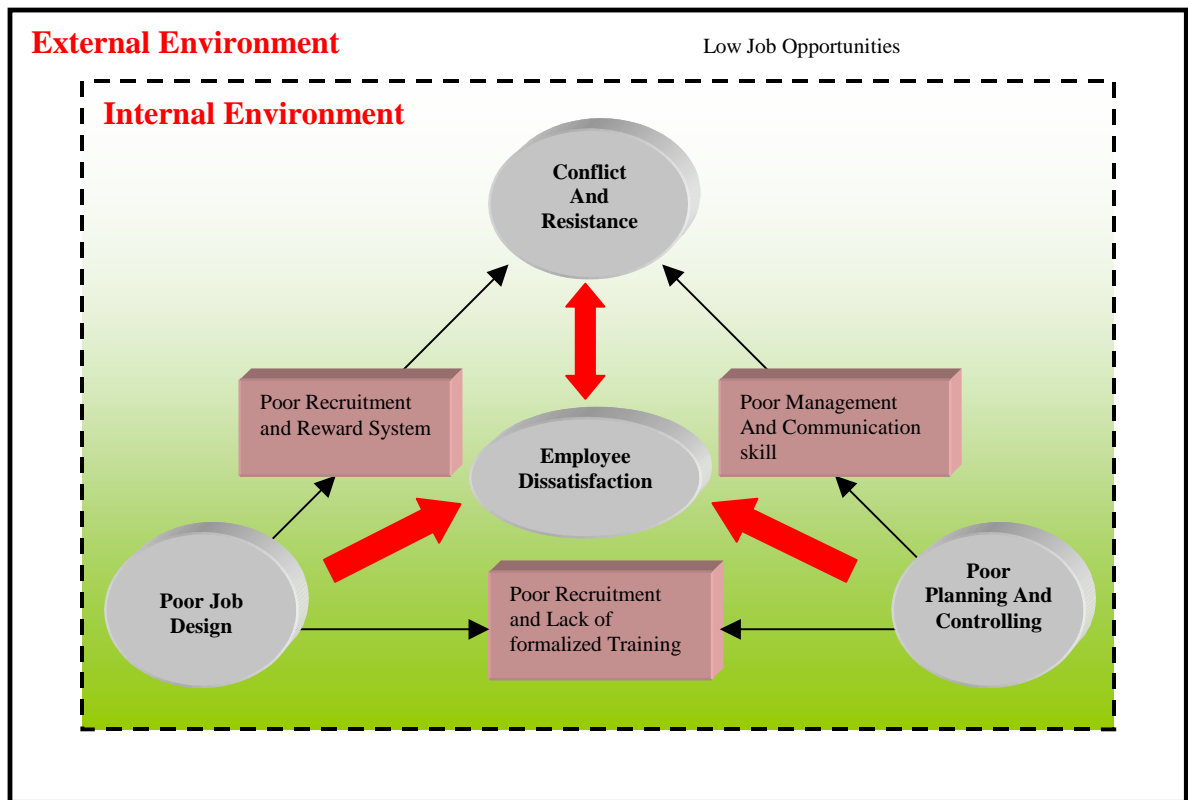
- I) Poor recruitment and lack of formalised training;
- II) Poor reward system and
- III) Poor management and communications.

Managers recruited were relatively young and have not much formal education. Employees were mostly college students working on a part-time basis and they were poorly trained in their jobs. This lack of formalised training saw high percentages in food wastage. Since managers' bonuses were inversely proportionate to these percentages, it led to retaliatory measures by the managers to curb employees' benefits as a form of control.

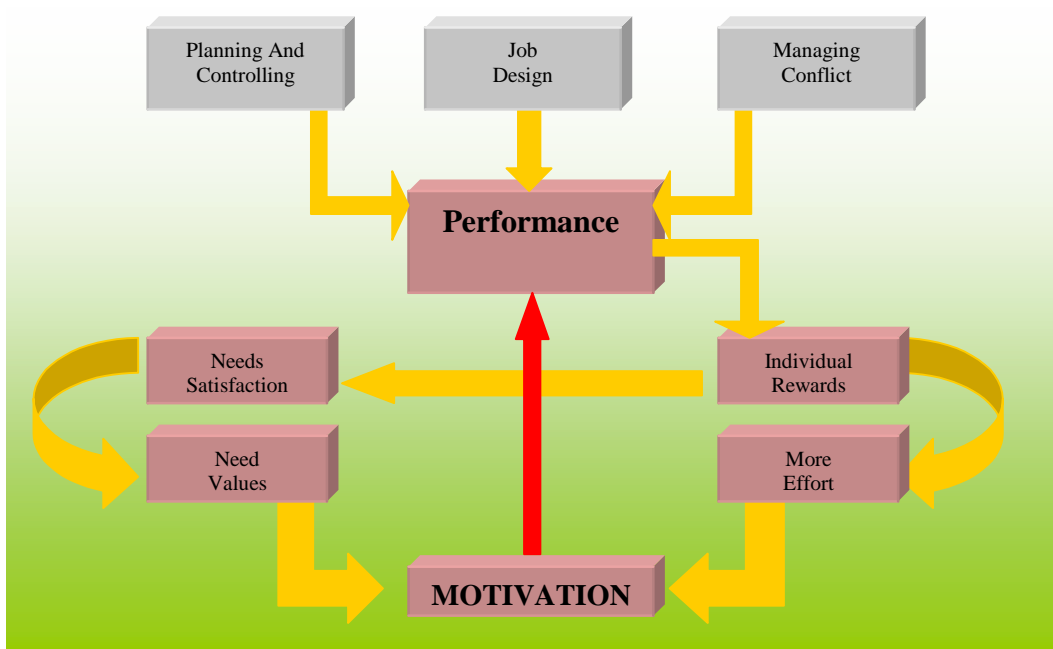
Poor communications and management ultimately resulted in employees' dissatisfaction. They started to pilfer food whenever the manager is not around. The night managers have got no control over them as they are around the same age and drawing the same pay. Left without a choice, the manager then decided to cut all employees' benefits. This resulted in high staff turnover and lead to more serious consequences.

This chart is drawn up to display the links between the 3 topics and the problems resulting in the case.


The failure to carry out these three areas efficiently have led to the resulting 3 problems to emerge which eventually results in employee dissatisfaction. This report will take into account the 3 aspects to tackle the problem so as minimize or resolve the problem face by Perfect Pizzeria.



Employee Dissatisfaction is actually inversely proportionate to performance level. When employee dissatisfaction is being minimized or resolve, employee performance will eventually increase. With the help of the ingredients like individual rewards and needs satisfaction, it will help the management to boost the employee's motivation level which indirectly leads to increase performance. In our proposal, we have incorporated 3 three main aspects namely; Planning and Controlling, Job Design and Managing Conflict together with reward system and needs satisfaction in our recommendation to help Perfect Pizzeria to overcome their problem.



The 3 main problems from the model that we identified have led to the following implications.

Problems	Implications
<p>♣ <b>Poor recruitment and lack of formalized training</b></p>	<p>a) Managers</p> <ul style="list-style-type: none"> <li>▪ Does not possess necessary knowledge to command and control.</li> <li>▪ Unqualified managers recruited which hinder progress of organization goals.</li> </ul> <p>b) Employees</p> <ul style="list-style-type: none"> <li>▪ Workforce made up of mainly college students who are part-timers, this leads to lack of commitment and involvement.</li> </ul> <p>c) Conflicting views between managers and experience workers on particular task due to the lack of formalized (standardized) training</p>
<p>♣ <b>Poor management and communication skills.</b></p>	<ul style="list-style-type: none"> <li>▪ Inability to exert authority and command respect.</li> <li>▪ Failure to communicate the expectations and necessary corrective actions to employees.</li> <li>▪ Cooperation is eroded</li> </ul>
<p>♣ <b>Poor Remuneration and Reward system.</b></p>	<ul style="list-style-type: none"> <li>▪ Low-morale &amp; de-motivated staff.</li> <li>▪ Dissatisfied workforce.</li> <li>▪ Poor bonus system, leading to unfair distribution of profits.</li> <li>▪ Unfair wage system</li> </ul>
	
<p>♣ <b>Employee Dissatisfaction</b></p>	<ul style="list-style-type: none"> <li>▪ Leads to Pilfering and wastage</li> <li>▪ High Employee Turnover</li> <li>▪ Poor work attitude &amp; Low Morale</li> <li>▪ Poor job performance</li> <li>▪ Work place deviance</li> </ul>

## *3.2 Stage 2: Direction Of Organisation*

The retaliatory measures taken only served to relieve the symptoms and not the actual problems faced, hence can be concluded that Perfect Pizzeria has got no defined objectives.

In order to be "lifted" out of this predicament, the franchise's boss should set up a planning team and set goals. By re-defining it's objectives, a new vision and mission can be envisaged. This can lead to better employment relations and lower the wastage problem.

While managing the existing conflicts, management might want to note that ' not all conflicts justifies their attention, some might be worth the effort; others might be unmanageable'( Robbins, 1994, pg550)

### *3.2.1 Problems And Their Implications*

#### **A) Poor recruitment and lack of formalized training**

##### **→ IMPLICATIONS:**

The lack of a standardised criteria in recruitment brought forth the problem of not having the necessary knowledge to command, lead and control his subordinates. These unqualified managers will inevitably hinder the progress of organizational goals.

The pizzeria employed part timers who were mainly college students. Studying will be their top priority, as such they will be likely to have lesser commitment to the job. They may display undesirable work attitudes such as being absent for no reason.

##### **→ RECOMMENDATIONS:**

Managers should be effective in meeting the particular purpose of the organization in which they work. (Mumford, 1986) Pizzeria management should install stringent

recruitment criteria for managers and staff. Several screenings should be done to sieve out the right person for the right job. Recruitment specialists could be flown in from headquarters to aid in the restaurant. Everyone recruited should be trained in the basics of every job, making them an 'all rounder'. Besides making them a 'all-rounder, training program also help to enhance employee potential (Northcraft and Neale, 1990). Hence should there be a need to take up other roles at work, they would not have a problem. This is to prepare them for possible job enlargement.

Having recruited a new manager, management should ensure that he is instructed with appropriate training and knowledge. The management may consider attaching him to another franchise for on-the-job training returning back to manage the existing pizzeria. After which, he will be placed on a probation period to prove his worth before employing him full-time. This will minimise the risk of employing a wrong candidate for the job.

The ratio of full-timers to part-timers should also be adjusted so that part-timers form only a small part of the workforce. This is to call for the increase in commitment level, hence trying to unify them towards a common goal.

## **B) Poor management and communication skills**

### **→ IMPLICATIONS:**

The night managers' failure to communicate the expectations and implement the appropriate corrective actions to employees has led to their inability to exert authority and command respect. Employees being dissatisfied may conform to their orders but only based on superiority and not from respect.

When communication is at its minimum between the managers and workers, existing conflict will only deepen due to misperceptions and assumptions made by either party.

Avoiding the problems initially then choosing to force harsh corrective actions by striking off all their benefits disrupted ties between the manager and employees. They think that the manager is unreasonable, hence employee dissatisfaction arose causing a decrease in work performance and efficiency.

➔ **RECOMMENDATIONS:**

In the control process, establishing standards of work is an important linking step to the whole process. The manager should inform employees of what is expected from them about their work, thus setting a benchmark from day one of their employment.

The night managers will have to be briefed about his role by higher management. They should be informed that by not disciplining their subordinates they are somehow collaborating with them, and will therefore receive appropriate punishments as well.

In outstanding and innovative companies, success sometimes lies in informal communication. The informal communication that exists has to be strongly established, to support the path to effective performance of employees. The rationale is simple : that employee performance is more likely to be enhanced and resistance to change overcome, when employees feel that they are properly informed (Mathieson, 1991) If there is a strong channel of communication between them, will promote collaboration, in turn leads to organisation effectiveness. "Communication is the glue that binds various elements, coordinates activities, allows people to work together, and produces results" (Carrell, Elbert and Hatfield, 1995, pg 17).

**C) Poor Remuneration and Reward system**

➔ **IMPLICATIONS:**

‘ The reward system governs the degree to which individual co-operate or conflict with one another.’ (Daft, 1995, pg. 456). If one person obtain rewards at another’s expense, conflict may arise. In Pizzeria, the manager receive bonus if the percentage of wastage is low. The employees are indirectly helping the manager to achieve higher bonus through conscientious food preparation, however, they will not get a share of this bonus. This therefore led to dissatisfaction among them.

When the reward system is unfair, employee become unmotivated, thus affecting overall performance. The failure to share the rewards cause employees to be less committed in

their work. Moreover, due to an unfair wage system, their morale spiraled downwards and dissatisfaction arose against the managers. Employees will stand together and support one another as they are all in the “same boat”. If their conflict persists, strikes may even occur.

#### ➔ **RECOMMENDATIONS**

The reward system is a tool to motivate employees to perform.

Pizzeria should practice fairer distribution of profit, whereby the initial reward scheme that motivates the manager should be scrapped. The reward should go to the employees and managers instead of only the manager and in any circumstances, without the approval of higher management; the employee benefits should not be taken away. They should redesign the reward system, to one that includes profit sharing schemes and recognition to employees. This will see that the needs of the employees are satisfied, hence achieving greater productivity.

#### **D) Employee Dissatisfaction**

The above three problems, if not tackled effectively, will lead to employee dissatisfaction.

#### ➔ **IMPLICATIONS:**

The retaliatory measures undertaken by the manager have led to job dissatisfaction among the employees. Employees started to retaliate against the manager’s orders and this led to workplace deviance. Dissatisfied workers will try all means to let the manager take notice of their dissatisfaction, even if the way to get attention was by sabotaging the pizzeria. Their working attitudes will get even more negative and will start pilfering. Food wastage (retaliatory measures by employees) will occur because they are not given allowance, hence leading to a high turn over rate.

Due to the high turnover rate, the manager had to take over the task of instructing inexperienced workers. By doing so, the employees were not placed under strict

supervision. Moreover, differences arose between the experienced workers and the manager on how a particular function should be done.

➔ **RECOMMENDATIONS:**

Instead of adjusting the employee entitlement to reduce the percentage, the managers could implement a variable bonus to the employees' if the percentage is reduced, hence making them feel a part of the success. When the individuals are rewarded, more effort will be put into their work and with the increase in motivation level, performance level will eventually increase.

Employees' participation should be encouraged to a certain extent in decision making, thus increasing employees' involvement at work. This will create a sense of 'belonging' as well as to let them know that their views are valued. This brings about greater employee's commitment to the company, which may minimise the chances of pilfering.

Due to the high turnover, managers had to take over the tasks of the workers. To resolve this, managers could implement job enlargement for the experienced workers. "Job enlargement aims to reduce monotony and boredom and to increase satisfaction and performance" (Lansbury and Spillane, 1992, pg 193). An example of job enlargement is by appointing the experience worker as the senior workers and their salary will also be increased proportionately rather than paying inexperience workers to replace the vacancies. Having inexperience workers attached to them, the senior workers' self-esteem will elevate as they now hold a different status and authority over the junior workers. By doing so, the experienced worker may feel important to the organization as they are being recognised. This will lead to an increase in their morale hence perform better in their work.

In Pizzeria, if the managers still do not receive the support and cooperation from the workers, it will be more advisable to remove the current manager and recruit a new manager who is more capable and able to mix with his subordinate.

## *4. Implementation*

For every plan to be successful, the execution must be timely and controlled. "Damage Control" must be set up to ensure these process follow through. Who will do what, by when and how should, by now be clearly defined. Periodic evaluations should also be undertaken to ensure that the implementation is on track.

### *4.1 Cost To Recommendations*

It must be admitted that with every recommendation that is being implemented, costs come along with it. What these solutions do are to minimise the more immediate problems.

Here looking back on Perfect Pizzeria's suggested recommendations, there are some inherent costs to it.

- When a new manager is required urgently, management cannot afford to allow so much time to learn the ropes from another franchise.
- If downward communication has been practice all along, Two-way communication may be tough to establish and a longer time period will be needed to establish this type of communication. . "When employees are in good two-way communication with management, attitudes such as satisfaction are much more positive" (Hall and Goodale, 1986, pg 576).
- Redesigning the reward system involves higher cost and time. If pizzeria is faced with financial constraints, they may not implement the new reward scheme, thus leaving the conflict at status quo.
- Enmities between the managers and employees have already been so entrenched that it cannot be resolve overnight. Pizzeria has to apply measures and recommendations

patiently. To build up positive relationship will require great effort and longer time for the rift to heal and be strong.

## *5. Conclusion*



The success of any business depends on having the right people and motivating them properly. (Mullins, 1999, Pg. 412). Thus Pizzeria has to first establish the right standards for recruitment of staffs. Take the appropriate planning and controlling measures, in order to ensure that the future of the organisation is in good path.

Having established the above planning and controlling, efforts must also be place on the design of jobs. Having a good job design is crucial as the employees' needs can be taken care of in terms of the job content and context. Without the motivational aspects of Job design, employees may slacken and prove detrimental to the organisation.

Recommendations suggested are to remedy the conflicts to a certain extent and not to completely eradicate them. Conflicts are somehow still inevitable and can lead to serious consequences if left unattended.

To prevent employee dissatisfaction from occurring again, management need to take precautions in managing the entire workforce, implementing the appropriate strategies and to spot on the conflicts and manage the necessary ones.

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