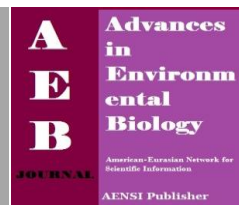




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Determinants of Organizational Performance: A Case Study on an Electronic Company in Malaysia

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ABSTRACT

The case illustrates several organizational behavior issues such as leadership change and style, employee turnover, employee dissatisfaction, management conflict, organizational politics in workplace. It also highlights the importance of cultural issues in management and in particular the need for top management to understand the culture and values of employees. The case is about electrical engineering Company based in Malaysia. This company was run by Mr. Tan who was successfully handling these businesses and the employees were very happy as well as satisfied with their employer, after his death his son took the responsibilities and like his father he also managed successfully the company, but he also died and the problem created after his death. The new management system applied and inner conflicts among the management started on various issues which led strict policy towards employees and employees were dissatisfied. After that, management realized the problem and tried to give the proper work environment to the employees so that they can be happy and satisfied like before but the problem did not solve and situation did not improve.

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INTRODUCTION

This case writing is based on Ali's recollection of past and present experiences. It involved inspiration, imagination, critical thinking and creativity approach. This is to ensure the writing was corresponding to the original story. As Ali was returning from work the other day he was so engrossed in his thoughts that he did not acknowledge the security guards salute of the apartment he was living in, nor did he see his next doors neighbor's wave as they drove past him. He had never felt so confused and indecisive in his life before. On one hand he felt indebted to the company who had given him his first break and on the other hand he was very sure whether he could adjust to the new management. He sat down on the couch of his living room with a cup of hot coffee in his hand, and soon he was down memory lane.

Ali's History or Ali's Background:

Ali was the eldest child in the family. In character he was a very diligent, responsible and a hardworking boy. His father was a retired major from army and his mother was a mere house wife. He had eight younger sisters and two younger brothers, all of them were in the midst of their education. After completion of his O-level, his brother-in-law suggested him to go to overseas to seek better job opportunities, which will help to lighten his father's burden to run the household. In order to get a good offer he decided to do some professional courses. He did some basic technical courses, including one year diploma course of CNC programming, which helped him in getting selected as a CNC machine operator in a Malaysian company. In July 1996, at the age of 19 years only, he started his new life as a machine operator in that company.

Company's History or, Company's Background:

The company ABC, having many years of experience, is a leading lighting and electrical engineering company based in Malaysia. Originally it started off as a distinguished toolmaker in the 50's. In 1960, it diversified into the field of architectural lighting fixtures and then into electrical distribution accessories in 1983. It also produces and supplies mobile air-conditioning accessories, hydraulic accessories and fabrication of various engineering products. Its products, under our brand name of ERIC™, are widely recognized by the

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government and private sectors in domestic and international markets.

It required at least diploma holder candidates so that after their training and working experience they would have more calibers in their field. During the time that Ali joined, Malaysian government had policy to outsource employees from other countries because of cheaper cost. Hence this provided an opportunity to Ali to get a good job experience from abroad which was highly valued in the coming future. The company was run by a Chinese family, owned by Mr. Tan that had no business qualification but was very good in interpersonal skills. His good relations with the customers gained the company loyalty, at the time even when the company expanded its business. The company had one more branch owned by Mr. Tan also, for manufacturing of different electric products. The branch in which Ali was based was more in the engineering field. Mr. Tan was successfully handling these businesses and the employees were very happy as well as satisfied with their employer, as he always used to treat them with respect, was very supportive, giving them increments every year and allowed them to participate in decision making. The company was earning profit and the future of company seemed to be bright because of the employer's good personality and policies towards managing the workers.

The Orientation:

The orientation event of the company was the most unforgettable experience which Ali will never forget all his life. Though it was a small company, it took a lot of days than Ali expected introducing the policies, rules & regulations of the company. Basically, it was his first time to stay far away from his family. He had never been overseas before. And in a very short period of time, he had to become independent in taking care of himself. He found it very difficult and challenging to be far away from his family. Furthermore, the orientation week event was not properly organized at all by the company. Being a young boy Ali missed his family all the time and was facing problem in communicating the local language, he was getting depressed by the different culture and environment he was surrounded by.

Official & Social Life:

The company had a diversity of employees. It included employees of the opposite sex, differences of age, experience as well as qualification background. Ali belonged to a very conservative society where working with females was not common, so at first Ali found it very difficult to adjust at his workplace. Ali's colleagues were not so much cooperative and very supportive, therefore he had not very good working relations with them at his workplace, and also there was no social interaction between them. He could not make friends to share his feelings. He remained sad and alone always. He was looking at others to initiate friendship but couldn't develop social networking by himself.

Ali was very keen to learn different things as his aim was to become a very successful CNC programmer. The training that was provided to him was not very effective and was incomplete so he learnt most of the things related to his field by himself by observing and making notes of the work of other senior employees.

Promotion–The Rise:

After 3 months of Ali's joining that company, the employer passed away. One of his sons Mr. Hong who was highly qualified, took over the whole company and managed everything as well as his father did, he kept all the employees happy too. He gave responsibility of handling the engineering department to his younger sister Miss Chan and brother Mr. Mark jointly and he gave the manufacturing department to his two other younger sisters named, Miss Fuj and Miss Keen. One of his elder brothers Mr. Rihart was in charge of getting orders from customers all by himself for the company.

Ali was not guided well about his duties by the supervisor who left the job after five months, leaving Ali alone in the production department along with some workers. One day the company received a big & important order, the management were in a fix as they did not have anybody who could do the programming for that particular product. Ali approached the management asking them if he could give it a try. The management was not very sure if Ali could pull it through but as they had no option they too gave him a try. Mr. Hong stated "Remember Ali it is not only your trial period but ours too"

Ali's positive approach and confidence granted him the success he was looking for after the second attempt. After this there was no looking back for Ali or the company. Ali's confidence continued to increase and his performance kept on getting better. In the same month he was given different products for programming which he did very well. At the same time he used to increase his knowledge by reading instruction manuals, as well as books on programming. The management was very happy by his performance and he was promoted as line leader. But what made Ali really happy was when Mr. Hong patted his back and said "You saved the boat from sinking young man. Good Job!" Company was earning profit and Ali was happy and satisfied.

The Turning Point:

Management Issues:

Mr. Tan owned a few acres of land on which his sons merged the two branches into one big unit.

Now all the siblings who were handling the two different units came under one roof. Mr. Hong was yet the sole person to handle the overall activities of company while the other brothers and sisters used to handle the official work. In 2007 Mr. Hong expired too.

After Hong, inner conflicts among the management started on various issues including their shares, profit sharing ratio etc. which lead to the implementation of strict policies towards employees e.g. punishment system rather than encouragement, more work load on employees to meet new customer demands, no friendly and no supportive relations with employees which caused dissatisfaction from their jobs.

They also started to lose their old loyal customers because of lack of responses towards them to meet their needs. One of their oldest customers stated "It's not an organization anymore but an disorganization". In order to get new customers they outsource services of any company which gets orders from customers for their company at high commission. Because of too much workload, Ali also started to show disinterest in work. The idea of quitting his job was playing in Ali's mind.

Back to the Present:

It was getting closer to dawn and Ali had not reached any conclusion. He had asked for a personal meeting with the managing committee members the next day, but he did not know what he was going to say. On one hand he had put so many years of effort and hard work in this company and in return, this company to has taken care of Ali too till the management changed. On the other hand quitting the company meant starting from scratch for Ali, he was a now contributing a big sum too at his home front, a lot of responsibilities were on his shoulders.

Could the management afford to lose a key worker of their organization?

Big Decision:

When Ali reached his work place the morning the meeting was scheduled, he realized that many of the old timers were backing on Ali's decision to make theirs too. This trust of his co-workers gave him a boost and all of sudden Ali got confidence and decided that he will have a heart out talk with his superiors, either the management ensure to provide desirable working conditions and remove stress creating factors or there was no choice but to quit the job. He discussed in detail the problems that he and the other employees were facing in the meeting. But what stroke the members of the meeting was when Ali told them "Sir, let us run this company as the previous bosses did, Let's make it a tribute to your folks.". The way Ali was presenting himself, with confidence the management realized that Ali could survive without them but the company needed an experienced employee like him to get out of the mess they were in. The management did a contract to fulfil all his needs and to provide him and other employees' welfare, supportive working environment. The meeting was in Ali's and his co-workers favor. They all started work on a new note.

Epilogue:

Today, Ali is working in that company and is not so happy as well as dissatisfied because of management again started their inner conflicts with each other. Although his management already promised to fulfill their requirements but could not kept its promise. In order to meet the new customers demand, the management is taking every type of orders without consideration of their capacity and resources to produce products. All this is resulting in high turnover of employees and job burden on Ali, as he has to do extra job but on previous contract without overtime pay. Now Ali is waiting to complete his employment contract in Sep 2010 and after that he is planning to leave his job, as once he said to a friend, "just look other opportunity to start our own business, can't stay more in this company after this employment contract. Management doesn't know how to run a company and do business, they just know how to fight with others, it's just a torture for me nothing else".

Analysis:

The main Problems in this Case:

By analyzing the case we found that there are several problems in the company which can be related with the organizational behavior theory. These problems are discussed below:

Employee Dissatisfaction:

Job satisfaction and dissatisfaction is largely generated from the theories proposed by Maslow which is known with the so call "the needs theory" and Herzberg's theory that is called "two-factor theory" or "hygiene theory". Both job satisfaction and dissatisfaction are assumed critical for the organizations to manage since they absolutely affect the productivity as well as the effectiveness of either the employees or the organization performance. In this case Ali and other employees of the company were dissatisfied which affect their working performance. As a result, Ali and other employees were frustrated and some of them decided to quit from their jobs.

High Turnover of Employees:

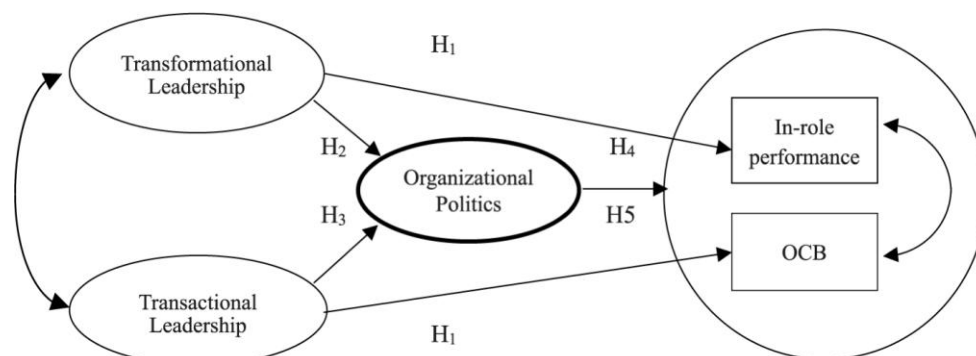
High turnover often means that employees are unhappy with the work or compensation, but it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (due to unrealistic expectations or poor candidate screening). The lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with the management had seen in the company where Ali worked which was as predictors of high turnover.

Losing Loyal Customers:

Management conflict inside the company led the implication of strict policies towards Ali and his co-workers such as giving more work load to meet customer demands and implication of punishment system rather than motivating them which cause dissatisfaction from their works. As a result, employees were not giving their best performance to their works led less quality product. Therefore, the company started to lose their old and loyal customer due to poor quality product and lack of responses towards them to meet their demands.

Organizational Politics:

Is defined by Ferris *et al.* [7] as behavior strategically designed to maximize self-interests and therefore contradict the collective organizational goals or the interests of other individuals. Employees find it very difficult to work with the company since managers are always in conflict of interest. This is because of excessive use of organizational politics in the company. According to theories such as the leader-member exchange theory [8,17], the expectation theory [16] and the social-exchange theory [4]. It is the leaders' responsibility to create an organizational environment that is reciprocal, fair, and fulfils the expectations and needs of the individuals and the managerial cadre, as well as the organization as a whole. A research model in Figure below suggests a relationship between leadership style, organizational politics, and employees' performance. The model is based on the idea of House and Aditya [10] and Ammeter *et al.*, [1] to build a political theory of leadership in organizations. It is based on the above mentioned theories. It examines perceptions of organizational politics as a mediator in the relationship between leadership and performance. A balanced relationship between leaders and members is necessary, and the fair treatment of the individual must be part of an organizational strategy. Continuous improvement of fair social exchange relations may reduce the level of organizational politics and positively influence performance.

*Work Overload:*

Occurs when job demand exceeds human limits and people have to do too much, in too little time, with too few resources. Work overload is characterized by (a combination of) the following conditions (www.ecst.csuchico.edu/~ddahl/paper.html):

Long and difficult working hours

Unreasonable workloads

Pressure to work unwanted overtime (paid and unpaid)

Less breaks, days off and holidays

Faster, more pressured work pace

Increased, excessive performance monitoring

Unrealistic expectations of what can be achieved with the available time and resource

Additional, often inappropriate, tasks imposed on top of 'core' workload (more than one job).

In this case for instance, In order to meet the new customers demand, the management is taking too many orders without taking into consideration the capacity and resources of the company to meet the demand. As a result, the company is facing high turnover rate. The burden is put on Ali because he has to do extra job and the company is not offering him any overtime pay. However, performing at unrealistic workload levels will eventually lead to a burnout, a condition that has negative effects on both the employees and the company. "Burnout results when individuals experience increasing amounts of negative stress" (Pg.2 of

employee.com/Burnout.html) says Gary Vikesland. Stress: (1) A force that tends to distort a body (2) A factor that induces bodily or mental tension. (Dictionary definition) Stress from work overload leads to physical and psychological strain, and negative stress can result in feelings of: distrust, rejection, anger, depression, fear, a sense of working out of obligation, and boredom. Employees most likely to develop burnout are the company's best employees. The superstar employees are more likely to feel burnout because they usually put more of themselves into their job, spend more time at work, and take work more seriously and personally. An employee that does not take their work personally will not experience burnout. (Www.employer-employee.com/Burnout.html). In this case Ali is described as the best star of the company that's why he is feeling as stressful as he has extra work to do that is not under his work scope. This type of employees increase the amount of effort they put into the job no matter how is the job condition. As a result, they are the first to feel burnout causing the employer to lose one of their best employees. This is what is happening to Ali in this case for instance, he is now starting thinking to quit his job. As we can see, work overload has a negative effect on the company, employers and employees. Work overload lead to employee absentees, why not turnover, and has a direct impact on the productivity within the company. Therefore, later in this paper we will give some suggest solve this problem.

Poor Reward Management:

Reward management is the establishment, maintenance, and development of a system that rewards the work done by employees. Reward management involves offering not only base pay, but also an incentive plan and fringe benefits. Levels of reward may be based on different criteria. Some involve performance appraisal to determine whether an employee merits a certain reward, while others may be dependent on length of service, type of job, or team or company performance. The notion of a reward system is gradually replacing the traditional idea of a standard pay system, as it incorporates all aspects of employee compensation into one package (BNET Business Dictionary). Reward and recognition is a critical element in the management toolkit. Management should that, people have a basic human need to feel appreciated and recognition programs help meet that need. In addition, management must create consequences for the behavior important for business success. For instance, a behaviours such as coming to work on time, having perfect attendance or going over and beyond the call of duty for customers or any other important behavior. So organization is one that develops systems and processes to reward, recognize and sustain those important behaviours so that they will be repeated all the time. However, in this case, though Ali is working under condition of work overload, he is not getting any type of reward either intrinsic or extrinsic from his employers but rather punishment. Management don't even realise their mistakes and they are thinking that everything is wrong because of employees. Therefore, they are implementing strict policies towards employees unnecessarily.

It is very important for the organization to develop proper reward management system (Umesh Chaudhary 2008):

- To reduce the dissatisfaction of the employees on promotion criterion
- To reduce the dissatisfaction of the employees on appraisal system.
- To improve the work performance
- To reduce the dissatisfaction of the employees on salary, bonus and other fringe benefits.
- To improve the productivity
- To reduce the level of occupational stress that arises from feeling of inequality on reward
- To reduce the perception gap on reward management system and develop a culture of high performance.

The Root Causes of the Problem: Change in Leadership Style:

Leadership in the Workplace:

House and Aditya [10] present an extensive historical review of the scientific study of leadership and the current theories of leadership. According to them, studies on leadership in organizations have moved in several directions, but two approaches have dominated the literature. The first approach has focused on the leader's characteristics and behavior, and the second on the circumstances necessitating the demonstration of leadership and the possible results of different leadership styles. Their definition of leadership is based on House [10] who suggested that leadership is behavior “. . .that gives purpose, meaning, and guidance to collectivises by articulating a collective vision that appeals to ideological values, motives, and self-perceptions of followers”. House further states that the outcomes of such behavior are heightened awareness of organizational values, unusual levels of effort, and the foregoing of self-interest of followers for the good of the collective. Today, the starting point of most studies on the topic is that organizational leadership is first and foremost the ability to influence people to perform tasks over a period of time using motivational methods rather than power or authority [12,18]. This definition highlights subordinates' choice to perform a task of their own free will and mainly rejects the excessive use of power, force, or coercive actions by managers, who are considered “leaders”. In addition, the definition makes a clear difference between leadership and coercive rules. However, it relates leadership with the processes of informal influence, power and to a lesser extent, formal authority, which

comprise the political environment in organizations. When people act out of obedience to authority, it is difficult to tell whether they are acting of their own free will or out of fear of punishment by their superior. Therefore, modern theories on leadership are much more interested in transformational leadership than in any other type of leadership (i.e. Wang et al., 2005). Transformational leadership is defined as a process in which "leaders and followers help each other to advance to a higher level of morale and motivation" (James MacGregor Burns 1978).

The question now is why it is difficult for employees and specifically Ali as the key player in this case to cope with the current leadership style used in the organization? To answer this question it is important to identify the type of leadership style being used in the company. According to the case, the leadership style used in this company can be classified as opportunist leadership style – it was added to the grid theory before 1999, do not have a fixed location on the grid. It refers to a leader who uses any combination of the basic five styles for the purpose of personal advancement. The opportunist leader sees a contradiction in working with others in the first place and so uses people and organizations to further selfish goals. They adopt whichever behavior offers the greatest personal benefit. In opportunistic management, people adopt and shift to any grid to gain the maximum advantage. Performance occurs according to a system of selfish gain. Effort is made only for an advantage for personal gain [14]. Going back in the case we can see the use of opportunist style for example, there is always inner conflicts among the management on various issues including their shares, profit sharing ratio etc. which lead to implementation of strict policies towards employees i.e.: punishment system rather than encouragement, more work load on employees to meet new customer demands, no friendly and supportive relations with employees. Though, sometimes managers / leaders promise employees that they will support them and fulfil their needs but it is just for short period to accomplish their personal gain. They exploit and manipulate employees for their own interest. However, employees find it difficult to work under such leadership style because it is like a barrier for them to accomplish their task and career advancement.

Change in Leadership Style:

Looking at Ali's case in this company, we can see that the root cause of the problem he is facing is difficulty in coping with change in leadership style. The time Ali joins the company, the owner Mr. Tan was successfully managing the business. Employees were satisfied and happy with his leadership style. For instance, he always treats employees with respect, was very supportive, he used to give them increments every year, and allowed them to participate in decision making. Thus, the company was earning profit and the future of the company looked promising because of Mr. Tan's interpersonal skills, good personality and policies in managing the company. When Ali's first employer (Mr. Tan) passed away, his son Mr. Hong who was highly qualified took over his father's position and he managed everything just like his father so employees were happy too. However, the leadership problem started when the second employer (Mr. Hong) passed away and his siblings took over the company, and the branches merged. The leadership situation in the company becomes unbearable for employees. In one of their meetings, Ali bravely point it out in addressing his supervisors when he said: "Sir let us run this company as the previous bosses did, Let's make it a tribute to your folks." From this statement, it is clear that employees don't like the current leadership style.

However, there are other causes of the problems facing employees in this company as discussed below:

Management conflict:

Due to ownership change there was created management conflict inside the company. The conflict started with various issues including interest in shares, profit sharing policy. As a result, management restricted their policies towards Ali and other employees of the company. In order to meet customer demand the management gave over workload to employees led employee dissatisfaction.

Lack of Consistency in Decision Making Process:

As there was inner conflict among the top management, there was no consistency in decision making process which created several problems inside the company. Moreover, extra workload made Ali and employees frustrated and insisted them to rethink that whether they will continue their job in this company or not.

Unfavorable Work Environment:

Ali and his co-workers were working in unfavorable working environment where there was no support from management, no positive and friendly relation between employee and employers. Since the policy of the company was restricted it was difficult for the employees to solve the issues even though the management promised to give favorable working environment but they were unable due to their conflict of interest.

Unclear Objectives and Goals:

An important characteristic of the goal setting theory is that the best goals are those that are productive, clear-cut, and measurable. In this case there were no clear cut objectives and goals of the company after

management had changed. Therefore, Ali and other employees of the company were confused how to achieve the desired goals. As there was management conflict and management were not sure about their company's objectives, it was very difficult for employees to survive in such situation where the goal was vague which led Ali and his colleagues less motivate to work.

Organizational Culture:

It is sufficient to note here that the reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of workers, and its development of a sense of shared goals, among other factors, will influence indices of job satisfaction as turnover intentions and turnover rate. In the case, the organizational culture was not suitable for Ali. First of all he came from a conservative culture which was totally different from his workplace. The company's culture was open where employees of opposite sex worked. Therefore, Ali found it very difficult to adjust at his workplace. Moreover, there were several changes in leadership which made the company's culture more difficult to survive as there was no reward system, new management issues were concern.

Lack of Development and Training:

Development refers to formal education, job experiences, relationships, and assessment of personality and abilities that help employees prepare for future. Training focuses on helping employees' performance in their current job. Development prepares them for other positions in the company and increases their ability to move into jobs that may not yet exist. Development also helps employees prepare for changes in the current jobs that may result from new technology, work design, new customers, or new product markets. In this case, Ali was learning everything by himself and by observation. The management was not supporting him rather only giving him more work and Ali has to learn by himself. For instance he used to increase his knowledge by reading instruction manuals, as well as books on programming. In addition, Ali is facing too much work because he is also teaching other employees as well since the company is not providing support for employees in terms of development and training. Therefore he developed trust among his co-workers.

Training and developing the workforce offer an interesting case of change for any organization in light of uncertain and rapidly changing environment. Many researches argue that training and development programs increase the organizations' performance and effectiveness. Also many researches indicated significant relationship between HR activities and managers perform a significant set of activities that affect and influence employees' behavior. These activities include planning, job analysis, selection, recruitment, placement, career management, training and development, designing performance evaluation and compensation systems, and personnel relation. The skills and performance of employees and managers must be upgraded continually. Meeting this requirement involves training and development process and evaluating performance for the purposes of providing feedback and motivating employees to perform effectively.

Action Plan:

Leadership is considered a factor that has a major influence on the performance of organizations, managers and employees [17]. Early theories tried to define effective leadership styles (democratic or autocratic, socially oriented or target oriented etc.) and to relate them with various aspects of organizational outcomes [3]. Recent studies have focused mainly on the subordinates' perspective and proposed two main aspect of leadership: transactional and transformational [2,6]. This theory suggests that transformational leadership, more than transactional leadership, has a stronger positive effect on employees' attitudes towards their job, their job environment, and ultimately affects their work performance. Transformational leadership is a leadership in which leaders use their charisma to transform and revitalized their organization [9]. Transformational leader will create a better understanding among employees as to what is expected from them in the framework of their job. Transformational leadership drives employees to contribute to the organization beyond the basic requirements of their job description out of personal motivation, challenge, or the desire to imitate the leader and be regarded as part of his successful protégé. Unlike transactional leadership, transformational leadership arouses strong emotion. They also help transform their followers by teaching them, often by serving as mentor [8,9].

As mentioned earlier in this case that Ali is having difficulty in coping with change in leadership because the leadership style is manipulative and exploiting. We will recommend that the leadership style need change to transformational leadership style. With that, the ABC Company needs to bring in some consultants to figure out a better way how to change the current leadership practice in order for the company to survive in the future. The Company can take this approach as a major one and at the same time implement several smaller plans of action. Organizational change (OB) is one of the most direct ways to reduce stress at work. It involves the identification of stressful aspects of workload, and the design of strategies to reduce or eliminate the identified problems. The advantage is that it deals with the root cause. However, managers are sometimes uncomfortable with this approach because it can involve changes in work routines or production schedules. Often this change can be expensive as requiring the assistance of a consulting firm. ABC Company cannot run away from OB because

the situation is so serious since it has to do with the leaders themselves. From the case we can see that there is incompetent leadership. Incompetent leaders tend to use their own weapons to get noticed and promoted. They usually lack vision, knowledge of the business, interpersonal skills and confidence to resolve conflict. Therefore, they need in-house leadership training perhaps to teach leaders or managers how to manage the company to sustain in the market. For instance, the type of intervention needed in this company is human resources management intervention. The intervention design will include goal setting, performance appraisal, reward systems, coaching and mentoring, career planning and development interventions, work force diversity interventions, employee stress and wellness interventions. The consultant can design a program in line with the above mentioned to help the company to move from the current leadership style to transformational leadership style. This style provides people with a vision of a better world and motivates them to transcend their self-interest.

Another approach the company can take is to promote participative leadership style. Involvement in decision-making improves the understanding of the issues involved by those who must carry out the decisions. People are more committed to actions where they have been involved in the relevant decision-making. People are less competitive and more collaborative when they are working on joint goals. When people make decisions together, the social commitment to one another is greater and thus increases their commitment to the decision. Several people deciding together make better decisions than one person alone. A Participative Leader, rather than taking autocratic decisions, seeks to involve other people in the process, possibly including subordinates, peers, superiors and other stakeholders. Often, however, as it is within the managers' whim to give or deny control to his or her subordinates, most participative activity is within the immediate team. The question of how much influence others are given thus may vary on the manager's preferences and beliefs, and a whole spectrum of participation is possible, as in the table below.

There are many varieties on this spectrum, including stages where the leader sells the idea to the team. Another variant is for the leader to describe the "what" of objectives or goals and let the team or individuals decide the "how" of the process by which the "how" will be achieved -this is often called Management by Objectives. The level of participation may also depend on the type of decision being made. Decisions on how to implement goals may be highly participative, whilst decisions during subordinate performance evaluations are more likely to be taken by the manager. The table below summarizes steps in implementing participative leadership style.

<<Not participative				Highly participative>>
Autocratic decision by leader	Leader proposes decision, listens to feedback, then decides	Team proposes decision, leader has final decision	Joint decision with team as equals	Full delegation of decision to team

Promoting participative style of leadership in ABC Company may be one of the best ways in resolving leadership challenge without harming any involved parties. This participative problem solving method would may a great source of business knowledge for managers or leaders and will go a long way in helping teams understand problems and contribution solutions to solve them instead engaging in dispute and finger pointing. This approach is also known as consultation, empowerment, joint decision-making, democratic leadership,



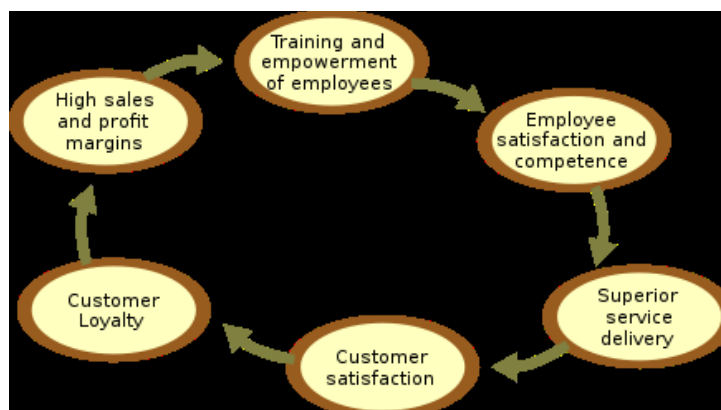
Management By Objective (MBO) and Power-Sharing:

There are other approaches in addition to the above stated plan that the company may implement in order to resolve its crisis. Again, from analyzing the case, it is clear that job characteristics related to what an individual does that is, to the nature of the work employee performs — apparently have the capacity to gratify such needs as achievement, competency, status, personal worth, and self-realization, thus making Ali and other employees happy and satisfied. However, the absence of such gratifying job characteristics does not appear to lead to unhappiness and dissatisfaction. Instead, dissatisfaction results from unfavorable assessments of such job-related factors as company policies, supervision, technical problems, salary, interpersonal relations on the job, and

working conditions. Thus, if management wishes to increase satisfaction on the job, it should be concerned with the nature of the work itself — the opportunities it presents for gaining status, assuming responsibility, and for achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the job environment — policies, procedures, supervision, and working conditions, if management is equally concerned with both (as is usually the case), then managers must give attention to both sets of job factors. Herzberg suggested a two-step approach to understanding employee motivation and satisfaction in order to overcome such kinds of problems.

Motivator factors are based on an individual's need for personal growth. When they exist, motivator factors actively create job satisfaction. If they are effective, then they can motivate an individual to achieve above-average performance and effort. Motivator factors include status, opportunity for advancement, gaining recognition, responsibility, challenging or stimulating work and sense of personal achievement and personal growth in a job. In this case management should consider the motivator factors in order to satisfy Ali and other employees of the company so that they can give their best performance to the company.

Moreover, the company can refer to the expanded models in order to gain employee satisfaction that results loyal customers. According to this model, the customer loyalty depends on the satisfied employees. Schlesinger and Heskett (1991) added employee loyalty to the basic customer loyalty model. They developed the concepts of "cycle of success" and "cycle of failure". In the cycle of success, an investment in employees' ability to provide superior service to customers can be seen as a virtuous circle. Effort spent in selecting and training employees and creating a corporate culture in which they are empowered can lead to increased employee satisfaction and employee competence. This will likely result in superior service delivery and customer satisfaction. This in turn will create customer loyalty, improved sales levels, and higher profit margins. Some of these profits can be reinvested in employee development thereby initiating another iteration of a virtuous cycle. Fredrick Reichheld (1996) expanded the loyalty business model beyond customers and employees. He looked at the benefits of obtaining the loyalty of suppliers, employees, bankers, customers, distributors, shareholders, and the board of directors. (Virtuous Circle)



By applying this model to the company the management can retain Ali and other qualified workers whom can give then their best performance to the company and the company can easily keep hold of their old and loyal customers.

In addition, to solve the overall problem of the company management should develop their interpersonal skills and treat the employee with respect, giving them increments and allow them to participate in the decision making process. In fact, employers' good personality and company's policies towards managing the workers can ensure better and favorable working environment which is the pre-condition of employee satisfaction.

Conclusion:

There are many reasons that lead to employee dissatisfaction as we discussed earlier but the question is why this dissatisfaction arises and how this does may lead to burn out. It is clear that the burnout happens due to unsatisfied employee environment. The organization should consider this as a serious matter and must take up measures to overcome these problems. If at all the organization fails to do so, then it will face many problems. Employees are the back bone of the organization and if it is broken onto pieces then the organization cannot stand erect, so the employees should be considered as the key players in an the organization.

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