REPUBLIC OF KENYA

LEARNING GUIDE

FOR

BUSINESS MANAGEMENT

LEVEL 5

TVET CDACC
P.O. BOX 15745-00100
NAIROBI

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FOREWORD

The provision of quality education and training is fundamental to the Government's overall strategy for social economic development. Quality education and training will contribute to achievement of Kenya's development blue print and sustainable development goals. Reforms in education are necessary to align the sector to the provisions of the Constitution of Kenya 2010. This triggered the formulation of the Policy Framework on "Reforming Education and Training in Kenya" (Sessional Paper No. 1 of 2019). A key provision of this policy is the radical change in the design, development and delivery of Technical and Vocational Education and Training (TVET) which is the key to unlocking the country's potential for industrialization. This policy requires that training in TVET be Competency Based, Curriculum development be industry led, certification be based on demonstration of competence and that mode of delivery allows for multiple entry and exit in TVET programs.

The State Department for Vocational and Technical Training (VTT) has a responsibility of facilitating the process of inculcating knowledge, skills and attitudes necessary for catapulting the nation to a globally competitive country, hence the paradigm shift to embrace Competency Based Education and Training (CBET) to address the mismatch between skills acquired through training and skills needed by industry as well as increase the global competitiveness of Kenyan labor force. The Technical and Vocational Education and Training Act No. 29 of 2013 and the Sessional Paper No. 1 of 2019 on Reforming Education and Training in Kenya, emphasizes the need to reform curriculum development, assessment and certification to respond to the unique needs of the industry.

This learning guide has been developed to support the implementation of CBET curriculum in Business management level 5 and is intended to guide the trainee through the learning process. It is my conviction that this learning guide will play a critical role towards supporting the development of competent human resource for Business management sector's growth and sustainable development.

PRINCIPAL SECRETARY, VOCATIONAL AND TECHNICAL TRAINING
MINISTRY OF EDUCATION

PREFACE

Kenya Vision 2030 is anticipated to transform the country into a newly industrializing, "middle-income country providing a high-quality life to all its citizens by the year 2030". The Sustainable Development Goals (SDGs) number four that focuses on inclusive and equitable quality education and promotion of lifelong learning for all, further affirm that education and training is an important driver to economic development for any country. Kenya intends to create a globally competitive and adaptive human resource base to meet the requirements of a rapidly industrializing economy.

TVET CDACC has a responsibility of facilitating the process of inculcating knowledge, skills and attitudes necessary for catapulting the nation to a globally competitive country, hence the paradigm shift to embrace Competency Based Education and Training (CBET) to address the mismatch between skills acquired through training and skills needed by industry as well as increase the global competitiveness of Kenyan labor force. The Technical and Vocational Education and Training Act No. 29 of 2013 and the Sessional Paper No. 1 of 2019 on Reforming Education and Training in Kenya, emphasizes the need to reform curriculum development, assessment and certification to respond to the unique needs of the industry.

To effectively implement CBET curriculum in Business management level 5, this learning guide has been designed and organized with clear interactive learning activities for each learning outcome of every unit of learning. The guide further provides information sheet, self-assessment items, tools, equipment, supplies, and materials necessary for the particular learning outcome. This is aimed at imparting the relevant knowledge, requisite skills and the right attitude for work.

I am grateful to the trainers involved in the development of this learning guide.

Prof. CHARLES M. M. ONDIEKI, PhD, FIET (K), Con. Eng Tech.

ACKNOWLEDGEMENT

This learning guide has been designed and developed to support the implementation of Competency Based Education and Training (CBET) curricula in Kenya. The learning guide is intended to support learning by providing practical and theoretical learning activities, simplified content and self-assessment items to guide the trainee in the learning process.

I recognize with appreciation the critical role of trainers in developing this learning guide and ensuring its alignment with National Occupational Standards (OS) and CBET curriculum. I am convinced that this learning guide will support trainees' acquisition of knowledge, skills and right attitude needed for work in the Business management sector.

DR. LAWRENCE GUANTAI M'ITONGA, PhD
COUNCIL SECRETARY/CEO
TVET CDACC

ACRONYMS

CBET	Competency Based Education and Training
CDACC	Curriculum Development Assessment and Certification Council
IT	Information Technology
SPSS	Statistical Package for Social Sciences
SAS	Statistical Analysis System
HO	Null hypothesis
HA	Alternative hypothesis
FGD	Focus Group Discussion
TVET	Technical and Vocational Education and Training
CDACC	Curriculum Development Assessment and Certification Council
HR	Human Resource
TQM	Total Quality Management
ICT	Information Communication Technology
SWOT	Strengths Weaknesses Opportunities and Threats
IPR	Intellectual Property Right
QMS	Quality Management System
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
SOP	Standard Operating Procedure
PR	Public Relations
ISO	International Organization for Standardization
KPI	Key Performance Indicator
AD	Advertisement
ASAP	As Soon as Possible
BM	Business Management

R & D	Research Development
M & A	Mergers and Acquisitions
MIS	Marketing Information System
PM	Project Manager
PC	Personal Computer
ISV	Independent Software Vendor
SMS	Short Message Service
APP	Application
VP	Virtual Platform
MI	Marketing Intelligence
MR	Marketing Research
AGM	Annual General Meeting
CCTV	Closed Circuit Television
FAR	Fixed Asset Register
FIFO	First In First Out
GPS	Global Positioning System
GRN	Goods Received Note
ICT	Information Communications Technology
MRF	Material Requisition Form
SKU	Store Keeping Unit
SOPs	Standard Operating Procedures

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BACKGROUND INFORMATION

This learning guide will enable the trainee to acquire competencies to undertake business management activities.

It provides practical and theoretical learning activities, simplified content, illustrations and self-assessment items to guide the trainee in the learning process. It also provides links and references for further reading.

This learning guide will provide competencies in It involves establishing research problems, developing research plan, conducting business research, analyzing and documenting research findings.

To addresses the challenges created by todays evolving technological and legislative requirements. In the wake of challenging work environment, evolving industrial demands and need to develop an agile, customer responsiveness and profitable Business management practices.

Layout of the Trainee Guide

Performance standards: These are obtained from the performance criteria statements in the related unit of competency of the Occupational Standards (OS)

Information Sheet: This section covers information relating to the specific learning outcome. This information should include but not limited to meaning of terms, methods, processes/ procedures/ guidelines, Illustrations (photographs, pictures, videos, charts, plans, digital content links, simulations links) and case studies. This section also provides additional information sources relevant to the learning outcome e.g. books, web links

Learning activities: This section covers practical activities related to the Performance Criteria statements, Knowledge in relation to Performance Criteria as given under content in the curriculum Special instructions related to learning activities

Self-Assessment: This section must be related to the Performance Criteria, Required Knowledge and Skills in the Occupational Standards. This section requires the trainee to evaluate their acquisition of skills, knowledge and attitude in relation to the learning outcome. A variety of assessment items such as written and practical tests which emphasizes on the application of knowledge, skills and attitude is recommended

The self-assessment items should be valid, relevant and comprehensive to the level of qualification in the learning outcome

Tools, equipment, materials and supplies: This section should provide for the requirements of the learning outcome in terms of tools, equipment, supplies and materials. The section should be adequate, relevant and comprehensive for the learning outcome.

References: Information sources should be quoted and presented as required in the APA format

The units of learning covered in this learning guide are as presented in the tables below:

Table 1: common units of competency

BUS/BM/CC/01/5	Manage Business Research and Development

Table 2: Core units of competency

Unit Code	**Unit Title**
BUS/BM/CR/01/5	Coordinating Human Resources Functions
BUS/BM/CR/02/5	Maintaining Customer Experience
BUS/BM/CR/03/5	Carrying Out Corporate Image Strategies
BUS/BM/CR/04/5	Maintaining Business Assets and Liabilities
BUS/BM/CR/05/5	Controlling Business Risks
BUS/BM/CR/06/5	Ccoordinating Information Communications Technology (ICT)

CHAPTER 1: MANAGE BUSINESS RESEARCH AND DEVELOPMENT

Unit of learning code: BUS/BM/CC/01/5/A

Related Unit of Competency in Occupational Standard: Manage business research and development

1.1 Introduction to the unit of learning

This unit specifies the competencies required to manage business research and development. It involves establishing research problem, developing research plan, conducting business research, analyzing business research findings and documenting business research findings.

1.2 Summary of Learning Outcomes

1. Establish research problem
2. Develop research plan
3. Conduct business research
4. Analyze business research finding
5. Document business research findings

1.2.1 LEARNING OUTCOME 1: ESTABLISH RESEARCH PROBLEM

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to establish research Problem to guide on the management of business research and development.

It includes definition of terms related to research needs carried out in organizational, market demands, gathering customer feedback, establishing business research problem.

Performance Standard

1. Research needs are carried out in accordance with organizational business Performance and market demands
2. Customer feedback on organizations' products and services are gathered based on Organizational policy

3. Business research problem is established according to business needs assessment

Information Sheet

Definitions of terms

Research- *According to:*

Clifford Woody: Research comprises defining and redefining problems, formulating hypothesis or suggested solutions, organizing and evaluating data; making deductions and reaching conclusions and at least carefully testing the conclusions to determine whether they fit the formulated hypothesis

Crawford: Research is a systematic and refined technique of thinking employing specialized tools, instruments and procedures in order to obtain a more adequate solution of a problem than would be impossible under ordinary means.

Research problem;

A research problem is a specific issue, difficulty, contradiction, or gap in knowledge that you will aim to address in your research..

Customer feedback

Customer feedback refers to the information that comes directly from consumers about the satisfaction or dissatisfaction they experience regarding a certain product or service.

Market research

It is a systematic process for identifying marketing opportunities and solving marketing problems, using customer insights that come out of collecting and analyzing marketing information.

Marketing information system

It is a combination of people, technologies, and processes for managing marketing information, overseeing market research activities, and using customer insights to guide marketing decisions and broader management and strategy decisions

Business research

Business research is a process of obtaining a detailed study of all the business areas including the market and the customers and using that information to maximize the sales & profit of the business. Business research helps you make intelligent and informed decisions and identify the key areas to invest your money in.

Types of Business Research

Researchers use various research methods to collect relevant data so that business enterprises can make wiser decisions. There are two main types of methods to carry out business research:

1. Quantitative Business Research
   it is a method of analyzing the largest group that meets your target goals. It uses mathematical techniques and data to explain the important status about your business and market. Usually, this data uses multiple-choice questionnaires that can help you analyses profitability of your sales. Quantitative research can answer questions such as;
   - Are your customers aware of the services or products you offer?
   - How many people are interested in buying your products or services?
   - Who are your best customers and what are their buying habits?
   - How long the visitor stays on your website, and which is their exit page?

The result of quantitative business research is in the numerical form, for example:

- 40% of customers rate the new product as "attractive"
- 70% of prospective customers use the Internet to book their hotel room
- 6 out of 10 customers will buy a new food product after trying the free in-store sample

The quantitative research methods include various surveys such as postal, telephone, online, and face-to-face.

2. Qualitative Business Research

This business research focuses on attitudes, intentions, and beliefs. Qualitative research includes questions such as "Why"? or "How?

The aim of this research is to gain insights into customers' distinct behaviors and response to a new product. This research is beneficial for a new products and marketing initiatives to test reactions and rectify your approach

One can collect qualitative data using common methods such as case studies, focus groups, and interviews. This data is often valuable but can be time-consuming and expensive to collect, especially for a small business or a start-up.

Benefits of business research

Business research helps businesses understand their customers' buying patterns, preferences and pin point current market trends and demographics. Using effective strategies to understand the demand and supply of the market, businesses can always stay ahead of the competitors, reduce costs and design solutions that aim at the market demand and their target audience. Other benefits include:

- Business research helps a business communicate with current and potential customers in a better way.
- It helps to identify opportunities and threats in the marketplace.
- It helps in minimize business risks.
- Business research is used to plan investments and financial outcomes effectively.
- It helps build a better market position
- It can keep a management updated current trends and innovations in the market

Business performance and market demands analysis

1. Review of business performance

After the crucial early stages of a business, it is important to regularly review progress, identify how to make the most of the market position established and decides where to take the business next. It is important to revisit and update the business plan with a new strategy in mind and make sure to introduce the developments identified.

The review is an essential process, detailing the stages to go through to assess how well a business is performing, highlighting strengths and areas that could be improved and suggesting the actions that need to be taken to implement the improvements that identified.

Assess the business efficiency

Many new businesses work in a short-term, reactive way. This offers flexibility - but can cost time and money as they move from getting the business going to concentrating on growing and developing it.

The best option is to balance the ability to respond rapidly with a clear overall strategy. This will help the business to decide whether the actions taken are appropriate or not.

Consider the various aspects of the business.

a. Premises
b. Facilities
c. Information technology
d. People and skills
e. Professional skills
f. Cash flow
g. Working capital
h. Cost base
i. Borrowing
j. Growth

3. Conduct a competitor analysis

It is important for a manger to have a clear idea of competitors' activities. Gathering this information may cost time, money and effort, but there are many benefits to knowing more about what competitors are doing.

It is useful to do a SWOT (strengths, weaknesses, opportunities, threats) analysis. This will show how a company is doing in relation to the market in general and in relation to competitors.

The following are ways of find out more about competitors:

- What they say about themselves
- What other people say about them

Commissioned market research

To get more detailed information, it is necessary to commission specific market research to conduct a customer and market analysis. When reviewing the business' performance, one would need to assess the customer base and market positioning as a key part of the process. Marketing plan should be updated at least as often as the business plan.

Tools used to conduct a market analysis:

1. **SWOT analysis** (strengths, weaknesses, opportunities, threats). This involves looking at the strengths and weaknesses of business' capabilities, and any opportunities and threats to the business. Once you've identified all of these, you can assess how to capitalise on your strengths, minimise the effects of your weaknesses, make the most of any opportunities and reduce the impact of any threats.
   Opportunities and threats in the external environment: It's important to remember that opportunities can also be threats - for example, new markets could be dominated by competitors, undermining your position. Equally, threats can also be opportunities -for example, a competitor growing quickly and opening a new market for your product or service could mean that your market expands too. Once you have collected information on your organisation's internal strengths and weaknesses, and external opportunities and threats, enter this data into a simple table.
   Table 3:

	Positive	**Negative**
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Table 3: SWOT analysis

2. **STEEPLE analysis -** a technique for understanding the various external influences on

a business – Social, Technological, Economic, Environmental, Political, Legal and Ethical.

2. **Scenario planning -** a technique that builds various plausible views of possible futures for a business.
3. **Critical success factor analysis -** a technique to identify the areas in which a business must succeed in order to achieve its objectives.
4. **The Five Forces** - the theory that there are five defined factors that influence the development of markets and businesses - potential entrants, existing competitors, buyers, suppliers and alternative products/services. Using this model you build a strategy to keep ahead of these influences.

The Importance of Marketing Research

These are the seven reasons why market research is important, especially for smaller teams and businesses:

A. **Easily Spot Business Opportunities**
B. **Lower Business Risks**
C. **Create Relevant Promotional Materials**

Gathering customer feedback

What is customer feedback?

Customer feedback refers to the information that comes directly from consumers about the satisfaction or dissatisfaction they experience regarding a certain product or service. In other words, it is all the information generated by consumers and/or buyers of a certain brand. This information comes in many formats (e.g., text or speech) and through different channels.

Common sources of customer feedback are:

Surveys and questionnaires

It is defined as the measure of opinions and experiences of a group of people about a specific topic. Information is obtained by asking questions. A survey differs from a questionnaire, which is defined as a set of printed or written questions with a predetermined choice of answers, devised for the purposes of a statistical study

Emails and letters:

E-mails are another common form of customer feedback. Some consumers e-mail companies with their experiences after they have purchased or used a product or service. They use e-mails to express their gratitude or the reasons for their dissatisfaction.

Phone calls and call center data:

A call center is a centralized office that processes large volumes of telephone and electronic requests. A call center manages the incoming product support requests or information inquiries from users and something more.

Ratings and reviews

Online consumer product reviews are written by people who have used a certain product or service. They represent a very important source of customer feedback for brands sold through online retailers. Reviews contain relevant insights about brands, products, and services and reviews have the power to potentiate sales.

Customer feedback can be classified into two different macro-categories:

1. Questions and Answers:

It includes surveys and interviews. Some needs to ask some previously structured questions to consumers willing to participate. The outcome is a structured set of data and information that is easy to understand (e.g., charts, diagrams, curves) and usually includes key quantitative indicators. The results can also be written in a storytelling format with qualitative interpretations of the data. Sometimes, these two types of results are combined. The main drawback of using these methodologies is the potential bias that can result from the interaction between the organization (who asks questions) and the respondents (who gives answers).

2. Voluntarily generated:

Include e-mails, call centre data and online consumer product reviews. Usually, the information is not homogeneously structured. So, the main drawback of using this type of customer feedback lies within the complexity of the analysis. However, if approached correctly, invaluable unbiased insights can be obtained.

Benefits of customer feedback

1. Optimize products and services

Consumer input is commonly used throughout the product development process to make sure that the end product will solve a problem or fulfil a need. Listening to customers is the only way to know if you are offering something that they actually want to buy.
Listening to the voice of customers can help increase brand loyalty and even convert mere users into brand advocates.

2. Measure consumer satisfaction

Monitoring this indicator helps one to find out how a product is performing in terms of the consumers' expectations. Customer feedback provides important information about their satisfaction. A simple way to measure it is to look at the star-ratings of a product that accompany reviews posted on e-trailers. Usually, if a product has more stars, it means that it has performed most favourably and vice versa.
Some brands use their own interpretation of the star-ratings. E.g, products with a rating of 1-3.5 stars are considered as unsatisfactory, products with 3.5-4.5 stars as neutral and products with 4.5-5 stars as satisfactory.
This specific measurement is a quantitative one and is not enough to explain why consumers actually like the products or not. To deep dive into the reasons behind a certain score, it is important to analyse the full reviews.

3. Insights for a better customer experience

Optimizing the consumer experience should be the main motivation to gather customer feedback. Offering the best possible experience helps gain more opportunities for up- and cross-selling. Furthermore, consumers that are satisfied with their experiences are more likely to recommend brand to their friends.
In order to offer the best possible experience for consumers, one must understand what they want and how they feel. If a company can offer a better experience than the competitors, consumers are more likely to remain loyal to the brand. Moreover, customer feedback can help in understanding and better mapping the consumer journey for a product or brand and subsequently identify the areas of opportunity.

4. Help improve customer retention

Analyzing customer feedback regularly can help to ensure a continuous awareness of performance. Unsatisfied consumers who find better offers from competitors may stop doing business with you. Listening to unhappy consumers helps to design strategies to correct current mishaps and even prevent potential faux pas that can result in customers churning

5. Run consumer data-driven decisions

The best business decisions are based on data. But what if you end up with inaccurate data? Customer feedback is the holy grail of data that helps to understand how customers really feel about a product, service or brand.

Consider making customer feedback your guide to better business and marketing decisions. Consumers will have the best suggestions for your products. I really recommend you to listen to them

Business research problem

A ***statement of the problem*** is used in research work as a claim that outlines the problem addressed by a study. The statement of the problem briefly addresses the question: What is the problem that the research will address? An effective problem statement is concise and concrete.

Key characteristics of a statement of the problem

1. It should address a gap in knowledge.
2. It should be significant enough to contribute to the existing body of research
3. It should lead to further research
4. The problem should render itself to investigation through collection of data
5. It should be of interest to the researcher and suit his/her skills, time, and resources
6. The approach towards solving the problem should be ethical

How to write a problem statement

After you have identified a research problem for your project, the next step is to write a problem statement. An effective problem statement is concise and concrete. It should:

- Put the problem in **context** (what do we already know?)
- Describe the **precise issue** that the research will address (what do we need to know?)
- Show the **relevance** of the problem (why do we need to know it?)
- Set the **objectives** of the research (what will you do to find out?)

The problem statement will look different depending on whether one is dealing with a practical real-world problem or a theoretical scientific issue. But all problem statements follow a similar process.

Step 1: Contextualize the problem

The problem statement should frame your research problem in its particular context and give some background on what is already known about it.

Practical research problems

For practical research, focus on the concrete details of the situation:

- Where and when does the problem arise?
- Who does the problem affect?
- What attempts have been made to solve the problem?

Example

Voter turnout in region X has been decreasing steadily over the past ten years, in contrast to other areas of the country. According to surveys conducted by organization Y, turnout is lowest among under-25s and people on low incomes. There have been some effective attempts at engaging these groups in other regions, and in the last two elections parties A and B increased their campaigning efforts in region X, but these interventions have yet to have any significant effect on turnout.

Theoretical research problems

For theoretical research, think about the scientific, social, geographical and/or historical background:

- What is already known about the problem?
- Is the problem limited to a certain time period or geographical area?
- How has the problem been defined and debated in the scholarly literature?

Example

In the past ten years, the "gig economy" has become an increasingly important segment of the labour market. Under-30s are more likely to engage in freelance, contracted or zero-hour work arrangements instead of traditional full-time jobs. Research on the reasons for and consequences of this shift has focused on objective measures of income, working hours and employment conditions, but there has been little work exploring young people's subjective experiences of the gig economy.

Step 2: Show why it matters

The problem statement should also address the relevance of the research: why is it important that the problem is solved?

This doesn't mean you have to do something ground-breaking or world-changing. It's more important that the problem is researchable, feasible, and clearly addresses a relevant issue in your field.

Step 3: Set your aims and objectives

Finally, the problem statement should frame how you intend to address the problem. Your goal should not be to find a conclusive solution, but to seek out the reasons behind the problem and propose more effective approaches to tackling or understanding it.

The aim is the overall purpose of your research. It is generally written in the infinitive form:

- The aim of this study is to **determine**…
- This project aims to **explore**…
- I aim to **investigate**…

The objectives are the concrete steps you will take to achieve the aim:

- Qualitative methods will be used to **identify**…
- I will use surveys to **collect**…
- Using statistical analysis, the research will **measure**…

Sample statement of a problem

An established trend in the small business start-up financing in Kenya is to establish funds. Some of these funds include the youth fund and women fund. These funds have helped improve the rate of start-ups in the country. However, after the start-up stage, the ventures start developing problems. First, they face problems in management which lead to a marketing problem and eventually to stagnation and early exit.

A study by the Institute of Development Studies (RoK, 2004) revealed that only 38% of the businesses are expanding while 58% have not added workers. According to the survey, more enterprises are likely to close in their first three years of operation. Four years later the same institute conducted another study in Central Kenya. This study revealed that 57% of small businesses are in stagnation with only 33% of them showing some level of growth.

In our current project, we propose to examine factors that have an impact on small business sustainability. We will employ both qualitative and quantitative approaches to gather both primary and secondary data and information with the objective of determining success factors for the growth of small business in Kenya.

Specifically, we shall employ the product life cycle (PLC) model to identify the needs of a small business at the various stages of the PLC.

How to Write a Problem Statement for Business

Writing a problem statement helps a business identify issues that may be preventing it from reaching its goals. A problem statement includes statistics and other information that provides additional insight into the problem. Before you begin writing, it's important to conduct thorough research on various factors that may be contributing to or exacerbating the problem.

Explain the Problem

The first section of the problem statement begins with a summary of the problem. The summary should be concise and ideally not more than five sentences long. Avoid jargon and industry buzzwords. Clearly state the problem without extraneous details. One might begin the problem statement by explaining that one is unable to expand a database because of memory and storage limitations.

Steps in developing a statement problem

Step 1: Identify a broad problem area

As you discuss and read about your topic, look for under-explored aspects and areas of concern, conflict or controversy. Your goal is to find a gap that your research project can fill.

Practical research problems

When doing practical research, one can identify a problem by reading reports, following up on previous research, and talking to people who work in the relevant field or organization.

It is important to look for:

- Issues with performance or efficiency in an organization
- Processes that could be improved in an institution
- Areas of concern among practitioners in a field
- Difficulties faced by specific groups of people in society

If a research is connected to a job or internship, one will need to find a research problem that has practical relevance for the organization.

Examples of practical research problems:

Step 2: Provide Facts to Describe the Problem

Voter turnout in region X has been decreasing, in contrast to the rest of the country.

Department of Company B has a high staff turnover rate, affecting productivity and team cohesion.

Non-profit organization Y faces a funding gap that means some of its programs will have to be cut.

Briefly mention facts that describe the problem. Depending on the problem, a program statement might include references to internal or external reports, staffing reports, statistics, customer demographics, national trends and information on company resources if they contribute to the problem.

Avoid bogging down the statement with too many facts and figures. Include only key statistics that illustrate the severity of the problem. If you are unsure which facts to include, choose three facts that best support your argument.

Step 3: Suggest a Solution

State your proposed solution to the problem. This section should be no longer than one or two sentences. You might mention that you will solve the memory problem by increasing your computer system's memory and upgrading your database. Mention how long you estimate it will take to solve the problem if applicable.

Don't provide exhaustive detail about the solution in the problem statement. Complete details on the various stages of the solution can be included when you write a project plan.

Step 4: Consider the organization's Needs

Carefully research the problem before you begin writing the problem statement. Don't rely on what you think you know about the problem. Review reports and talk to staff members to ensure that you truly understand the scope of the problem. Consider the needs and experience of your audience when you write the statement. Consider what your reader already knows about the topic and what you need to explain to ensure that the reader understands the significance of the problem when you write the statement

Learning Activities

Learning outcome	Learning activities	Special instructions
Establish a research problem	Trainees to go and find out from ,maybe CU CLUB,YSCS,CLUB or any other club with their institute the challenges	• To come the a Statement of a problem which is specific measureable

	they go through when going about their operations.	achievable realistic and time bound • It should also be researchable

Practical activity

A class is divided into two groups 1 and 2

Group 1 activity

Uchumi case study

Introduction

Uchumi Supermarkets Ltd (Uchumi Supermarkets Limited) is a Kenya-based company engaged in the retail supermarkets operation. The company was founded in 1975 as a public limited liability company by three Kenyan parastatal companies: Industrial Commercial & Development Corporation (ICDC), Kenya Wine Agencies Limited (KWAL) and Kenya National Trading Corporation (KNTC). The main objective at the time was to create outlets for the equitable distribution of commodities and create retail outlets for Kenyan manufactures. In 1972, uchumi's shareholders signed a management contract with standard SPA, an Italian supermarket chain, to train Kenyans to run the new enterprise. The shares of the company stock were listed on the Nairobi Stock Exchange (NSC) in- all Government owned parastatals entered into a management contract with Standa SPA of Italy. Standa, a leading supermarket group with a presence in Europe and vast retail experience was given the task to manage and train Kenyan personnel who would eventually take over the running of the organization. In the 1990's Uchumi spearheaded the hypermarket concept in Kenya CRISIS In early 2000s Uchumi started to experience financial and operational difficulties occasioned by a sub-optimal expansion strategy coupled with weak internal control systems.. As a result, on31st May 2006, the Board of Directors resolved that the Company ceases operations and on 2ndJune 2006, the Debenture Holders placed the Company under receivership

1. Write you **Read and examine the case thoroughly**
    - Take notes, highlight relevant facts, underline key problems.
2. **Focus your analysis**
    - Identify two to five key problems
    - Why do they exist?
    - How do they impact the organization?
    - Who is responsible for them?

3. Write a statement of the problem relevant to the case above which is researchable

Group 2 activity

Strategic responses by Tuskys supermarket to changing competitive environment

Annceta Gacheri

Published 2010

Business

Today’s organizations engaging in businesses have to contend with the dynamics of a changing competitive environment. Competition is one of the environmental influences to a business. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to perceived and actual changes in the competitive environment. Strategic decisions are ones that are aimed at differentiating an organization from its competitors in a way that is sustainable in the future. In a given business environment an appropriate and competent strategic capability is a key basis for such an effective strategic response (Ansoff. 1979 and Hambrick, 1982). The research is a case study on Tuskys Supermarket, a retail chain in the Kenyan market. The ever-changing market presents continuing challenges to retailers. First and foremost, retailers must recognize the strong implications of a buyers' market (Lewison, 1994). Customers are being offered a wide choice of shopping experiences, but no one operation can capture them. Therefore, it is incumbent upon management to define their target market and direct their / energies toward solving that specific market's problems. The aim of this study was to establish the strategic responses that Tuskys Supermarket had adopted in the face of the current competitive environment and the success of the strategies adopted by the supermarket due to the competitive environment. The study was carried out through a case study design of Tuskys Supermarket where primary data was collected using an interview guide. Personal interviews were done with Tuskys Supermarket Operation's Manager and Nairobi Branch Managers using an interview guide. Content analysis technique was used to analyze the data. The study found out that there were several environmental factors that affect the operations of the business but the most significant factor was competition. The firm had reacted to competition and to the environmental changes in general using strategic responses that had been very successful. The study recommends managers to be on the lookout for any possible factors that would have an implication on the operation of the company and respond appropriately. So far the strategic responses had been successful but more needs to be done to ensure that Tuskys supermarket becomes the market leader in the Kenya’s retail industry by having a sustainable long term competitive advantage.

1. Write you **Read and examine the case thoroughly**

- Take notes, highlight relevant facts, underline key problems.

2. **Focus your analysis**
    - Identify two to five key problems
    - Why do they exist?
    - How do they impact the organization?
    - Who is responsible for them?
3. Write a statement of the problem relevant to the case above which is researchable

Self-Assessment

You are provided with the following questions for self -assessment, attempt them and check your responses

1. Briefly define a business research
2. Highlight the characteristics of good statement of the business problem
3. Explain types of business research
4. What are the benefits of a business which regularly undertakes the research on its activities
5. Why would it be necessary for a business to review its financial performance regularly?
6. When reviewing your business performance what are the key areas one should concentrate on?
7. Explain the models used in business strategic analysis
8. Highlight common sources on business customer feedback
9. What are the benefits of undertaking a market research of a business entity?
10. Explain the steps to be followed in the formulation of business statement of the problem in research.

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Calculator
- Computer

- Stationeries
- Camera
- Internet
- Tablets

Materials

- Questionnaires
- Mark pens

Other Reference materials

- Books from business authors
- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements

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http://www.mckinsey.com/insights/operations/the_path_to_successful_new_product

Responses to Self-Assessment Questions

Q1. Briefly define a business research

Research comprises defining and redefining problems, formulating hypothesis or suggested solutions, organizing and evaluating data; making deductions and reaching conclusions and at least carefully testing the conclusions to determine whether they fit the formulated hypothesis.

Q2.Highlight the characteristics of good statement of the business problem

It should address a gap in knowledge.

1. It should be significant enough to contribute to the existing body of research
2. It should lead to further research
3. The problem should render itself to investigation through collection of data
4. It should be of interest to the researcher and suit his/her skills, time, and resources
5. The approach towards solving the problem should be ethical

Q3. Explain types of business research

Quantitative Business Research

It is a method of analyzing the largest group that meets your target goals. It uses mathematical techniques and data to explain the important stats about your business and market

Qualitative Business Research

This business research focuses on attitudes, intentions, and beliefs. Qualitative research includes questions such as “Why”? or “How?”

Q4. What are the benefits of a business which regularly undertakes the research on its activities?

- Business Research helps you communicate with current and potential customers in a better way.
- It helps you identify opportunities and threats in the marketplace.
- It helps you minimize risks.
- Business research is used to plan investments and financial outcomes effectively.
- It helps you build a better market position.

Q5. When reviewing your business performance what are the key areas one should concentrate on?

-Reviewing your progress will be particularly useful if you feel:

Uncertain about how well the business is performing

-Assess your core activities

A good starting point for your review is to evaluate what you actually do - your core activities, the products that you make, or services that you provide

-Assess your business efficiency

Many new businesses work in a short-term, reactive way. This offers flexibility - but can cost time and money as you move from getting the business going to concentrating on growing and developing it.

-Review your financial position

Businesses often fail because of poor financial management or a lack of planning. Often the business plan that was used to help raise finance is put on a shelf to gather dust.

-Conduct a competitor analysis

Now that you have been running your business for a while, you will probably have a clearer idea of your competitors.

-Conduct a customer and market analysis

When you started your business, you probably devised a marketing plan as part of your overall business plan

Q6. Explain the models used in business strategic analysis

-The **SWOT analysis** (strengths, weaknesses, opportunities, threats) is one of the most popular. This involves looking at the strengths and weaknesses of your business' capabilities, and any opportunities and threats to your business.

-STEEPLE analysis - a technique for understanding the various external influences on a business – Social, Technological, Economic, Environmental, Political, Legal and Ethical

-Scenario planning - a technique that builds various plausible views of possible futures for a business.

-Critical success factor analysis - a technique to identify the areas in which a business must succeed in order to achieve its objectives.

-The Five Forces - the theory that there are five defined factors that influence the development of markets and businesses - potential entrants, existing competitors, buyers, suppliers and alternative products/services. Using this model you build a strategy to keep ahead of these influences.

Q7. Highlight common sources on business customer feedback

- Surveys and questionnaires
- Emails and letters
- Phone calls and call centre data:
- Ratings and reviews

  Online Consumer Product Reviews are written by people who have used a certain product or service

Q8. What are the benefits of undertaking a market research of a business entity?

- Business Research helps you communicate with current and potential customers in a better way.
- It helps you identify opportunities and threats in the marketplace.
- It helps you minimize risks.
- Business research is used to plan investments and financial outcomes effectively.
- It helps you build a better market position.

- It can keep you updated with current trends and innovations in the market

Q9. Explain the steps to be followed in the formulation of statement of the problem in business research.

- Put the problem in **context** (what do we already know?)
- Describe the **precise issue** that the research will address (what do we need to know?)
- Show the **relevance** of the problem (why do we need to know it?)
- Set the **objectives** of the research (what will you do to find out?

1.2.2 LEARNING OUTCOME 2: DEVELOP RESEARCH PLAN

Introduction to learning outcome

This learning outcome specifies the content of competencies required to develop research plan to guide on the management of business research and development. It includes definition of terms, identification of research geographical area and target population, research cost, man power requirement, data research methods to be used, research tools, instruments and equipment based on the research requirement, the development of research hypothesis and development of a research schedule.

Performance Standard

1. Approximate research cost is determined according to the research problem and Organizational budget
2. Research geographical area and target population is identified based on established research Problem
3. Required man power is established based on the research problem
4. Data research methods are identified and developed according to research a
5. Research tools, materials and equipment are identified based on research requirements
6. Research hypothesis is developed.
7. Business research schedule is developed in accordance to research activities

Information sheet

Definition of terms

Needs assessment

It is a discrepancy between an existing set of conditions and a desired set of conditions. The results of need assessment study provides the foundations for developing new programs and for making changes in existing ones

Formative evaluation

It helps to collect a data about a program while it is still being developed

Summative evaluation

It is done after the program has been fully developed. It is conducted to evaluate how worthwhile the final program has been compared to similar programs.

Hypotheses

It is an idea or explanation for something that is based on known facts but has not yet been proved. They are intelligent guesses about possible solutions or explanations to the problem. . They are based on the research objectives.

Research design

The plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance. It is the over-all operational pattern or framework of the project that stipulates what information is to be collected from which source by what procedures.

Research methods

Research methods are the strategies, processes or techniques utilized in the collection of data or evidence for analysis in order to uncover new information or create better understanding of a topic.

Research budget

The budget is a line item (tabular) representation of the expenses associated with the proposal project. The budget justification contains more in depth detail of the costs behind the line items, and sometimes explains the use of the funds where no evidence is available.

Data Collection

Data collection is a methodical process of gathering and analysing specific information to offer solutions to relevant questions and evaluate the results. It focuses on finding out all there is to a particular subject matter.

Sample Frame

The sample frame is the group of individuals that can be selected from the target population given the sampling process used in the study.

Sampling

Sampling can be defined as the process through which individuals or sampling units are selected from the sample frame.

Target population

The target population for a survey is the entire set of units for which the survey data are to be used to make inferences. Thus, the target population defines those units for which the findings of the survey are meant to generalize. Establishing study objectives is the first step in designing a survey. Defining the target population should be the second step.

Target populations must be specifically defined, as the definition determines whether sampled cases are eligible or ineligible for the survey. The geographic and temporal characteristics of the target population need to be delineated, as well as types of units being included. In some instances, the target population is restricted to exclude population members that are difficult or impossible to interview.

Why is the target population important? With a working knowledge of what the target population is and how you should be "particular" in creating a clear and precise definition, we can discuss why this target audience is not the same as the sampled population. It is actually more akin to what the sample would resemble if we had an infinite measure of time and access to unlimited resources.

The target population is important for three primary reasons:

1. Sets clear direction on the scope and objective of the research and data types
2. Defines the characteristic variables of the individuals who qualify for the study
3. Provides the scope of the total population or universe for determining sample size.

Sampling

- Sampling is the process of selecting a representative group from the population under study.
- The target population is the total group of individuals from which the sample might be drawn.
- A sample is the group of people who take part in the investigation. The people who take part are referred to as "participants".
- Generalizability refers to the extent to which we can apply the findings of our research to the target population we are interested in.

The Purpose of Sampling

In psychological research we are interested in learning about large groups of people who all have something in common. We call the group that we are interested in studying our 'target population'.

In some types of research the target population might be as broad as all humans, but in other types of research the target population might be a smaller group such as teenagers, pre-school children or people who misuse drugs.

It is more or less impossible to study every single person in a target population so psychologists select a sample or sub-group of the population that is likely to be representative of the target population we are interested in.

This is important because we want to generalize from the sample to target population. The more representative the sample, the more confident the researcher can be that the results can be generalized to the target population.

One of the problems that can occur when selecting a sample from a target population is sampling bias. Sampling bias refers to situations where the sample does not reflect the characteristics of the target population.

There are various sampling methods:

The one chosen will depend on a number of factors (such as time, money etc.).

Probability sampling

It is based on the fact that every member of a population has a known and equal chance of being selected.

Methods of probability sampling

Random Sampling

Random sampling is a type of probability sampling where everyone in the entire target population has an equal chance of being selected.

This is similar to the national lottery. If the "population" is everyone who has bought a lottery ticket, then each person has an equal chance of winning the lottery (assuming they all have one ticket each).

Random samples require a way of naming or numbering the target population and then using some type of raffle method to choose those to make up the sample. Random samples are the best method of selecting your sample from the population of interest.

- The advantages are that your sample should represent the target population and eliminate sampling bias.
- The disadvantage is that it is very difficult to achieve (i.e. time, effort and money).

Stratified Sampling

The researcher identifies the different types of people that make up the target population and works out the proportions needed for the sample to be representative.

A list is made of each variable (e.g. IQ, gender etc.) which might have an effect on the research. For example, if we are interested in the money spent on books by undergraduates, then the main subject studied may be an important variable.

For example, students studying English Literature may spend more money on books than engineering students so if we use a very large percentage of English students or engineering students then our results will not be accurate.

We have to work out the relative percentage of each group at a university e.g. Engineering 10%, Social Sciences 15%, English 20%, Sciences 25%, Languages 10%, Law 5%, Medicine 15% The sample must then contain all these groups in the same proportion as in the target population (university students).

- The disadvantage of stratified sampling is that gathering such a sample would be extremely time consuming and difficult to do. This method is rarely used in Psychology.

- However, the advantage is that the sample should be highly representative of the target population and therefore we can generalize from the results obtained.

Opportunity Sampling

Uses people from target population available at the time and willing to take part. It is based on convenience.

An opportunity sample is obtained by asking members of the population of interest if they would take part in your research. An example would be selecting a sample of students from those coming out of the library.

- This is a quick way and easy of choosing participants (advantage)
- It may not provide a representative sample, and could be biased (disadvantage)

Systematic Sampling

It involves choosing subjects in a systematic (i.e. orderly / logical) way from the target population, like every nth participant on a list of names.

To take a systematic sample, you list all the members of the population, and then decided upon a sample you would like. By dividing the number of people in the population by the number of people you want in your sample, you get a number we will call n.

If you take every nth name, you will get a systematic sample of the correct size. If, for example, you wanted to sample 150 children from a school of 1,500, you would take every 10th name.

- The advantage of this method is that is should provide a representative sample.
- The disadvantage is that it is very difficult to achieve (i.e. time, effort and money).

Cluster sampling: in this type of probabilistic sampling, groups such as health facilities, schools, etc., are sampled. In the above-mentioned study, the selection of households is an example of cluster sampling.[11]

Complex or multi-stage sampling: This probabilistic sampling method combines different strategies in the selection of the sample units

Non-Probability Sample

Non-probability sampling

Those who participate in a research study are selected not by random, but due to some factor that gives them the chance of participating in a study that others in the population do not have.

Types of non-probability sample include:

Convenience Sample:

As its name implies, this method uses people who are convenient to access to complete a study. This could include friends, people walking down a street, or those enrolled in a university course. Convenience sampling is quick and easy, but will not yield results that can be applied to a broader population.

Snowball Sample

A snowball sample works by recruiting some sample members who in turn recruit people they know to join a sample. This method works well for reaching very specific populations who are likely to know others who meet the selection criteria.

Quota Sample

In quota sampling, a population is divided into subgroups by characteristics such as age or location and targets are set for the number of respondents needed from each subgroup. The main difference between quota sampling and stratified random sampling is that a random sampling technique is not used in quota sampling; For example, a researcher could conduct a convenience sample with specific quotas to ensure an equal number of males and females are included, but this technique would still not give every member of the population a chance of being selected and thus would not be a probability sample.

Purposive or Judgmental Sample

Using a purposive or judgmental sampling technique, the sample selection is left up to the researcher and their knowledge of who will fit the study criteria. For example, a purposive sample may include only PhD candidates in a specific subject matter. When studying specific characteristics this selection method may be used, however as the researcher can influence those who are selected to take place in the study, bias may be introduced

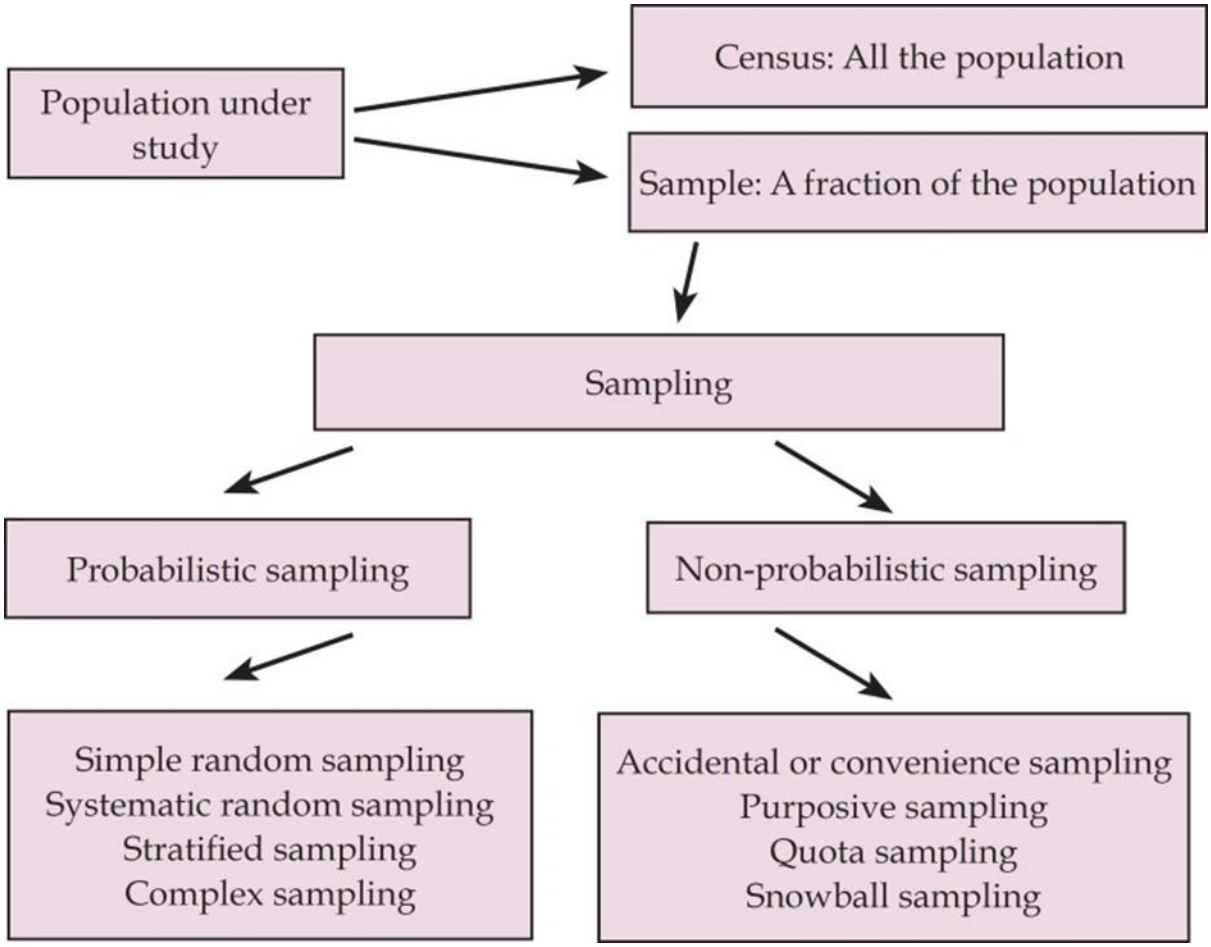


Figure 1 sampling techniques

How many participants should be used?

This depends on several factors; the size of the target population is important. If the target population is very large then you need a fairly large sample in order to be representative.

If the target population is much smaller, then the sample can be smaller but still be representative. There must be enough participants to make the sample representative of the target population.

Lastly, the sample must not be so large that the study takes too long or is too expensive!

Research Budget and other cost

The budget is a line item (tabular) representation of the expenses associated with the proposal project. The budget justification contains more in depth detail of the costs behind the line items, and sometimes explains the use of the funds were not evident. Examples include the need for consultants, or the unavailability within the University of an Item of equipment proposed for purchase. Foreign travel should be specifically detailed and justified, and not combined with domestic travel. The need to travel to professional meetings should be tied to the proposed project, if possible.

Cost estimates need to be as accurate to cover the expenses propose in the project. Reviewers will note both over- and under-estimations.

The budget should be developed by the departmental research administrator, in consultation with the appropriate project representative as per organization requirement needs. Sponsors customarily specify how budgets should be presented and what costs are allowable.

Typical divisions of the line item (tabular) budget are personnel, equipment, supplies, services, travel, and indirect costs (IDC). Other categories can be added as needed. The budget should make clear how the totals for each category of expenses are reached. Salary information, for example, often needs to be specified in detail: Make clear if salary totals involve two different rates (e.g., because of an anticipated increase in salary during the budget period).

General Checklist for Proposal Budget Items Directly Tied to the research Project:

A. Salaries and Wages

1. Academic personnel

2. Research assistants

3. Stipends (training grants only)

4. Consultants

5. Interviewers

6. Computer programmer

7. Data managers or analysts

8. Administrators

10. Editorial assistants

11. Technicians

12. Study/clinical coordinators

13. Hourly personnel

14. Staff benefits

15. Salary increases in proposals that extend into a new year, e.g., Cost of Living increases

16. Vacation accrual and/or use

B. Equipment

1. Fixed equipment

2. Movable equipment

3. Office equipment

4. Equipment installation

C. Materials and Supplies

1. Office supplies specifically for project

2. Communications

3. Test materials or samples

4. Questionnaire forms

5. Data access

6. Animals

7. Animal care

8. Laboratory supplies

9. Glassware

10. Chemicals

11. Electronic supplies

12. Report materials and supplies

D. Travel

1. Professional conferences

2. Field work

3. Sponsor meetings

4. Travel for consultation

5. Consultants' travel

6. Mileage for research participants

Data research design and methods

Research design is a plan to answer the research question. A research method is a strategy used to implement that plan. Research design and methods are different but closely related; because good research design ensures that the data obtained will help answer the research question more effectively.

Choosing a research method

It depends on the research goal. It depends on what subjects (and who) one wants to study. For example studying what makes people happy, or why some students are more conscious about recycling on campus. To answer these questions, one needs to make a decision about how to collect the data. Frequently used methods of data collection include:

- Observation / Participant Observation
- Surveys
- Interviews
- Focus Groups
- Experiments
- Secondary Data Analysis / Archival Study
- Mixed Methods (combination of some of the above)

One particular method could be better suited to your research goal than others, because the data you collect from different methods will be different in quality and quantity. For instance, surveys are usually designed to produce relatively short answers, rather than the extensive responses expected in qualitative interviews.

Factors to be considered when choosing one research method over another

First, decide how you will **collect data**. The methods depend on what type of data you need to answer your research question:

- **Qualitative vs. quantitative**: Will your data take the form of words or numbers?

- **Primary vs. secondary**: Will you collect original data yourself, or will you use data that has already been collected by someone else?
- **Descriptive vs. experimental**: Will you take measurements of something as it is, or will you perform an experiment?

Methods of data analysis

	Pros	**Cons**
Qualitative	• Flexible – you can often adjust your methods as you go to develop new knowledge. • Can be conducted with small samples.	• Can't be analyzed statistically or generalized to broader populations. • Difficult to standardize research.
Quantitative	• Can be used to systematically describe large collections of things. • Generates reproducible knowledge.	• Requires statistical training to analyze data. • Requires larger samples.

Table 4: types of data

Mixed methods approach, can also be used it incorporates both qualitative and quantitative research methods.

Primary vs. secondary data

Primary data is any original information that you collect for the purposes of answering your research question (e.g. through surveys, observations and experiments). Secondary data is information that has already been collected by other researchers (e.g. in a government census or previous scientific studies).

If you are exploring a novel research question, you'll probably need to collect primary data. But if you want to synthesize existing knowledge, analyze historical trends, or identify patterns on a large scale, secondary data might be a better choice.

	Pros	Cons
Primary	• Can be collected to answer your specific research question. • You have control over the sampling and measurement methods.	• More expensive and time-consuming to collect. • Requires training in data collection methods.
Secondary	• Easier and faster to access. • You can collect data that spans longer timescales and broader geographical locations.	• No control over how data was generated. • Requires extra processing to make sure it works for your analysis.

Table 4: types of data

Descriptive vs. experimental data

In descriptive research, you collect data about your study subject without intervening. The validity of your research will depend on your sampling method.

In experimental research, you systematically intervene in a process and measure the outcome. The validity of your research will depend on your experimental design.

To conduct an experiment, you need to be able to vary your independent variable, precisely measure your dependent variable, and control for confounding variables. If it's practically and ethically possible, this method is the best choice for answering questions about cause and effect.

	Pros	Cons
Descriptive	• Allows you to describe your research subject without influencing it. • Accessible – you can gather	• No control over confounding variables. • Can't establish cause and effect relationships.

	Pros	Cons
	more data on a larger scale.	
Experimental	• More control over confounding variables. • Can establish cause and effect relationships.	• You might influence your research subject in unexpected ways. • Usually requires more expertise and resources o collect data.

Table 4: types of data

Examples of data collection methods

Research methods for collecting data			
Research method	**Primary or secondary?**	**Qualitative or quantitative?**	**When to use**
Experiment	Primary	Quantitative	To test cause-and-effect relationships.
Survey	Primary	Quantitative	To understand general characteristics of a population.
Interview/focus group	Primary	Qualitative	To gain more in-depth understanding of a topic.
Observation	Primary	Either	To understand how something occurs in its natural setting.
Literature review	Secondary	Either	To situate your research in an existing body of work, or to evaluate trends within a research topic.
Case study	Either	Either	To gain an in-depth understanding of a

Research methods for collecting data			
Research method	**Primary or secondary?**	**Qualitative or quantitative?**	**When to use**
			specific group or context, or when you don't have the resources for a large study.

Table 5: data collection methods

Examples of data analysis methods

Research methods for analysing data		
Research method	**Qualitative or quantitative?**	**When to use**
Statistical analysis	Quantitative	To analyses data collected in a statistically valid manner (e.g. from experiments, surveys, and observations).
Meta-analysis	Quantitative	To statistically analyze the results of a large collection of studies. Can only be applied to studies that collected data in a statistically valid manner.
Thematic analysis	Qualitative	To analyze data collected from interviews, focus groups or textual sources. To understand general themes in the data and how they are communicated.
Content analysis	Either	To analyze large volumes of textual or visual data collected from surveys, literature reviews, or other sources. Can be quantitative (i.e. frequencies of words) or qualitative (i.e. meanings of words).

Table 6 data anlysis methods

Qualitative Research Method

The qualitative research methods of data collection does not involve the collection of data that involves numbers or a need to be deduced through a mathematical calculation, rather it is based on the non-quantifiable elements like the feeling or emotion of the researcher. An example of such a method is an open-ended questionnaire.



Figure 2 research mehods

Quantitative Method

Quantitative methods are presented in numbers and require a mathematical calculation to deduce. An example would be the use of a questionnaire with close-ended questions to arrive at figures to be calculated mathematically. Also, methods of correlation and regression, mean, mode and median.



Figure 3 data collection tools

Secondary Data Collection

Secondary data collection, on the other hand, is referred to as the gathering of second-hand data collected by an individual who is not the original user. It is the process of

collecting data that already exists, be it already published books, journals and/or online portals. In terms of ease, it is much less expensive and easier to collect.

Your choice between Primary data collection and secondary data collection depend on the nature, scope and area of your research as well as its aims and objectives.

Reasons for data collection

There are a bunch of underlying reasons for collecting data, especially for a researcher:

- Integrity of The Research: A key reason for collecting data, quantitative or qualitative methods is to ensure that the integrity of the research question is indeed maintained.
- Reduce the likelihood of errors: The correct use of appropriate data collection of methods reduces the likelihood of errors consistent with the results.
- Decision Making: To minimize the risk of errors in decision making, it is important that accurate data is collected so that the researcher doesn't make uninformed decisions.
- Save Cost and Time: Data collection saves the researcher time and funds that would otherwise be misspent without a deeper understanding of the topic or subject matter.
- To support a need for a new idea, change and/or innovation: To prove the need for a change in the norm or the introduction of new information that will be widely accepted, it is important to collect data as evidence to support these claims.

Data Collection Tools

The following are the top data collection tools for Academic, Opinion-based or product research.

Interview guide

An interview is a face-to-face conversation between two individuals with the sole purpose of collecting relevant information to satisfy a research purpose. Interviews are of different types namely; Structured, Semi-structured and unstructured with each having a slight variation from the other.

- Structured Interviews - Simply put, it is a verbally administered questionnaire. In terms of depth, it is surface level and is usually completed within a short period. For speed and efficiency, it is highly recommendable, but it lacks depth.
- Semi-structured Interviews - In this method, there exists several key questions which cover the scope of the areas to be explored. It allows a little more leeway for the researcher to explore the subject matter.
- Unstructured Interviews - It is an in-depth interview that allows the researcher to collect a wide range of information with a purpose. An advantage of this method

is the freedom it gives a researcher to combine structure with flexibility even though it is more time-consuming.

Pros

- In-depth information
- Freedom of flexibility
- Accurate data.

Cons

- Time-consuming
- Expensive to collect.

What are the best Data Collection Tools for Interviews?

For collecting data through interviews, here are a few tools you can use to easily collect data:

Audio Recorder

An audio recorder is used for recording sound on disc, tape, or film. Audio information can meet the needs of a wide range of people, as well as provide alternatives to print data collection tools.

Digital Camera

An advantage of a digital camera is that it can be used for transmitting those images to a monitor screen when the need arises.

Camcorder

A camcorder is used for collecting data through interviews. It provides a combination of both an audio recorder and a video camera. The data provided is qualitative in nature and allows the respondents to answer questions asked exhaustively. If you need to collect sensitive information during an interview, a camcorder might not work for you as you would need to maintain your subject's privacy.

Questionnaires

This is the process of collecting data through an instrument consisting of a series of questions and prompts to receive a response from individuals it is administered to. Questionnaires are designed to collect data from a group.

For clarity, it is important to note that a questionnaire isn't a survey; rather it forms a part of it. A survey is a process of data gathering involving a variety of data collection methods, including a questionnaire.

On a questionnaire, there are three kinds of questions used. They are; fixed-alternative, scale, and open-ended. With each of the questions tailored to the nature and scope of the research.

Pros

- Can be administered in large numbers and is cost-effective.
- It can be used to compare and contrast previous research to measure change.
- Easy to visualize and analyze.
- Questionnaires offer actionable data.
- Respondent identity is protected.
- Questionnaires can cover all areas of a topic.
- Relatively inexpensive.

Cons

- Answers may be dishonest or the respondents lose interest midway.
- Questionnaires can't produce qualitative data.
- Questions might be left unanswered.
- Respondents may have a hidden agenda.
- Not all questions can be analyzed easily.

Data collection tools refer to the devices/instruments used to collect data,

The objective behind data collection is to capture quality evidence that allows analysis to lead to the formulation of convincing and credible answers to the questions that have been posed

Research hypothesis

Hypothesis: an idea or explanation for something that is based on known facts but has not yet been proved. It’s a statement that provides an explanation for why or how something works, based on facts (or some reasonable assumptions), but that has not yet been specifically tested. For example, a hypothesis might look something like this:

A consumer's likelihood to trust a financial advisor is influenced by their perception of the competence and skill of the financial advisor.

In this example, we're making a statement about the relationship between **perceptions of competence** and **likelihood to trust**. The link between the two seems plausible and logical, but it is not proven (at least not in a scientifically rigorous way in every possible context). So, this qualifies as a hypothesis (loosely speaking). In the world of research, however, **a hypothesis needs a few more criteria** to constitute a true research hypothesis or scientific hypothesis. Let's take a look at these criteria.

Research hypothesis

A research hypothesis (also called a scientific hypothesis) is a statement about the expected outcome of a scientific study (for example, a dissertation or thesis). For a hypothesis to be a genuine research hypothesis, this statement needs to have three attributes – **specificity**, **testability** and **falsifiability;**

1. **Hypothesis Essential : Specificity & Clarity**

A good **research hypothesis needs to be very clear** about what's being assessed (who and what is involved) and very specific about the expected outcome.

For example:

Hypothesis 1: A customer's perception of a financial advisor's expertise has a positive relationship with their trust in said advisor. The hypothesis is very specific in that it identifies the variables involved (expertise and trust), the parties involved (a customer and an advisor), as well as the expected relationship type (positive correlation). There's no ambiguity or uncertainty about whom or what is involved in the statement and the expected outcome is clear.

2. **Hypothesis Essential: Testability (Provability)**

A **hypothesis must be testable** to qualify as a scientific hypothesis. If it's not testable, it's not a hypothesis. It means one must be able to collect observable data in a scientifically rigorous fashion to assess whether it supports the hypothesis or not.

For example, considering the previous hypothesis, we could test this hypothesis by undertaking a study to assess whether people's perceptions of an advisor's competence correlate with their likelihood to trust that advisor. Generally, one would use quantitative research methods, covering a large sample (a group of people) to test such a hypothesis.

Contrast that to the following statement:

Hypothesis 2: There are invisible, undetectable and unobservable forces all around us that influence our likelihood to trust a financial advisor.

In this case, the statement cannot be tested (because the forces are unobservable) and therefore, it's not a sound hypothesis.

3. Hypothesis Essential: Falsifiability (Dis-provability)

A scientific hypothesis needs to be testable (can be proven true), but that's not enough. To be a useful **hypothesis, it also needs to be falsifiable** (disprovable). There needs to be some identifiable way to test whether a hypothesis is false. If there's no way to assess whether a claim is false, it's not a hypothesis.
For example:

Hypothesis 3: **Life exists on planets other than Earth.**

Is this testable (provable)? Yes, you could send a space probe out that might find life on other planets. But is it falsifiable (disprovable)? Well, no.
If you were to send that same space probe out and it found no evidence or life on other planets that would not disprove the hypothesis. To disprove the hypothesis, you'd need to visit every single planet in the universe (or observe every planet in a detailed way), which is simply not possible (at least right now!). Therefore, the statement is not disprovable and therefore, it's not a hypothesis.

Collection Methods & Hypothesis Testing

Hypothesis testing is an act in statistics whereby an analyst tests an assumption regarding a population parameter. The methodology employed by the analyst depends on the nature of the data used and the reason for the analysis.

Hypothesis testing is used to assess the plausibility of a hypothesis by using sample data. Such data may come from a larger population, or from a data-generating process.

Four Steps of Hypothesis Testing:

1. The first step is for the analyst to state the two hypotheses so that only one can be right.
2. The next step is to formulate an analysis plan, which outlines how the data will be evaluated.
3. The third step is to carry out the plan and physically analyze the sample data.
4. The fourth and final step is to analyze the results and either reject the null hypothesis, or state that the null hypothesis is plausible, given the data.

Null and Alternative Hypotheses: Describe hypothesis testing in general and in practice The actual test begins by considering two hypotheses. They are called the null hypothesis and the alternative hypothesis. These hypotheses contain opposing viewpoints.

- H_0: **The null hypothesis:** It is a statement about the population that either is believedto be true or is used to put forth an argument unless it can be shown to be incorrect beyond a reasonable doubt.
- H_a: **The alternative hypothesis:** It is a claim about the population that is contradictory to H_0 and what we conclude when we reject H_0.

Since the null and alternative hypotheses are contradictory, evidence must be examined to decide if there is enough evidence to reject the null hypothesis or not. The evidence is in the form of sample data.

After you have determined which hypothesis the sample supports, you make a decision. There are two options for a **decision**. They are "reject H_0" if the sample information favours the alternative hypothesis or "do not reject H_0" or "decline to reject H_0" if the sample information is insufficient to reject the null hypothesis.

Table 3: Mathematical Symbols Used in H_0 and H_a:

H_0	H_a
equal (=)	not equal (≠) **or** greater than (>) **or** less than (<)
greater than or equal to (≥)	less than (<)
less than or equal to (≤)	more than (>)

Table 7: Types of Errors in Hypothesis Testing

Hypothesis tests use sample data to make inferences about the properties of a population. Tremendous benefits are gained by working with random samples because it is usually impossible to measure the entire population.

However, there are trade-offs when you use samples. The samples we use are typically a minuscule percentage of the entire population. Consequently, they occasionally misrepresent the population severely enough to cause hypothesis tests to make errors.

Potential Outcomes in Hypothesis Testing

Hypothesis testing is a procedure in inferential statistics that assesses two mutually exclusive theories about the properties of a population. For a generic hypothesis test, the two hypotheses are as follows:

- **Null hypothesis**: There is no effect
- **Alternative hypothesis**: There is an effect.

The sample data must provide sufficient evidence to reject the null hypothesis and conclude that the effect exists in the population. Ideally, a hypothesis test fails to reject the null hypothesis when the effect is not present in the population, and it rejects the null hypothesis when the effect exists.

Statisticians define two types of errors in hypothesis testing. These errors are called Type I and Type II errors. Both types of error relate to incorrect conclusions about the null hypothesis.

	Test Rejects Null	**Test Fails to Reject Null**
Null is True	**Type I Error** **False Positive**	**Correct decision** **No effect**
Null is False	**Correct decision** **Effect exists**	**Type II error** **False negative**

Table 8: Summary of four possible outcomes for a hypothesis test

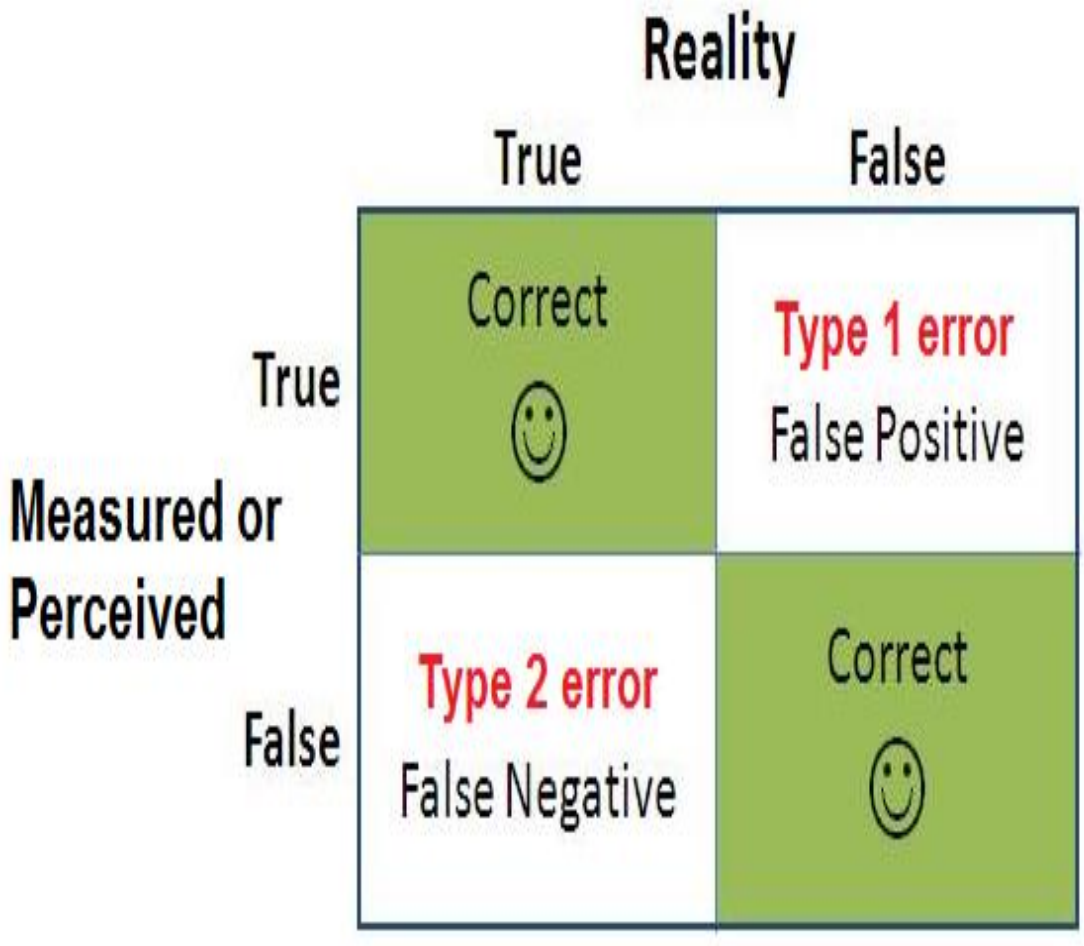


Figure 4: **Type 1 and type 2 errors.**

Consequences of a type 1 Error

Type 1 errors can happen due to bad luck (the 5% chance has played against you) or because of not respecting the test duration and sample size initially set for an experiment.

Consequently, a type 1 error will bring in a false positive. This means that one will wrongfully assume that a hypothesis testing has worked even though it hasn't.

In real life situations, this could potentially mean losing possible sales due to a faulty assumption caused by the test.

Understanding type 2 errors

Type 2 errors are referred to as "false negatives".

In more statistically accurate terms, type 2 errors happen when the null hypothesis is false and you subsequently fail to reject it.

There are 3 parameters that can affect the power of a test:

Your sample size (n)

The significance level of your test (α)

The "true" value of your tested parameter (read more here)

Consequences of a type 2 error

Similarly to type 1 error, type 2 errors can lead to false assumptions and poor decision making that can result in lost sales or decreased profits.

Moreover, getting a false negative (without realizing it) can discredit conversion optimization efforts even though one could have proven a hypothesis. This can be a discouraging turn of events that could happen to all CRO experts and digital marketers.

A real-life example of a type 2 error

Let's say that you run an e-commerce store that sells high-end, complicated hardware for tech-savvy customers. In an attempt to increase conversions, you have the idea to implement an FAQ below your product page.

"Should we add an FAQ at the bottom of the product page"? Source: Digital Storm
You launch an A/B test to see if the variation (B) could outperform your control version (A).

After a week, **you do not notice any difference** in conversions: both versions seem to convert at the same rate and you start questioning your assumption. Three days later, you stop the test and keep your product page as it is.

At this point, you assume that adding an FAQ to your store didn't have any effect on conversions.

Two weeks later, you hear that a competitor has implemented an FAQ at the same time and observed tangible gains in conversions. You decide to re-run the test for a month in order to get more statistically relevant results based on an increased level of confidence (say 95%).

After a month – surprise – **you discover positive gains in conversions for the variation (B)**. Adding an FAQ at the bottom of your product page has indeed brought your company more sales than the control version.

The test encountered a type 2 error.

Research schedule

Timelines required by the research sponsor or organization to complete a given research project

Creating a research schedule

Take inventory of your time during the scheduled project and then records your personal schedule to help you determine time available for research. Consider your many school, work, and personal responsibilities, as well as any "starts and stops" in your schedule that may hinder your progress on a research project. Do you have to work a certain shift at your job? Are you responsible for taking care of others? Do you have other major class assignments that will demand special attention?

You may choose to record these on a calendar or day planner, program them into your phone, or write them on a whiteboard. Whatever method you use, create a schedule that lists the steps you will need to complete and be certain to check this list often throughout the project to help you meet the final deadline.

Making a preliminary plan

once you have narrowed your topic and have a research question, you should make a preliminary plan for your research project. Your project will go more smoothly if you make a plan for using your time wisely.

Begin by thinking about what you already know about your topic, exploring both what you think about it and your reasons and beliefs. Consider also possible sources and causes for these beliefs and reasons. After you have a sense of what you already know about your topic, determine what it is that you need to learn about it. What kinds of sources will you need to answer your questions?

To plan your project, spend time thinking about your choices for research and what kinds of sources you will need. First, consider the requirements of your assignment. What kinds of sources are indicated in the assignment? Does the assignment require a certain number of sources? Will you need to work with primary sources?

Next, consider the requirements of your discipline. What kinds of sources are considered appropriate? How current do they need to be?

Last, consider practical issues of access and availability. How will you locate appropriate sources?

Use It

As soon as you receive a research assignment, set up a schedule to organize your research time around the various steps and responsibilities. Using a current assignment, create a written schedule following the steps in the sample schedule above. Add other instructor requirements and research steps that may be required within your discipline, as necessary. And keep in mind that some parts of the process will overlap.

Sample research schedule

Steps in a research project	**Finish by**
Analyse requirements of the assignment.	_____
Plan a research strategy	_____
Select and narrow a topic.	_____
Create a system for organizing sources or a research log.	_____
Develop a research question.	_____
Locate, download/copy, and evaluate sources.	_____
Collect or create appropriate visuals.	_____

Read and take notes.	_____
Draft a working thesis.	_____
Write an outline, purpose statement, and/or a proposal.	_____
Create a working bibliography.	_____
Write a first draft.	_____
Get feedback from the instructor, or the writing center.	_____
Do additional research as necessary.	_____
Revise the draft.	_____
Compile a bibliography or list of sources.	_____
Edit and format the revised draft.	_____
Proofread the final draft	_____
Final project due	_____

Table 9: sample research schedule

Use a calendar to map out the schedule for your research project and keep track of deadlines. Note that some of the steps above may run longer than expected or overlap. In other cases, steps may have to be repeated. Keep the bigger picture of your schedule in mind to allow enough time to draft and revise.

Learn It

Staying organized is essential to a successful research project. The steps in a research project are time consuming, so use your organizational skills and create a realistic plan to manage your time efficiently.

Learning Activities

Learning outcome	Learning activity	Special instructions
Develop a research plan	**Trainees in group of 4 to prepare a research plan for the institute catering department**	• **Indicate clear target population** • **Approximate cost** • **Research man power** • **Research method to be used and the tools**
	Develop the research schedule fo the same	**The schedule should be achievable .**

Practical activities

1. Trainers to demonstrate how the two types of errors in hypothesis testing are committed in classroom setup.by playing A Judge and an accused person
2. In group 3 trainers they prepare a research budget for research on sale improvement post covid-19 period.
3. In group of 3 trainers to come with statement of the problem concerning the decline in sales of an organization post covid-19 error

Self-Assessment

1. write brief explanation on types of sampling methods
2. Draw table to illustrate the type 1 and type 2 error in hypothesis testing
3. what is the differences between qualitative statistics and quantitative statistics
4. why is target population important in business research
5. highlight the research tools appropriate in collection of primary data

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Calculator
- Computer
- Stationeries
- Camera
- Internet
- Tablets

Materials

- Questionnaires
- Mark pens

Other Reference materials

- Books from business authors
- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements

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Learning 0utcome 2: Responses to Self-Assessment Questions

1. Why isn't important to check the reliability and validity of research instruments before use in research.

Reliability and validity are concepts used to evaluate the quality of research. They indicate how well a method, technique or test measures something. Reliability is about the consistency of a measure, and validity is about the accuracy of a measure.

It's important to consider reliability and validity when you are creating your research design, planning your methods, and writing up your results, especially in quantitative research.

Reliability vs validity		
	Reliability	Validity
What does it tell you?	The extent to which the results can be reproduced when the research is repeated under the same conditions.	The extent to which the results really measure what they are supposed to measure.
How is it assessed?	By checking the consistency of results across time, across different observers, and across parts of the test itself.	By checking how well the results correspond to established theories and other measures of the same concept.
How do they relate?	A reliable measurement is not always valid: the results might be reproducible, but they're not	A valid measurement is generally reliable: if a test produces accurate results,

Reliability vs validity		
	Reliability	Validity
	necessarily correct.	they should be reproducible.

Table 10: reliability vs validity

1. **Explain types of validity in business research**

The validity of a measurement can be estimated based on three main types of evidence. Each type can be evaluated through expert judgement or statistical methods.

Type of validity	What does it assess?
Construct	The adherence of a measure to **existing theory and knowledge** of the concept being measured.
Content	The extent to which the measurement **covers all aspects** of the concept being measured.
Criterion	The extent to which the result of a measure corresponds to **other valid measures** of the same concept.

Table 11: types of reliability

4. **Highlight the different types of reliability**

Test-Retest Reliability

When researchers measure a construct that they assume to be consistent across time, then the scores they obtain should also be consistent across time

Internal Consistency

A second kind of reliability is internal consistency, which is the consistency of people's responses across the items on a multiple-item measure. In general, all the items on such measures are supposed to reflect the same underlying construct, so people's scores on those items should be correlated with each other

Interpreter Reliability

Many behavioral measures involve significant judgment on the part of an observer or a rater. Inter-rater reliability is the extent to which different observers are consistent in their judgments.

5. What are benefits of doing Reconnaissance before undertaking a business research?

Reconnaissance sampling is a critical component of program design that involves sampling a few sites before the initiation of the full sampling program. Reconnaissance sampling is used to confirm that the methods selected for sampling will work in the field,

Reconnaissance sampling also provides an opportunity to test alternative methods, evaluate protocols, and uncover and correct problems in the sample design, collection methods, or response endpoint

1.2.3 LEARNING OUTCOME 3: CONDUCT BUSINESS RESEARCH

Introduction to learning outcome

This learning outcome specifies the content of competencies required to conduct business research to guide on the management of business research and development.
It includes definition of terms, assembling of research tools, conducting reconnaissance, collection of the data and adherence to research schedule.

Performance Standard

1. Business research tools, materials and equipment identified are assembled according to research plan
2. Reconnaissance is conducted according to research plan
3. Business research data and information is collected according to the research schedule
4. Adherence to the research schedule is observed as per the research plan, Business research tools, materials and equipment identified are assembled according to research plan

Information Sheet

Definition of terms

Pre-testing of research tools

All study instruments (quantitative and qualitative) should be pre-tested to check the validity and reliability of data collection tools.

Reconnaissance -is preliminary research or a preliminary survey

Reconnaissance sampling

Reconnaissance sampling is a critical component of program design that involves sampling a few sites before the initiation of the full sampling program. It is used to confirm that the methods selected for sampling will work in the field. It also provides an opportunity to test alternative methods, evaluate protocols, and uncover and correct problems in the sample design, collection methods, or response endpoint

Research Reliability

Reliability refers to whether or not you get the same answer by using an instrument to measure something more than once. It is the degree to which research method produces stable and consistent results.

A specific measure is considered to be reliable if its application on the same object of measurement number of times produces the same results.

Types or reliability testing

1. Test-retest reliability relates to the measure of reliability that has been obtained by conducting the same test more than one time over period of time with the participation of the same sample group.

Example: Employees of ABC Company may be asked to complete the same questionnaire about employee job satisfaction two times with an interval of one week, so that test results can be compared to assess stability of scores.

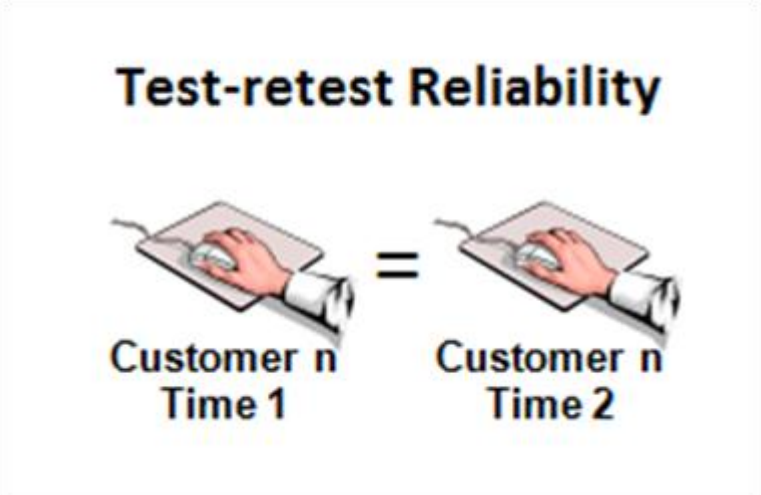


Figure 5: test-retest reliability

2. Parallel forms reliability relates to a measure that is obtained by conducting assessment of the same phenomena with the participation of the same sample group via more than one assessment method.

Example: The levels of employee satisfaction of ABC Company may be assessed with questionnaires, in-depth interviews and focus groups and results can be compared.

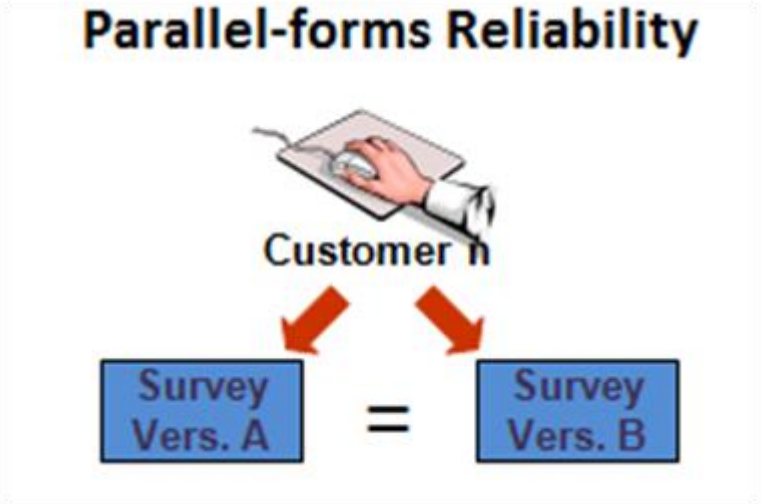


Figure 6: parallel-forms reliability

3. Inter-rater reliability as the name indicates relates to the measure of sets of results obtained by different assessors using same methods.

Benefits and importance of assessing inter-rater reliability can be explained by referring to subjectivity of assessments.

Example: Levels of employee motivation at ABC Company can be assessed using observation method by two different assessors, and inter-rater reliability relates to the extent of difference between the two assessments.

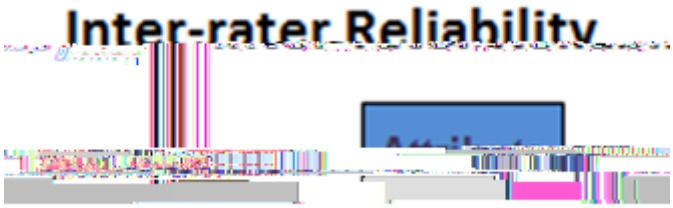


Figure 7: inter-rater reliability

4. Internal consistency reliability is applied to assess the extent of differences within the test items that explore the same construct produce similar results. It can be represented in two main formats.

a) Average inter-item correlation is a specific form of internal consistency that is obtained by applying the same construct on each item of the test

b) split-half reliability as another type of internal consistency reliability involves all items of a test to be 'spitted in half'.

Validity

Research validity in surveys relates to the extent at which the survey measures right elements that need to be measured. In simple terms, validity refers to how well an instrument as measures what it is intended to measure.

Types of validity

1. Face Validity is the most basic type of validity and it is associated with a highest level of subjectivity because it is not based on any scientific approach. In other

words, in this case a test may be specified as valid by a researcher because it may seem as valid, without an in-depth scientific justification.

Example: questionnaire design for a study that analyses the issues of employee performance can be assessed as valid because each individual question may seem to be addressing specific and relevant aspects of employee performance.

2. Construct Validity relates to assessment of suitability of measurement tool to measure the phenomenon being studied. Application of construct validity can be effectively facilitated with the involvement of panel of 'experts' closely familiar with the measure and the phenomenon.

Example: with the application of construct validity the levels of leadership competency in any given organization can be effectively assessed by devising questionnaire to be answered by operational level employees and asking questions about the levels of their motivation to do their duties in a daily basis.

3. Criterion-Related Validity involves comparison of tests results with the outcome. This specific type of validity correlates results of assessment with another criterion of assessment.

Example: nature of customer perception of brand image of a specific company can be accessed via organizing a focus group. The same issue can also be assessed through devising questionnaire to be answered by current and potential customers of the brand. The higher the level of correlation between focus group and questionnaire findings, the high the level of criterion-related validity.

4. Formative Validity refers to assessment of effectiveness of the measure in terms of providing information that can be used to improve specific aspects of the phenomenon.

Example: when developing initiatives to increase the levels of effectiveness of organisational culture if the measure is able to identify specific weaknesses of

organisational culture such as employee-manager communication barriers, then the level of formative validity of the measure can be assessed as adequate.

5. **Sampling Validity** (similar to content validity) ensures that the area of coverage of the measure within the research area is vast. No measure is able to cover all items and elements within the phenomenon, therefore, important items and elements are selected using a specific pattern of sampling method depending on aims and objectives of the study.

Example: when assessing a leadership style exercised in a specific organisation, assessment of decision-making style would not suffice, and other issues related to leadership style such as organizational culture, personality of leaders, the nature of the industry etc. need to be taken into account as well.

Learning Activities

Learning outcome	Learning Activities	Special Instructions
Conduct Business Research	Trainees to test some research tools of their reliability and validity. In a group of 5 trainees to collect data using two different tools in a supermarket about the popularity of a certain product .then later compare the result	Some to use questionnaires others interview.

Practical activities

Trainers each to prepare a questionnaire for the group statement of the problem developed earlier. These questionnaires are filled in class after exchanging them in two set of groups, this exercise will help test reliability and validity of these questionnaires.

Self-assessment

You are provided with the following questions for self -assessment, attempt them and check your responses

1. Why isn't important to check the reliability and validity of research instruments before use in research.
2. Why isn't important to stick to the research schedule of research plan
3. Explain types of validity in business research
4. Highlight the different types of reliability
5. What are benefits of doing Reconnaissance before undertaking a business research?

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Calculator
- Computer
- Stationeries
- Camera
- Internet
- Tablets

Materials

- Questionnaires
- Mark pens

Other Reference materials

- Books from business authors
- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements

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4. The Role of Brand in the Nonprofit Sector: Four Case Studies," pp 1–7,http://www.ksghauser.harvard.edu/nonprofit-brand-conference/materials/assets/Case%20Studies%20-%20Dec%208%20Nonprofit%20Brand%20Conference.pdf ↲

Learning outcome 3, Responses to self-assessment questions

1. Write brief explanation on types of sampling methods in business research.

Random Sampling

Random sampling is a type of probability sampling where everyone in the entire target population has an equal chance of being selected Stratified Sampling
The researcher identifies the different types of people that make up the target population and works out the proportions needed for the sample to be representative.

Opportunity Sampling

Uses people from target population available at the time and willing to take part. It is based on convenience

Cluster sampling: in this type of probabilistic sampling, groups such as health facilities, schools, etc., are sampled. In the above-mentioned study, the selection of households is an example of cluster sampling

Complex or multi-stage sampling: This probabilistic sampling method combines different strategies in the selection of the sample units

2. Draw table to illustrate the type 1 and type 2 errors in hypothesis testing

	Test Rejects Null	Test Fails to Reject Null
Null is True	Type I Error	Correct decision

	False Positive	No effect
Null is False	Correct decision Effect exists	Type II error False negative

These errors are known as type 1 and type 2 errors.

3. What are the differences between qualitative statistics and quantitative statistics?

- For quantitative data, you can use statistical analysis methods to test relationships between variables.
- For qualitative data, you can use methods such as thematic analysis to interpret patterns and meanings in the data.

4. Why is target population important in business research?

1. Sets clear direction on the scope and objective of the research and data types

2. Defines the characteristic variables of the individuals who qualify for the study

3. Provides the scope of the total population or universe for determining sample size

5. Highlight the research tools appropriate in collection of primary data

- Observation / Participant Observation
  - Surveys
  - Interviews
  - Focus Groups
  - Experiments
  - Secondary Data Analysis / Archival Study
  - Mixed Methods (combination of some of the above)

1.2.4 LEARNING OUTCOME 4: ANALYSE BUSINESS RESEARCH FINDING

Introduction to learning outcome

This learning outcome specifies the content of competencies required to conduct business research to guide on the management of business research and development.
It includes definition of terms, preparation of data for analysis, presentation of data information

Performance Standard

1. Business research data and information collected is prepared for analysis

2. Data analysis are established according to statistical requirements

3. Collected business data and information is analyzed and presented based on statistical requirements

Information Sheet

Definition of terms

Data analysis

It involves going through information to identify predictable patterns, interpret results and make business decisions. Software solutions often are used to perform efficient and optimum data analysis. Companies use analysis in areas such as strategic management, marketing and sales, business development and human resources.

Statistical method

It is range of techniques and procedures for analyzing data, interpreting data, displaying data, and making decisions based on the data.

Data preparation

Data preparation creates higher quality data for analysis and other data management related tasks by eradicating errors and normalizing raw data before it is processed. It is critical, but takes a lot of time and might require specific skills.

Now, with a smart data preparation tool, the process has become faster and more accessible to a wider variety of users.

The following are steps required to properly prepare data:

1. Questionnaire checking: Questionnaire checking involves eliminating unacceptable questionnaires. These questionnaires may be incomplete, instructions not followed, little variance, missing pages, past cut-off date or respondent not qualified.

2. Editing: Editing looks to correct illegible, incomplete, inconsistent and ambiguous answers. After collecting the data, it is important to discover each dataset. This step is

about getting to know the data and understanding what has to be done before the data becomes useful in a particular context.

3. Coding: Coding typically assigns alpha or numeric codes to answers that do not already have them so that statistical techniques can be applied.

4. Transcribing: It involves transferring data so as to make it accessible to people or applications for further processing. Transforming data is the process of updating the format or value entries in order to reach a well-defined outcome, or to make the data more easily understood by a wider audience. *Enriching* data refers to adding and connecting data with other related information to provide deeper insights

5. Cleaning: Cleaning reviews data for consistencies. Inconsistencies may arise from faulty logic, out of range or extreme values. It is traditionally the most time consuming part of the data preparation process, but it's crucial for removing faulty data and filling in gaps. Important tasks in cleaning include:

- Removing extraneous data and outliers.
- Filling in missing values.
- Conforming data to a standardized pattern.
- Masking private or sensitive data entries.
- Once data has been cleansed, it must be validated by testing for errors in the data preparation process. An error in the system will become apparent during this step and will need to be resolved before moving forward.

6. Statistical adjustments: Statistical adjustments apply to data that requires weighting and scale transformations.

7. Analysis strategy selection: Finally, selection of a data analysis strategy is based on earlier work in designing the research project but is finalized after consideration of the characteristics of the data that has been gathered. Once prepared, the data can be stored or channeled into a third party application—such as a business intelligence tool—clearing the way for processing and analysis to take place.

Not all of these steps occur in every market research study. But as situations dictate, none of these steps should be overlooked in the name of expediency or economy

Self-Service Data Preparation Tools

Data preparation is a very important process requiring an intense investment of resources. Data scientists and data analysts report that 80% of their time is spent doing data preparation, rather than analysis.

Does your data team have time for thorough data preparation? What about organizations that don't have a team of data scientists or data analysts at all?

That's where self-service data preparation tools like Talend Data Preparation come in. Cloud-native platforms with machine learning capabilities simplify the data preparation process. This means that data scientists and business users can focus on

analysing data, instead of just cleaning it. It also allows business professionals, who may lack advanced IT skills, to run the process themselves. This makes data preparation more of a team sport, rather than wasting valuable resources and cycles with IT teams.

To get the best value out of a self-service data preparation tool, look for a platform with:

- Data access and discovery from any datasets — from Excel and CSV files to data warehouses, data lakes, and cloud apps such as Salesforce.com.
- Cleansing and enrichment functions.
- Auto-discovery, standardization, profiling, smart suggestions, and data visualization.
- Export functions to files (Excel, Cloud, Tableau, etc.) together with controlled export to data warehouses and enterprise applications.
- Shareable data preparations and data sets.
- Design and productivity features like automatic documentation, versioning, and operationalizing into ETL processes.

The Future of Data Preparation

Initially it focused on analytics, but now data preparation has evolved to address a much broader set of uses and can be used by a larger range of users. It improves the personal productivity of whoever uses it and has evolved into an enterprise tool that fosters collaboration between IT professionals, data experts, and business users.

Benefits of Data Preparation

76% of data scientists say that data preparation is the worst part of their job, but the efficient, accurate business decisions can only be made with clean data. Data preparation helps to:

- Fix errors quickly — Data preparation helps catch errors before processing. After data has been removed from its original source, these errors become more difficult to understand and correct.
- Produce top-quality data — Cleaning and reformatting datasets ensures that all data used in analysis will be high quality.
- Make better business decisions — higher quality data that can be processed and analysed more quickly and efficiently leads to more timely, efficient and high-quality business decisions.

- Superior scalability — Cloud data preparation can grow at the pace of the business. Enterprise do not have to worry about the underlying infrastructure or try to anticipate their evolutions.
- Future proof — Cloud data preparation upgrades automatically so that new capabilities or problem fixes can be turned on as soon as they are released. This allows organizations to stay ahead of the innovation curve without delays and added costs.

- Accelerated data usage and collaboration — doing data prep in the cloud means it is always on, doesn't require any technical installation, and lets teams collaborate on the work for faster results.

Statistical methods of data analysis

Statistical data analysis**:** Statistics are the branch of mathematics used to analyse the data that can describe, summarize and compare. Statistical data analysis is a process of performing numerous statistical functions involving collection of data, interpretation of data and validation of the data. Numerous statistical tools such as SAS, SPSS, STATA, etc., are available to analyse the statistical data from simple to complex problems based on the nature of the study.

Simple statistical methods for analyzing small data

With the current obsession over "big data," analysts have produced a lot of fancy tools and techniques available to large organizations. However, there are a handful of basic data analysis tools that most organizations aren't using…to their detriment.

1. Mean: The arithmetic mean, more commonly known as "the average," is the sum of a list of numbers divided by the number of items on the list. The mean is useful in determining the overall trend of a data set or providing a rapid snapshot of your data. Another advantage of the mean is that it's very easy and quick to calculate.
2. However, the mean has a pitfall in that; taken alone, the mean is a dangerous tool. In some data sets, the mean is also closely related to the mode and the median (two other measurements near the average). However, in a data set with a high number of outliers or a skewed distribution, the mean simply doesn't provide the accuracy you need for a nuanced decision.
3. Standard Deviation: The standard deviation, often represented with the Greek letter sigma, is the measure of a spread of data around the mean. A high standard deviation signifies that data is spread more widely from the mean, where a low standard deviation signals that more data align with the mean. In a portfolio of data analysis methods, the standard deviation is useful for quickly determining dispersion of data points.
4. However it has a pitfall in that: Just like the mean, the standard deviation is deceptive if taken alone. For example, if the data have a very strange pattern such as a non-normal curve or a large amount of outliers, then the standard deviation won't give you all the information you need.
5. Regression: Regression models the relationships between dependent and explanatory variables, which are usually charted on a scatterplot. The regression line also designates whether those relationships are strong or weak.

Regression is commonly taught in high school or college statistics courses with applications for science or business in determining trends over time.

6. However it has a pitfall in that: Regression is not very nuanced. Sometimes, the outliers on a scatterplot (and the reasons for them) matter significantly. For example, an outlying data point may represent the input from your most critical supplier or your highest selling product. The nature of a regression line, however, tempts you to ignore these outliers. As an illustration, examine a picture of a combe's quartet, in which the data sets have the exact same regression line but include widely different data points.

7. Sample size determination: When measuring a large data set or population, like a workforce, you don't always need to collect information from every member of that population – a sample does the job just as well. The trick is to determine the right size for a sample to be accurate. Using proportion and standard deviation methods, you are able to accurately determine the right sample size you need to make your data collection statistically significant.

8. However it has pitfall in that: When studying a new, untested variable in a population, your proportion equations might need to rely on certain assumptions. However, these assumptions might be completely inaccurate. This error is then passed along to your sample size determination and then onto the rest of your statistical data analysis

9. Hypothesis Testing: Also commonly called *t* testing, hypothesis testing assesses if a certain premise is actually true for your data set or population. In data analysis and statistics, you consider the result of a hypothesis test *statistically significant* if the results couldn't have happened by random chance. Hypothesis tests are used in everything from science and research to business and economic

10. However it has pitfalls in that: To be rigorous, hypothesis tests need to watch out for common errors. For example, the placebo effect occurs when participants falsely expect a certain result and then perceive (or actually attain) that result. Another common error is the Hawthorne effect (or observer effect), which happens when participants skew results because they know they are being studied.

11. These methods of data analysis add a lot of insight to the decision-making portfolio, particularly if you've never analysed a process or data set with statistics before. However, avoiding the common pitfalls associated with each method is just as important. Once you master these fundamental techniques for statistical data analysis, then you're ready to advance to more powerful data analysis tools.

Large data can be analysed using the following methods:

a) Sign test
   Wilcoxon's signed rank test

b) Mann–Whitney test
Kolmogorov-Smirnov test

Kruskal- Jonckheere test: test14

Friedman test:

Note: Chi-square test, Fischer's exact test and McNemar's test are used to analyse the categorical or nominal variables.

Computers software that can be used in analysis of large data

SPSS, (Statistical Package for the Social Sciences) is perhaps the most widely used statistics software package within human behaviour research. SPSS offers the ability to easily compile descriptive statistics, parametric and non-parametric analyses, as well as graphical depictions of results through the graphical user interface (GUI). It also includes the option to create scripts to automate analysis, or to carry out more advanced statistical processing

SAS is a statistical analysis platform that offers options to use either the GUI, or to create scripts for more advanced analyses. It is a premium solution that is widely used in business, healthcare, and human behaviour research alike. It's possible to carry out advanced analyses and produce publication-worthy graphs and charts, although the coding can also be a difficult adjustment for those not used to this approach.

GraphPad Prism is premium software primarily used within statistics related to biology, but offers a range of capabilities that can be used across various fields. Similar to SPSS, scripting options are available to automate analyses, or carry out more complex statistical calculations, but the majority of the work can be completed through the GUI

The **Minitab** software offers a range of both basic and fairly advanced statistical tools for data analysis. Similar to GraphPad Prism, commands can be executed through both the GUI and scripted commands, making it accessible to novices as well as users looking to carry out more complex analyses

Data Analysis and Presentation

These two go hand in hand, and it will be difficult to provide a complete differentiation between the two. Adding visual aspect to data or sorting it using grouping and presenting it in the form of table is a part of the presentation. Doing

further helps in analyzing data. During a study with an aim and multiple objectives, data analysis will be required to complete the required objectives. Compiling or presenting the analyzed data will help in overall analysis and concluding the study.

Steps for Presenting and Analyzing Data:

1. Frame the objectives of the study and make a list of data to be collected and its format.
2. Collect/obtain data from primary or secondary sources.
3. Change the format of data i.e., table, maps, graphs, etc. in the desired format.
4. Sort data through grouping, discarding the extra data and deciding the required form to make data comprehensible.
5. Make charts and graphs to help to add visual part and analyse trends.
6. Analyse trends and relate the information to fulfil the objectives.

Other points to remember

1. A presentation should have a predefined sequence of arguments being made to support the study. Start with stating the Aim of study and the objectives required to reach the aim.
2. Break the objectives in multiple parts and make a list of data to be collected. Noting down the sources of data, form in which data exist and needs to be obtained. Also conducting a primary survey for information which does not exist.
3. Form and explain the methodology adapted to carry out a study.
4. Data collection through primary survey needs to have well thought of sampling methods. This will help in reducing the efforts and increasing efficiency. Sample size should be given importance and correct sampling technique should be applied.
5. Present only the required information and skip the background research to make your point more clear.
6. Do not forget to give credits and references in the end and where ever required.

The presentation can be done using software such as Microsoft Power Point, Prezi, Google Analytics and other analytic software. It can also be done by making models, presenting on paper or sheets, on maps or by use of boards. The methods selected depends on the requirement and the resources available

In the process of Data Visualization, once the data and business question are finalized, the next step is to decide on the visualization. Graphs and charts reduces huge amount of information into simple and easy-to-understand formats. The purpose of the graphics (Graphs n Charts) on dashboard is to transform data and bring alive the underlying story whether it is to show a comparison, a relationship, or highlight a trend.

The challenge is to choose the right graph or chart from the variety of options available. Establishing the reasons for data presentation, aids in choosing the right graph/chart for visualization.

The four identified categories for data presentation are -

1. Comparison
2. Composition
3. Distribution
4. Relationship/Trend

Ways of presenting data include:

- Time Series Data
- Bar Charts
- Combo Charts
- Pie Charts
- Tables
- Geo Map
- Scorecard
- Scatter Charts
- Bullet Charts
- Area Chart
- Text & Images

When dealing with charts and graphs, having sufficient knowledge about frequency distribution, regular interval, axis label, frequency and other such terms is important.

1. Bar charts are ideal for information comparison and uses either horizontal or vertical bars (column chart) to show numerical comparison. The bars represent different categories of data. The length of each bar represents its value.

When to use — to compare data across categories.

Bar Chart Visual -

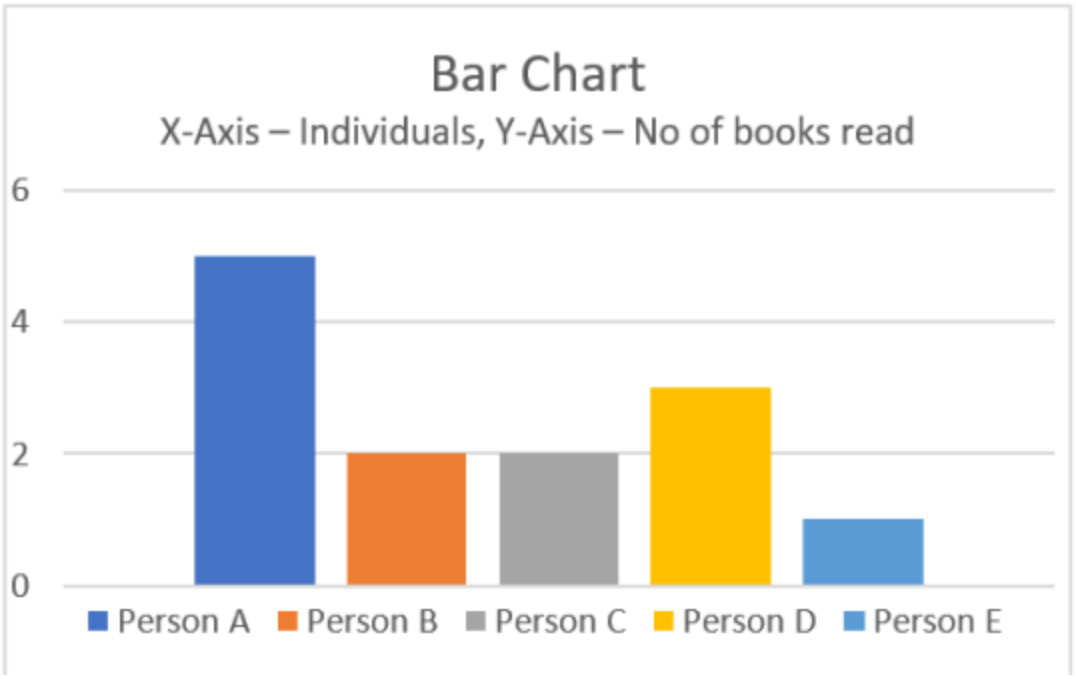


Figure 8: bar chat

2. Line charts reveal trends or progress over a period of time. It is a good way to visualize continuous data set or a sequence of values. Best suited for trend based data and analyzing the rate of change over a period of time. Values are plotted on line chart and the data points are connected to show a trend. Multiple trends can be highlighted and compared by plotting lines of different colours. Used when comparing data across categories.



Figure 9: line chart

3. Pie charts are used to show a data composition, typically for representing numbers as proportions or percentages of information — a part to whole, the sum total of all proportions being 100%. Use pie chart visual to show proportions/percentage.

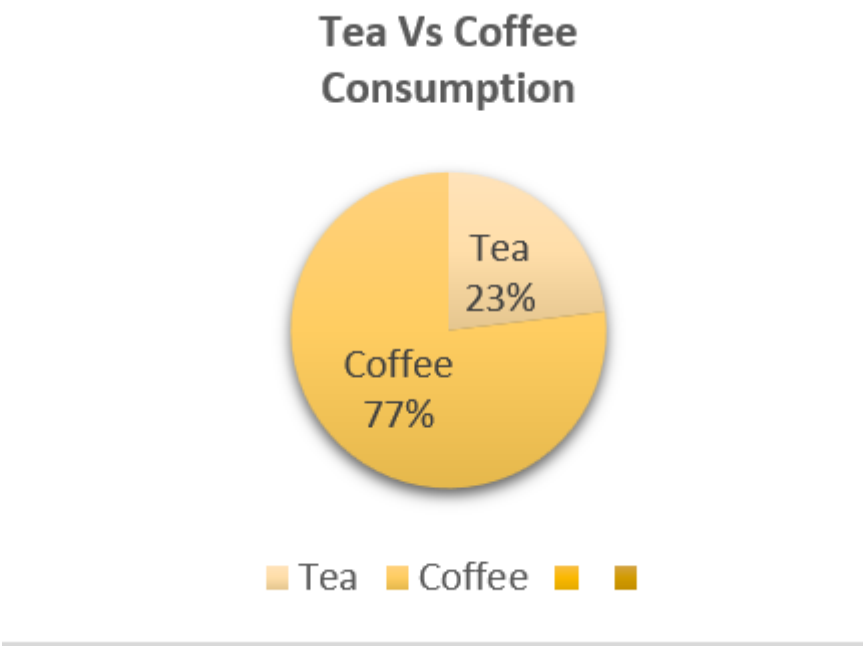


Figure 10: pie chart

4. Scatter plots are mostly used in correlation and distribution analysis. This is a type of graph helps to determine if relationship between two variables exists or not. It is an effective visual tool to show trends, concentrations and outliers in distribution of data.

Use it to investigate the relationship between different variables. For example;

Scatter Plot Visual — Cool Drinks Sales on a sunny day

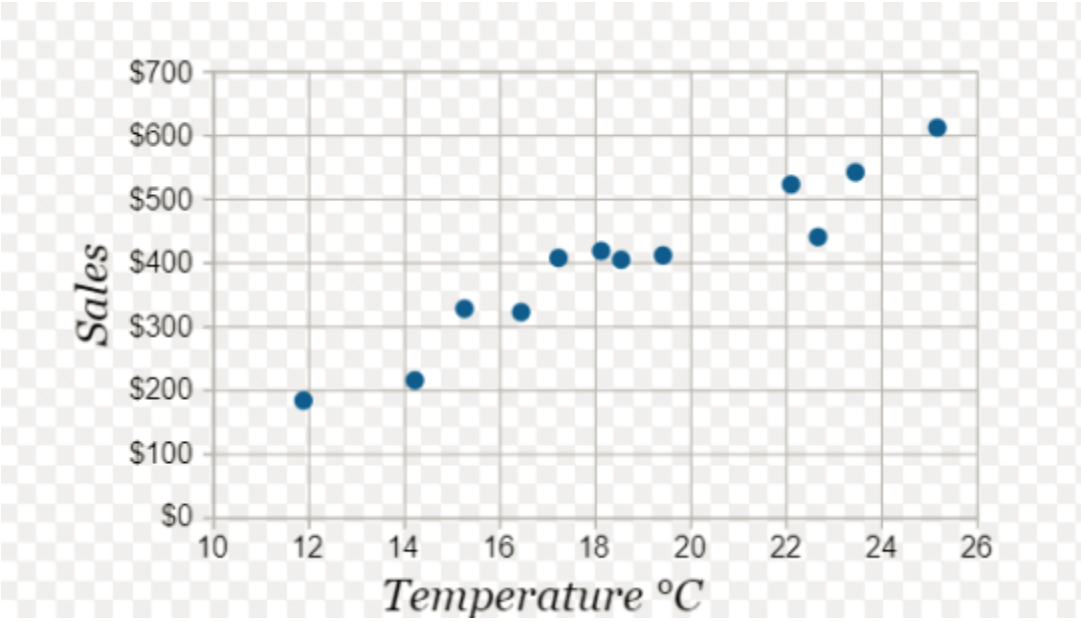


Figure 11scatter chart

5. Heat maps are used mostly for information comparison. It provides a level of activity or rating information (e.g High to Low, Strongest to Weakest, and Excellent to Poor), all displayed using different colours.

Use to show the relationship between two factors.
Heat Map Visual -

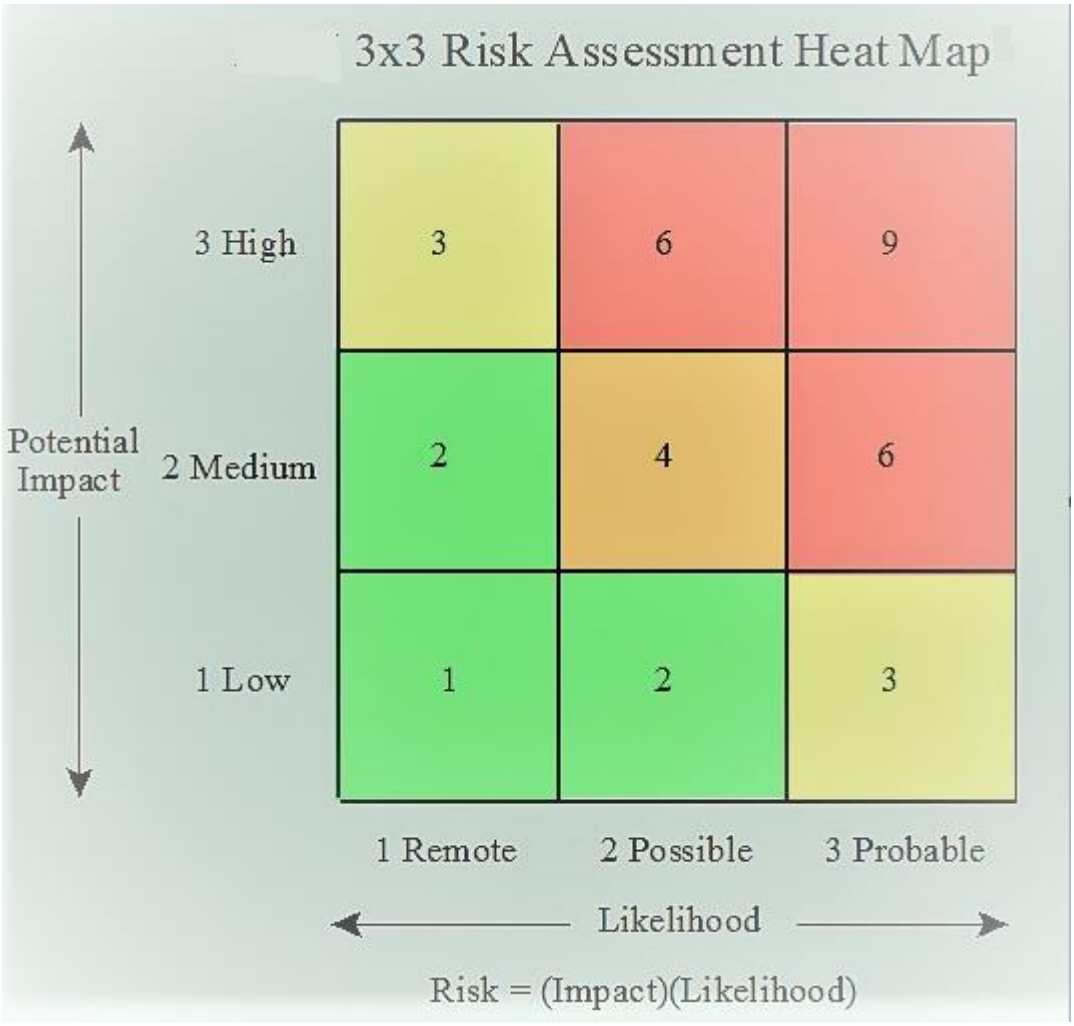


Figure 12: risk assessment

6. Histogram chart is used to see how data are distributed across groups. This is different from a Bar Chart. Like a bar chart, a histogram is made up of columns but with no gaps between the columns. Histograms present continuous data while bar chart presents categorical data (data that fits into categories).

Used when one wants to understand the distribution of data.

Histogram Chart Visual -

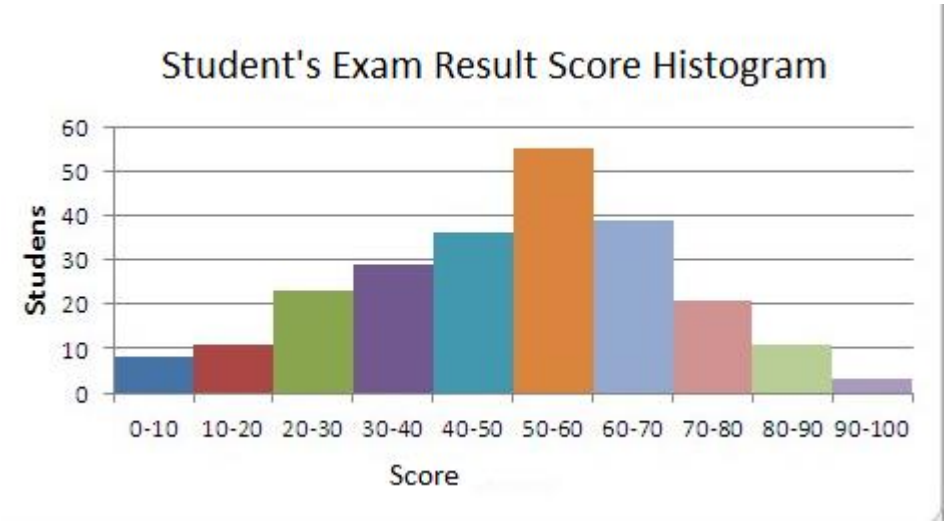


Figure 13: Histogram Chart Visual

Learning activities

Learning outcome	Learning Activities	Special Instructions
Analyse Research findings	Trainees accompanied by trainer assemble along the road next to their institution and carry out the following activity; Collect the data on the vehicle passing by and record them in terms of, Salon cars, lorries ,pickups and busses.	To create a table of each type of the vehicle, then prepare a pie chart, bar charts and histograms using the information.

4.1.3.1 Practical activities

A Trainer gives the trainee a raw data of the class marks obtained in the previous statistics examination. Marks obtained by 64 students are as given below

Marks in %

50,40,60,25,76,48,35,40,56,38,55,67,68,70.75,45,74,42,54,45,24,26,45,65,37,76,46,14,56,34,56,78,80,56,78,45,67,30,60,50,60,34,56,78,3040,45,76,57,58,67,98,28,56,45,54,34,43,32,65,45,67,18,78,

Required

a) Tabulate the in classes of, 0-10, 10-20 e.t.c
b) Present the above marks of in form of

– Pie chart
– histogram
– line graph

Self-assessment

1. Explain different methods of small data presentation

2. Explain five methods of used in data analysis

3. Highlight the benefits of data presentation

4. Highlight the process of preparing data for analysis

5. Explain the steps followed in data analysis and presentation

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Calculator
- Computer
- Stationeries
- Camera
- Internet
- Tablets

Materials

- Questionnaires
- Mark pens

Other Reference materials

- Books from business authors
- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements

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Responses to self-assessment

1. Explain different methods of small data presentation

- Time Series Data
- Bar Charts
- Combo Charts
- Pie Charts
- Tables
- Geo Map
- Scorecard
- Scatter Charts
- Bullet Charts
- Area Chart
- Text & Images

2. Explain five methods of used in data analysis

1. Mean

The arithmetic mean, more commonly known as “the average,” is the sum of a list of numbers divided by the number of items on the list. The mean is useful in determining the overall trend of a data set or providing a rapid snapshot of your data. Another advantage of the mean is that it’s very easy and quick to calculate.

2. Standard Deviation

The standard deviation, often represented with the Greek letter sigma, is the measure of a spread of data around the mean. A high standard deviation signifies that data is spread more widely from the mean, where a low standard deviation signals that more data align with the mean. In a portfolio of data analysis methods, the standard deviation is useful for quickly determining dispersion of data points.

3. Regression

Regression models the relationships between dependent and explanatory variables, which are usually charted on a scatterplot. The regression line also designates whether those relationships are strong or weak. Regression is commonly taught in high school

or college statistics courses with applications for science or business in determining trends over time.

4. Sample Size Determination

When measuring a large data set or population, like a workforce, you don't always need to collect information from every member of that population – a sample does the job just as well. The trick is to determine the right size for a sample to be accurate. Using proportion and standard deviation methods, you are able to accurately determine the right sample size you need to make your data collection statistically significant.

5. Hypothesis Testing

Also commonly called *t* testing, hypothesis testing assesses if a certain premise is actually true for your data set or population. In data analysis and statistics, you consider the result of a hypothesis test *statistically significant* if the results couldn't have happened by random chance. Hypothesis tests are used in everything from science and research to business and economic

3. Highlight the benefits of data presentation

Ability to make faster, more informed business decisions, backed up by facts.
Allows deeper understanding of customer requirements, which, in turn helps to builds better business relationships.
Increases awareness of risk, enabling good implementation of preventative measures.
Improve flexibility and greater capability in order to react to change - both within the business and the market.
Better insight into the financial performance of the business.
Proven to reduce costs and therefore increase profit.

4. Highlight the process of preparing data for analysis

Questionnaire checking:

Questionnaire checking involves eliminating unacceptable questionnaires. These questionnaires may be incomplete, instructions not followed, little variance, missing pages, past cut-off date or respondent not qualified.

2. Editing: Editing looks to correct illegible, incomplete, inconsistent and ambiguous answers. After collecting the data, it is important to discover each dataset. This step is about getting to know the data and understanding what has to be done before the data becomes useful in a particular context.

3. Coding: Coding typically assigns alpha or numeric codes to answers that do not already have them so that statistical techniques can be applied.

4. Transcribing: Transcribing data involves transferring data so as to make it accessible to people or applications for further processing.

5. Cleaning: Cleaning reviews data for consistencies. Inconsistencies may arise from faulty logic, out of range or extreme values.

6. Statistical adjustments: Statistical adjustments apply to data that requires weighting and scale transformations.

7. Analysis strategy selection: Finally, selection of a data analysis strategy is based on earlier work in designing the research project but is finalized after consideration of the characteristics of the data that has been gathered. Once prepared, the data can be stored or channeled into a third party application—such as a business intelligence tool—clearing the way for processing and analysis to take place.

5. Steps for Presenting and Analyzing Data:

Frame the objectives of the study and make a list of data to be collected and its format.

Collect/obtain data from primary or secondary sources.

Change the format of data i.e., table, maps, graphs, etc. in the desired format.

Sort data through grouping, discarding the extra data and deciding the required form to make data comprehensible.

Make charts and graphs to help to add visual part and analyse trends.

Analyse trends and relate the information to fulfil the objectives.

1.2.5 LEARNING OUTCOME 5: DOCUMENT BUSINESS RESEARCH FINDINGS

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to document business research findings. It includes definition of terms related to report writing**,** obtaining report writing tools, preparing a business report, giving business report recommendations, sharing the business research findings and implementing the recommendations.

Performance Standard

1. Report writing tools are obtained in accordance with SOPs
2. Business report is developed based on analysed business data and information
3. Business report recommendation is shared and implemented based on organization policy

Information sheet

Definition of terms

Data Documentation- refers to information about your research data. It is meant to make your data understandable – to others who might want to reuse it, but also to your future self.

Importance of documenting research findings

- Good documentation can do more than help answer specific questions.
- Helps in finding relevant insight when you needed. But what about
- Keeping track of trends or analysing from historical data
- Documented research is reusable

Documentation can be the form of presentations or PDF reports –own research notes scattered both in digital formats and notebooks.

A few tips for continuous documentation:

- Try a generic tool like OneNote for keeping and organising notes. You can structure these notebooks to your own research. Once you have finished your research, you can easily select the notes you wish to add to your dataset (e.g. as a README-file).
- Use an electronic lab notebook for structured documenting. Your group might have a shared e-lab notebook tool you can use. One example is eLabJournal.
- If you use proprietary software such as OneNote or a e-lab notebook, make sure to export or convert your documentation to an open file format when you make it available to others. This way, people do not need the original software

to open the files – and the files will remain readable even if the software becomes obsolete.

- Do you work with spreadsheets? The free tool Colectica for Excel allows you to add documentation to your spreadsheets. Think of the explanation of variables and code lists. You can also export these to create separate documentation file if you work witscripting languages, such as R or Python, take a look at Jupyter Notebook. With this free, web-based tool you create one single document showing code snippets and their results in place. This provides a step-by-step overview of your data processing and analysis. Find examples of Jupyter notebooks by research domain here. This page also provides a list of journal articles with documentation in Jupyter notebooks

Testing the documentation

How do you know if your final documentation is understandable to others? Put it to the test! Simply give your dataset with documentation to somebody else. If this person has trouble understanding your data, there's room for improvement. Of course you can always contact Data Management Support if you need help.

Text (Written) Documentation

There are several ways to record your research process in a written format, including:

- **A** science journal to record ideas, hypotheses, observations, materials, etc. - basically all aspects of the inquiry process.
- A personal journal to record information about feelings about the process or relationships between partners.
- A formal report that states the research process, from hypothesis to literature review, analysis and conclusion, in a standard format for presenting scientific investigations.

Reporting Tools

Online and offline reporting tools

- Executive summaries
- Full data tables
- Action priority reporting
- Newspaper-style headline reports
- Communication reporting
- Flash reports
- Full detailed insight reporting
- Formal and informal presentations
- A3 summary reporting

Business reports

A report is a business tool used to convey research, findings and recommendations. A mini report is a condensed version of a report. It is used in a number of business cases. For example, a mini report can be used when frequent updates about a project are being made to superiors or when the reader of the report only requires a short summary of the matter at hand. Mini reports are also used when a full recap of the research is not required for the reader in order to understand the main objectives.

A business research report has the same function as an academic research report. The main point is to research an area or subject to gather more information about it. Topics can include budget research, customer service satisfaction research, product development research and effective marketing campaign research

Purpose

The purpose of a business research report is to provide business executives information or data pertaining to a specific topic or area. This can be both internal and external research. For example, if the business research report focuses on customer service and the business' relationship with its current customers, research assistants could complete a research questionnaire or interview with willing customers.

Sections of a business research report

According to ACS, a research report has specific sections to present the data in a professional manner. The report should have a title page that includes the date of the report and indicates the nature of the data in the report. It should also include an abstract of the research being done, an introduction to the report, a discussion of the experiment or methods used to get the information, the results of the research, discussions of changes that need to be made and a conclusion that sums up the report and research as a whole.

Uses

The results of the business research report are used to analyze and identify issues or problems that need to be addressed to improve services or products. For example, if customer service satisfaction surveys reveal that employees are often rude on the phone when addressing the caller, company executives can identify this complaint through the data in the report. A research report can also help identify patterns in seasonal sales or demands for specific products.

Features

Research reports can include graphs and charts in the findings section so the reader can easily read and examine the results. If the research was gathered using interviews, copies of the transcribed interviews should be included in the appendix, which is a supplementary feature of the report. Interviews may also be conducted

with employees working directly with the research or the area being researched for the report. Getting a professional and internal perspective can help create a larger picture, instead of simply getting the external customer perspective.

Guidelines on preparation of a business report

Provide only relevant details

While a full report may have research and data on corresponding elements of the main subject, a mini report should only provide directly relevant information. As mini reports are used to summarize information or provide key details in a short amount of time, it's best to only include information that is directly related to the main goal of the report.

For example, if the mini report focuses on customer feedback for your store for the last 30 days, don't include data that pertain to the last 12 months. Instead, stick to what is relevant for this mini report, which is the 30 days of data.

Use Clear Language and Bullet Points

A mini report should be written using clear language. Avoid using overly technical words or industry jargon in your mini report because it can distract the reader from understanding the key points you're trying to communicate. Instead, focus on telling the reader the main findings and recommendations using plain language.

Since mini reports are often used when the reader is short on time and isn't able to review the full scope of information, it's appropriate to use **bullet points** in your mini report. This makes it easy for the reader to scan the information quickly and understand the key elements in a shorter amount of time as compared to reading full paragraphs.

In business, you may be required to provide a mini report along with your colleagues or team members. A group report example is a sales update for the last week by each sales representative. If multiple people are working on a report together, be sure to review the full mini report to ensure the same tone and language is being used throughout. This not only makes it easier to read, but it also appears more professional.

Offer Resources or References for Further Information

Mini reports should include a section on resources or other documents the readers may want to consult after reading the mini report. This way, if the readers require further details or more information on the research and findings, they know where they can find additional materials.

This is where you can include data that are indirectly related or research material that is relevant but not required to fully understand the main point of the mini report. A report example for students may include a reference section for materials consulted while writing the mini report, while a report example for business employees may include links to previous mini reports or data from previous studies.

VIDEO LINK, ON HOW TO DEVELOP RECOMMENDATION OF A BUSINESS RESEARCH https://www.coursera.org/lecture/marketing-research-report/developing-recommendations-KYRBV?utm_source=link&utm_medium=page_share&utm_content=vlp&utm_campaign=top_button

Learning Activities

Learning outcome	Learning Activity	Special instructions
Document Business research findings	Trainees to collect the data on causes of their colleague class absenteeism .This information will be got from class attendance register	After analyzing the the data in terms of days class missed and reasons, Then they should prepare a report to be submitted to the institution management

Practical activities

Trainees are given several research finding from the library and then they are required to write a report and recommendations based on those data.

Self-Assessment

1. Why isn't important to document research finding

2. Identify methods of documentation

3. Highlight way of written documentation

4. Outline the offline and online reporting tools

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Calculator
- Computer
- Stationeries
- Camera
- Internet
- Tablets

Materials

- Questionnaires
- Mark pens

Other Reference materials

- Books from business authors
- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements
- Marketing needs report

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Responses to self-assessment

1. Why isn't important to document research finding

- Keeping track of trends or analysing historical data to get yet more insight
- For others who might want to reuse it,
- For your future reference

2. Identify methods of documentation

- Presentations

- PDF reports
- Research notes
- Digital formats and notebooks

3. Highlight way of written documentation

- A **science journal** to record ideas, hypotheses, observations, materials, etc. - basically all aspects of the inquiry process.
- A **personal journal** to record information about your feelings about the process, relationships between partners etc.
- A **formal report** that states your research process, from hypothesis to literature review, analysis and conclusion, in a standard format for presenting scientific investigations.

4. Online and offline reporting tools

- Executive summaries
- Full data tables
- Action priority reporting
- Newspaper-style headline reports
- Communication reporting
- Flash reports
- Full detailed insight reporting
- Formal and informal presentations
- A3 summary reporting

CHAPTER 2: COORDINATE HUMAN RESOURCE FUNCTIONS

Unit of Learning Title: Coordinating Human Resource Functions

Unit of learning code: BUS/BM/CR/01/5/A

Related Unit of Competency in Occupational Standard: Coordinate Human Resource Functions

2.1 Introduction to the Unit of Learning

This unit specifies the competencies required to coordinate human resource functions. It involves undertaking operational planning and job and resource allocation, implementing departmental teamwork strategy, monitoring team performance, appraising, rewarding and penalizing employee performance, preparing performance improvement plan. It also involves maintaining organization change and preparing departmental team report.

2.2 Summary of Learning Outcomes

1. Undertake operational planning
2. Allocate departmental job and resources
3. Implement departmental teamwork strategy
4. Monitor team performance
5. Appraise employee performance
6. Reward/penalize employee performance
7. Prepare performance improvement plan
8. Maintain organization culture
9. Coordinate organization change
10. Prepare departmental team report

2.2.1 LEARNING OUTCOME 1: UNDERTAKE OPERATIONAL PLANNING

Introduction to the Learning Outcome

The learning outcomes include obtaining the operational plan from strategic plan, identifying required resources, preparing operational budget for approval and obtaining funds. The operations of a department are carried out according to the plans and budgets which require approval to obtain any funds.

2.2.2 Performance Standard

1. The operational plan is obtained from strategic plan according to SOP's,
2. The required resources are identified according to operational plan.
3. The operational budget is prepared and approved according to budget procedure,
4. Funds are obtained according to the organization budget.

2.2.3 Information Sheet

Definitions of terms

Vision: A statement of what the organization aspires to become in the future.

Mission: A statement of why the organization exists.

Goal: A specific statement that provided clear guidance to employees as they perform their work.

Planning: It is the process of thinking about the activities that are to be achieved to meet the desired goal.

Department: It is a specialized functional area or division within an organization.

Budget: It is an estimate of revenue, expenses, resource quantities or cash for a specified future period, usually a year.

Funds: A pool of money allocated for a specific purpose.

Strategic plan: It is a document which outlines the mission, vision, and goals for the next three to five years. The strategic plan is supported by annual operational plans.

Operational plan: It is a document which outlines the key activities and targets an organization will undertake during a period of time, usually one year. It is often linked to funding agreements as well as linked to the organization's strategic plan**.** It is a plan which provides a detailed picture of how a department, section or team will contribute to the attainment of the organization's goals.

Planning Process

Planning process in an organization begins with the establishment of a vision and mission statement. A strategic Plan is then prepared. From this plan an operational plan is prepared. After identifying the required resources, an operational budget is prepared which undergoes an approval process. Human resource is one of the important factors both in the planning and budgeting process, but also as a resource. Figure 1 below shows the planning process.



Figure 14: Annual Operating Plan and Budget – ICANN (drawing to be modified up to annual OP)

Purpose of a Strategic Plan

i. It outlines the mission, vision, and goals for the next three to five years.
ii. It sets the goals and objectives and develops action plans to achieve them.
iii. It outlines the strategy for growth and success of the organization.
iv. It gives the priorities of the organizations in order to achieve long term goals.

Importance of an Operational Plan

i. It draws its mandate from the strategic plan by focusing on the mission, vision and objectives of the organization.
ii. It gives details of the actions the departments or teams must carry out in order to achieve short-term targets and objectives of the organization.
iii. It brings about effective management of employees.
iv. It allows proper allocation of resources.
v. It is adjusted according to organization's needs

Key Components of the Operational Plan

i. Clear objectives of the organization
ii. Activities to be undertaken in the organization
iii. Quality standards to be achieved in operations
iv. Key targets and key performance indicators
v. Staffing requirements
vi. Resource Requirements and Budget
vii. Implementation timetables
viii. A process for monitoring progress
ix. Targets that need to be met in order to achieve short-term goals
x. Risk management plan

Operational Planning Decisions

i. Scheduling of human resources
ii. Availability of materials
iii. Financial availability to meet both capital and revenue expenditure

Differences between Strategic Planning and Operational Planning

1. Time Focus

   The strategic plan outlines long term goals of 3 to 5 years while operational plan outlines short term goals, that is, for the next one year.

2. Plan Focus

   The goal of a strategic plan is to outline the organization's long-term vision and how all departments should work together to achieve it, while an operational plan is focused on department.

3. Plan Generation

   The executives of an organization are responsible for preparing the strategic plan while the operational plan is drawn from the strategic plan with departments working together to meet strategic goals. Every department is responsible for creating their own operational plan.

4. Funding of Plan Budget

   The budget for your strategic plan comes from your strategic budget while the budget for the operational plan comes from the department's annual budget. The annual department budget needs to be aligned to the strategic plan for it to be approved.

5. Reporting

   Strategic plan reporting is usually done both annually and quarterly where the executive evaluates the organizations performance against set targets and goals, while the operational plan is evaluated on an annual basis.

Developing an Operational Plan

In an operational plan, human, financial, and physical resources will be allocated to achieve the short-term goals that support the larger strategic objectives of the organization. The plan will answer questions like:

- Who should be working on what?
- How will we allocate resources on a given task?
- What risks do we face at present and how can they be mitigated?

Steps Taken to Develop Operational Plan

1) Start with the Strategic Plan

An operational plan is a tool for carrying out the strategic plan. It is important to ensure that everyone involved understands the plan.

2) Focus on the Most Important Goals

First the strategic plans are broken down into one-year goals and objectives. Operational plan is created, then determine the key initiatives and KPIs that will help to achieve those goals. Some key initiatives may be:

- New organizational structure
- Faster delivery times
- Improving employee professional development

An organization may select at least three KPIs to drive success in the long-term goals and then identify metrics that will help to measure the progress. KPIs are used by organizations to achieve success.

3) Develop the KPIs Involving the People

The KPIs chosen will guide the work of all employees in the organization for the next year. For small firms, the management could hold an annual planning session where every person is involved in crafting the KPIs for the coming year. Larger organizations restrict participation in planning to their leadership teams only.

4) Communication is Important

At the beginning of the year, KPIs are discussed for the entire organization and every employee must understand the specific metrics, and how they will help the organization achieve its goals, and define each individual's role in working toward success.

It is important to communicate organizational progress on your KPIs and discuss any issues that may have emerged. This can be done through meetings, dashboards, or other means where each employee can be able to track their personal progress and performance.

Case Study

Muzah Ltd is a retail business selling standard footballs. The recent competition in the sports uniform and accessories has forced the management to have one of its focuses on Marketing. The firm is re-thinking their marketing strategy by undertaking a sales promotion campaign for the month of June 2020 for a period of six months. The objective is to increase sales by 20% of current year's sales. The amount set aside for the promotion is Kshs 300,000. The marketing manager will be in charge of the promotion. Assume the promotion is in progress.

i. Using Table 1. Provided, fill in the details of the case study above

Table 12: Operational Plan

Strategic intent	Objective	Strategy	Performance index	Budget	Responsibility	Timeline	Progress
1. Marketing of product	To increase sales by 20% of the current year's sales	Sales Promotion	-Sales promotion carried out -Increase in sales	Kshs 300,000	Marketing manager	December 2020	In progress

(ii) What are three sales promotion strategies that may be used by Muzah Traders?

(iii) Complete number 2 for a second strategic intent which could also apply for the Muzah Traders.

Budgeting

Budgeting involves the systematic collection of information and data so that the funds required to support an organization's objectives can be projected. Organizations have different processes for developing a budget. Before the budgeting process, an organization should have a strategic planning to identify annual goals and objectives. That enables departments to focus their allotted budgets in supporting those objectives.



Figure 15: Budget Activity; Forecasts, Planning, and Allocations

Department Managers and Budgets

Departmental managers participate in the budgeting process by providing information to the accounting department. They provide departmental estimates of expenses and revenue to the accounting department. Department managers also make personal recommendations or requests. A sales manager may request additional funds for staff training resources, while an accounting manager may request a payroll budget increase to hire additional staff.

Human Resource Planning

Human Resource is unique in that it cannot be stored as inventory for later use. Labor is necessary to utilize most other resources. Operational planning should provide a description of labor needs by task, and a description of how those needs will be filled. Depending on the complexity of the plan, specific skill demands may need to be addressed with a discussion of how those skilled tasks will be accomplished.

Evaluate the workforce in terms of drive and motivation, organizational and analytical skills, innovation, problem solving ability, leadership skills, experience, and technical proficiency be considered. In addition, people skills, financial management skills, commitment to the business, and attitudes toward risk need to be considered.

The roles and number of workers are separated into such categories as production and maintenance, marketing, administration and finance. Figure 3 portrays diversity of the workforce in organizations. The planning considers the vision, objectives and goals of the organization to obtain the human resources required.

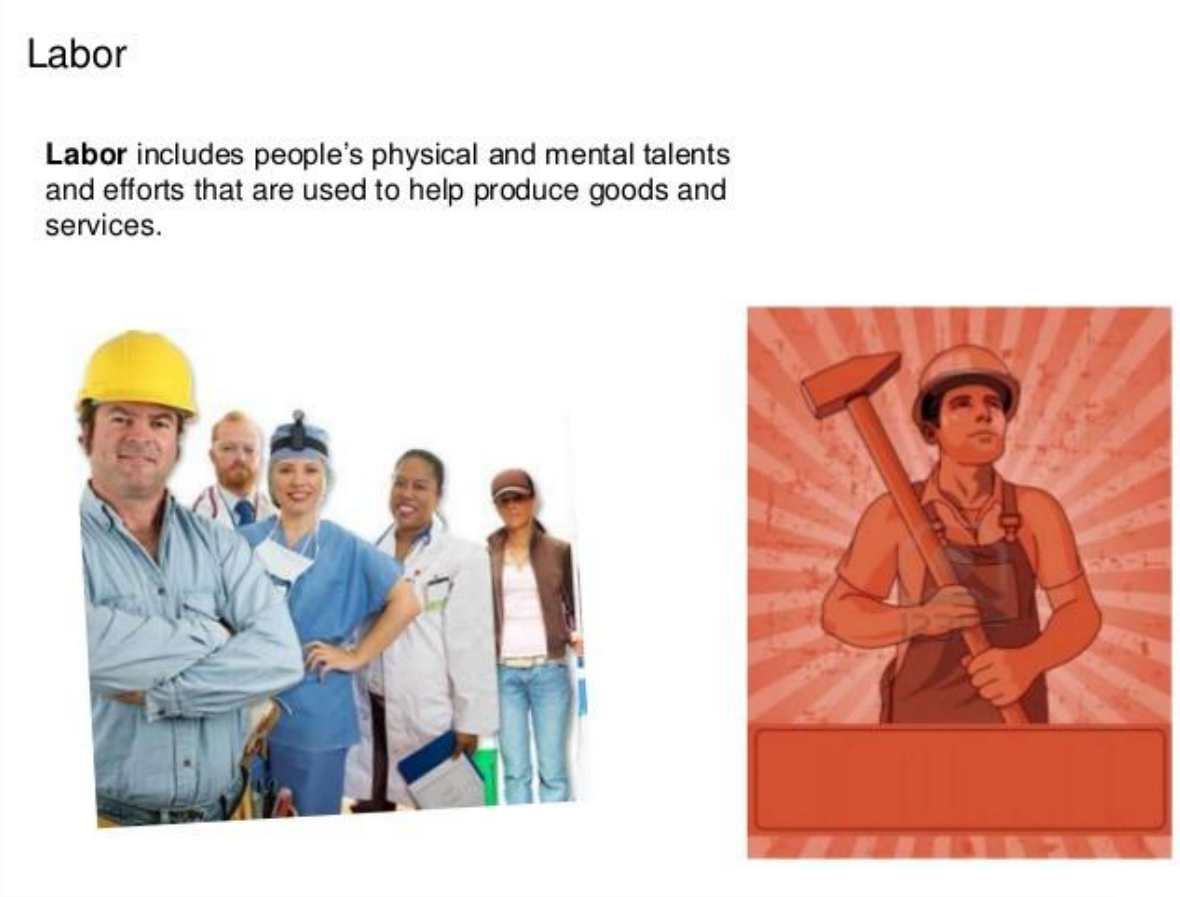


Figure 16: Workforce Diversity

Human Resource Budget

There are many types of budgets for a business. One of the major budgets is the Human Resource Budget which we shall cover in this unit of learning. The Human Resources Budget considers all human resource activities for the organization as a whole. The budget uses financial information, performance results and historical data from every department. The HR budget may include information on the following:

i. Number of employees
ii. Employee turnover rates
iii. Salary data
iv. Recruitment
v. New benefits programs
vi. Training and development

vii. Payroll costs

viii. Overtime payments

ix. Incentive compensation

x. Strategic planning (data/consultants)

xi. HR databases

xii. Other changes in policy, business strategy, laws or regulations that may impact on costs

xiii. A well-planned budget ensures that HR receives the necessary funding to support employee programs, attract and retain a skilled workforce of the organization

Importance of HR Budgeting

i. It prevents over hiring of employees.
ii. It helps organizations understand their staffing needs.
iii. It prevents understaffing of employees.
iv. It aids in attracting top talent for the organization.
v. It helps create a plan for rewarding talent, which may in turn reduce labour turnover.

How to Prepare a Human Resource Budget

There is no specific format of a Human Resource Budget. The budget will depend on the organization's strategic direction. In general, the budget would have the following steps:

1. **Review past financial performance:** Data for past budgets and the strategic plan. Set establish goals and identify capital expenditures based on historical performance.
2. **Determine the budgeting approach:** Determine whether the budget will be based on previous budget (incremental budgets) or start from no budget (zero-based budget). Perform an analysis of HR performance achieved and budgets This analysis should include revenue, both departmental and organizational expenses, staffing (recruiting, hiring, turn-over), and employee compensation.

3. **Analyze the finance impacts of operations:** Obtain all performance data to aid in analysis of all financial and non-financial information available. This will allow setting realistic targets, flexibility and monitoring.

Budget Approval

Budgeting in an organization is a team effort involving people from all organizational levels. Managers, supervisors and employees from every department provide information that budget owners use to draft budget proposals. The board of directors is responsible for approving or denying budget recommendations. The figure 4 below shows the budget cycle.

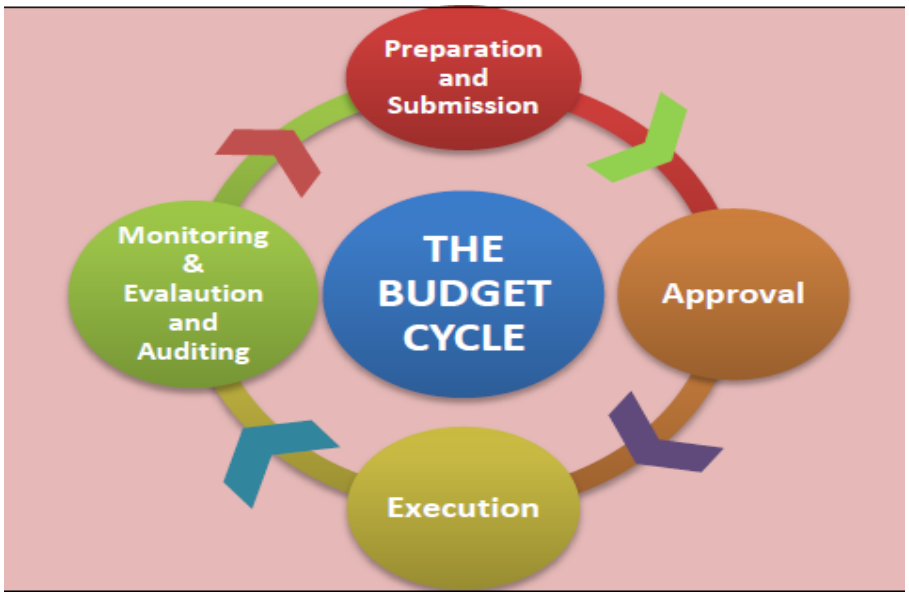


Figure 17: Budget Cycle

Procedure for Budget Approval

1. Budget Preparation

Departmental or division managers are responsible for preparing budgets. The managers receive guidelines for preparation from top management.

2. Budgets Initial Review

The budgets are consolidated and reviewed by the finance staff by comparing with previous budgets, checking on if budget is reasonable and can be achieved.

3. Review by Top Management

Top management reviews the consolidated budget and ensures that it is in line with the goals they set for the coming year. The profit and expenditure projections checked and analysis done

4. Meeting or Top Management with Departmental Managers

Top management may meet with departmental managers, and finance staff to discuss the rationale behind amounts given. Top management has to weigh the consequences of major budget cuts, ensure effective functioning of department as well as maximization of profits.

5. Moving the Budget After Adjustments

A department manager will have to adjust the final budget to be in line with the top management decisions made and reasons given. The manager will still try to reach his departmental goals by putting maximum effort in the coming year.

Funding of Budgets

Budgets expenditures are already planned for in the cash budget. Internally generated cash includes; sales of goods or services, sale of fixed assets, interest and dividend from investments and other income receivable. External Funding is in form of debt capital, loans from bank, overdrafts. For a limited company, it can issue shares to public.

2.2.4 Learning Activities

1. Visit three institutions in your locality (church, school, supermarket)
   a) Find out if they have/ or prepare the following:
      i. Strategic Plan
      ii. Operational Plan
      iii. Budgets
   b) Get a Sample or cover page picture or any relevant one, if allowed. (Use mobile phone camera or photocopy the relevant page.
   c) Do a class presentation of findings for 10 minutes in the next session.

2. Visit the website of one of the large organizations in either in Telecommunications, Banking, and Manufacturing and select one of your choice (Do this exercise in the computer lab with internet or cyber.)
   i. Identify the ongoing operational plans of the organization.

ii. The projected activities for the future period

iii. The long-term source of funding utilized

3. Kulax Enterprises is on the road to recovery from the covid-19 pandemic. The firm had closed down its activities and it is now intending to reopen and operate at a reduced budget. (Role play a committee set up)

   You have been selected to be a member of the HR review committee together with your colleagues.

   The top management has recommended that the budget is revised downwards from the previous level to 60%. The following is a list of items earmarked for reduction or to remain the same;

Table13: Revised HR Budget Items to Be Adjusted for Approval

S. No	**Items of expenditure**	**Previous Budget Amount**	**Proposed Budget Amount (Fill in) ***	**Reason for <u>reduction or not</u> (Give a reason why)**
		Kshs 000	Kshs 000	
1	Advertising and recruitment	2,200		
2	Selection and placement	900		
3	Training and development	3,600		
4	Travelling expenses	5,900		
5	Salaries and benefits	13,800		
6	Overtime allowance	1,700		
7	Mobile phone allowance	2,400		
	TOTAL	**30,500**	**18,300**	

*Any amount filled with reason and total must be = (Kshs) 18,300

4. Find out the types of resources that are required in the planning of operations of a school/college/university located in your locality. Write a short report on the Resources.

Self-Assessment

1. Mutune has business with three sections and 20 employees and he feels that there is no need to have an operation plan since the strategic plan is sufficient. What would you tell him about the importance of operational plan for his business?
2. A new supervisor has joined your department and he will be involved in the development of the operational plan. How will you guide him in the process of developing the plan?
3. Which are the sources of funding for the budget?
4. What are the steps taken for budget approval?
5. Which of the following is the correct order for undertaking operational plans?
    a) Strategic plan, budget, budget approval operational plan funding
    b) Funding, operational plan, strategic plan operational budget
    c) Strategic plan, operational plan, budget, approval of budget, funding
    d) Budget, operational plan, strategic plan, funding, budget approval
6. Which of the following is not a component of an operational plan?
    a) Resource requirement
    b) Vision
    c) Monitoring
    d) Objectives
7. The HR department of Texfirm requires the following additional resources for the Financial Year 2021 included in the operational plan. Complete the Table 3 below.

Table 14: Resource Categories

S. No	Resource Requirement	Indicate resource type: Human Resource /Capital/Service Provider
1	Data Analyst	
2	Furniture	
3	Outside catering services	
4	HR supervisor	
5	Laptops	
6	Office Assistant	
7	Internet; WiFi and data bundles	

2.2.5 Tools, Equipment, Supplies and Materials

- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile Phones
- Projectors
- Format templates company operating procedures
- Industry/workplace codes of practice
- Internet
- Organization policies
- Legal regulations and requirements
- Writing materials

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https://images.template.net/wp-content/uploads/2016/02/03093858/Human-Resources-Operational-Plan-Sample-Template-Free-Download.pdf

https://images.cabri-sbo.org Making budgets More accessible Image

Answers for Self-Assessment

1. **Mutune has business with three sections and 20 employees and he feels that there is no need to have an operation plan since the strategic plan is**

sufficient. What would you tell him about the importance of operational plan for his business?

i. It draws its mandate from the strategic plan by focusing on the mission, vision and objectives of the organization.
ii. It gives details of the actions the departments or teams must carry out in order to achieve short-term targets and objectives of the organization.
iii. It is bringing about effective management of employees.
iv. It allows proper allocation of resources.
v. It is adjusted according to organization's needs.

2. **A new supervisor has joined your department and he will be involved in the development of the operational plan. How will you guide him in the process of developing the plan?**

1) Start with the strategic plan.

An operational plan is a tool for carrying out the strategic plan. It is important to ensure that everyone involved understands the plan.

2) Focus on the most important goals.

First the strategic plans are broken down into one-year goals and objectives. Operational plan is created, then determine the key initiatives and KPIs that will help to achieve those goals.

3) Develop the KPIs involving the people.

The KPIs chosen will guide the work of all employees in the organization for the next year. For small firms, the management could hold an annual planning session where every person is involved in crafting the KPIs for the coming year

4) Communication is important.

At the beginning of the year, KPIs are discussed for the entire organization and every employee must understand the specific metrics, and how they will help the organization achieve its goals, and define each individual's role in working toward success.

3. **Which are the sources of funding for the budget?**

Debt capital, loans from bank, overdrafts, and issue shares to public, internally generated cash. (Explained)

4. **What are the steps taken for budget approval?**

   1) Budget Preparation

   Departmental or division managers are responsible for preparing budgets. The managers receive guidelines for preparation from top management.

   2) Budgets Initial Review

   The budgets are consolidated and reviewed by the finance staff by comparing with previous budgets, checking on if budget is reasonable and can be achieved.

   3) Review by Top Management

   Top management reviews the consolidated budget and ensures that it is in line with the goals they set for the coming year. The profit and expenditure projections checked and analysis done.

   4) Meeting or Top Management with Departmental Managers

   Top management may meet with departmental managers, and finance staff to discuss the rationale behind amounts given. Top management has to weigh the consequences of major budget cuts, ensure effective functioning of department as well as maximization of profits.

   5) Moving the Budget After Adjustments

   A department manager will have to adjust the final budget to be in line with the top management decisions made and reasons given. The manager will still try to reach his departmental goals by putting maximum effort in the coming year.

5. **Which of the following is the correct order for undertaking operational plans?**

   a) Strategic plan, budget, budget approval operational plan funding
   b) Funding, operational plan, strategic plan operational budget
   c) Strategic plan, operational plan, budget, approval of budget, funding
   d) Budget, operational plan, strategic plan, funding, budget approval

6. **Which of the following is not a component of an operational plan?**
   a) Resource requirement
   b) Vision
   c) Monitoring
   d) Objectives

7. The HR department of Texfirm requires the following additional resources for the Financial Year 2021 included in the operational plan. Complete the table below.

Resource Solution;

S. No	Resource Requirement	Indicate resource type: Human resource /Capital/Service provider
1	Data Analyst	Human Resource
2	Furniture	Capital
3	Outside catering services	Service Provider
4	HR supervisor	Human Resource
5	Laptops	Capital
6	Office Assistant	Human Resource
7	Internet; WiFi	Service Provider

2.2.2 LEARNING OUTCOME 2: ALLOCATE DEPARTMENTAL JOBS AND RESOURCES

Introduction to the Learning Outcome

The learning outcomes include identifying duties to be performed, selecting employees, assigning roles and allocating resources. Resource allocation is a plan for using available resources, for example human resources in order to achieve goals for an organization. Supervisors are responsible for establishing a work allocation for individuals that is fair and reasonable and identifies variances in work flow.

Performance Standard

1. Duties to be performed are identified according to departmental needs
2. Employees are selected based on their expertise and job description.
3. Roles are assigned according to job requirements
4. Resources are allocated based on the job requirements.

Information Sheet

Meaning of Terms

Resources

It is a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.

Allocation

An allocation is an amount of something especially money that is given to a particular person or used for a particular purpose. Allocation is defined as the act of being portioned out for a certain reason. An example of allocation is when one refers to how the school fund-raising money is to be used for new computers.

Resource Allocation

This is the distribution of resources, usually financial, among competing groups of people or programs.

Department

It is a division of a business dealing with a particular area of activity.

Job

This is the work that someone does to earn money. It consists of duties, responsibilities, and tasks (performance elements) that are defined and specific, and can be accomplished, quantified, measured and rated.

Job Description

An internal document that clearly states the essential job requirements, job duties, job responsibilities and skills required to perform a specific role. In HRM, job description is a broad, general and written statement of a specific job, based on the findings of a job analysis. It generally includes duties, purpose, responsibilities, scope, and working conditions of a job along with a job's title, and the name or designation of the person to whom the person reports.

Job Analysis

These are procedures to identify the contents of a job in terms of activities involved and attributes or job requirements.

Attrition

It is the gradual but deliberate reduction in staff numbers that occurs as employees retire, or resign and are not replaced.

Placement

Placement is the process of assigning a specific job to each one of the selected candidates.

Employee Positioning and Workload Allocation

Assigning tasks to employees is a difficult task. Errors committed in such assignments can have far-reaching consequences. After task assignments are determined, tasks are assigned to employees so as to minimize boredom, and imbalance of work between the individual employees.



Figure 18: Workload Allocation

Effects of Poorly-Assigned Tasks

- Reduced efficiency
- Absenteeism
- Lack of job satisfaction
- Formal grievances
- Generally deteriorating labor relations.

Many invest an enormous amount of money, time and other resources in advertising and recruiting strategies to attract the best candidates. This is because today's executives understand that one of the most important resources in the organization is human resources.

Yet, when it comes to actually assessing which job candidates are likely to perform most effectively and make the most significant contributions, a large number of organizations do not employ the best methods of selecting their workforces. This leads to a serious disconnect for organizations that wants to have a strategic focus on increasing their competitive advantage through effective talent management. When organizations make good selection decisions, this results in:

- Increase in productivity
- Savings in costs
- Decrease in attrition

The following are reasons why some organizations do not use formal assessment methods to select employees:

- They have misconceptions about the value of using the methods.
- Lack of knowledge about the types of assessment methods.
- Area of selection testing tends to be technical and difficult to understand.
- There are too many consulting firms selling different selection products and tools.

Organizations need to build high quality human resource. They do this by identifying people who will:

- Perform effectively
- Achieve results
- Make important contribution

Selection Process

The following are some common methods of screening so as to identify the right staff:

1. Assessing their curriculum vitae or resumes
2. Using application forms
3. Asking for references
4. Informal meeting with the potential candidate
5. Phone interviews
6. Physical interviews
7. Head hunting

Handling Work Allocation Complaints

It is possible that some employees may find it difficult to discuss work allocation complaints with their supervisor. However, the employee should feel free to have open communication in relation to work allocation, duties and time frames. This may make it easier to discuss their concerns and it should be done as soon as possible. The following approaches may provide assistance to employees in their discussions or in any other discussion in relation to work allocation:

- Provide specific examples about the problems they are experiencing with their workload allocation.

- They should advise their supervisor about their work duties, responsibilities and projects, and explain how these are having an impact on their individual or team work allocations.
- They should discuss specific examples of where they feel that their work allocation has been too much.
- They should provide the supervisor with practical suggestions about how these concerns may be solved.

Roles Are Assigned According to Job Requirements

Job Analysis

The first step in developing or selecting an assessment method for a given situation is to understand what the job requires employees to do and, in turn, what knowledge, skills and abilities (KSAs) individuals must possess in order to perform the job effectively. This is typically accomplished by conducting a **job analysis.**

The type of a job analysis that focuses on what the job requires individuals to do is often referred to as a job-oriented or task-based job analysis. It describes a complete list of work or tasks that individuals are required to perform on the job. The portion of a job analysis that focuses on the KSAs that workers must possess to be effective is often referred to as a worker-oriented or KSA-based job analysis.

Therefore, a job analyst first identifies the tasks that workers are required to perform on the job and then identifies the KSAs that are needed to effectively perform those tasks. The major steps involved in performing a job analysis are:

STEP 1

Observe or interview job experts to develop a list of tasks performed on the job.

STEP 2

Observe or interview job experts to develop a list of the KSAs workers must possess to perform job tasks effectively.

STEP 3

Survey a sample of workers or their supervisors, asking them to rate which job tasks and KSAs are most critical for effective job performance.

STEP 4

Analyze the survey data to prioritize the most critical tasks and KSAs for the job.

STEP 5

Select or develop assessments that measure the most critical tasks or KSAs that a worker must possess upon entry to the job.

The Steps of a Recruitment Process

1) Preparation

2) Receive applications

3) Selection **stage** 1: Weed out unqualified applicants

4) Selection **stage** 2: Rating and ranking candidates

5) Selection **stage** 3: Interviews

6) Selection **stage** 4: Simulated work exercise

7) Offer and tying off loose ends

Placement

Placement is the process of assigning a specific job to each one of the selected candidates. In very simple words placement means sending the newly employed person to some department for work. Matching the requirements of the job with the qualifications of a candidate is the essence of placement.

According to Pigors and Myers, "Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands. It is a matching of what he imposes (in strain, working conditions etc.) and what he offers (in the form of payroll, companionship with others, promotional possibilities etc.)"

It also implies assigning a specific rank and responsibility to an individual. The objectives of placement are:

(a) To fill the job with people who have at least the minimum required qualifications.

(b) People should be placed on the job that will make the best possible use of their talents, given available job and HR constraints.

The following basic principles should be followed at the time of placement of a worker on the job.

1. Employee should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the employee. Job first; employee next should be the principle of placement.
2. The job should be offered to the employee according to their qualifications. The placement should neither be higher nor lower than the qualifications.
3. The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. They should also be made aware of the penalties if they commit a wrong.
4. While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in them so that they may realize their responsibilities better towards the job and the organization.
5. The placement should be ready before the joining date of the newly selected person.
6. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where they can do their work.

Benefits of Placement

1. Proper placement helps to improve employee morale.
2. The capacity of the employee can be utilized fully if he is placed on the job for which he is most suitable.
3. Right placement also helps to reduce labor turnover, absenteeism and accident rates.
4. If a candidate adjusts himself to the job and continues to perform as per expectations, it might mean that the candidate is properly placed.

Problems in Placement

The main problem with placement arises when the recruiters look at the individual but not at the job. Often, the individual does not work independent of the others.

Job Classification

Jobs are classified into three categories:

1. Independent Jobs:

In independent jobs, non-overlapping routes or territories are allotted to each employee e.g. in field sales. In such situations, the activities of one employee have little bearing on the activities of other workers. Independent jobs do-not pose great problems in placement. Each employee has to be evaluated between his capabilities and interests and those required on the job.

2. Dependent Jobs:

Dependent jobs may be sequential or pooled. In sequential jobs, the activities of one employee are dependent on the activities of a fellow employee. Assembly lines are the best example of such jobs.

In pooled jobs, there is high interdependence among jobs. The final output is the result of the contribution of all the workers.

In dependent jobs, an employee is placed in a specific sub group. While placing, care must be taken to match characteristics of the employee with that of the sub group, because in such jobs, team work matters a lot. HR specialists must use assessment classification model for placing newly hired employees.

Resources Are Allocated Based on Job Requirements

In strategic planning, resource allocation is a plan for using available resources, for example human resources, to achieve goals for the future. It is the process of allocating scarce resources among the various business units. Resource allocation is the process of assigning and scheduling resources to project tasks.

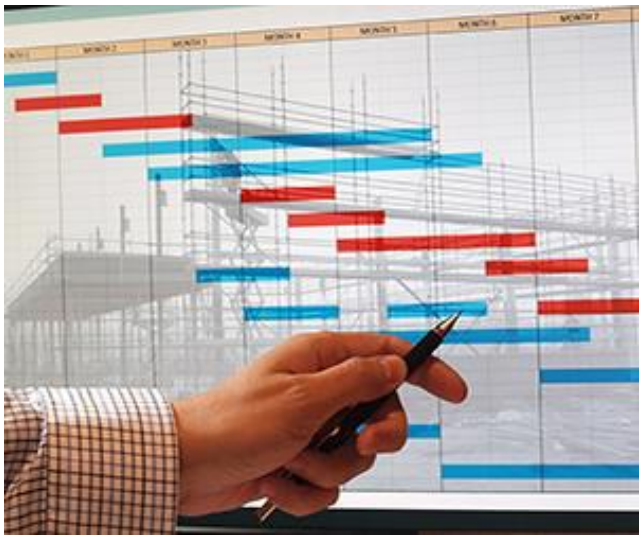


Figure 19: Allocate Resources

Each task requires resources in order to be successfully performed. As a minimum, most tasks require a human resource to carry out some actions. Usually, the person starts with some input materials which are used to produce an output.

Generally, there are five types of resources:

1. **Labour**

   Human resources are an integral part of most projects. The human resource team has needs that require active management.

2. **Equipment**

   Tools and equipment that are used to produce the product, but don't become part of it, must be identified and allocated to each task. This equipment must be paid a reasonable rate that takes into account the wear and tear experienced during their usage. Specialty equipment often requires significant investment of time and money.

3. **Materials**

   Materials that become a part of the final product must be allocated so that they can be procured at the right time and their availability is confirmed.

4. **Facilities**

   Buildings and work areas are often a significant cost to organization. If they are not readily available, they also require space in the project schedule and budget to ensure they are ready for the project team.

5. **Miscellaneous**

   Many businesses require other resources that impact the budget or schedule. This can include business financing and insurance costs, administration, contingencies, transportation and delivery, or any other item necessary to perform the tasks.

Learning Activities

1. Visit any departmental office in the institution. How many job positions can you identify in the organization? Prepare a job description for one of this job position.
2. As a supervisor in your organization, you have been requested by the human resource manager to represent him on an assignment where he had been asked to make a 7-minute presentation to the sales department employees on "*the importance of selecting the right human resources in an organization"*

Self-Assessment

Q1. John is a supervisor with Kayan Enterprises. Various employees in the organization have expressed dissatisfaction with the way their jobs roles are being allocated. What should the human resource officer do to address this problem?

Q2. What are the purposes of a Job Description?

Q3. "Provide testimony by stating facts and answering questions."
What knowledge, skills and attitudes would be required to perform the task in 2 above?

1.2.2.1 Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment Questions

1. **What are the purposes of a job description?**
    - To collect job related data in order to advertise for a particular job.
    - To determine what needs to be delivered in a particular job.
    - It gives recruiting staff a clear view what kind of candidate is required by a particular department.
    - It clarifies who will report to whom.

2. **John is a supervisor with Kayan Enterprises. Various employees in the organization have expressed dissatisfaction with the way their job roles are being allocated. What should the human resource officer do to address this problem?**
    - Employee development activities – he encourages them to talk with the supervisor about professional development opportunities that may assist in completing work duties more efficiently and effectively.
    - Leave plans - discuss with the supervisor when they plan to take periods of leave during quieter work periods.
    - Agree on an action plan - during discussions with the supervisor, agree on possible solutions and time frames. Plan to meet again to discuss progress in managing the work allocation.
    - Review position descriptions - discuss with the supervisor the possibility of reviewing the position description and job role - it may be that the job has grown significantly and it is no longer appropriate for one person to manage all aspects of the role. (solution to case study)
    - Discuss priorities - seek clarification on the tasks that they are expected to complete. Discuss with the Supervisor what they consider are the high, medium or low priorities.
    - Be solution oriented - discuss any concerns with the supervisor - sometimes supervisors are not aware of what the problems are. Suggest how the issues may be resolved.
    - Establish realistic timeframes - seek clarification on timeframes to assist in completing allocated work tasks - if they feel they are unrealistic then advise the supervisor.

- Discuss priorities - seek clarification on the tasks that they are expected to complete. Discuss with the supervisor what they consider are the high, medium or low priorities.
- Be solution oriented - discuss any concerns with the supervisor - sometimes supervisors are not aware of what the problems are. Suggest how the issues may be resolved.
- Establish realistic timeframes - seek clarification on timeframes to assist in completing allocated work tasks - if they feel they are unrealistic then advise the supervisor.

3. What knowledge, skills and attitudes **would be required to perform the task in 2 above:**

- The ability to speak clearly, self-confidently and concisely using voice inflection, gestures and eye contact for emphasis;
- The ability to maintain a professional demeanor and appearance at all times;
- The ability to remain calm and levelheaded under stress.

2.2.3 LEARNING OUTCOME 3: IMPLEMENT DEPARTMENTAL TEAMWORK STRATEGY

Introduction to the Learning Outcome

This learning outcome involves determining teamwork benefits and managing their stages. The activities involved are: determining teamwork benefits, managing teamwork stages, establishing team building process, establishing teamwork rewards and reviewing teamwork strategies.

Performance Standard

1. Teamwork benefits are determined in accordance with the strategic plan
2. Teamwork stages are managed in accordance to HR procedures.
3. Team building process is established in accordance to HR procedures.
4. Teamwork rewards are established in accordance to HR incentives plans and budgets
5. Teamwork strategies are reviewed according to SOPs.

Information Sheet

Definition of Terms

A team

It is more than just a group of people who happen to work together. It is a group of people working towards common goals and objectives and sharing responsibility for the outcomes.

Virtual team: It refers to a group of individuals who work together from different geographical locations and rely on communication technology.

Committee: It is a body of one or more persons that is subordinate to a deliberative assembly. It is a group of people chosen from a larger group to act on or consider matters of a particular kind.

Team empowerment: Empowerment is the authority and permission to act. To empower a team therefore is to free them to do their job unencumbered.

Team building: It is a collective term for various types of activities used to enhance social relations and define roles within teams, often involving collaborative tasks.

Teamwork benefits are determined in accordance with the strategic plan

Increasingly, a team may be composed of people drawn from different functions, departments and disciplines who have been brought together for a specific project.

In the case of Motorola's RAZR team, the specific goal was to develop (and ultimately bring to market) an ultrathin cell phone that would help restore the company's reputation. The team achieved its goal by integrating specialized but complementary skills in engineering and design and by making the most of its authority to make its own decisions and manage its own operations.

Some Key Characteristics of Teams

1. Purpose is understood by all
2. Share accountability for achieving specific common goals
3. Communication is open and direct
4. Sufficient leadership is available e.g. coaching
5. To a certain degree, the team has a structure
6. Function interdependently
7. Require stability
8. Adequate resources exist
9. Achieve synergy – team greater than the sum of its part
10. Hold authority and decision-making power
11. Operate in a social context

Types of Teams

1. Multi-Disciplinary Teams

- Increase workers awareness
- Aid coordination between different function areas
- Help to generate solutions to problems

2. Multi-skilled Teams

- Brings together a number of individuals with skills to perform any of the team tasks
- Tasks are shared – more flexibility
- Cornerstone of empowerment – beyond JD

3. Virtual Teams

- Facilitates teams working in remote locations
- Ideally suited for the millennials and networked employees
- Utilization of ICT platforms

Figure 20: A Winning Team



Why do major organizations now rely so much on teams to improve operations? Executives at Xerox have reported that team-based operations are 30 percent more productive than conventional operations. General Mills says that factories organized around team activities are 40 percent more productive than traditionally organized factories. FedEx says that teams reduced service errors (lost packages, incorrect bills) by 13 percent in the first year.

Today it seems obvious that teams can address a variety of challenges in the world of corporate activity. Companies are more likely to report successes than failures. As a matter of fact, teams don't always work. According to one study, team-based projects fail 50 to 70 percent of the time.

The Effect of Teams on Performance

Research shows that companies build and support teams because of their effect on overall workplace performance, both organizational and individual. If we examine the impact of team-based operations according to a wide range of relevant criteria, we find that overall organizational performance generally improves.

Area of Performance Firms Reporting Improvement

Product and service quality: 70%

Customer service: 67%

Worker satisfaction: 66%

Quality of work life: 63%

Productivity: 61%

Competitiveness: 50%

Profitability: 45%

Absenteeism/turnover: 23%

Types of Teams

Teams, then, can improve company and individual performance in a number of areas. Not all teams, however, are formed to achieve the same goals or charged with the same responsibilities. Nor are they organized in the same way. Some, for instance, are more autonomous than others — less accountable to those higher up in the organization. Some depend on a team leader who's responsible for defining the team's goals and making sure that its activities are performed effectively. Others are more or less self- governing: though a leader lays out overall goals and strategies, the team itself chooses and manages the methods by which it pursues its goals and implements its strategies.

Teams also vary according to their membership.

i. Manager-Led Teams

As its name implies, in the manager-led team the manager is the team leader and is in charge of setting team goals, assigning tasks, and monitoring the team's performance. The individual team members have relatively little autonomy. For example, the key employees of a professional football team (a manager-led team) are highly trained (and highly paid) athletes, but their activities on the field are tightly controlled by a head coach. As team manager, the coach is responsible both for developing the strategies by which the team pursues its goal of winning games and for the outcome of each game and season. He's also solely responsible for interacting with managers above him in the organization. The players are responsible mainly for executing plays.

ii. Self-Managing Teams

Self-managing teams (also known as self-directed teams) have considerable autonomy. They are usually small and often absorb activities that were once performed by traditional supervisors. A manager or team leader may determine overall goals, but the members of the self-managing team control the activities needed to achieve those goals.

Self-managing teams are the organizational hallmark of Whole Foods Market, the largest natural-foods grocer in the United States. Each store is run by ten departmental teams, and virtually every store employee is a member of a team. Each team has a designated leader and its own performance targets. (Team leaders also belong to a store team, and store-team leaders belong to a regional team.) To do its job, every team has access to the kind of information—including sales and even salary figures—that most companies reserve for traditional managers.

Not every self-managed team enjoys the same degree of autonomy. Companies vary widely in choosing which tasks teams are allowed to manage and which ones are best left to upper-level management only. Self-managing teams are often allowed to schedule assignments, but they are rarely allowed to fire coworkers.

iii. Cross-Functional Teams

Many companies use cross-functional teams—teams that, as the name suggests, cut across an organization's functional areas (operations, marketing, finance, and so on). A cross- functional team is designed to take advantage of the special expertise of members drawn from different functional areas of the company.

When the Internal Revenue Service, for example, wanted to study the effects on employees of a major change in information systems, it created a cross-functional team composed of people from a wide range of departments. The final study reflected expertise in such areas as job analysis, training, change management, industrial psychology, and ergonomics.

Cross-functional teams figure prominently in the product-development process at Nike, where they take advantage of expertise from both inside and outside the company.

Typically, team members include not only product designers, marketing specialists, and accountants but also sports-research experts, coaches, athletes, and even consumers. Likewise, Motorola's RAZR team was a cross-functional team; responsibility for developing the new product wasn't passed along from the design team to the engineering team but rather was entrusted to a special team composed of both designers and engineers.

Committees and task forces, both of which are dedicated to specific issues or tasks, are often cross-functional teams. Problem-solving teams, which are created to study such issues as improving quality or reducing waste, may be either intradepartmental or cross- functional.

iv. Virtual Teams

Technology now makes it possible for teams to function not only across organizational boundaries like functional areas but also across time and space. Technologies such as videoconferencing allow people to interact simultaneously and in real time, offering a number of advantages in conducting the business of a virtual team.

Members can participate from any location or at any time of day, and teams can "meet" for as long as it takes to achieve a goal or solve a problem—a few days, weeks, or months. Team size does not seem to be an obstacle when it comes to virtual-team meetings.

Skills required in a team

A team can succeed only if its members provide the skills that need managing. In particular, every team requires some mixture of three sets of skills**:**

1. Technical Skills

Because teams must perform certain tasks, they need people with the skills to perform them. For example, if your project calls for a lot of math work, it's good to have someone with the necessary quantitative skills.

2. Decision-Making and Problem-Solving Skills

Because every task is subject to problems, and because handling every problem means deciding on the best solution, it's good to have members who are skilled in identifying problems, evaluating alternative solutions, and deciding on the best options.

3. Interpersonal Skills

Because teams need direction and motivation and depend on communication, every group benefit from members who know how to listen, provides feedback, and resolve conflict. Some members must also be good at communicating the team's goals and needs to outsiders**.**

Managing Teamwork Stages

Teams have become a common feature of organizational life. Workplace teams are used to carry out projects of various kinds and can make a significant contribution to organizational success, but the development of good working relationships is vital to team performance. Organizations that take the time to invest in building effective teams will reap the benefits of improved morale, better performance and the successful completion of projects.

Good leadership is a key to team performance and team leaders have a vital role to play in ensuring that team members work well together and are able to achieve the goals which have been set. Their role is that of facilitator. They need to understand the nature of the task in hand as well as the broader organizational context. They need to assess the knowledge, skills and experience of each team members and what motivates them. They need to engage individuals and help them to find their place in the work of the team.

Successful team building can:

1. Coordinate the efforts of individuals as they tackle complex tasks
2. Make the most of expertise and knowledge which might otherwise remain untapped
3. Build on the complementary strengths of team members to produce results which could not be achieved by employees working individually

4. Raise and sustain motivation and confidence as team members feel supported and involved
5. Encourage members to work together to generate fresh ideas solve problems, and find new ways forward
6. Help to break down communication barriers and avoid unhealthy competition, rivalry and point scoring between departments
7. Raise the level of individual and collective empowerment
8. Enhance engagement with and ownership of the task in hand

Steps in Successful Team Building

Team building begins with the effective selection and grouping of team members. It includes the encouragement of good working relationships and practices, which enable the team to steer and develop the work and reach their goals.

This checklist outlines steps in the development of workplace teams and covers the main issues which team leaders need to address. Its focus is on co-located rather than virtual or remote teams:

1. Consider whether a team is the best option

Don't assume that a team is necessarily the best way of achieving the objectives you have in mind. Think carefully about the tasks to be completed and the skills required before launching into the formation of a team. Consider whether there is a need for a mix of skills and experience, the sharing of workloads, or for brainstorming and problem solving. In such cases a team will often be the best option.

Otherwise, ask yourself whether the task can be more effectively carried out by a single person with the relevant knowledge and skills. It is important to weigh the advantages and disadvantages of team working – there may be losses in coordination and motivation if teams are not carefully developed and managed. Organizational culture should also be considered - teamwork may be difficult, for example, in an organization with a culture of rigid reporting structures or fixed work procedures.

2. Define objectives and the skills needed to reach them

Think carefully about the nature of the tasks or projects to be carried out by the team and the mix of knowledge and skills needed. For teams handling routine tasks on a

long-term basis, low levels of diversity in the team and clear definitions of tasks and roles are required. In this context, the key aims would be high levels of team cohesion and commitment and low levels of conflict.

For innovation and problem solving, on the other hand, high levels of diversity and complementary skills will be required and the definition of goals and roles may be left to the team. This might involve losses in coordination, much less cohesion, and fairly high potential for conflict, but could be worthwhile if new ideas and solutions are required.

3. Consider the make-up of the team

If you are forming a new team, you need to consider the number of people involved, their cultural backgrounds and the skill set they bring to the team. If you are setting up an international or multi-cultural team you may wish to study Geert Hofstede's work on cultural differences. This will give you a better understanding of issues such as differing attitudes to authority, individual responsibility and uncertainty avoidance.

In many organizations, however the selection of team members will be outside the remit of the team leader. In such cases the process of developing good working relationships and practices within the team is even more vital to success.

The work of Meredith Belbin provides some useful insights into the patterns of behaviour exhibited by team members and the way they interact with each other. You may wish to take these into account when putting a team together or seeking to shape an existing team. Belbin identifies a number of roles which team members can play and their respective strengths and weaknesses. He suggests that teams need a balance of members with differing roles if they are to work together effectively.

Furthermore, an understanding of personal differences and roles can help team members to cooperate more successfully, complementing each other's strengths. Teams with a strong focus on innovation who need to develop new ideas may benefit from members with who can think in different ways to analyze problems and find solutions.

4. Plan your team building strategy

The following aspects must be considered:

- A climate of trust – nurturing team culture is a vital part of the team leader's role. Mistakes and failures should be seen as learning experiences, not as occasions to apportion blame.
- Communication – clear and frequent communication is vital. The free flow of information will help team members understand how their work contributes to business objectives and promote better integration.
- Training – specialist training may be needed to handle the tasks required, especially if the team leader has not been able to select team members personally. Team leaders will need project management skills and the ability to manage meetings, moderate discussions and handle conflict. Team members will also need good interpersonal skills, including communication and negotiation.
- Time – ensure that there is time to coordinate activities, to develop ideas and to monitor progress and that there are opportunities for regular meetings. Be aware that attitudes to time differ significantly across cultures.
- Resources – make sure that the team has access to the resources and materials they will need to complete their work.
- Objectives – these need to be clearly understood by all team members. This is increasingly a matter of involving team members in setting objectives rather than dictating prescribed objectives to them. Team members with a clear understanding of their own objectives and their place within the team and the wider organisation are more likely to be able to motivate themselves to achieve, and to exhibit higher levels of job satisfaction, commitment, excitement and enthusiasm.
- Tasks and roles – it is vital for team members to be absolutely clear about what is expected of them and what tasks have to be carried out. Consider how you will handle the situation if tasks and roles are not respected.
- Feedback - everybody needs to know how well they are doing and if and where improvements can be made. Feedback should focus firstly on the positive aspects and then on ways of addressing any problems or difficulties. You may also consider bringing in someone with team building experience to help with the initial phases, especially if the team's task is major or complex.

Alternatively, consider whether team building activities such as outbound team building, games or process labs would be helpful and appropriate.

5. Get the Team Together

From the outset you should aim to start to encourage the group to see themselves as a team, rather than a collection of individuals. At the initial meeting, discuss and agree the overall objectives the team is to achieve, rather than attempting to address tasks in detail. Make sure that everyone understands their personal contribution to the team's success, its place in the project schedule and its importance to the project's success. Bear in mind that most teams pass through several stages of development before starting to produce their best work.

Once a problem-solving strategy has been found by an 'innovative' team, it may be necessary to form a new team to implement the solution.

Blanchard's situational leadership model can help managers to lead teams through these stages as it provides for individual team members to be managed according to their differing needs for coaching, support or direction.

6. Explore and Establish Operating Ground Rules

It is vital to establish ground rules from the outset, especially for cross-cultural or remote teams. Agree processes for decision-making and reporting which will be maintained throughout the life-span of the team. Establish when and how often meetings will take place and how they will be managed. Encourage a climate of open and honest communication, so that, as far as possible, team members will be able to express opinions without fear of recrimination and minority views will be heard and considered.

For certain projects you might want to consider using a version of the "Delphi Method". The team leader and all members may contribute to crucial decision-making processes, anonymously via questionnaires, on an iterative basis, until a consensus is reached. Anonymity can reduce internal conflicts or personality issues among team members, and support complex strategic decision-making.

7. Identify Individuals' Strengths and Motivations

Carry out an audit of individuals' strengths and place people in the right position based on their skills and competences. Consider also how contributions and responsibilities overlap and how synergy can be released. It is important for team members to reach a common understanding of each other's strengths. This helps to integrate the skills of team members, strengthen team cohesion and improve the efficiency and performance of the team as a whole.

Getting to know your team members better will help you to understand which factors are most important to motivating each individual, in the short-term and in the long-term, and to ensure that these are not ignored in any rewards system that you design to reflect their efforts.

8. See Yourself as A Team Member

Your role as team leader is to be a member of the team - not just the boss. Always maintain fairness in your approach to members of the team. Make it clear to all that everyone in the team has an important role to play and that your role happens to be that of team leader.

Act as a good role model and maintain effective communication with all members, especially through listening. Be aware of the formal and informal roles within the team and endeavor to keep conflict between them to a minimum. In some cases, it may be beneficial for roles to remain fluid, adding to the flexibility of working relationships, but don't allow team members to lose their focus on their individual strengths or objectives. An effective leader may decide to cede project leadership (albeit temporarily) to another, when specific skills are required.

9. Check Progress Towards Objectives

Check regularly to ensure that everyone still has a clear focus on what they are working towards, both individually and as a team. Identify milestones and hold team members accountable for progress towards them.

As the team develops, pride in shared success and lessons learned from failure should also help to develop a sense of shared purpose, strengthen commitment and contribute to improved performance in the long run.

10. Time Meetings with Care

Unnecessary meetings are a bane, but if there are too few, the project - and the team - can lose focus. Meet regularly but with purpose, and with a clear agenda. Meetings provide opportunities to:

- Check that everyone is comfortable with their roles and tasks.
- Review progress towards goals.
- Reflect on how the team is working together. If any problems are identified, plan and implement appropriate action or corrective measures. Make sure that decisions are clearly documented. Someone should take responsibility for writing a summary of the meeting and ensuring that this is circulated to the team and team leader for future reference.

11. Dissolve the Team

When the team has accomplished its tasks, acknowledge this. Carry out a final review to confirm whether objectives have been fully met. Evaluate the team's performance, so that individuals can improve and learn from experience.

If all the objectives have been met the team can be disbanded. Make sure that you acknowledge every member for their contribution and do not forget to celebrate your achievements.

Potential Pitfalls those Managers should avoid:

- Expecting a new team to perform effectively from the word go
- Dominating the work of the team, whether intentionally or unconsciously
- Exercising excessive control which may stifle creativity
- Overlooking the influence of formal and informal team roles
- Allowing the team to lose focus on the tasks to be completed
- Letting a team become too exclusive, in case it loses touch with the rest of the organization
- Allowing individuals to take credit for the achievements of the team
- Being overly dependent on providers of team building activities – these can help, but their role in developing a team needs to be carefully managed. A team does not automatically materialize at the end of a team building course

Establishing Teambuilding Process

Our discussion so far has focused mostly on a team as an entity, not on the individuals inside the team. This is like describing a car by its model and color without considering what is under the hood. External characteristics are what we see and interact with, but internal characteristics are what make it work. In teams, the internal characteristics are the people in the team and how they interact with each other.

For teams to be effective, the people in the team must be able to work together to contribute collectively to team outcomes. But this does not happen automatically: it develops as the team works together. You have probably had an experience when you have been put on a team to work on a school assignment or project. When your team first gets together, you likely sit around and look at each other, not knowing how to begin. Initially you are not a team; you are just individuals assigned to work together. Over time you get to know each other, to know what to expect from each other, to know how to divide the labor and assign tasks, and to know how you will coordinate your work. Through this process, you begin to operate as a team instead of a collection of individuals.

Tuckman's Model for Nurturing a Team to High Performance

This process of learning to work together effectively is known as team development. Research has shown that teams go through definitive stages during development. Bruce Tuckman, an educational psychologist, describes the path that teams follow on their way to high performance in his 1965 paper, "Developmental Sequence in Small Groups." It identified a five-stage development process that most teams follow to become high performing. He called the stages: forming, storming, norming, performing, and adjourning. Team progress through the stages is shown in the following diagram.

The Five Stages of Team Development

Most high-performing teams go through five stages of team development: -

Forming Stage

- It’s all good!
- Formalities are preserved, members are treated as strangers
- Getting to know one another

- Members want to know the why... their purpose
- Members want to know roles (theirs & others)
- Management communicates expectations
- Members need time to become comfortable with one another

The forming stage involves a period of orientation and getting acquainted. Uncertainty is high during this stage, and people are looking for leadership and authority. In the beginning, when a new team forms, individuals will be unsure of the team's purpose, how they fit in, and whether they'll work well with one another. They may be anxious, curious, or excited to get going.

A member who asserts authority or is knowledgeable may be looked to take control. Team members are asking such questions as “What does the team offer me?” “What is expected of me?” “Will I fit in?” Most interactions are social as members get to know each other. However they feel, they'll be looking to the team leader for direction. This may take some time, as people get to know their new colleagues and one another's ways of working.

Storming Stage

- Politeness begins to wear off… (it hits the fan)
- Dissension occurs over basic mission and operating procedures
- Control can become a primary issue
- Disagreements may be obvious or subtle
- General disagreement over what & how to do a job
- Disagreement on general purpose of the team
- This is a natural part of the team development
- Good time to review ground rules, purpose, vision, mission
- Effective communication needed
- Managing conflict needed

The storming stage is the most difficult and critical stage to pass through. It is a period marked by conflict and competition as individual personalities emerge. Team performance may actually decrease in this stage because energy is put into unproductive activities. Members may disagree on team goals, and subgroups and cliques may form around strong personalities or areas of agreement. To get through

this stage, members must work to overcome obstacles, to accept individual differences, and to work through conflicting ideas on team tasks and goals. Teams can get bogged down in this stage. Failure to address conflicts may result in long-term problems.

Norming Stage

- A team recognizes, accepts, values the differences
- Start to ask, "How are we going to accomplish the job?"
- Start to look at how are we functioning?
- Focus more time and energy on the purpose, task, vision, mission 22 norming – characteristics
- Ground rules & procedures taken seriously
- Team will want to spend time on decision making and doing the job
- Members become focused on specific jobs that need to be done

If teams get through the storming stage, conflict is resolved and some degree of unity emerges. In the norming stage, consensus develops around who the leader or leaders are, and individual member's roles. Interpersonal differences begin to be resolved, and a sense of cohesion and unity emerges. Team performance increases during this stage as members learn to cooperate and begin to focus on team goals. However, the harmony is precarious, and if disagreements re-emerge the team can slide back into storming.

Performing Stage

- The action stage
- Highly effective
- Problem solving
- Reach solutions quickly
- Prevent issues from becoming problems 25 performing – characteristics production
- Tasks are accomplished
- Team looks for more to do
- Team is pro-active
- Don't wait for direction on every item

- Demonstrate loyalty to the team
- Respect individual dissension and disagreement
- Self-regulating

In the performing stage, consensus and cooperation have been well-established and the team is mature, organized, and well-functioning. There is a clear and stable structure, and members are committed to the team's mission. Problems and conflicts still emerge, but they are dealt with constructively. The team is focused on problem solving and meeting team goals.

Judith Stein, from MIT's HR department, says of this stage, "Roles on the team may have become more fluid, with members taking on various roles and responsibilities as needed. Differences among members are appreciated and used to enhance the team's performance."

Adjourning (or Mourning) Stage

In the adjourning stage, most of the team's goals have been accomplished. The emphasis is on wrapping up final tasks and documenting the effort and results. As the work load is diminished, individual members may be reassigned to other teams, and the team disbands. There may be regret as the team ends, so a ceremonial acknowledgement of the work and success of the team can be helpful. If the team is a standing committee with ongoing responsibility, members may be replaced by new people and the team can go back to a forming or storming stage and repeat the development process.

Using the Forming, Storming, Norming, and Performing Tool

Follow the steps below to ensure that you're doing the right thing at the right time:

1. Identify the stage that your team is at from the descriptions above.
2. Consider what you need to do to move on to the next stage.
3. Schedule regular reviews of where your team is at, and adjust your behavior and leadership approach accordingly.

Tuckman's model isn't a one-way street – teams may go back and forth between stages. When you hit the performing stage, keep observing your team's progress in case it slips back. For example, a new team member can disrupt the group dynamic, or

a new business direction might mean you have to reevaluate your team roles and goals.

Team Norms and Cohesiveness

When you have been on a team, how did you know how to act? How did you know what behaviors were acceptable or what level of performance was required? Teams usually develop norms that guide the activities of team members. Team norms set a standard for behavior, attitude, and performance that all team members are expected to follow. Norms are like rules but they are not written down. Instead, all the team members implicitly understand them. Norms are effective because team members want to support the team and preserve relationships in the team, and when norms are violated, there is peer pressure or sanctions to enforce compliance.

Norms result from the interaction of team members during the development process. Initially, during the forming and storming stages, norms focus on expectations for attendance and commitment. Later, during the norming and performing stages, norms focus on relationships and levels of performance. Performance norms are very important because they define the level of work effort and standards that determine the success of the team. As you might expect, leaders play an important part in establishing productive norms by acting as role models and by rewarding desired behaviors.

Norms are only effective in controlling behaviors when they are accepted by team members. The level of cohesiveness on the team primarily determines whether team members accept and conform to norms. Team cohesiveness is the extent that members are attracted to the team and are motivated to remain in the team. Members of highly cohesive teams value their membership, are committed to team activities, and gain satisfaction from team success. They try to conform to norms because they want to maintain their relationships in the team and they want to meet team expectations. Teams with strong performance norms and high cohesiveness are high performing.

For example, the seven-member executive team at Whole Foods spends time together outside of work. Its members frequently socialize and even take group vacations. According to co-CEO John Mackey, they have developed a high degree of trust that results in better communication and a willingness to work out problems and disagreements when they occur.

Establishing Teamwork Rewards

Rewards Management

The reality is, rewarding both teamwork and individual performance is essential to the workplace success. Observation and experience, a well-balanced performance reward program consists of 75% emphasis on individual performance and 25% on team performance.

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Figure 21: Rewards Management



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- **Non-Monetary Rewards:** Not in monetary form that are given to employees in recognition of their individual contribution to performance targets.

Teams Vs Individuals Rewards

1. Individual Rewards

Rewarding individual employees in appreciation and recognition of their individual effort in performance, which has resulted in achieving and/or exceeding set individual target.

Why Individual Rewards

- Recognize individual effort in achieving particular set performance target.
- Appreciating individual effort made in a particular task/project.
- Recognize outstanding individuals in the work environment – performance, behaviour, their effectiveness, support to others.
- Create a competitive environment in the workplace.

Why Encourage Individual Work

- Allow independence to think things through on individual basis.
- Improve employee confidence in working to achieve individual set performance targets.
- Enable employees to work at their own level, rather than having to adapt to suit their group members. Enhance self-control in staying focused on the task at hand.
- Promotes creativity and innovation at individual level.

Disadvantages of Individual Rewards

- May demotivate those not rewarded, especially if they feel their team contribution to the individual's success was not recognized.
- Risk of demotivating the rewarded employee, especially if the employee feels the reward is not commensurate to the effort made to achieve the set target.
- Risk creating an imbalance in the salary & grading structure due to individual promotion or huge salary increases.
- May create jealousy leading to poor working relationships among employees.

Types of Individual Rewards

Monetary Rewards

- Individual bonuses
- Commission
- Extra month's salary
- Shopping vouchers

Non-Monetary Rewards

- Recognition certificates
- Verbal recognition
- Holidays

- Promotion to a high job grade
- Periodic awards - employee of the month/quarter/year
- Education scholarship

2. Team Rewards

It is the process of compensating a group of employees based on their combined contribution to a particular project, goal or organization performance.

Why Team Rewards

- Share the success – all team members receive a reward for having contributed to and achieved the team's target.
- Appreciate team effort made to achieve the required success.
- Increase impact of employee motivation – star performances motivate and engage other employees in the organization.
- Enhance teamwork through team recognition, cooperation and bonding.

Why Encourage Teamwork

- Enhances multidimensional thinking through team members contributing ideas and listening to each other. This allows more creativity, innovation and enhanced performance.
- Allows for delegated responsibilities through shared knowledge and team abilities for problem solving. Allows for joint accountability from all team members, mutual monitoring and provision of performance feedback to team members.
- Encouragers peer cooperation and information sharing which increases team knowledge.
- Though all team members are rewarded equally, not all team members contributed equally in achieving the team's targets.
- Social loafing – individual's will to cooperate and work together as a team reduces, their effort and outcome is less compared to when working individually.
- There is a risk of individuals in a team losing their sense of how each one of them are contributing to reach the team goal. This may affect individual performance.

- In rear circumstances, team rewards may be counterproductive and cause competition instead of cooperation.

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- In rear circumstances, team rewards may be counterproductive and cause competition instead of cooperation.

Types of Individual Rewards

Monetary Rewards

- Team bonuses
- Team commission
- Shopping vouchers for each team member

Non-Monetary Rewards

- Team celebration - gate-away bonding activity, team dinner, tickets to a sport event etc.
- Team trip/holiday – may include spouses
- Team merchandise - team jacket, pin, emblem to build team identity
- Recognition certificates
- Team recognition award – public mention and appreciation
- Team time off away from work

Critical to Consider When Awarding Teams

- **Criteria for reward** – what criteria are used to give a team reward? - Performance metric, outcome, milestone, team behavior.

- **Size of reward** – is large enough for individual distribution or small enough for a team activity? Eligibility – are all team members eligible for the reward? How is it to be distributed – equally or at a ratio?
- **Purpose** – what is the purpose of giving team rewards?
- **Frequency of reward** – is it a one reward or will it be recurring?

Review Teamwork Strategies

Managers must recognize that they play a central role in effective team building. However, to be successful, managers require a framework to guide their activities. The framework should be action oriented and easy to understand and apply, while incorporating the critical factors associated with effective team performance found in the team-building literature.

Step 1 — Identify Team Characteristics Considered Predictive of Team Success

The key to creating an effective new, temporary team is balance in the attributes of team members, and the presence of needed resources to achieve stated goals. For example, in problem solving and implementation teams, managers must make sure that critical managers with power are selected as therefore, when decisions are made, non-participating managers cannot easily resist. Similarly, managers want to ensure that the required expertise and knowledge exists within the group. This increases the probability of creative problem solving and outcome acceptance by non-members. Therefore, when decisions are made, non-participating managers cannot easily resist. Similarly, managers want to ensure that the required expertise and knowledge exists within the group.

Step 2 — Measure Existing Team Climate Characteristics to Produce A Team Profile

It is important to recognize that research demonstrates a clear link between the presence of positive team characteristics and team effectiveness. Therefore, managers must find a mechanism to measure the degree to which relevant team characteristics currently exist in a given environment. Such information can be used to create team climate surveys, create team climate diagnosis, create team innovativeness, measure team development and for the selection of new team members. There are three

traditional approaches to collecting this information; paper-and pencil questionnaires or surveys, direct observation, and interviews.

Step 3 — Identify Deficient Team Characteristics

In the event that a group is not performing up to expectations, the manager should look for something other than an ineffective team climate to explain the shortfall. For example, poor performance could be caused by misalignment between employee skills and task requirements, lack of training, lack of practice, or the lack of appropriate tools and equipment. Other causes could be:

i. It lacks direction
ii. Members do not understand their roles and assignments
iii. The work climate prevents learning
iv. Members are unwilling to share
v. Members are unwilling to share leadership responsibilities

Until some type of team intervention is undertaken, and a more positive team climate is created, management should not expect significant improvements in the group's performance.

Step 4 — Use Pre-Established Decision Criteria to Select the Appropriate Intervention Sequence to Change Deficient Climate Characteristics

It is unlikely that managers will have the time, energy, or resources to attack all deficiencies simultaneously. Furthermore, given the complexity and uniqueness of most business environments, and the interrelationships between team characteristics, it would be administratively unsound to attempt a broad-based intervention without considering how best to proceed.

In other words, a manager must decide which deficiencies should be addressed first and what would be the appropriate sequence of subsequent interventions? Managers should therefore develop and consider a number of decision criteria that would help them address the issues of setting priorities.

Step 5 — Identify Team-building Strategies Capable of Overcoming Deficiencies in Team Characteristics

All too often, managers, when attempting to build effective teams, turn to outside professionals to create teams within their units or organization. Once selected, these outside professionals typically take the natural or intact work group off site, and engage in some type of intensive team-building experience out of campus.

The assumption is that intact groups or individuals will transfer appropriate team behaviors back to the job or organizational setting. While such efforts can sensitize group members to the importance of team characteristics, or kick-start an in-house team-building effort, it is the author's experience that desired behaviors are not often transferred to the work environment, and if they are, they soon deteriorate.

Therefore, once managers have determined which team characteristic deficiency should be addressed first, and the sequence of subsequent interventions, they should attempt to articulate available team-building strategies. In constructing such a list, managers can turn to the teambuilding literature, personal experience, in-house experts or managers, or benchmark best practices in other organizations.

Step 6 — Use Pre-Established Decision Criteria to Select the Appropriate Intervention Strategies to Improve Deficient Team Characteristics

Here again, managers are unlikely to have the time, energy, or resources to apply all improvement strategies simultaneously. Nor is it likely that all improvement strategies will be equally effective when applied to any one team characteristic. Managers should therefore once more articulate and apply a number of decision criteria that would help them decide on the appropriate mix of improvement interventions.

Step 7 — Implement and Assess Improvements

Implementation is a critical component of any team-building intervention. It is the point at which analysis and planning become reality. Each intervention will have its own unique sequence of steps designed to bring it on line and obtain the desired improvement in the selected team characteristic.

Learning Activities

Activity 1

Identify a team in which you belong or one which you belonged. Discuss with your colleague the following.

a) Which were the team's objectives?
b) What did your team accomplish?
c) What did you like about the group?
d) What did you learn or benefit from the group?

Activity 2

Jypax is a group of workers who formed a team to install water tanks and hand washing points at Baranix Community. The supervisor briefed the workers of the job to be done. Some members were not sure whether they will be installing the tanks or setting up hand washing points. The supervisor clarified by presenting a work schedule to the worker, and the work began.

One of the group members who had experience in tank installation excitedly approached the supervisor to give his ideas but the other workers criticized him and called him a name "know all" The supervisor intervened, and the workers apologized, after the supervisor outlined the working rules. The team worked enthusiastically and was able to complete the work and went back to their homes.

a) In relation to the above case, identify the stages of team development.
b) What should the supervisor have done to avoid the worker being criticized?

Self-Assessment

QI. What are the four stages in the formation of teams?

Q2. What are the five reasons why teams perform poorly?

Q3. What are the 3 type's skills necessary for a team member to have?

Q4. What is the meaning of self-managing teams?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras

- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment Question

A1. Stages in the formation of teams:

i. Forming
ii. Storming
iii. Norming
iv. Performing

A2. Reasons for poor team performance

- It lacks direction
- Members do not understand their roles and assignments
- The work climate prevents learning
- Members are unwilling to share
- Members are unwilling to share leadership responsibilities

A3. 3 Types of skills required by team members

a) Technical skills
b) Decision-making and problem-solving skills
c) Interpersonal skills

A4. Self-Managing Teams

Self-managing teams (also known as self-directed teams) have considerable autonomy. They are usually small and often absorb activities that were once performed by traditional supervisors. A manager or team leader may determine

overall goals, but the members of the self-managing team control the activities needed to achieve those goals.

2.2.4 Learning Outcome 4: Monitor Team Performance

Introduction to the Learning Outcome

This learning outcome involves setting performance plans for the team and monitoring their progress. Team work strategies will also be determined. Employees' periodic rating will be carried out together with rewarding of teams. Employees' Improvement Plan will also be prepared.

Performance Standard

1. Performance plans for team are set in accordance with operational Plans.
2. Teams' progress is monitored in accordance with operational procedures.
3. Team work strategies are determined according to operational plans.
4. Employees' periodic rating is carried out in accordance with HR procedures.
5. Teams are rewarded in accordance with the ratings set in HR policy.
6. Employees team improvement plans are prepared and implemented in accordance with HR policy.

Information Sheet

Meaning of terms:

Professional development: It is learning to earn or maintain professional credentials. It is intensive and collaborative.

Feedback: The transmission of evaluative or corrective information about an action, event or process to the original source or controlling source

Performance review*:* It is a formal assessment in which a manger evaluates an employee's work performance, identifies strengths and weaknesses, offers feedback and sets goals for future performance.

Performance standards: They are observable behaviors and actions which explains how the job is to be done, the results that are expected for satisfactory job performance

Individual goals*:* They are the expression of the things you want to achieve for yourself.

Performance criteria: The part of a competency standard specifying the required level of performance in terms of a set of outcomes that need to be achieved in order to be deemed competent.

Coaching: It is a process that aims to improve performance and focuses on the "here and now" rather than on the distant past or future.

Monitoring: It is the systematic process of collecting, analyzing and using information to track a program's progress toward reaching its objectives and to guide management decisions.

Performance management: It is the process through which supervisors and those they lead gain a shared understanding of work expectations and goals, exchange performance feedback, identify learning and development opportunities, and evaluate performance results.

Performance plans for team are set in accordance with operational Plans

It is through this process that organizations are able to create and sustain a workplace environment that:

1. Values continuous improvement
2. Adapts well to change
3. Strives to attain ambitious goals
4. Encourages creativity
5. Promotes learning and professional development
6. Is engaging and rewarding for employees

The Performance Management Process

1. Performance planning
2. Day-to-day coaching and feedback
3. Quarterly performance check-in
4. Formal performance review

Alignment with Organization Mission & Vision

Effective performance goals flow from and support the mission, vision, and goals of the team, department, and university. By ensuring that the mission, goals and

strategies of the larger organizational unit drive all performance measures and improvement initiatives, supervisors are better able to help employees see how their efforts contribute to the achievements of the team, department and university

Performance **Planning**

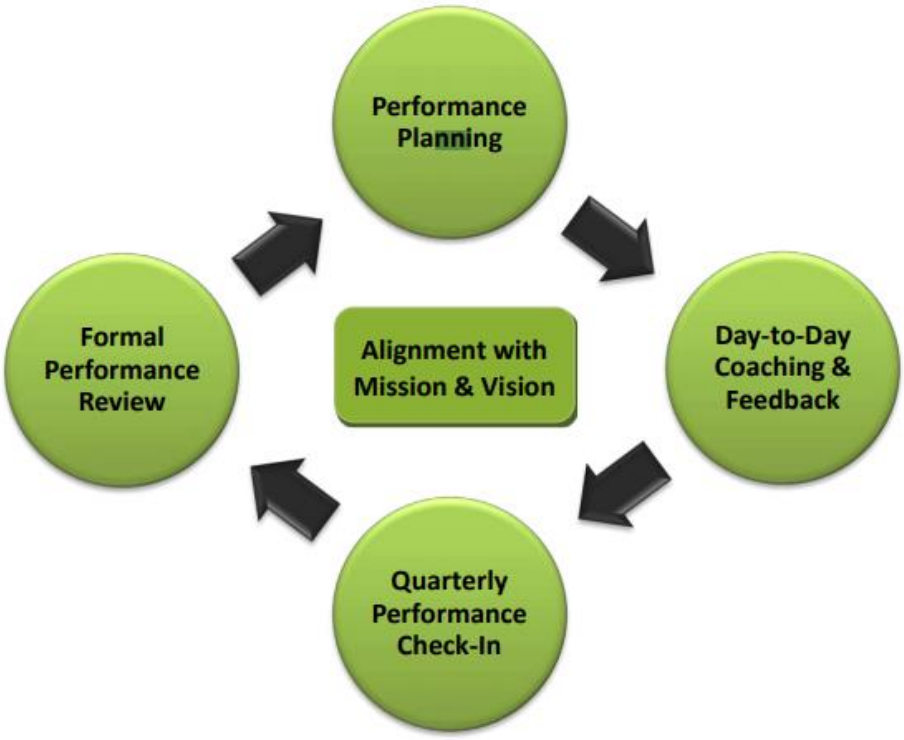


Figure 22: Performance Planning

1. Ensure a mutual understanding of the job responsibilities.
    - What is the nature of the role?
    - What are the primary responsibilities?

2. Ensure a mutual understanding of standards and expectations.
    - What expectations and standards must be met?
    - What are the quality measures that will be used to determine success?
    - What are the customer expectations that must be met?
    - What are the time expectations?
    - Tips for clearly communicating expectations and standards:
        i. Be specific – avoid overly broad and ambiguous terms

            Too broad: – *Provide good customer service*

            – *Be courteous and friendly*

Specific: - *Smile and make eye contact when a new customer enters the room*

- *Return all client calls within 24 hours.*

ii. Check to see what clarification is needed.

iii. Ask for a summary to ensure understanding I want to be sure I covered everything, e.g. *"Would you tell me what you've heard so far so I can be sure I didn't miss anything?"*

3. Set performance goals. Performance goals define what results the employee will strive to achieve by the end of an established time period. Effective goals meet each of the 5 SMART criteria described below:

Figure 23: SMART Goals



Day-to-Day Coaching & Feedback

1. Discuss performance often**.** Effective coaching occurs through conversation. Below are key characteristics of effective performance coaching and feedback conversations:
    - They are dialogues, not monologues.
    - They occur regularly, rather than being reserved for formal reviews.
    - They are balanced – address strengths as well as concerns.

- They are collegial and conducted with respect, both in words and non-verbal behavior.

2. Provide appreciative feedback – recognize successes.

- Pay attention – catch people in the act of doing great work.
- Attach praise to meaningful results.
  - Instead of just "*good job*", try "*the solution you offered helped us to avoid a potential problem and exceed the client's expectation."*
- Thank people in person.
  - Use other forms of acknowledgement to supplement an in-person thank you, not to replace it.
- Celebrate successes
  - Celebrate small wins along the way to your goal. This can re-energize and motivate continued commitment to success.

3. Address concerns and solve problems**.** Best Practices:

- Be timely.
- Don't overreact to an isolated incident.
- Address a manageable number of concerns at one time.
- Be specific and give examples.
- Focus on observable actions and their impact.
- Focus on problem resolution rather than blame.
- Engage in a dialogue, not a monologue.
- Collaborate to accurately define the problem and brainstorm solutions.

Conversation Steps When Addressing Performance Concerns or Problems:

1. Present your view of the problem. If the problem is a concern you have about the other's actions. Use the Action-Impact format to present your concern. Action-Impact Format:
   - State the action (behavior) you observed.
   - Describe the impact the action had on results.
2. Invite and hear the other's view of the problem.
   - Listen non-defensively and seek to understand the other's perspective

3. Identify a definition of the problem that is agreeable to both of you.
4. Brainstorm possible solutions.
5. Agree on a strategy to implement.
6. Schedule a follow-up meeting to check the success of the strategy.

Quarterly Performance Check-In

Adopt the practice of meeting at least once per quarter to review goals, progress, and results, acknowledge successes and identify improvement opportunities.

1. Check progress what's working well? What's not working?
2. Make mid-course adjustments where needed what changes would enhance performance or progress toward the goal?

Formal Performance Review

During annual performance reviews managers and employees work together to:

- Review the employee's work achievements and challenges over the past year,
- Establish work expectations and performance goals for the coming year, and
- Define the employee's professional development goals and learning plan for the coming year.

The forms utilized in this process will assist managers and employees in preparing for performance review discussions. Although these forms are helpful and necessary tools, the filling out of forms is not the primary goal of a review. Reviews are most effective when forms are used to help prepare for a conversation and document the outcomes, rather than as a substitute for conversation.

Preparing for the Review

1. Review the following:
    - Position description (PDQ)
    - Standards and expectations
    - Past year goals and objectives
    - Other documentation gathered during review period

2. Request the employee complete performance self-assessment**.** Ask the employee to prepare by reflecting on the following:
    - Successes and challenges over the past year

- Additional support he or she would like from you
- Additional skills/knowledge he or she would like to develop or enhance

3. Complete performance evaluation form.

4. Come prepared to share your perceptions and feedback about the employee's performance over the past year, including:
   - Key achievements and successes
   - Performance concerns and/or challenges
   - Changes and enhancements that you recommend (or require)
   - Learning opportunities relevant to the employees' job function that would help enhance current skills or develop new ones
   - Key employee strengths and contributions over the past review period

Formal Performance Review

Conducting the Review

1. Share your feedback about the employee's performance.
   a. Include information about strengths and successes as well as areas needing improvement.
   b. Communicate the rating you've assigned for each of the performance indicators.
   c. Provide rationale for each rating - include behavioral examples whenever a rating is above or below "achieves."
2. Invite and listen to the employee's assessment of his/her performance.
3. Ask the employee to share his/her feedback for you, including ideas for improvement.
4. Re-enter the performance planning phase.
   a. Define expectations for the coming year.
   b. Set performance goals.
   c. Identify learning and development goals.

Best Practices:

- Schedule evaluation meetings in advance
- Use a private, interruption-free setting

- Allow sufficient time for discussion
- Consider in advance how to present information
- Set tone for respectful, adult-to-adult interaction
- Start and end on positive note

Monitoring Team's Progress

Monitoring employee performance works best with an established routine. Carry out regular one to one meeting, team meetings or recording performance data. Monitoring styles need to be adapted to suit the situation and individual.

Performance monitoring can have a big impact on organisations, teams and individuals. Under-management can lead to a lack of direction and isolation, micro-management can cause frustration and resentment. Finding the right balance is essential for success.

Monitoring Methods

1. Observe Your Team

One of the most effective and straightforward ways to monitor performance is observation. Watch how they interact with one another, with you and with the clients/ customers (if you have any). By simply observing an employee you can see what their strengths and weaknesses are. Rather than spending time in an office or separate section of the building, it can be really beneficial for managers to spend time with their team and interact with them in the office or working environment.

Likewise, if a team member is struggling with a task, it can be very beneficial to go through it with them. By observing how they are attempting to complete it you will be able to identify ways they can improve and communicate how they could do it better.

2. Create Work Plans

Within regular one to one meeting a work plan should provide a focus. Work plans should be created in consultation with the employee and include clear tasks, timescales and the resources required. Each one to one should include discussion of the work plan. What progress has been made since last time? Did they meet their targets? If not, why?

Listen to the feedback you are given. Ask questions and encourage the individual to consider how they can work effectively and reach their potential. Make sure the employee is aware they are accountable for their actions. Engage them in deciding and agreeing on targets and timescales for their work plans.

3. Encourage the Use of Self-Monitoring Tools

Project plans, checklists and activity logs are all great ways of monitoring performance. This is beneficial not just as a tool for project management but also so employees themselves can monitor their own goals and deadlines.

4. Carry Out Regular Reviews

By regularly checking in with employees you can begin to create a strong understanding of strengths and weaknesses. If they are struggling to achieve a particular goal but regularly achieve others, would it be worth adjusting their work plan and concentrating on areas they perform well in. Do they require training? Perhaps they would benefit from a mentor or would work better in a team? By reviewing progress regularly, you will be able to pick up on these subtleties and provide your employees with the support and guidance they need to reach their potential for themselves and the organisation.

5. Feedback

Give and encourage feedback as often as possible. Don’t wait until meetings, one to ones and reviews. Encourage your team to come and speak to you and keep them motivated by keeping on top of their progress and letting them know when they are doing well. Always remain constructive.

6. Training

Training courses will introduce you to ways to develop a motivated, high performance workforce and how to set achievable expectations. The monitoring performance module will assist you in exploring the benefits of observing and recording performance data to achieve consistent performance improvement.

Employee Periodic Rating

Performance Appraisal or Merit Rating

After the selection and placement of the employees, it is necessary to evaluate their performance. Merit rating implies systematic evaluation of the performance of the employees by some qualified persons. There are "various formal systems of appraisal or merit rating in which the individual is compared with others and ranked or rated. They are rated in the sense that they are measured or compared and classified". The need for such evaluation or appraisal arises from the fact that the human factor is the most important in the success of an enterprise. The productivity of this factor is a big determining factor of the overall performance of an organization.

Job performance of employees can be determined broadly by three factors:

a. Ability,
b. Motivation, and
c. Work environment

The evaluation is done by the supervisors, senior bosses, once or twice a year. The term 'merit rating' is now being replaced in advanced countries by the term 'personnel appraisal'. Merit rating is now considered as a part of the whole problem of personnel appraisal which has broader implications.

That the quality of the performance of different employees is necessary is beyond question. Performance of the employee is now appraised not by merit rating only. This is supplemented by observations, records and evaluations.

According to Dale Yodu:

"Modern management makes somewhat less use of the term rating than was common in earlier periods, for several reasons. Most important, many managers now realize that rating is only one part or phase of a broader, continuing process of personnel appraisal."

Several methods are used for evaluating the performances and potentials of the employees such as ranking method, graphic rating scale, forced distribution method, forced choice method, critical incident method and field review method.

However, merit rating, as such, is now replaced by a new approach to performance appraisal. Management by objectives (MBO) was introduced by P. Drucker in 1954.

He used the term “Management by Objectives” (MBO) in his book “The Practice of Management”.

Drucker recognized the need of self-set goals. Since then it has become very popular as a method of planning, setting standards, motivating and appraising performance of employees. The better parts of the different theories of motivation such as Maslow’s “Self-fulfilment need” and McGregor’s Theory Y are recognized and performance appraisal is based on them.

This new approach to the development of human resources accepts the concept that people prefer to be assessed according to criteria or standards which they feel as realistic and reasonable. In performance appraisal, Herzberg’s motivational factor of achievement, recognition, challenging work and responsibility are taken into consideration.

The Key Features of Performance Appraisal Are:

1. Superior-Subordinate Instruction**:**
The list of duties and areas of responsibility are jointly prepared by the superior and the subordinate staff on the basis of mutual agreement and understanding.

2. Superior-Subordinate Mutually Set Goals:
The subordinates set their short-term goals in consultation with their bosses. There is a mutual understanding.

3. Superior-Subordinate Mutually Set Performance Criteria:
The methods of achieving the business objectives are mutually set by the superior and their subordinates. They agree upon standards or norms for measuring and evaluating performance.

4. Progress Evaluation**:**
There is the system of continual evaluation of progress to ascertain whether predetermined goals are being achieved. If necessary, the superior and subordinate, by sitting at meeting face to face, determine new goals.

5. Superior’s Supportive Role:

In this new approach to performance appraisal, the superior always extends supportive hands to their subordinates in realizing business objectives. They act as a friend, philosopher and guide. The aim of performance appraisal is to emphasize on the results and not on the means or the personal traits. The superior does not act as a judge to pass their verdict on the performance of their subordinate; rather they help them through continuous guidance to reach their goals.

Performance appraisal is more concerned with the assessment of performance and not with evaluating or rating qualities of potentials of the subordinate staff. In performance appraisal, more attention in given to work-related and career-oriented goals and primary emphasis is on self-supervision and self-regulation by the subordinates with frequent feedback of information for effective control and communication.

Management by objective, or the new approach to performance appraisal as it is called, is a good solution to the problem of motivation. Through mutual interaction between the superior and his subordinates, it provides ample scope for employee participation in goal-setting and in planning and organizing the work.

Learning Activities

Activity 1

Visit a team within your community.

a) Administer this questionnaire to each of the team member at least 5 people to fill in.

Please fill in the questionnaire by ticking (√) only one space for each statement Questionnaire No…						
	Statement	**Strongly Agree (5)**	**Agree (4)**	**Not Sure (3)**	**Disagree (2)**	**Strongly Disagree (1)**
1	The team has a shared purpose					
2	All team members					

	participate in the team's activities					
3	The team members are open and honest					
4	We are able to meet out targets					
Any other comment						

b) Analyze the 5 questionnaires.

c) Comment on the group's cohesion or effectiveness.

Self-Assessment

1. What are the monitoring methods that the HR supervisor can use to monitor employees?
2. For performance goals to be effective, they must be SMART. What does this mean?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

A1. Monitoring tools available for the HR supervisor:

a) Create work plans
b) Observe their team
c) Encourage the use of self-monitoring tools
d) Carry out regular reviews
e) Feedback
f) Training

A2. Steps in the performance management process are:

1. Performance planning
2. Day-to-day coaching and feedback
3. Quarterly performance check-in
4. Formal performance review

2.2.5 LEARNING OUTCOME 5: APPRAISE EMPLOYEE PERFORMANCE

Introduction to the Learning Outcome

This learning outcome involves: carrying out employee appraisal, carrying out training needs assessment, Identifying gaps on areas of competence, carrying out training on identified gaps, carrying out professional development of HR and determining HR training and development cost.

Performance Standard

1. Employee appraisal is carried out in accordance with the HR policy.
2. Training needs assessment is carried out as per performance appraisal records of employees.
3. Gaps on areas of competence are identified in accordance with departmental needs.
4. Training on identified gaps is carried out based on HR policy.
5. Professional development of HR is carried out in accordance with the Strategic plan and HR plan.
6. HR training and development cost is determined based on the budgets and Employees' training is carried according to HR policies and procedures.

Information Sheet

Meaning of terms

Appraisal

It is the regular review of an employee's job performance and contributions to a company.

Employee engagement

It describes the level of enthusiasm and dedication a worker feels towards their job.

Training and Development

Training is a short-term reactive process meant for operatives and process while development is designed continuous pro-active process for executives. In training employees' aim is to develop additional skills and in development, it is to develop a total personality.

It is an incentive based form of compensation that can be paid to portfolio managers

Carrying Out Employee Appraisal

Appraisals are a key part of many organisations' performance management systems. Appraisals are about both past performances, and the future. Usually conducted by line managers, they're an opportunity to discuss and set goals for employee performance, development, and support. With a standard form, HR can also make sure appraisals cover all the bases and get maximum value from them. Typical elements include:

- Measurement of performance — against agreed targets, and through evaluation of the employee's attitudes and behaviour
- Manager feedback — on the employee's performance and development, and how they can maintain or improve their performance
- Encouragement — effective appraisals take time to offer positive feedback to employees, to reinforce good performance and behaviors
- Employee feedback — including questions, concerns, and ideas about their own performance and role. Addressing these can be invaluable in resolving performance issues.
- Agreeing goals — Goals can address performance issues, training needs, adapting to changing duties, or any other issue. They must be understood and agreed by both parties if they are to be acted upon and achieved.

Carrying Out Training Needs Assessment

A Training Needs Assessment (TNA) is a diagnostic tool for determining what training needs to take place. This survey gathers data to determine what training needs to be developed to help individuals and the organization accomplish their goals and objectives. This is an assessment that looks at employee and organizational knowledges, skills, and abilities, to identify any gaps or areas of need. Once the training needs are identified, then you need to determine/develop objectives to be accomplished by the training. These objectives will form criteria for measures of success and utility.

This analysis can be performed by managers who are able to observe their staff and make recommendations for training based on performance issues or gaps between performance and objectives. This analysis can also be performed on an organization-wide level by Training and Development managers who survey the organization to identify needs.

Factors that may lead to training needs:

- Re-organization processes
- Business process re-engineering
- Process improvements
- Reductions in force
- Layoffs/transfers/new hires
- Staffing Changes/Promotions
- Re-locations
- New equipment/Technology
- Performance/Safety Issues
- Problems in Production/Safety
- New Systems/Procedures
- Changes in Laws/Regulations
- Succession Planning
- Career Paths/Growth

Steps in a Training Needs Assessment:

1. Needs Assessment (collecting and analyzing data)
2. Design (program objectives, plan, measures of success)
3. Testing (prototype the instrument and process)
4. Implementation (collection measures and update as needed)
5. Analysis & Evaluation (review feedback and data collected)

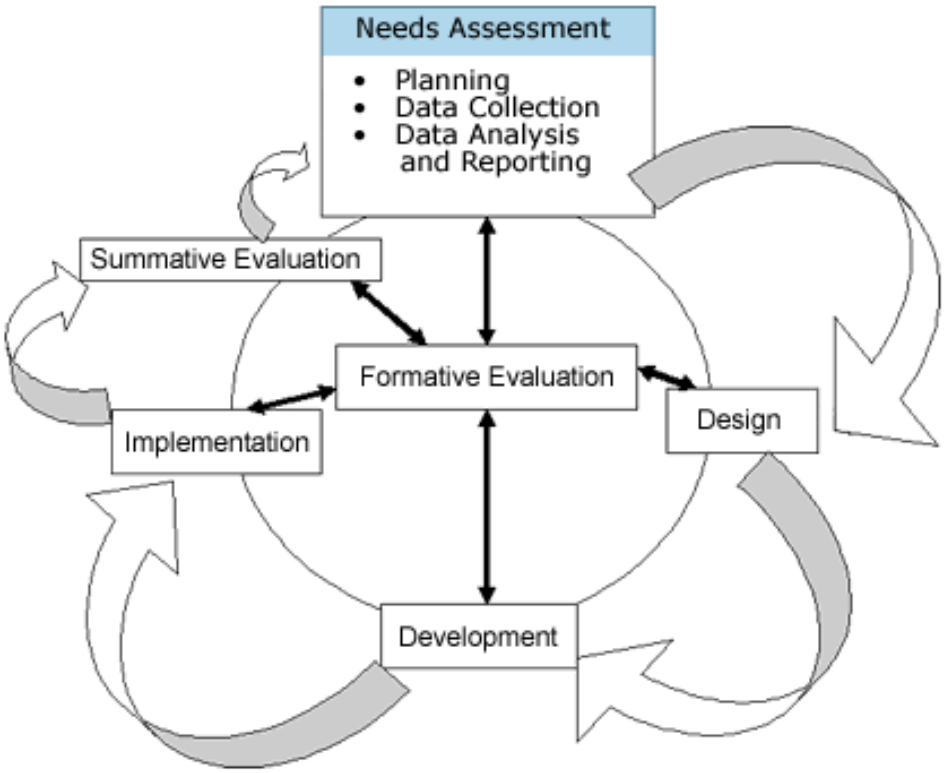


Figure 24: Steps in a Training Needs Assessment

Identifying Gaps on Areas of Competence

The difference between the actual level of job performance and the expected level of job performance indicates a need for training. A successful training needs analysis will identify those who need training and what kind of training is needed. It is counter-productive to offer training to individuals who do not need it or to offer the wrong kind of training. A Training Needs Analysis helps to put the training resources to good use.

Schedule a meeting with employees in a particular department or job classification. During the meeting, gather ideas from the employees about their needs and areas for professional development. Determine common themes and topics. Ask the employees to review the information gathered and determine which areas/needs are most important to receive training. Then determine the desired outcomes from the training to address these needs. These outcomes could serve as measures of success (validation) of the training.

Assessment Methods

1. Survey Questionnaires

Web based or printed questionnaires distributed to employees for completion. Construction of surveys to include multiple/fixed choice questions and free/open-ended questions for text responses.

Advantages

- Survey a large number of employees at the same time.
- Do not require a lot of time.
- Enable honest and open feedback.
- Gathers quantitative and qualitative data easily.

Disadvantages

- May be difficult to design questionnaires to allow for follow-up or more elaborate responses.
- Might not identify the specific causes behind employee actions/behaviors.

2. Personal Interviews

Conducted by a trained "interviewer" who follows an interview outline (or set of questions) to be asked during the interview.

Advantages

- More flexible in the ability to ask various questions.
- Able to immediately follow-up on items mentioned in the interview.
- Is not limited in scope or limited to only a certain set of questions.

Disadvantages

- Time consuming. Especially if only one individual is interviewed at a time.
- Requires the interviewer to document conversations in detail. Any details not documented are lost or need to be gathered through subsequent interviews.

3. Personal Observations

An observation of the employee at work. May be structured (i.e., the employee performs specific tasks) or unstructured (i.e., the observer tries to document the employees work without influencing what the employee does).

Advantages

- May reduce the amount of interruption of the employee's work.
- May be more realistic- observations are made of the employee actually at work.

Disadvantages

- Requires a trained observer.
- Requires the observer to document the work in detail. Any details not documented are lost or need to be gathered through subsequent observations.

Carrying Out Training on Identified Gaps

Training and development describes the formal, ongoing efforts of organizations to improve the performance and self-fulfillment of their employees through a variety of methods and programs. In the modern workplace, these efforts have taken on a broad range of applications from instruction in highly specific job skills to long-term professional development. In recent years, training and development has emerged as a formal business function, an integral element of strategy, and a recognized profession with distinct theories and methodologies. More and more companies of all sizes have embraced "continual learning" and other aspects of training and development as a means of promoting employee growth and acquiring a highly skilled workforce. In fact, the quality of employees, and the continual improvement of their skills and productivity through training, is now widely recognized as vital factors in ensuring the long-term success and profitability of small businesses.

For the most part, the terms "training" and "development" are used together to describe the overall improvement and education of an organization's employees. However, while closely related, there are important differences between the terms that center on the scope of the application. In general, training programs have very specific and quantifiable goals, like operating a particular piece of machinery, understanding a specific process, or performing certain procedures with great precision. On the other hand, developmental programs concentrate on broader skills that are applicable to a wider variety of situations, such as decision making, leadership skills, and goal setting.

Training in Small Businesses

Implementation of formal training and development programs offers several potential advantages to small businesses. For example, training helps companies to create pools of qualified replacements for employees who may leave or be promoted to positions of greater responsibility.

It also helps ensure that companies will have the human resources needed to support business growth and expansion. Furthermore, training can enable a small business to make use of advanced technology and to adapt to a rapidly changing competitive environment. Finally, training can improve employees' efficiency and motivation, leading to gains in both productivity and job satisfaction.

Effective training and development begins with the overall strategy and objectives of the small business. The entire training process should be planned in advance with specific company goals in mind. In developing a training strategy, it may be helpful to assess the company's customers and competitors, strengths and weaknesses, and any relevant industry or societal trends.

The next step is to use this information to identify where training is needed by the organization as a whole or by individual employees. It may also be helpful to conduct an internal audit to find general areas that might benefit from training, or to complete a skills inventory to determine the types of skills employees possess and the types they may need in the future. Each different job within the company should be broken down on a task-by-task basis in order to help determine the content of the training program.

The training program should relate not only to the specific needs identified through the company and individual assessments, but also to the overall goals of the company. The objectives of the training should be clearly outlined, specifying what behaviors or skills will be affected and how they relate to the strategic mission of the company.

In addition, the objectives should include several intermediate steps or milestones in order to motivate the trainees and allow the company to evaluate their progress. Since training employees is expensive, a small business needs to give careful consideration to the question of which employees to train. This decision should be based on the ability of the employee to learn the material and the likelihood that they will be motivated by the training experience. If the chosen employees fail to benefit from the

training program or leave the company soon after receiving training, the small business has wasted its limited training funds.

The design of training programs is the core activity of the training and development function. In recent years, the development of training programs has evolved into a profession which utilizes systematic models, methods, and processes of Instructional Systems Design (ISD).

ISD describes the systematic design and development of instructional methods and materials to facilitate the process of training and development and ensure that training programs are necessary, valid, and effective. The instructional design process includes the collection of data on the tasks or skills to be learned or improved, the analysis of these skills and tasks, the development of methods and materials, delivery of the program, and finally the evaluation of the training's effectiveness.

Small businesses tend to use two general types of training methods:

1. On-The-Job Training

This describes a variety of methods that are applied while employees are actually performing their jobs. These methods might include orientations, coaching, apprenticeships, internships, job instruction training, and job rotation. The main advantages of on-the-job techniques are that they are highly practical, and employees do not lose working time while they are learning.

2. Off-The-Job Training

This on the other hand, describes a number of training methods that are delivered to employees outside of the regular work environment, though often during working hours. These techniques might include lectures, conferences, case studies, role playing, simulations, film or television presentations, programmed instruction, or special study.

On-the-job training tends to be the responsibility of supervisors, human resources professionals, or more experienced co-workers. Consequently, it is important for small businesses to educate their seasoned employees in training techniques.

In contrast, off-the-job tends to be handled by outside instructors or sources, such as consultants, chambers of commerce, technical and vocational schools, or continuing education programs.

Although outside sources are usually better informed as to effective training techniques than company supervisors, they may have a limited knowledge of the company's products and competitive situation. In addition, the cost of some off-the-job training methods may be too high for many small businesses to afford.

Actual administration of the training program involves choosing an appropriate location, providing necessary equipment, and arranging a convenient time. Such operational details, while seemingly minor components of an overall training effort, can have a significant effect on the success of a program. In addition, the training program should be evaluated at regular intervals while it is going on. Employees' skills should be compared to the predetermined goals or milestones of the training program, and any necessary adjustments should be made immediately. This ongoing evaluation process will help ensure that the training program successfully meets its expectations.

Carrying Out Professional Development of HR

Human Resource is a profession that requires continuous professional development. Human resources professionals are an integral part of every business. It’s important they are taking care of their needs so they can fully assist others.

HR professionals run the risk of becoming stagnant in their current position and having no plans or goals on how to excel in their role. They are constantly interacting with people on all levels, whether through negotiating compensation with new hires, handling internal issues before they get out of hand, or simply communicating company policies and procedures to employees.

Whether it is a conference or workshop, HR professionals need to interact with like-minded professionals to keep their skills and industry knowledge up to date. Networking and making connections with people in the HR industry can also give new insight on how to better perform and grow in career.

The Society for Human Resource Management (SHRM) Body of Competency and Knowledge (BoCK) is a behavior model framework that is based on extensive global research that gathered information from employers, academics and HR practitioners. It identifies what it takes to be a successful HR professional across the performance continuum, around the world, and from early to executive career levels.

The BoCK includes eight behavioral competencies—Business Acumen, Communication, Consultation, Critical Evaluation, Ethical Practice, Global & Cultural Effectiveness, Leadership & Navigation, and Relationship Management—plus one technical competency, HR Expertise. The model is designed to help HR professionals identify the information they need for any given situation—quickly.

Determining HR Training and Development Cost

A Training Budget consists of all direct and indirect costs associated with courses and materials needed to analyze, design, develop, implement, evaluate, and maintain employee training or retraining.

Many medium and large organizations invest anywhere from 2 to 5% of salary budgets back into training. While that may not be realistic for a small business, it's important to find a training budget per employee your company can absorb. For this purpose, you can go on a 'needs' basis. For example, outside trainers can seem attractive, but they are not absolutely necessary.

Sometimes, senior employees under management supervision can do just as good a job as external training providers, and they'll cost you next to nothing. Of course, it all depends on the type of training you're interested in, as some professional and industry-specific subjects can't be handled internally.

Before you begin planning your budget, start by assessing the training needs of your business. You may need to focus on researching which skill deficit is affecting productivity and performance. This way, your program can identify and focus on the real issues and actual needs of the business and its employees, and your training budget can be put to good use.

Optimizing Training Structure and Minimizing Costs

Once you have prioritized the training needs of your employees and drafted an initial training budget, you can look at ways to maximize its cost efficiency. Once you look at the cumulative expenses of training cost per employee, you can consider several ways of reducing them:

- Group training**:** earn volume discounts by training multiple employees at once.

- Find trainers within your company**:** focus on training one employee with strong communication and interaction skills and have them train the rest. You can expand their job description to include training their colleagues.
- Hosting weekly or monthly events**:** These don't have to be formal and are a great way for team members to get involved, educated and motivated. Select a topic of discussion in advance and cover all questions and concerns they may have. Listen to the information they're sharing and synthesize it in follow-up e-mails or memos for quick access.
- Cross-training employees**:** This is common practice in businesses that rely on an agile workforce. Give your employees new roles or responsibilities and have them sit with someone who is comfortable performing the tasks you want them to learn. Change roles frequently to keep your employees motivated and continuously learning.
- Starting a mentorship program**:** Expanding on cross-training employees, a mentorship program benefits new and inexperienced workers without having you actually pay for their training. Have a senior worker act as a mentor and ease their transition into your corporate environment. The added benefit of a mentorship program is increased accountability.
- Re-using materials**:** most training materials such as videos have a long shelf life and may be used repeatedly. A lot of offices don't want to have anything lying around that's not constantly in use, but text books, CDs, and DVDs can be stored and used for new employees, so don't be quick to throw them away just yet.
- ELearning**:** electronic options are more affordable than traditional training. E-Learning is usually associated with decreased material costs as all or most of the training information is available online. It allows for flexibility and reduces travel costs too, as employees can access courses remotely.
- Associations or trade groups**:** some industry associations offer discounted or free training programs for members at annual events, online, and through seminars.
- Turning to your vendors and clients**:** you can negotiate free or reduced-cost training from your vendors for specific projects or products. Clients are motivated to invest in training if it means they will receive better service.

You can use these techniques individually or try a combination based on your business needs. Ultimately, having the right training program in place will save you money in the long run.

Carrying Out Employees Training

While new techniques are under continuous development, several common training methods have proven highly effective. Good continuous learning and development initiatives often feature a combination of several different methods that, blended together, produce one effective training program.

Orientations

Orientation training is vital in ensuring the success of new employees. Whether the training is conducted through an employee handbook, a lecture, or a one-on-one meeting with a supervisor, newcomers should receive information on the company's history and strategic position, the key people in authority at the company, the structure of their department and how it contributes to the mission of the company, and the company's employment policies, rules, and regulations.

Lectures

A verbal method of presenting information, lectures are particularly useful in situations when the goal is to impart the same information to a large number of people at one time. Since they eliminate the need for individual training, lectures are among the most cost-effective training methods. But the lecture method does have some drawbacks. Since lectures primarily involve one-way communication, they may not provide the most interesting or effective training. In addition, it may be difficult for the trainer to gauge the level of understanding of the material within a large group.

Case Study

The case method is a non-directed method of study whereby students are provided with practical case reports to analyze. The case report includes a thorough description of a simulated or real-life situation. By analyzing the problems presented in the case report and developing possible solutions, students can be encouraged to think independently as opposed to relying upon the direction of an instructor. Independent

case analysis can be supplemented with open discussion with a group. The main benefit of the case method is its use of real-life situations. The multiplicity of problems and possible solutions provide the student with a practical learning experience rather than a collection of abstract knowledge and theories that may be difficult to apply to practical situations.

Role Playing

In role playing, students assume a role outside of themselves and play out that role within a group. A facilitator creates a scenario that is to be acted out by the participants under the guidance of the facilitator. While the situation might be contrived, the interpersonal relations are genuine. Furthermore, participants receive immediate feedback from the facilitator and the scenario itself, allowing better understanding of their own behavior. This training method is cost effective and is often applied to marketing and management training.

Simulations

Games and simulations are structured competitions and operational models that emulate real-life scenarios. The benefits of games and simulations include the improvement of problem-solving and decision-making skills, a greater understanding of the organizational whole, the ability to study actual problems, and the power to capture the student's interest.

Computer-Based Training

Computer-based training (CBT) involves the use of computers and computer-based instructional materials as the primary medium of instruction. Computer-based training programs are designed to structure and present instructional materials and to facilitate the learning process for the student. A main benefit of CBT is that it allows employees to learn at their own pace, during convenient times. Primary uses of CBT include instruction in computer hardware, software, and operational equipment. The last is of particular importance because CBT can provide the student with a simulated experience of operating a particular piece of equipment or machinery while eliminating the risk of damage to costly equipment by a trainee or even a novice user. At the same time, the actual equipment's operational use is maximized because it need not be utilized as a training tool. The use of computer-based training enables a small

business to reduce training costs while improving the effectiveness of the training. Costs are reduced through a reduction in travel, training time, amount of operational hardware, equipment damage, and instructors. Effectiveness is improved through standardization and individualization. In recent years, videodisc and CD-ROM have been successfully integrated into PC-platforms, increasing the flexibility and possibilities of CBT.

Self-Instruction

Self-instruction describes a training method in which the students assume primary responsibility for their own learning. Unlike instructor- or facilitator-led instruction, students retain a greater degree of control regarding topics, the sequence of learning, and the pace of learning. Depending on the structure of the instructional materials, students can achieve a higher degree of customized learning. Forms of self-instruction include programmed learning, individualized instruction, personalized systems of instruction, learner-controlled instruction, and correspondence study. Benefits include a strong support system, immediate feedback, and systematization.

Audiovisual Training

Audiovisual training methods include television, films, and videotapes. Like case studies, role playing, and simulations, they can be used to expose employees to "real world" situations in a time- and cost-effective manner. The main drawback of audiovisual training methods is that they cannot be customized for a particular audience, and they do not allow participants to ask questions or interact during the presentation of material.

Team-Building Exercises

Team building is the active creation and maintenance of effective work groups with similar goals and objectives. Not to be confused with the informal, ad-hoc formation and use of teams in the workplace, team building is a formal process of building work teams and formulating their objectives and goals, usually facilitated by a third-party consultant. Team building is commonly initiated to combat poor group dynamics, labor-management relations, quality, or productivity. By recognizing the problems and difficulties associated with the creation and development of work teams, team building provides a structured, guided process whose benefits include a greater ability to manage complex projects and processes, flexibility to respond to changing

situations, and greater motivation among team members. Team building may include a broad range of different training methods, from outdoor immersion exercises to brainstorming sessions. The main drawback to formal team building is the cost of using outside experts and taking a group of people away from their work during the training program.

Apprenticeships and Internships

Apprenticeships are a form of on-the-job training in which the trainee works with a more experienced employee for a period of time, learning a group of related skills that will eventually qualify the trainee to perform a new job or function. Apprenticeships are often used in production-oriented positions. Internships are a form of apprenticeship which combine on-the-job training under a more experienced employee with classroom learning.

Job Rotation

Another type of experience-based training is job rotation, in which employees move through a series of jobs in order to gain a broad understanding of the requirements of each. Job rotation may be particularly useful in small businesses, which may feature less role specialization than is typically seen in larger organizations.

Learning Activities

Activity 1

Your instructor has divided your class into teams and assigned each team to develop a new product plus a business plan. Use your teamwork skills to organize your team to carry out this exercise and market your new product successfully.

Activity 2

Visit a training institution near you and find out the different training methods used to train there. What are the benefits and shortfalls of each of these training methods.

5.1.1.1 **Self-Assessment**

Q1. What are the steps followed when carrying out training needs assessment?

Q2. What are the challenges of using off-the-job method of training in an organization?

Q3 which assessment methods would be used to identify gaps on areas of competence by the HR manager?

Q4. What are the appraisal performances a manager can use to motivate employees?

5.1.1.2 **Tools, Equipment, Supplies and Materials**

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers To Self-Assessment Questions

A1 steps followed when carrying out training needs assessment:

a) Determining of business goals
b) Link goals to employee behavior
c) Determining performance gaps
d) Identify trainable competencies

A2 Challenges of using off-the-job method of training in an organization

a) The method is completely detached from the work place
b) Quality may become deteriorated

c) It may become non effective in the actual context
d) Production may be affected while employees are away

A3. Assessment methods used by the HR manager:

a) Survey questionnaires
b) Personal interviews
c) Personal observations

Q4. What are the appraisal performances a manager can use to motivate employees?

a) **Management by objective** – managers and employees together identify plan, organize and communicate objective to focus on during specific appraisal period.
b) **360 degree feedback**- this method evaluate an employee using feedback collected from cycle of influence. E.g. managers, peers, customers and direct reports.
c) **Assessment centre method**- this method enables employees to get a clear a piture on how others observe them and the impact it has on their performance.
d) **Behaviorally anchored rating scales**-it compares employee performance with specific behavior which are anchored and to numerical rating
e) **Psychological appraisals**-method focus on analyzing employees future performance rather than their past work

2.2.6 LEARNING OUTCOME 6: REWARD/PENALIZE EMPLOYEE PERFORMANCE

Introduction to the Learning Outcome

This learning outcome employee's reward and penalties.it involves determining employee motivation and setting organizational motivation parameters. It covers recognizing and awarding employees, determining innovations awards, carrying out innovations vetting and presenting awards.

Performance Standard

1. Employee motivation type is determined based on HR policy an
2. Organizational motivation parameters are set in accordance to operational targets.
3. Employees are recognized and awarded in accordance to HR and financial policy.
4. Innovations awards are determined by innovations awards policy of the business Innovations.
5. Innovations vetting is carried out in accordance with Innovation Committee Procedures
6. Awards are presented in accordance with Innovation Awards procedures.

Information Sheet

Definition of terms

Motivation

It refers to the external environment and interpersonal drive that stimulates enthusiasm and persistence to pursue a certain course of action or goal.

Reward: This is something given in exchange for good behavior or good work.

Human capital: This the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances

Human resources: This is the set of people who make up the workforce of an organization, business sector, industry, or economy. A narrower concept is human

capital, the knowledge which the individuals embody. Similar terms include manpower, labor, personnel, associates or simply people.

Motivation theories: These explain 'how' satisfaction comes about, in an individual and lead to higher performance or low performance

Job satisfaction: Job satisfaction (or the lack thereof) depended on the employee's perception of the degree to which his work delivers those things that he desires – how well outcomes are met or expectations perhaps even exceeded. Regardless of the actual circumstances and situation, job satisfaction is an emotional response that cannot be seen, only inferred.

Determining Employee Motivation: Human capital is an organization's main asset. It is capable of leading the organization either to success or if not managed properly, failure and high staff turnover. Thus, irrespective of size and market, organizations strive to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to overcome challenges, organizations should create a strong and positive relationship with its employees, direct them towards task fulfillment and ensure they have job satisfaction.

The concept of motivation refers to the external environment and interpersonal drive that stimulates enthusiasm and persistence to pursue a certain course of action or goal. What motivates people is important to any organization as it sets the foundation to one's drive which if managed can produce a model employee. Employee motivation is "a basic psychological process which explains why employees behave the way they do in the workplace". Alternatively, it is described as "the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." Employee motivation is also the "psychological forces that determine the direction of a person's behaviour in an organization, a person's level of effort and a person's level of persistence."

Motivation is a key organizational concept. This topic has been a principle concern for organizations and managers because a low level of motivation in work performance can cause a failure of an organization. Organizations seek motivated employees, and view managers who have the ability to motivate others as successful. Therefore, an imperative need of study, comprehending and implementing employee

motivation is one of the most important tasks for managers. In this task, management is required to assess how motivated their employees are and to bring about an environment within which employees are highly motivated for performance.

The essential question in determining what motivates employees is "what really motivates the staff?" It is often assumed that all people are motivated by the same things. Actually they are motivated by a whole range of factors. Including questions to elicit what really motivates employees, including learning about their values. Management should intelligently understand what; within the culture of their organization really motivate the workers: Are they motivated by financial rewards, status, praise and acknowledgment, competition, job security, public recognition, fear, perfectionism, results and other factors. This is really important as what motivates employees in one organization may not be the same for another.

In an attempt to determine employees' levels of motivation in the work place, a manager needs to first think what the drivers of motivation are. Secondly, a manager needs to need to give some thought as to what the desired outcomes are. Then there must also be ongoing monitoring of employees' performance. In terms of outcomes, the manager needs to be well aware of how the factors of leadership, culture and composition interact in influencing employee motivation.

Under leadership, the potential outcome is employees having a positive impression of leadership within the organization. If the employees exhibit a positive attitude towards the manager as a leader and figurehead, they are more likely to heed good advice and contribute positively to the accomplishment of goals. Within such an environment, the employees genuinely feel valued and respected by their manager as a leader rather than boss.

Management also needs to consider how culture influences the organization. The expected outcome is that employees feel that within the organizational culture they are generally cared for and are allowed to care for each other with management concerned about their welfare. Secondly employees like the culture in the organization and feel proud about working there. This can be exhibited in the way employees are inspired to perform their job tasks, collaboration, time keeping, efficiency and effectiveness. The expected outcomes of composition are that employees have positive relationships with their colleagues. Employees respect

diversity among those they work with and feel respected by others. A wholesomely motivated work force will value each other's work regardless of hierarchy. Those in superior positions will not look down upon junior staff but will regard each other as of essential contribution to the organization.

To obtain a more specific and closer view of employees' levels of motivation, it may be necessary to carry out a formal survey using a questionnaire that may test the various variables of motivation desired within the organization. Staff surveys are usually very helpful in establishing whether staff in the company is motivated and therefore performing to best effect. Other than the information that questionnaires reveal, the process of involving and consulting with staff is hugely beneficial and motivational in its own right. Surveys are effective if unique to the company, staff issues, industry and culture. Surveys help towards establishing facts rather than making assumptions about employees' motivation in the organization.

Setting Organizational Motivation Parameters

There are identified principles that can be applied by managers in assessing levels of employee motivation. It is crucial to relate motivation expectations to the primary aim of the company. Employees may be more motivated if they understand the primary aim of the business. In this regard, the assessment would involve trying to establish how clear employees are about the company's principles, priorities and mission. If employees do not fully understand this basic aspect, they may be deemed to be less motivated or otherwise motivated by other factors. The organization may have certain obstacles hindering employees from performing their best. For example, if performance levels have dropped drastically or improved significantly, it is important to check what has caused the change. In their assessment of employee motivation, employers would therefore inquire about what employees are tolerating in their work and home lives. The company can eliminate practices that zap motivation.

Implications of these numerous theories on ways of motivating employees are many. They vary with whatever perspectives leadership subscribes to motivation and how that is cascaded down and incorporated into practices, policies, and culture. The effectiveness of these approaches is further determined by whether individual preferences for methods of motivation are considered. Nevertheless,

various **motivational theories** can guide our focus on aspects of organizational behavior that may require intervening.

Hertzberg's Two-Factor Theory, for example, implies that for the happiest and most productive workforce, companies need to work on improving both motivator and hygiene factors. The theory suggests that to help motivate employees, the organization must assure everyone feels appreciated and supported, is given plenty of specific and meaningful feedback, and has understanding and confidence in how he or she can grow and progress professionally.

To prevent job dissatisfaction, companies must make sure to address the hygiene factors by offering employees the best possible working conditions and fair pay that includes forming supportive relationships with them.

For true engagement to occur in a company you must first remove the issues that cause dissatisfaction – the baseline benefits offered by the company that satisfy the hygiene needs of the employee. Then you must focus on the individual and what they want out of their association with your enterprise. – Hertzberg

Maslow's Hierarchy of Needs pyramid, on the other hand, can be used to transform a business where managers struggle with the abstract concept of self-actualization and tend to focus too much on lower level needs instead. Chip Conley, the founder of the *Joie de Vivre* hotel chain and Head of Hospitality at Airbnb, found one way to address this dilemma by helping his employees understand the meaning of their roles during a staff retreat.

In one exercise, he asked groups of housekeepers to describe themselves and their job responsibilities by giving their group a name that reflects the nature and the purpose of what they were doing. They came up with names such as "The Serenity Sisters," "The Clutter Busters," and "The Peace of Mind Police."

These designations provided a meaningful rationale and gave them a sense that they were doing more than just cleaning and were instead "creating a space for a traveler who was far away from home to feel safe and protected." By showing them the value of their roles, Conley enabled his employees to feel respected and motivated to work harder.

The Hawthorne Effect studies and *Weiner's Three-Dimensional theory of attribution* have implications for providing and soliciting regular feedback and praise. Recognizing employees' efforts and providing specific and constructive feedback in the areas where they can improve can help prevent them from attributing their failures to an innate lack of skills.

Praising employees for showing an improvement or using the correct methodology, even if the ultimate results were not achieved, can encourage them to improve and reframe setbacks as learning opportunities continuously. This can foster an environment of psychological safety that can further contribute to them seeing that success is controllable through the use of different strategies and setting achievable goals.

Theories X, Y, and Z show that some of the most impactful ways to begin or to strengthen a journey to build a thriving organization are to craft organizational practices that build autonomy, competence, and provide a sense of belonging. These practices include providing decision-making discretion, sharing information broadly, minimizing incidents of incivility, and offering performance feedback.

Being told what to do is not an effective way to negotiate. Having a sense of autonomy at work fuels vitality and growth and creates environments where employees are more likely to thrive when empowered to make decisions that affect their work.

Feedback satisfies the psychological need for competence. When others value our work, we tend to appreciate it more and work harder. Particularly two-way, open, frequent, and guided feedback creates opportunities for learning.

Frequent and specific feedback helps people know where they stand in terms of their skills, competencies, and performance and builds feelings of competence and, in turn, thriving. Immediate, specific, and public praise focusing on effort and behavior and not traits are most effective. Positive feedback energizes employees to seek their full potential.

Lack of appreciation is psychologically exhausting, and studies show that recognition improves health because people experience less stress. In addition to being acknowledged by their manager, peer-to-peer recognition was shown to have a

positive impact on the employee experience (Anderson, 2018) as were suggestions for rewarding the team around the person who did well and staying away from giving time off to top performers as a form of recognition and instead giving them more responsibility.

Other approaches to motivation at work worth mentioning include those that focus on meaning and those that stress the importance of creating positive work environments.

Meaningful work is more and more often considered to be a cornerstone of motivation. In some cases, burnout is not caused by too much work but by too little meaningful work. For many years, researchers have recognized the motivating potential of task significance and doing work that affects the well-being of others.

All too often, employees do work that makes a difference but never have the chance to see or to meet the people affected by their work. Research by Adam Grant speaks to the power of long-term goals that benefit others and shows how the use of meaning to motivate those who are not likely to climb the ladder can make the job meaningful by broadening perspectives (2013).

Creating an upbeat, positive work environment can also play an essential role in increasing employee motivation and can be accomplished through:

- Encouraging teamwork and idea-sharing
- Providing tools and knowledge to perform well
- Eliminating conflict as it arises
- Giving employees the freedom to work independently when appropriate
- Helping employees establish professional goals and objectives and aligning these goals with the individual's self-esteem
- Making the cause and effect relationship clear by establishing a goal and its reward
- Offering encouragement when workers hit notable milestones
- Celebrating employee achievements and team accomplishments while avoiding comparing one worker's achievements to those of others
- Offering the incentive of a profit-sharing program and collective goal-setting and teamwork
- Soliciting employee input through regular surveys of employee satisfaction

- Providing professional enrichment through encouraging employees to pursue additional education, participate in industry organizations, skills workshops, and seminars, and providing tuition reimbursement
- Motivate through curiosity and creating an environment that stimulates employee interest to learn more
- Using cooperation and competition as a form of motivation based on individual preferences

Sometimes inexperienced leaders will assume that the same factors that motivate one employee, or the leaders themselves, will have the same effect on others too. Some will make the mistake of introducing de-motivating factors into the workplace, such as punishment for mistakes or frequent criticisms, but negative reinforcement rarely works and often backfires.

It's important to keep in mind that motivation is individual, and the degree of success achieved through one single strategy will not be the most effective way to motivate all employees.

Recognizing and Awarding Employees

This is the process through which employers or business owners make a conscious effort to reward and award your employees not just to acknowledge their work but also to motivate them to continue with the same passion. Employees deserve to be rewarded and recognized for the hard work they do. Their recognition is the acknowledgment of their efforts, hard work and behaviour at the workplace that have contributed to the organization's success and objectives in some way. Both things are very important: recognizing and acknowledging these efforts, as well as rewarding employees for their fruitful efforts. Here are some ways in which you as an employer or business owner can recognize the efforts of your workplace and reward them accordingly:

- **Day-to-day recognition** – It is important to motivate and encourage employees to perform well on an everyday basis and not just on a periodic level. For example, small words of praise, little words of encouragement and constant motivation are highly important to make your employees feel

encouraged for their efforts and to maintain a positive flow of the workplace environment.

- **Informal recognition** – Informal recognition is the kind of recognition which includes gestures of encouragement and appreciation. A pat on the back or a word of praise in front of the team can go a long way in boosting the morale of the employees.
- **Formal recognition** – Formal recognition is usually in the form of rewards for service, contribution, and achievements. These recognition forms also include events held for the celebration of achievements. Formal recognition often has some legal and policy requirements.

Importance of Employee recognition

As an employer or business owner, it becomes your responsibility to make sure there is a proper employee recognition program in your organization. Such program offers are very beneficial and are of high importance. Some of these benefits include:

- **Encourage engagement** – One of the ways in which recognition of your employee's efforts or hard work can benefit is by encouraging or inspiring further engagement and boosting overall performance. When one gets some praise or pat on the back, he/she automatically tries to give the same level of performance and improves efforts further.
- **Encourage better business results** – The simple gesture of praising or rewarding your employees at work can have a direct impact on your bottom-line and can lead to better overall results that are a consequence of better individual performances.
- **Increase loyalty & retain the best talent** – When one is recognized for his/her hard work, he/she tends to be more loyal towards you and the work he/she is doing. This is something that can help to retain important and skilled employees in the long run.
- **Build a supportive work environment** – The more your employees feel encouraged and valued, the more they will be supportive to your cause, hence building a supportive and active work environment.
- **Encourage a sense of ownership of the place in employees** – When an employee hears a word of recognition or receives an award for his/her services, he/she begins to feel a sense of belonging and ownership for the

workplace, which further improves performance and infuses a sense of positivity in the environment.

Determining Innovations Awards

Innovation awards are typically used as a mechanism for fostering innovation within an organization because of their motivational effects. As rewards, awards typically combine tangible (often money or gifts) and intangible incentives, and have been associated with a number of positive organizational behaviors, including lowered absenteeism and higher productivity. Additionally, in team situations, the recognition of individuals has positive effects on other team members' performance. However, responses to awards are often highly individualized hence unclear if (and how) individuals react to organizational attempts to reward collaborative work through awards. Whereas the reward and recognition views mainly focus on the conditions and implications for awards individuals, the socio-cultural view is more focused on the interaction between individual and organizational responses to awards.

Innovation awards are especially valuable in contexts where it is challenging/difficult to design effective incentive systems to motivate workers. This may be because of the difficulty in observing assessing the performance of the work done or where managerial discretion to higher. Since awards assessed on vaguely defined criteria, managers in knowledge-intensive firms can use their discretion to send relational signals about the behaviors sought in the awards that they give. When managers target their awards at firm-specific knowledge, they succeed in creating and capturing value hence motivating employees to invest in firm-specific knowledge and reducing the awards portability by tying them to firm-specific skills.

The role of prizes, a form of award, in encouraging innovation in scientific fields, suggests that the publicity that comes with winning a prize encourages prize winners to continue to innovate. Prizes were positively related to on-going innovation rights even when grants or prize money were not available. Furthermore, the publicity surrounding the winners is an important mechanism for encouraging innovation. Awards can play role in both displaying existing innovation capabilities and in encouraging the development of new ones.

Carrying Out Innovations Vetting

Organizations require a self-regulating, evidence-based innovation pipeline. In the absence of such, project approvals tend to be based on who has the best demo or slides, or who lobbies the hardest. There is no burden on those who proposed a new idea or technology to talk to customers, build minimal viable products, test hypotheses or understand the barriers to deployment. And they count on well-intentioned, smart people sitting in a committee to decide which ideas are worth pursuing. Organizations need a process that operates with speed and urgency, and that helps innovators and other stakeholders to curate and prioritize problems, ideas, and technologies.

This prioritization process has to start before any new idea reaches engineering. This way, the innovations that do reach engineering will already have substantial evidence — about validated customer needs, processes, legal security, and integration issues. Most importantly, minimal viable products and working prototypes will have been tested.

A viable innovations pipeline consists of:

Innovation sourcing:
Over a period of days, a group generates a list of problems, ideas, and technologies that might be worth investing in.

Curation:
This is the period when innovators get out of their own offices and talk to colleagues and customers. This includes both an internal and an external survey with an aim to find other places in the business where a given problem might exist in a slightly different form, to identify related internal projects already in existence, and to find commercially available solutions to problems. It also sought to identify legal issues, security issues, and support issues.

This process also helped identify who the customers for possible solutions would be, who the internal stakeholders would be, and even what initial minimum viable products might look like.

At this point, some ideas drop out when the team recognizes that they may be technically, financially, or legally unfeasible or they may discover that other groups have already built a similar product.

Prioritization:

Once a list of innovation ideas has been refined by curation, it needs to be prioritized. One of the quickest ways to sort innovation ideas is to use the McKinsey Three Horizons Model. Horizon 1 ideas provide continuous innovation to a company's existing business model and core capabilities. Horizon 2 ideas extend a company's existing business model and core capabilities to new customers, markets or targets. Horizon 3 is the creation of new capabilities to take advantage of or respond to disruptive opportunities or disruption. You could also include a new category of Horizon 0, which refers to graveyards ideas that are not viable or feasible.

Once projects have been classified, the team prioritizes them, starting by asking: is this project worth pursing for another few months full time? This prioritization is not done by a committee of executives but by the innovation teams themselves.

Solution exploration and hypothesis testing:

The ideas that pass through the prioritization filter enter an incubation process. This process delivers evidence for defensible, data-based decisions. For each idea, the innovation team fills out a business model and explores the innovation's framework by testing regulatory, legal, policy, financial frameworks. It also examines the compatibility, scalability and deployment potentials and need for compelling evidence that the innovation deserves to be a new mainstream capability. Alternatively, the team might decide that it should be spun into its own organization or that it should be killed.

Incubation:

Once hypothesis testing is complete, many projects will still need a period of incubation as the teams championing the projects gather additional data about the application and get used to working together. Incubation requires dedicated leadership oversight to ensure the innovation project does not die of malnutrition (a lack of access to resources) or become an orphan (no parent to guide them).

Integration and refactoring:

At this point, it's time to integrate it into the existing organization having considered the technical and organization implications of the innovations.

Technical debt is software or hardware built to validate hypotheses and find early customers. This quick and dirty development can become unwieldy, difficult to

maintain, and incapable of scaling. Organizational debt is all the people and culture compromises made to “just get it done” in the early stages of an innovation project.

Presenting Awards

Presentation of awards includes both formal and informal recognition and may or may not possess all of the glitz and glamor of a formal recognition program, but both are equally effective when it comes to motivating and inspiring a team. At its core, informal recognition is meant to acknowledge progress towards specific goals or behaviour changes. This level of recognition is generally displayed towards individuals and groups. Informal celebrations may include low-cost mementos, a points-based safety incentive program, or even refreshments. The important thing is that you honor your employees’ achievements and outstanding behaviour.

Presentation of awards should contain the five areas.

1. **Personalization**

   Both formal and informal award presentations should be personalized for the recipient. The employee being honored and the co-workers need to understand why he or she is being honored.

2. **Meaningful**

   Awards ought to be impactful to the single employee. It may be difficult to choose an impactful award for a single employee and even harder when needing to award a larger workforce. One can opt to adopt a point-based incentive program where employees are recognized for their efforts by being awarded points that they can then redeem for the reward of their choice. The rewards must also be desirable to be effective, and the process is easy and simple to manage.

3. **Immediate**

   For maximum impact, awards should be presented as immediate as possible. This means that as soon as you can recognize and reward your employee for taking desirable actions, do so. Lack of immediacy is one of the reasons why year-end bonuses so often fail to deliver the results a company hopes for, and it’s another area where points-based incentive programs shine.

4. **Simple**

Award presentation efforts should be simple so as to encourage managers to use it and to avoid frustrating your employees. The process must be simple to understand and easy to use.

5. **Public**

   This should be despite the kind of awards ceremony being held whether fancy or informal. Reinforce the values of your organization by expressing gratitude to your employees in public – whether it's in a group of their peers, an intranet site, or even via social media.

A lack of motivation can be caused by many factors, including:

- Boredom
- Lack of confidence in management decisions
- Unmanageable workload
- Unsuitable working environment
- Lack of career progression
- Feeling under-appreciated
- Issues outside of work such as family illness, bereavement or financial worries

Learning Activities

Activity 1

You are the leader of a group of ten members whose team was awarded "The Best Team of the year". This award carries non-monitory benefit worth Ksh.300,000. As the team leader convene a meeting to discuss the various non-monitory ways of benefiting from the award'

A) Convene the meeting
B) Prepare a list of the possible non-monitory awards that the team would benefit from
C) Prioritize as a team and select one of them. Prepare a budget of the expenditure.

Self-Assessment

Q1. Discuss at least 3 motivational theories and their relevance in employee's satisfaction

Q2. Explain the characteristics of a demotivated employee

Q3.Explain ways an organization manager can improve employee's morale to work

Q4. What types of rewards and recognition should an organization offer?

Q5. When using bonuses, managers should be mindful of

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

Maslow's Hierarchy of Needs

According to Smith & Cronje (1992), the way Maslow's theory is explained relies on the fact that people want to increase what they want to achieve in life and their needs are prioritized according to their importance

Herzberg's Two-Factor Theory/Motivator-Hygiene

Herzberg's Two-factor theory, also known as Motivator-Hygiene, emanated from a study conducted among accounts and engineers to determine what makes an individual feel good or bad about their job (Saif et al., 2012). Regarding 'satisfiers', Herzberg noted that there were five features of work that bring

McGregor's X and Y Theories

McGregor's (1960) Theory X and Y models categorize employees as belonging to one of two groups based on two sets of assumptions. Theory X assumptions take a negative perspective of people: People can have "an inherent dislike for work and avoid it if possible; because of this, they must be coerced, controlled, directed and threatened with punishment to make them work. They prefer to be directed, avoid responsibility, have little ambition, and want security" (Saif et al. 2012, p.138). Theory Y assumptions take the opposite view: the mental and physical inputs expended at the workplace are equated and par with those rest or play

McClelland's Need Achievement Theory

McClelland's need achievement theory postulates that some people are driven to success through seeking "personal achievement rather than rewards themselves" (Saif et al., 2012, p.1387). This theory is readily applicable to academic environments and explains why some teachers are high achievers, despite the difficulties they face: they set themselves high goals and achieving these goals is what drives them.

The Equity Theory

Process theories explain 'how' satisfaction comes about, as opposed to 'what' causes motivation. The equity theory postulates that employees will weigh their input into a job against the output they receive from it – the more the rewards, the greater their satisfaction

Q1. Some tell-tale signs that an employee has become demotivated include:

- Lack of punctuality – arriving late to work, or an increased time to start work after arriving at the office
- Change in mood towards colleagues
- Increased absence from work
- Lack of focus, and a distantness from colleagues
- Inappropriate or negative comments
- Lack of input into team meetings
- Increasing reluctance to take on more responsibility than the 'bare minimum'

Q2. **Get to know your team.**

Work on your relationships with individual employees and the overall team; not only will this help you to spot demotivation earlier, having a close, supportive relationship with your team can help keep employees motivated by ensuring they feel valued, respected and listened to.

Be a transparent, respectful, and supportive manager.

Surveys show that up to half of employees leave their jobs due to their problems with their managers. Managers impact a huge amount of an employee's overall job experience – they help determine who you work with, which projects you work on, if and when you get promoted. Through their action or inaction, managers have the power to damage the morale, motivation and productivity of their team, so it's important to build their leadership skills. Don't assume that leadership skills come innately – companies should provide management training for those promoted to management positions, and ongoing support and development.

Get to know your team.

Since you can't customise every single goal or project according to individual employees' motivations, try to at least give them the freedom of meaningful choice - this, in turn, inspires willingness, according to motivation guru Edward Deci. For instance, allow them to choose the way to approach a project or problem, and you can also ask their input in setting goals. A recent Gallup poll found that employees whose managers included them in goal-setting were over three times more engaged than those who aren't given a say.

Q3. Ways of motivating employees

- **Day-to-day recognition** – It is important to motivate and encourage employees to perform well on an everyday basis and not just on a periodic level. For example, small words of praise, little words of encouragement and constant motivation are highly important to make your employees feel encouraged for their efforts and to maintain a positive flow of the workplace environment.
- **Informal recognition** – Informal recognition is the kind of recognition which includes gestures of encouragement and appreciation. A pat on the back or a word of praise in front of the team can go a long way in boosting the morale of the employees.
- **Formal recognition** – Formal recognition is usually in the form of rewards for service, contribution, and achievements. These recognition forms also include events held for the celebration of achievements. Formal recognition often has some legal and policy requirements.

Q.. What types of rewards and recognition should an organization offer?

A. Annual bonus
B. Mentoring program
C. Additional training & development
D. Feature in company newsletter
E. Spot bonuses
F. Profit sharing
G. Individual incentive pay
H. Gainsharing
I. Employee stock ownership plan
J. Attendance award
K. Extra PTO
L. Flexible work hours
M. Lunch out
N. Wall of fame…

Q When using bonuses, managers should be mindful of

a) A, the amount, so that the bonus does not negatively affect the profits of the company.
b) Not recognizing friends within the company.

c) The size of the bonus in relation to the event recognized.
d) Potential unexpected behaviours arising when employees try to ensure they will receive bonuses.
e) very little, the bonus is just so effective

2.2.7 LEARNING OUTCOME 7: PREPARE PERFORMANCE IMPROVEMENT PLAN

Introduction to the Learning Outcome

This learning outcome involves analyzing reports of employee appraisal. Areas of employee improvement will be identified and categorized. Methods of employee improvement will be determined and their performance resources identified. Monitoring and evaluating procedures for improvement will be developed.

Performance Standard

1. Reports of employee appraisal are analyzed based on standard operating procedures.
2. Areas of employee improvements and goals are identified and categorized based on appraisal report
3. Methods of employee improvement are determined in accordance with HR policy.
4. Performance Improvement resources are identified based on human resource budget.
5. Monitoring and evaluation procedures for improvement are developed according human resource requirements.

Information Sheet

Definition of terms

Employee's reports

This report prints employee assignments. It includes employee name, social security number, job class, used, bargaining unit, hire date, salary schedule, salary placement and permanency code. This report can be used to obtain a brief listing of all employees at an organization and determine their job category/class, as well as their bargaining unit and salary schedule.

Training on the job

On-the-job training is an important topic of human resource management. It helps develop the career of the individual and the prosperous growth of the organization. On

the job training is a form of training provided at the workplace. During the training, employees are familiarized with the working environment they will become part

The Off-the-Job Training

It is the training method wherein the workers/employees learn their job roles away from the actual work floor.

Benchmarking

It is a process of measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry, that is "best in class."

Analyzing Reports of Employee Appraisal

In addition to measuring and judging performance, the ideal performance evaluation relates individual performance to organizational goals and clarifies the job to be done along with the expectations of accomplishment. It also fosters the increasing competence and growth of the subordinate and enhances communications between you and your employee. It serves as a basis for judgments about salary and promotion and stimulates an employee's motivation. Performance evaluations also can serve as a device for organizational control and integration.

Recommendations for an effective performance review process include:

- A feedback process that is continuous and timely throughout the review period so that employees know how they are doing and what is expected.
- A dialogue that includes performance feedback measured against clear and specific goals and expectations established at the outset of the performance management cycle.
- A process for acknowledging the outcomes of the performance review process that is documented between the manager and the employee.
- A two-way individual conversation between the manager and the employee (preferably face-to-face) at least once a year.

Feedback

Feedback is what performance evaluations are all about. Give balanced feedback. Don't make the common error of glossing over an employee's deficiencies and focusing only on his or her strengths. It is by understanding their weaknesses that employees can take ownership of their performance and role in the practice. And when given the support they need to make improvements in these areas, employees learn to take pride in their work and are willing to take on new challenges with confidence.

Feedback sandwich

'A feedback sandwich' is a technique commonly used which consists of one specific criticism "sandwiched" between two specific praises. This technique is fast, efficient and well suited to time constraints. The feedback sandwich is particularly useful at the onset of any new supervisor-employee relationship, but it can benefit existing relationships as well.

For a new employee, development of skills requires honing of behaviors, and praise and criticism are the best tools for the job. Once new skills are developed, the supervisor can direct less and delegate more. For a new supervisor, this technique can help him or her earn the trust of the employees by delivering artful feedback that enhances employee success.

Figure 12. A Feedback Sandwich

Keep in mind that not every bit of praise or criticism needs to be sandwiched. When a supervisory relationship is healthy, there are times when praise and criticism can be given independently. Any technique that is applied too rigidly will eventually feel inauthentic.

Avoiding Ineffective Evaluations

Ineffective evaluations can be avoided if you don't depend solely on your personal observations. Seek information from people with whom the employee routinely collaborates. One option is to conduct 360-degree performance reviews. Such reviews supplement the manager's observations with those of the employee's co-workers, peers and others with whom he interacts in the workplace. You also can maintain a computer file or performance notebook on each of your staff members. Remember to

update this record frequently and review it before you meet with the employee to combat the issue of selective memory.

Identifying and Categorizing Areas of Employee Improvement

Given different levels of employment within your workforce, you need more than a "one size fits all" approach to providing constructive feedback that leads to performance improvement.

Addressing External Factors Affecting Performance

Many employees experience highs and lows throughout their work life; employers who recognize symptoms of external factors that affect performance are better able to resolve performance issues. A few essential elements in addressing performance issues are regular interaction with employees, consistent application of workplace policies and the ability to identify the underlying causes of poor performance. This requires active and constant management of your workforce.

Supervisors and managers who provide regular feedback and ensure their direct reports have the necessary tools to perform their jobs are leaders in your organization. They are key personnel in helping your organization maintain an effective, productive and satisfied workforce. Employees burdened with personal matters that affect performance should be counselled by leaders who can direct them to company resources such as employee assistance programs or behavioral-focused training. Resources such as these enhance interpersonal skills, assist in compartmentalizing personal matters and enable employees to redirect their focus to job performance.

Skills Training and Professional Development

When an employee's skill set is poorly matched to job duties, poor performance can create a domino effect leading to low job satisfaction, employee morale and engagement.

Evaluate your recruitment and selection process -- you may be able to prevent poor performance due to lack of skills or a mismatched job assignment. "Entrepreneur" magazine suggests a close examination of employee tasks to determine the necessity

of training: "Examining job descriptions and specifications provides necessary information on expected performance and the skills employees need to accomplish their work.

Any gaps between performance and job requirements indicate a need for ‘task training." Monitor employee competencies to maintain consistency with their duties and responsibilities. Performance evaluations that include a discussion about training and development opportunities may also prevent the incidence of poor performance. In addition, leaders who communicate frequently with employees are more likely to observe job skills that need improvement.

Performance Improvement Plans and Disciplinary Action

Identifying areas for improvement is just one step to addressing poor performance. Many employees may realize they are experiencing performance issues; however, when an employee is unresponsive to attempts to correct performance deficiencies, the employer may need to utilize other measures.

Performance improvement plans contain specific areas, milestones and goals for immediate improvement. PIPs are sometimes a last resort in saving an employee's professional reputation. Strict oversight is required in administering a PIP, as well as consistent monitoring by the supervisor or manager. When employees receive disciplinary counselling, their performance can either improve dramatically or they can react negatively to discipline.

Determining Methods of Employee Improvement

Most employees perform several tasks, some of which will be easier to measure than others. When determining how profitable an employee's actions are, include factors that affect those profits, such as the cost of overtime, annual turnover rates, and overall job satisfaction.

Be open to different approaches, and be willing to try different methods at different times, to see which reveal the most accurate data, and reveal what's most important in terms of your business goals.

Method 1: Management by Objectives

To use the **management by objectives** method accurately, you must measure productivity in ways that reveal how well an employee's output is contributing to your company's goals and targets. For this to work correctly, employees must first be given clear, individual productivity goals to work toward, as well as all the tools and information they need to meet those goals.

If your goal is to increase customer retention by 25 percent over the next year, you'll need to decide what kind of training and incentives you'll use to ensure employees are ready to help you achieve that goal. Customer retention productivity will require them to deliver a high quality of service. To ensure accuracy of measurements, employee actions must be noted regularly, in addition to ongoing customer retention rates.

Annual or six-month employee evaluations should reveal accomplishments such as "reduced customer complaints by 20 percent" and "found solutions to customer problems on a consistent basis."

Employees should meet with their supervisors at regular intervals to discuss their progress and to solve problems as they occur. Measuring productivity throughout the year helps employees to stay focused on their goals. The annual review then reveals how much progress was achieved toward individual and company goals. New goals are then created for the upcoming year.

Method 2: Measuring Productivity Quantitatively

The **quantitative method** measures productivity by the number of parts or products an employee produces in a particular period of time, such as per hour, day or month. This method works very well for small businesses, but even if you're managing large groups, this kind of performance measurement is simple and time-saving.

Productivity can be quickly calculated with productivity software or on a spreadsheet, revealing the number of products an employee produces or contributes to in a given time period. Those numbers are then averaged out to reveal productivity gains or losses over time. Output can be measured either by the volume or quantity of products created, or by the financial value of the product or service.

First, create your baseline-the average number of individual worker hours, days or weeks needed to create that part or product under usual working conditions, when the employee is working at optimal levels. Each employee in the production line is then measured against that ideal (but realistic) level of productivity.

This type of measurement must also factor in the amount of time that employees spend on activities such as job training, time spent waiting for materials to arrive or broken equipment to be fixed, and other factors not under their control.

Method 3: 360-Degree Feedback

The **360-degree feedback method** uses the feedback and comments of co-workers to measure productivity. This method can only be used if the employees in your organization interact with one another a great deal. This measurement requires that the employee's productivity be evaluated by everyone they work or interact with daily, including those on, above and below their job level. All evaluators must know and understand their co-worker's overall role and function, daily work duties, professional credentials and communication skills.

This method works best in smaller departments or organizations where everyone knows and interacts with everyone else. Everyone from managers to IT workers to receptionists give feedback on an employee's levels of productivity in terms of how well they have fulfilled their duties and contributed to overall company productivity. In a team appraisal, only members of that employee's team evaluate them, in terms of their contributions to team productivity.

To achieve best possible accuracy, employees must first receive training on how to offer input that is well-balanced and impartial. They must be trained to offer feedback that is based purely on their co-worker's professional abilities, not on their personal feelings or beliefs about that employee.

The accuracy of this method is based on the fact that it involves a good number of people, all of them trained in objective feedback, and all weighing in on how well the employee's productivity meets their team and company goals.

Method 4: Measuring Sales Productivity

It can be challenging to measure a sales representative's productivity with complete accuracy. There are many factors that affect a salesperson's output. Begin by recording the different aspects of their productivity within a given time period. Those numbers can include:

- The total number of sales completed in that time period
- The total amount of sales made in dollars
- The number of calls made to current customers
- The number of sales made to current customers
- The number of new customers gained
- The number of calls made to potential new customers
- Expenses per sale/new customer acquisition

These numbers should be regularly recorded by each member of your sales team, either on a spreadsheet or by using software tools. Before evaluating those numbers, first establish a baseline for sales productivity levels that suits your particular business size, market and product type. Researching the sales levels of successful businesses of your size selling the same or similar products will help you create a realistic baseline. Keep in mind that many factors will come into play.

Also factor in important elements such as current growth trends and shifts in your market. Note how much time your sales team is spending in non-sales activities, such as travel and internal meetings. They might also be busy re-negotiating terms with existing customers some weeks, leaving less time for acquiring new customers. Take these and any other important factors into account, to ensure that salesperson productivity levels are measured as accurately as possible.

Method 5: Measuring Service Productivity

Though **measuring service productivity** can be more challenging than measuring product output, accurate measurements can still be created. Some service businesses measure productivity by counting the number of tasks performed or the number of customers served in a day or an hour. Other businesses measure productivity by the

speed of product or service delivery, customer feedback, or by individual and department self-evaluations.

Some record the amount of time a service employee spends on each work duty. This can be recorded either by using the right software or by having individual employees fill out timesheets that specify work duties. Call centers often use end-of-call customer surveys to record how well employees have answered customer questions and solved problems. Customer service productivity can be measured in many ways, including:

- How long it takes for a customer to be served (such as call waiting times or in-person waiting times)
- How long it takes for a customer's order to be completed
- Customer retention rates-the percentage of customers who return at least once
- How long those customers are retained
- How often products are returned
- How many customer complaints are received in a given time period

Whatever set of criteria you choose, first create your baseline-your business's best service level under current conditions-and measure employee productivity against that. Factor in the problems that keep your employees from delivering optimal service, and keep in mind that some aspects of service are performed more quickly than others. Decide what factors of optimal service apply to your business, such as quality, speed, politeness, cost-effectiveness, or a combination of those.

Note the situations under your control that can slow service productivity, such as staff shortages and equipment breakdowns. Your employees may be also slowed down by having to fill out orders by hand, if they don't have a touch screen cash register to work with. Every six to 12 months, create a new baseline that accurately takes into account your current market and operating conditions, and re-evaluate employees based on those new standards.

Method 6: Measuring Time Management Productivity

The **time management method** determines employee productivity by recording how they use their work time. Accurate measurement will reveal how much time is spent on accomplishing work duties in a timely way, as well as how much time is lost to illness or excessive time off, non-work-related conversations, and distractions such as texting and social media.
Though this method can help employees and managers set goals for reducing time losses, the bigger your business gets, the harder it can be to accurately measure the time management of an individual. There are helpful software programs that accurately measure how much time employees actually spend (or don't spend) being productive. Some programs require daily updates from employees, which reveal their progress on a particular task or project. This keeps employees from procrastinating, and creates a record of how long it took them to accomplish certain tasks and projects. Research the features of different programs, to choose the one that collects the data you want to measure.

I Done -This is software that sends an email to each employee at the end of every workday. Each employee then replies to the email, stating what they've accomplished that day. The next morning, everyone on that team receives a list of team accomplishments. Each person's productivity is tracked in a public way, keeping them accountable and ensuring that the weight of a project is pulled evenly.

Knowledge Sync-This is another productivity-measuring software program. It sends management alerts, such as an email, fax, pop-up message or cellphone text when certain measurements step out of line. This might include customer complaints, overdue unpaid invoices, or employee timesheets not being submitted on time.

Time Corder -Is a handheld device that helps managers measure how much time employees are spending on a particular task. For example, the employee punches a particular number into the Time Corder when they begin making calls to potential new clients, and another number when they switch to answering emails. Data is gathered for several weeks, then the results are analyzed. The manager or business owner can then make recommendations for spending time differently, to improve productivity.

Networking- tracks exactly how much work time your employees are spending on Twitter, Facebook and other social media, while their work is neglected. The software is downloaded onto employees' desktops, to record wasted work time. It also keeps track of the amount of money that could have been made by the business, if the employee had been working during that time.

Method 7: Measuring Productivity by Profit

Profit can be used as an effective tool for measuring team productivity. In fact, measuring productivity purely in terms of profit gained is becoming the preferred type of measurement for many small to midsize businesses. Rather than getting involved with data that tracks individual employee movements, measuring by profits involves watching only the bottom line. Only higher-level functions are closely watched.

This method ensures that productivity measurements don't keep employees from working creatively or take a great deal of management's time. W. Michael Hsu, founder of DeepSky accounting firm says, "To measure results, one of the vital factors we rely on is the team effectiveness ratio. It measures how much gross profit the company gets for every dollar spent on salary. It's better than measuring profit against time [full-time equivalents], because we want the team to work smarter, not longer."

Method 8: Measuring the Quality of Tasks Completed

Entrepreneur Doreen Bloch of Poshly Inc. prefers to measure productivity only by whether the work assigned actually gets done.She believes that because personal and professional lives are increasingly blending and overlapping, it's most accurate to base productivity measurements on completion of tasks, "not minutes spent at the office." Bloch tracks productivity by breaking down projects down into individual tasks. These are then assigned to employees best able to handle them. This continues until the projects are complete. Megan Berry, founder of social media startup LiftFive, agrees that the best productivity measurements are about "keeping an eye on outcomes" and employee progress, instead of on-the-job habits and behavior.

There are a number of productivity software tools, such as **Producteev** and **Atlassian** , that aid managers in tracking projects and task completion. Other project management software includes **Asana** and **Basecamp**. These map out project goals, then delineate individual and group tasks. They then track employee productivity on each project, noting time spent on different tasks, and when each task is completed.

Beyond reviewing an employee's job performance, productivity measurements can be an important part of helping employees understands how much they've done to help their company achieve its goals. Accurate productivity measurements can be one more step to ensuring not only greater profits, but increased employee motivation as well as job satisfaction and recognition of team and individual accomplishments.

Identifying Employee's Performance Resources

Workplace resources have motivational potential and may lead to high well-being through two mechanisms. Through intrinsic motivation, resources may fulfil basic human needs, such as the needs for autonomy, competence, and relatedness.

Through extrinsic motivation, workplace resources may enable individuals to achieve their work goals and thus perform better. For example, supportive leaders and colleagues who provide instrumental support in completing work tasks may increase an individual's capacity to complete his or her work goals, thus leading to greater job satisfaction and better performance.

Developing Monitoring and Evaluating Procedures for Improvement

Performance improvement plans are tools employers can use to identify areas of inadequate employee performance. PIPs can also establish a path that employees can follow to boost their ability to meet expected performance standards. A plan's ultimate goal is to enable an employee to reach his best performance level, which is key to any business reaching optimum performance.

The use of a PIP can range from employees who may be new to a role or who are unclear on performance expectations to employees who are regularly falling short of meeting performance expectations and whose performance may necessitate the beginning of a progressive discipline process regarding the performance level.

The document used to guide the process is a critical tool as it helps facilitate performance discussions, records areas of concern and ways to correct them, and serves as legal and decision-making documentation. The format of the PIP will vary by employer and should include the following components:

- Employee information
- Relevant dates
- Description of performance discrepancy/gap
- Description of expected performance
- Description of actual performance
- Description of consequences
- Plan of action
- Signatures of the manager and the employee
- Evaluation of plan of action and overall performance improvement plan

A statement regarding expectations for sustained or consistent performance should be included to ensure that true performance improvement has been attained. This documentation may also prove helpful in protecting the employer should performance fail to meet expectations and should further disciplinary action need to be taken. If the PIP is part of a progressive discipline process that may eventually lead to termination of employment, language in the document should specify that termination is a possible consequence of failure to meet expectations and that it may occur with or without the employee's signature on the PIP. The employee should clearly understand the consequences of not meeting the goals outlined in the PIP.

Reasons for Performance Improvement Plans

1. **Identification**

The first reason for developing a PIP is to identify substandard performance of an employee and help the worker recognize that his performance isn't meeting expectations. Plans are tailored to address specific performance deficiencies an employee is displaying. A plan provides a method to develop a systematic improvement program, which may include formal coaching or on-the-job training.

2. **Documentation**

It involves gathering the information necessary to document substandard performance. Employers aren't always in a position to know the exact strengths and weaknesses a particular employee is displaying. A good strategy may be to design a plan that documents performance over a specific period of time. This involves gathering feedback concerning a particular employee's performance. This may come from the employee being evaluated or from supervisors who are assigned to monitor employee performance.

3. **Behaviours**

A PIP helps to identify employee behaviours that are contributing to substandard work performance. An employee may be habitually coming in late for work or skipping required training sessions. Placing an employee on a fair plan signals to other employees that the company is serious about maintaining acceptable levels of job performance. Substandard performance from one employee has the potential to spread if unchecked.

4. **Skills and Ability**

A PIP centers around the idea of helping employees realize their own potential. Even though an employee has been displaying substandard performance, the plan can help the employee improve on the skills he already has and show how he can gain new ones. It also identifies whether the employee has the skills to accomplish the job. The plan may help the employer identify the need to reassign an employee to a task he is better suited for.

5. **Bottom Line**

A PIP ensures every effort to improve performance, as required by an employment contract or other legal requirement, has been met before letting an employee go. A well-documented plan can be essential in protecting the employer from a lawsuit. A plan encourages employees to work at their optimum performance level, since this can help increase the company's production levels and profits.

6. **Disciplinary and Termination Procedures**

In some cases, even after a thorough performance evaluation and a discussion of expected improvements, an employee will continue to perform poorly. You need to be

prepared to handle such a situation by having well-defined, written disciplinary and termination procedures in place. These procedures should outline the actions that will be taken when performance deteriorates – a verbal warning, a written warning if there is no improvement or a recurrence, and termination if the situation is not ultimately resolved.

Learning Activities

Activity 1

As a new supervisor, you have been asked to carry out performance evaluation of the staff and give back feedback using the sandwich feedback method. Role play this with your colleagues

Activity 2

An employee continues to perform their duties poorly even after discussion of improvement and you has been asked to deal with his case. Write down the steps you will take and how you will carry out these steps.

Self-Assessment

Q1. Which are the four ways in which an employee may be disciplined for misconduct?

Q2. The following are methods of employee improvement. Which one is not?

a) Training on the job/off job
b) Benchmarking
c) Assigning
d) Counselling

Q3. What are the resources that a HR supervisor will use for performance improvement?

Q4. What do we mean by sandwich feedback as used in performance evaluation?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires

- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

A1. Ways of disciplining an employee:

i. Dismissal
ii. Demotion
iii. Suspension
iv. Reduction in salary

A2. The following are methods of employee improvement. Which one is not?

- Training on the job/off job
- Benchmarking
- Assigning
- Counselling

A3. Resources a HR supervisor will use for performance improvement:

a) Training materials
b) Professional personnel/experts
c) Finance
d) Training time

A4. ‘A feedback sandwich’ is a technique commonly used which consists of one specific criticism “sandwiched” between two specific praises. This technique is fast, efficient and well suited to time constraints. The feedback sandwich is particularly useful at the onset of any new supervisor-employee relationship, but it can benefit existing relationships as well.

2.2.8 LEARNING OUTCOME 8: MAINTAIN ORGANIZATION CULTURE

Introduction to the Learning Outcome

This learning outcome involves building organization culture and establishing cultural behavior. Managing employee grievances and carrying out employee discipline.

Performance Standard

1. Organization culture is built in accordance with strategic plan.
2. Culture behavior is established by management leadership style.
3. Employee grievances are managed in accordance with HR Policy procedures, Human Rights and Labor Law
4. Employee discipline is carried out in accordance with HR Policy procedure.

Information Sheet

Definition of terms

Culture

It is an umbrella term which encompasses the social behavior and norms found in human societies, as well as the knowledge, beliefs, arts, laws, customs,

Formal leadership

This is when a person is exercising authority conferred upon him by the organization pursuant to the individual's position in the organization

Informal leadership

It is the ability of a person to influence the behavior of others by means other than formal authority conferred by the organization through its rules and procedures. Informal leadership is basically any type of leadership that is not based upon formal authority

Degree of hierarchy

The degree of hierarchy is the extent to which the organization values traditional channels of authority.

Orientation

This are the particular things that a person prefers, believes, thinks, or usually does.

C-suite executive

This is a senior business leader.

Building Organization Culture

An organization's culture defines the proper way to behave within the organization. This culture consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviours and understanding. Organizational culture sets the context for everything an enterprise does. Because industries and situations vary significantly, there is not a one-size-fits-all culture template that meets the needs of all organization.

A strong culture is a common denominator among the most successful companies. All have consensus at the top regarding cultural priorities, and those values focus not on individuals but on the organization and its goals. Leaders in successful companies live their cultures every day and go out of their way to communicate their cultural identities to employees as well as prospective new hires. They are clear about their values and how those values define their organizations and determine how the organizations run.

What it means to be a values-based organization

Conversely, an ineffective culture can bring down the organization and its leadership. Disengaged employees, high turnover, poor customer relations and lower profits are examples of how the wrong culture can negatively impact the bottom line.

Mergers and acquisitions are fraught with culture issues. Even organizational cultures that have worked well may develop into a dysfunctional culture after a merger. Research has shown that two out of three mergers fail because of cultural problems. Blending and redefining the cultures, and reconciling the differences between them,

build a common platform for the future. In recent years, the fast pace of mergers and acquisitions has changed the way businesses now merge. The focus in mergers has shifted away from blending cultures and has moved toward meeting specific business objectives. Some experts believe that if the right business plan and agenda are in place during a merger, a strong corporate culture will develop naturally.

If an organization's culture is going to improve the organization's overall performance, the culture must provide a strategic competitive advantage, and beliefs and values must be widely shared and firmly upheld. A strong culture can bring benefits such as enhanced trust and cooperation, fewer disagreements and more-efficient decision-making. Culture also provides an informal control mechanism, a strong sense of identification with the organization and shared understanding among employees about what is important. Employees whose organizations have strongly defined cultures can also justify their behaviours at work because those behaviours fit the culture.

Company leaders play an instrumental role in shaping and sustaining organizational culture. If the executives themselves do not fit into an organization's culture, they often fail in their jobs or quit due to poor fit. Consequently, when organizations hire C-suite executives, these individuals should have both the requisite skills and the ability to fit into the company culture.

Principles for Mobilizing Organizational Culture

The following principles can help your organization to deploy and improve its culture in a manner that will increase the odds of financial and operational success.

1. Work with And Within Your Current Cultural Situations

Deeply embedded cultures cannot be replaced with simple upgrades, or even with major overhaul efforts. Nor can a culture be swapped out for a new one as though it were an operating system or a CPU. To a degree, the current cultural situation just is what it is — and it contains components that provide natural advantages to companies as well as components that may act as brakes. To work with a culture effectively, therefore, one must understand it, recognize which traits are preeminent and consistent, and discern under what types of conditions these traits are likely to be a help or a hindrance.

For example, a pharmaceutical company with a solid product development pipeline had a tendency to be inward-looking. It had great execution capabilities and an excellent record of compliance with regulators around the world. However, when new products were ready to be launched, the company had a hard time marketing them to physicians and healthcare providers. Rather than bemoaning the company's ingrained insularity — for example, its collective tendency to value the opinions of internal colleagues more than those of outside experts — the leaders decided to use this feature of its culture to its advantage. They set up a program through which employees were acknowledged and rewarded by colleagues for "going the extra mile" to support customers. By recognizing a new kind of internal authoritativeness, the company tapped a powerful emotional trigger already in place, and engendered a new (and strategically important) culture in its sales force.

Behavioural change follows mental shifts. This is why organizations often try to change mind-sets (and ultimately behaviour) by communicating values and putting them in glossy brochures. In reality, culture is much more a matter of doing than of saying. Trying to change a culture purely through top-down messaging, training and development programs, and identifiable cues seldom changes people's beliefs or behaviours.

Neuroscience research suggests that people act their way into believing rather than thinking their way into acting. Changes to key behaviours — changes that are tangible, actionable, repeatable, observable, and measurable — are thus a good place to start. Examples of behaviour change observed at a number of companies, relate to empowerment (reducing the number of approvals needed for decisions), collaboration (setting up easy ways to convene joint projects), and interpersonal relations (devising mutually respectful practices for raising contentious issues or grievances).

A telecommunications company was seeking to improve its customer service. Rather than trying to influence mind-sets by, for example, posting signs urging employees to be polite to disgruntled customers, or having employees undergo empathy training, the company focused on what psychologists call a "precursor behavior" — a seemingly innocuous behavior that reliably precedes the occurrence of problem behavior. Leaders had noticed that poor teaming led to poor customer service, so the company rolled out a plan to encourage better and more effective teaming within call

centres. To accomplish this, they set up regular design sessions for improving practices. When employees felt they were part of a happy team, and sensed a greater level of support from colleagues, they began treating their customers better.

In another example, a resources company in the country was seeking to make its workplace safer. Rather than erect placards threatening workers with consequences, the company focused on a relatively basic precursor behavior: housekeeping. It organized a litter drive. Picking up trash as a team helped employees take greater pride in the workplace, which engendered a greater sense of care for fellow employees and made them more likely to speak up when they noticed an unsafe situation. Changed behavior, changed mind-set.

2. Focus on A Critical Few Behaviours

Conventional wisdom advocates a comprehensive approach — everybody should change everything that's not perfect! But companies must be rigorously selective when it comes to picking behaviours. The key is to focus on what we call "the critical few," a small number of important behaviours that would have great impact if put into practice by a significant number of people. Discern a few things people do throughout the company that positively affect business performance — for example, ways of starting meetings or talking with customers.

Make sure those are aligned with the company's overall strategy. Also check that people feel good about doing these things, so that you tap into emotional commitment. Then codify them: Translate those critical behaviours into simple, practical steps that people can take every day. Next, select groups of employees who are primed for these few behaviours, those who will respond strongly to the new behaviours and who are likely to implement and spread them.

At banking company, rapid inorganic growth had led to diverse ways of working across different units and geographies. To focus on improving teaming, customer outcomes, and the ability to realize synergies, the CEO and leadership embarked on a culture-led evolution program. They targeted just three critical behaviours: taking

extra steps to delight customers, valuing performance over seniority, and backing up and supporting one another. They then converted these three general behaviours into specifics for each part of the company. Delighting customers, for instance, was translated into frontline staff collaborating with other colleagues to solve client problems and prioritizing the implementation of process improvements that affected customer outcomes. For all three behaviours, leadership recognized and celebrated examples in which people made an extraordinary effort. Senior leaders acted as role models, explicitly modelling these three new behaviours. The company also identified influential frontline, client-facing employees who could demonstrate these new behaviours in action.

3. Deploy Your Authentic Informal Leaders

Authority, which is conferred by a formal position, should not be confused with leadership. Leadership is a natural attribute, exercised and displayed informally without regard to title or position in the organizational chart. Because authentic informal leaders, who are found in every organization, are often not recognized as such, they are frequently overlooked and underused when it comes to driving culture. It is possible to identify such leaders through interviews, surveys, and tools such as organizational network analysis, which allow companies to construct maps of complex internal social relations by analysing email statistics and meeting records.

Once identified, these leaders can become powerful allies who can influence behavior through "showing by doing." When companies map out their organizations, they can identify leaders who exhibit different core leadership strengths.

At one major oil company, an informal leader named Osama became known as the "turbo-collaborator." His role gave him very little formal influence. But when he began working at the refinery, he walked the plant with the engineers, maintenance technicians, and operators, and took copious notes. As a result, he knew everyone and developed relationships across disciplines. Whenever somebody wanted to know how the place really worked, they would speak to Osama — who would either have the answer in his notebook or know precisely the right person to ask. When the company formed a buddy program between operations and maintenance aimed at using greater collaboration to improve plant reliability, it knew it needed Osama at the heart of it. He connected people, defined templates to encourage collaboration, and captured

success stories. Identifying, engaging, and nurturing such informal leaders allows companies to harness their talents and further the company's transformation efforts.

4. Don't Let the Formal Leaders Off the Hook

Most organizations tend to channel culture through the human resources professionals. But leaders in all parts of the company are critical in safeguarding and championing desired behaviours, energizing personal feelings, and reinforcing cultural alignment. The signalling of emotional commitment sets the tone for others to follow. If staff members see disconnect between the culture an organization establishes and the one its formal leadership follows, they'll disengage quickly from the advertised culture and simply mimic their seniors' behaviour. The people at the top have to demonstrate the change they want to see. Here, too, the critical few come into play. A handful of the right kind of leaders has to be on board to start the process.

When Jim Rogers was CEO of GE Motors in Fort Wayne, Ind., he became frustrated because his senior leadership group of more than 15 leaders seldom functioned together as a "real team." As described by Jon Katzenbach and Douglas K. Smith in The Wisdom of Teams: Creating the High-Performance Organization (Harvard Business School Press, 1993), a real team is one with a high level of emotional commitment; the leadership role shifts easily among the members depending on their skills and experience and the challenges of the moment, rather than on any hierarchical positions. Team members hold one another accountable for the quality of their collective work. Interestingly, at GE Motors the senior leadership group members often demonstrated real team capabilities in running their individual business units and functions. So, Rogers decided to find ways to break them into sub teams of three or four members to address specific cross-organizational issues facing the larger group. Over time, he mixed the subgroupings to match emerging issues. By working in different subgroup settings, the executives developed friendships which in turn improved the effectiveness of the group as a whole.

5. Link Behaviours To Business Objectives

When people talk about feelings, motivations, and values — all of which are vital elements of strong cultures — the conversation can often shift into abstractions. It may then range far afield of what it takes to succeed in the market. Too many

employees walk away from culture-focused town halls or values discussions wondering how the advice on how to be a better person actually translates into the work they do. To avoid this disconnect, offer tangible, well-defined examples of how cultural interventions lead to improved performance and financial outcomes. Select behaviours that are aimed specifically at improving business performance and can be measured over time.

An oil company's drive to reduce maintenance costs at an industrial installation adopted such an approach. The critical few behaviours included empowerment and good decision making. One of the company's exemplars (employees who lead by example) decided it would be a smart move to make costs visible to workers. So, he placed price tags on various pieces of machinery. These signs inspired behavioural changes related to decisions about whether to repair or replace equipment. Workers and managers began to recommend fixing expensive equipment rather than replacing it. The company celebrated and publicized cost savings identified by employees. The behaviours led to a change in focus and mind-set. When an employee noticed that fans were cooling the machinery during the winter, he felt empowered to call it out, and ask whether it was necessary to do so. It turned out that it wasn't — and the company saved US$750,000 annually in power costs as a result.

6. Demonstrate Impact Quickly

We live in an age of short attention spans. That applies to organizational culture as it does to people's media consumption habits. When people hear about new high-profile initiatives and efforts, and then don't see any activity related to them for several months, they'll disengage and grow cynical. That's why it is extremely important to showcase the impact of cultural efforts on business results as quickly as possible. One effective method of doing so is to stage performance pilots — that is, high-profile demonstration projects. Pilots are relatively low-risk efforts that introduce specific behaviours that can then be evaluated and assessed. They often rely on a dashboard that defines desired impacts, the tactics used, and the specific metrics to be employed.

When Bell Canada first explored using new behaviours at the front line to improve its customer service and profitability, there were many more skeptics than believers

within the leadership ranks. There simply wasn't any numerical proof that the tactics would work. So CEO Michael Sabia decided to set up a pilot test in a sales unit near Toronto. The sponsors of the test blocked out a tight time frame of eight months, and developed realistic ways of measuring behaviour change, customer reactions, and actual sales and margin performance. Armed with positive results in these areas — a 29 percent increase in customer satisfaction in retail stores, a 31 percent increase in revenue per call at call centers — the company went on to accelerate the expansion of these efforts across the front line in different geographies, functions, and businesses.

7. Use Cross-Organizational Methods to Go Viral

Ideas can spread virally across organizational departments and functions, as well as from the top down and from the bottom up. A powerful way to spread ideas is through social media: blogs, Facebook or LinkedIn posts, and tweets — not from senior management, but from some of the authentic informal leaders.

By now it is well established that social media can be more effective at spreading information, news, and music than traditional modes of distribution. The same holds with critical behaviours. People are often more receptive to changes in "the way we do things around here" when those changes are recommended or shared by friends, colleagues, and other associates. This kind of credible social proof is more compelling than similar testimonials from someone whose job it is to sell something.

Just as there is an art to making content go viral, there's a craft to making behavior go viral. For example, in a model that we have tested successfully in several situations, a company starts with a few carefully chosen groups of 12 to 15 informal leaders in three or four different parts of the business. After several weeks, an additional 10 to 15 groups of informal leaders are set up in every business unit. After about three months, the existing groups are encouraged to expand and bring in new people. After another three to six months have passed, the groups become more autonomous, allowed to control their own expansion. Meanwhile, the company facilitates connections among groups to share learning and insights. As behaviour spreads, company leaders see increased performance as well as peer and leadership recognition.

8. Align Programmatic Efforts with Behaviors

Informal leaders play a big role in helping ideas go viral. It's also important to match the new cultural direction with existing ways of doing business. Informal mechanisms and cultural interventions must complement and integrate with the more common formal organization components, not work at cross-purposes. By providing the structure in which people work — through disciplines such as organization design, analytics, human resources, and lean process improvement — the formal organization provides a rational motivation for employee actions, while the informal organization enables the emotional commitment that characterizes peak performance.

The U.S. Marine Corps provides a classic example of integrating formal and informal leadership efforts. The "rule of three" dictates how the Marines design their organizations and projects and how they execute in a hierarchy. (Three squads form into one of three divisions, which form one of three battalions.) The formal leaders of those units are expected to know the intent of the officer two levels above them — and to call out any order or situation they perceive to be incoherent or in conflict with that intent. But there are also informal leaders: Each of the four members of a frontline rifle team is prepared (and expected) to take the lead whenever the formal leader is disabled or loses the high-ground position. This means that the informal leaders also need to know the intent of those officer two levels above. Integrating informal norms with the formal structures helps enable the timely battlefield adjustments that have served the Marine Corps well for more than 200 years.

9. Actively Manage Your Cultural Situation Over Time

Companies that have had great success working with culture (culture superstars) actively monitor, manage, care for, and update their cultural forces. This is because when aligned with strategic and operating priorities, culture can provide hidden sources of energy and motivation that can accelerate changes faster than formal processes and programs. Even with a highly effective culture today, it may not be good enough for tomorrow.

Southwest Airlines stands as an example of a battle-tested company in which culture has been managed over time. Famous for its long-term success in an industry where even the largest players routinely fail, Southwest for 40 years has been energized by a

deep sense of pride among all employees. Southwest has found that constructing an environment that puts its employees first — above customers and owners — fosters a sense of emotional commitment and pride that delivers excellent customer service. But at Southwest, the work on culture is never completed. Just as the airline's strategy, tactics, and technologies have evolved to cope with a changing external environment, specific HR practices, including informal behaviors, have shifted over time.



Figure 25: Principles for Mobilizing Organizational Culture

Establishing Culture Behaviour

An organization’s current culture contains several pools of emotional energy and influence. Executives who work with them can greatly accelerate strategic and operating imperatives. When positive culture forces and strategic priorities are in place, companies can draw energy from the way people feel. This accelerates a company’s movement to gain competitive advantage, or regain advantages that have been lost.

Three dimensions of corporate culture which affect its alignment:

1. **Symbolic reminders** (artifacts that are entirely visible)
2. **Keystone behaviors** (recurring acts that trigger other behaviors and that are both visible and invisible)
3. **Mind-sets** (attitudes and beliefs that are widely shared but exclusively invisible)

Behaviors are the most powerful determinant of real change. What people actually do matter more than what they say or believe. And so, to obtain more positive influences from a cultural situation, one should start working on changing the most critical behaviors — the mind-sets will follow. Over time, altered behavior patterns and habits can produce better results.

Research shows that companies that use a few specific cultural catalysts — that is to say, those that use informal emotional approaches to influencing behaviour — are significantly more likely to experience change that lasts. Of the companies that reported consciously using elements of their culture in Strategy’s 2013 Global Culture & Change Management Survey, 70 percent said their firms achieved sustainable improvement in organizational pride and emotional commitment. That compares with 35 percent for firms that didn’t use culture as a lever.

Although there is no magic formula, some valuable insights through decades of research and observation at dozens of enterprises, including some of the most successful companies in the world state that, by adopting those principles, an organization can learn to deploy and improve its culture in a manner that will increase the odds of financial and operational success.

Human Resource Management's Role

Culture plays a vital role in an organization's success. Therefore, human resource leaders and other members of the team should foster a high-performance organizational culture.

Human resource leaders are responsible for ensuring that culture management is a core focus of their organization's competitive efforts. For HR leaders to influence culture, they need to work with senior management to identify what the organizational culture should look like. Strategic thinking and planning must extend beyond merely meeting business goals and focus more intently on an organization's most valuable asset—its people.

HR has been described as the "caretaker" of organizational culture. In carrying out this essential role, all members of the HR team should help build and manage a strong culture by:

- Being a role model for the organization's beliefs.
- Reinforcing organizational values.
- Ensuring that organizational ethics are defined, understood and practiced.
- Enabling two-way communications and feedback channels.
- Defining roles, responsibilities and accountabilities.
- Providing continuous learning and training.
- Sustaining reward and recognition systems.
- Encouraging empowerment and teams.
- Promoting a customer-supplier work environment.
- Recognizing and solving individual and organizational problems and issues.

Hiring Practices to Develop Culture

The central role that HR plays in helping an organization capitalize on its culture is in hiring. HR has the opportunity to select people who fit the way the organization operates. Traditionally, hiring focuses primarily on an applicant's skills, but when personality also fits with the organization's culture, the employee will be more likely to deliver superior performance.

On the other hand, ill-fitting employees and subsequent rapid departures cost approximately 50 percent to 150 percent of the position's annual salary. Unfortunately, nearly one in three newly hired employees' leaves voluntarily or

involuntarily within a year of hiring, and this number has been increasing steadily in recent years.

Some hiring practices to ensure cultural fit include these:

- **Looking at each piece of the organization's vision, mission and values statements.** Interview questions should be on behaviors that complement these areas. For example, if the organization works with a lot of intensity, then job applicants should display that natural intensity to be considered for hire.
- **Conducting a cultural fit interview.** Ask questions that elicit comments about organizational values such as honesty or integrity. If a candidate's description of the worst place he or she ever worked sounds just like the organization where he or she is interviewing, the candidate probably will not be successful.
- **Leaving discussion of company culture for later.** Do not tell candidates about culture up front. First, listen to what they have to say about their experiences and beliefs. This tactic will reveal more candid responses to help determine whether they are a fit for the organization.
- **Making sure at least three people are involved in the hiring process.** Different people will see and hear different things. These varied perspectives give a clearer understanding of the person being considered for hire.

Managing Employee Grievances

Employee grievance is a specific complaint or formal notice of employee dissatisfaction related to the adequacy of pay or compensation, the job requirements, the current work conditions, or other aspects of their employment. Often, you will also hear employee grievance when employers are accused by employees to have committed a violation of the terms of an existing collective bargaining agreement.

It is a complaint when the employee merely expresses his thoughts and opinions verbally, talking about it to anyone who cares to listen. It becomes a grievance when the employee formalizes it, mostly through putting the complaint in writing and submitting it to the appropriate authority tasked to look into the resolution of the complaint.

It is comparable to an institution of learning setting. Students dissatisfied with certain aspects of the school administration can complain all they want, but it becomes a grievance once they file a collective petition against the school's administration. The formal airing of the grievances is the only thing that results in action from the authorities.

Handling employee grievances is a function of the company human resource management department. Employees can hardly file their complaints against the person they are complaining about. In these instances, the HR department acts as a semi-independent body. Although they are part of the company's administrative structure, their actions in investigating and helping resolve employee grievances must be independent and unbiased, with respect to the employer or the subject of the complaint.

Employee grievance, although integrated into many company policies, remains to be a heavy and very sensitive issue. Each grievance must be given serious attention, and that falls on the shoulders of the HR or a grievance committee, if there is one formed within the organizational structure. The main task of these grievance committees is to look into the validity of the complaint.

Types of Employee Grievances

Employees will not complain for no reason. By identifying the types of employee grievances, we can immediately identify the reasons or causes of such complaints.

- **Compensation and benefits** (e.g. pay equity, salary that doesn't match responsibility)
- **Terms and conditions of employment** (e.g. expected hours of work not accurately represented in contract)
- **Employment and personnel policies** (e.g. hiring procedures, merit-based bonus structures)
- **Workload and work distribution** (e.g. unfair distribution of work, no overtime pay for extra hours)
- **Management-employee relations** (e.g. no communication access to management)

- **Heath and safety concerns** (e.g. malfunctioning equipment, poor lighting in workspace)
- **Bullying, harassment or discrimination** (e.g. coworker stalking, hazing rituals)
- **Organizational changes** (e.g. moved to new department without consent)
- **New workplace conditions** (e.g. office moved to an inaccessible location, new office building contains allergens)

The Employee Grievance Process

In order to handle employee grievances, there must be a set of procedures or a process to be followed. The process may vary depending on the company, specifically its culture. Usually, we hear of grievance procedures being developed as part of collective bargaining agreements or company policies designed as a means of internal dispute resolutions. These are often contained in companies' Formal Grievance Procedures and employee Handbooks. Resolving grievances is done, generally, through a five-step process, as described below.

1. The Supervisor or A Manager Takes Informal Action.

If you are the HR representative, or the person in charge of handling grievances in the company, you are supposed to inform the manager or supervisor that the employee directly reports to about it. You are basically letting them take the first step or first informal action, which is usually through a casual and discreet conversation with the employee who made the complaint.

The purpose of this informal action is to try to settle the problem early on, without involving other members of the grievance committee. Perhaps a resolution can be reached before the problem becomes more serious and the grievance reaches a higher stage.

It is also during this step that the grievance of the employee is acknowledged. The mere fact that you called the attention of his or her immediate supervisor is already an acknowledgement on your part that the employee has a grievance, and it has reached the proper eyes and ears. It is important to let the employee know that his thoughts or concerns are not being outright ignored, and that steps are going to be taken to address them.

The supervisor or the person having the talk with the employee should demonstrate sensitivity and the ability to actually listen to what the employee has to say. No matter how, initially, the complaint may seem silly or nonsensical; there is a need to treat it seriously.

If no settlement has been reached at this early stage, the grievance will proceed to the next step. Often, the employee will be required to submit a grievance letter to formalize the whole thing.

2. A Formal Meeting is Held with the Employee.

The formal stage of the process begins and, this time, the grievance committee will take the reins. You will schedule a formal meeting with the employee, and it is in that venue where his grievance will be discussed in greater detail.

- **The meeting should be held private.** There are two parties that must be present during the meeting: you as a representative (and other representatives, if any) from the grievance committee and the employee who filed the grievance. In most cases, the employee may be accompanied by another co-worker.
- **Witnesses may be invited.** In the course of conducting the meeting, you may deem it necessary to call or invite other employees as witnesses that may provide valuable input regarding the grievance.
- **Confidentiality is a must.** The details about the meeting taking place must be kept under wraps, strictly among the people involved. Thus, the location of the meeting should also be kept off-limits to outsiders or uninvolved individuals.

The formal meeting is the appropriate venue to fully discuss the grievance of the employee, focusing on who, what, where, when, why and how the issue came to being. All accounts made by the employee as well as those of any witnesses during the meeting will be the basis in ascertaining whether the grievance is valid or not.

Depending on its nature and complexity, the grievance may be resolved at this step. If it’s not solved, the process proceeds to the third step.

3. Further Investigation is conducted.

If the grievance is so complex that it cannot be resolved during the formal meeting, there is a need to conduct further investigation.

Fact and data gathering tasks are going to be conducted by members of the grievance committee. You may have already obtained more than the bare facts during the formal meeting, but those are mostly one-sided, since the input was mainly from the employee. There might be a need to verify some facts that will support any decision that will be made about validity of the complaint.

Usually, you will be going about it using the typical data-gathering methods, such as the conduct of interviews with other employees and key personalities to get more information that may shed some light on the grievance.

4. A Decision is Made and Communicated to the Employee.

The results of the formal meeting, and any further investigations conducted, will be the basis for the committee to decide whether the grievance is valid or not. Once a decision has been reached, you must communicate it to the employee.

It is important to keep the employee informed of the progress of the investigation – and the entire grievance management procedure – every step of the way. It's a matter of fairness and respect for the employee, and to ensure transparency in how the grievance is being handled. This will also help him decide on the next steps to take regarding the complaint.

If the grievance is valid, it may be resolved at this stage and your job is done. If the resolution is not to the employee's satisfaction, you may have to take it to the next step.

5. If the Grievance is Rejected, Or It Was Resolved but the Employee Was Not Satisfied with The Resolution, The Grievance May Be Taken to The Next Level in The Management Hierarchy.

The facts will be reviewed, and a decision will again have to be made to resolve the grievance. If, again, it is not resolved at that stage, it will be taken to another, higher, level of management. It may even reach a point where an outsider will be called in to arbitrate and provide a fresh perspective.

The higher the level of management that the grievance goes up to, the more people will be involved. This is why, at the beginning, all efforts should be geared to settling the complaint as early as possible. This is because taking it further is bound to take more time and company resources.

8 Effective Steps to Handle Employee Grievances Most Effectively:

1. Create the System:

The first thing is to set up the grievance redressal system for a company, is to help the employees lodge complaints and grievances so that it can be resolved. Things to be considered here are-

- The grievance procedure must be added to the employee handbook's content so that it can be easily accessed by all.
- Someone must take responsibility for grievance receipts. The employees must be ensured that their complaints are placed in confidence. Generally, it should be someone from the Human Resources Department.
- The place of receiving the complaints must be within reach to all. That is, it should be located centrally. If you use a grievance box, it should be in the area of common accessibility.
- As it might involve personal matters, it is important to focus on confidentiality while dealing with employees' grievances. Involving the least number of people prevents the matter from being widespread.
- The complaints put forwards must be followed up timely. That is, no issue should be on hold for a long time. It should follow a schedule so that the employees can expect a certain level of responsiveness within a specified time period.

2. Acknowledge the Grievance:

You should listen more than you talk while dealing with employee grievance. When your employees come to you lamenting over an issue, lend them your ear.

That doesn't mean that it should be resolved immediately but so that your employees know that their complaint is acknowledged. Let your employees know that you have received their report and are willing to do something about it.

3. Investigate:

Not all issues qualify for a hearing. Generally, it is important to review whether the grievance is valid or not. Inquire about the incidents or situations and gather any relevant information. It may not always be necessary but if the matter involves other staff, they will need to be informed and given a chance to explain themselves and put forward their own shreds of evidence. Once the investigation is over, you can arrange a formal meeting.

4. Hold the Formal Meeting:

The employee with the grievance and all the relevant parties should be called to be present in the formal hearing. The employee can put forward any evidence that backs up the complaint and explain how they would like the problem to be resolved. Later on, you can circulate the minutes of the meeting notes.

5. Take Your Decision and Act Accordingly:

This is the decision-making phase. Once you have collected all the required information and examined the situation closely, you should make a decision.

You might decide to accept the grievance in full or part, or reject it completely. You need to let the employee know in writing about the actions that you will take. At the same time, you can advise the employee on how they should deal with similar situations.

6. Appeal Process:

Your employee might not accept your decision and has the right to an appeal. Here again, your grievance policy should outline the terms and conditions of the appeal process.

It should start with an appeal letter written by the employees, informing the reasons why they want the decision to be reconsidered. To ensure impartiality, the appeal

should be heard by another manager or supervisor who was not a part of the first meeting.

This should be followed by an appeal hearing with new evidence. The decision of the same should be informed to the employee in writing. If your employee is still not satisfied, it can either be mediated or escalated to the employment tribunal.

7. Review the Situation:

It's always healthy to have an objective look back at your decisions. If the employee is happy with the resolution, you were good at settling the issue. In fact, it can prove great to your company culture.

If the prevailing policy ensures justice, it can foster a sense of pride and accountability in the employees' work. That's the benefit of implementing a fast and effective grievance procedure.

8. Uproot the Main Cause of Grievance:

Your aim is to go for a long-lasting solution. That is, a formal complaint should be addressed once and for all. This prevents your employees from coming back again and again with the same issue.

The key solution here lies in identifying the root cause of the problem and making sure to solve the problem completely, with the scope of adjustments, if necessary.

Carrying Out Employee Discipline

The steps in the disciplinary procedure generally follow graduated steps including a verbal warning, written warning, final written warning, and dismissal. However, in cases of gross or serious misconduct it is permissible to start at stage 4 of the procedure.

However, other sanctions apart from the nuclear option of dismissal should be considered by the employer. Alternatives might include a transfer to a different part of the workplace, different role, or demotion. Keep in mind that an employee can be suspended on pay pending investigation but would only be suspended without pay pending an appeal of a dismissal.

Stage 1 - Verbal Warning

Generally, an employee should receive a verbal warning for a first transgression. Even though the employer is "only" giving a verbal warning, it is still part of a formal disciplinary process and the principles of natural justice, fair procedures, and equity/fairness would apply at all times.

This would involve a meeting with the employee at which the employee could bring a colleague or other representative. There is no right to bring a legal representative, unless the employer agrees. This may be a trade union representative, even though the employer may not formally recognise or engage with the union. His role will be as a minute taker and witness, not an advocate or spokesperson.

At the meeting the employee should be advised of what the problem is and invited to respond and explain his actions. There should be no rush to judgement by the employer as the meeting is investigatory.

Following the meeting a confirmatory letter should be given to the employee. This letter confirms that the employee has been given a verbal/oral warning. It should also contain the improvements required of the employee in respect of the behaviour which led to the warning and the timeframe within which the improvement must be made.

This letter should also state that failure to improve will lead to the 2nd stage of the disciplinary procedure and ultimately dismissal. It should also state the time period for which it will remain on the employee's file, after which it will be removed. Three months would be a reasonable period for this 1st verbal warning to stay on file, but it could remain for 6 months.

If an employee was suspended with pay pending an investigation it is vital that he knows how long the suspension is to last and the investigation must be held within a reasonable time frame. "Justice delayed is justice denied".

Once this disciplinary procedure has started, the employer should assist the employee to improve conduct or performance, whichever was the source of the problem in the 1st place. The employer should record the details of this 3-month monitoring period and retraining or relocation should be considered, if possible and reasonable.

However, if the employee fails to improve or there is a repeat of the activity that caused the oral warning in the 1st place the employer can then issue a first written warning.

Stage 2 - First Written Warning

The 1st written warning can be issued within the period of time advised for monitoring after the verbal warning, provided there is no improvement in conduct or performance. Before issuing it the employee should be invited to another meeting, told of the transgression, and given the opportunity to respond.

The written warning will then be issued and last for another 3 months. This warning should also clearly set out the nature of the problem, suggest solutions such as retraining, and advise of the possible sanctions (including dismissal) if no improvement is observed within the 3 months.

The employer should again afford all reasonable assistance to the employee to help him improve conduct and/or performance. However, the employer must be mindful of his duty of care to other employees also.

Stage 3 - Second Written Warning

If the required improvement is not forthcoming within the 3-month period after the 1st written warning then a 2nd written warning may be issued. This is entirely a matter for the employer and it is common for many employers to only issue a 1st and final written warning. This warning is done in a similar fashion to the other two warnings referred to above but you would consider giving a 6-month monitoring period to allow improvement.

Stage 4 - Final Written Warning

If the required improvement is not happening then a final written warning would be issued with a 12-month monitoring period. The letter confirming this warning will advise that if there is no improvement or if the bad behaviour/performance is repeated then dismissal will occur.

This warning letter will be the final one prior to dismissal so it is important that it is well drafted as it will be scrutinised closely by the employee and probably his legal

advisor. This letter should only refer to the matters which have been the subject of the disciplinary procedure to date, not other matters which have never been put to the employee.

Stage 5 - Dismissal or Action Short or Dismissal

If there is no improvement after the final written warning then dismissal is the likely outcome. A meeting should be called and the employee and his representative invited. The employer should remind the employee of the behaviour/conduct that has led to this point, the repeated transgressions/failure to improve performance sufficiently, and that the dismissal is in accordance with the disciplinary procedure.

The employee should be given the opportunity to appeal within 14 days. He should also be given a letter confirming the dismissal and the right to appeal, the time period for appeal, and who to appeal to.

Learning Activities

Learning outcome	**Learning activity**	**Special instructions**
Building Organization culture	An academic visit to a local company to analyze the culture of that company	• wear appropriate PPEs • prepare a questionnaire
Managing employee grievances	The trainees to attend a court session at the Employment and labour relations court	Prepare observation checklist

Self-Assessment

1. Mention the 8 steps followed to handle employee grievances most effectively.
2. Employees will generally not complain for nothing. What are some of the reasons for grievances by employees?

3. What is the meaning of the term adhocracy as used in organization culture?
4. Which factors influence the culture formation of an individual employee
5. How would an undisciplined work force affect the operations of an organization?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

1. steps followed to handle employee grievances most effectively

1. Create the system
2. Acknowledge the grievance
3. Investigate
4. Hold the formal meeting
5. Take your decision and act accordingly
6. Appeal process
7. Review the situation

8. Uproot the main cause of grievance

2. Some of the reasons for employee grievances

- Compensation and benefits (e.g. pay equity, salary that doesn't match responsibility)
- Terms and conditions of employment (e.g. expected hours of work not accurately represented in contract)
- Employment and personnel policies (e.g. hiring procedures, merit-based bonus structures)
- Workload and work distribution (e.g. unfair distribution of work, no overtime pay for extra hours)
- Management-employee relations (e.g. no communication access to management)
- Health and safety concerns (e.g. malfunctioning equipment, poor lighting in workspace)
- Bullying, harassment or discrimination (e.g. co-worker stalking, hazing rituals)
- Organizational changes (e.g. moved to new department without consent)
- New workplace conditions (e.g. office moved to an inaccessible location, new office building contains allergens)

3. Meaning of adhocracy

   This is a corporate culture based on the ability to adopt quickly to changing conditions.

4. Which factors influence the culture formation of an individual employee
5. How would an undisciplined work force affect the operations of an organization?

2.2.9 LEARNING OUTCOME 9: COORDINATE ORGANIZATION CHANGE

Introduction to the Learning Outcome

This learning outcome involves preparing change management plan, undertaking change management process and reviewing reorganization of work culture

Performance Standard

1. Change management plan is prepared according to HR change management policy.
2. Change management process is undertaken in accordance with HR procedures.
3. Reorganization of work culture reviewed in accordance with HR procedures

Information Sheet

Definition of terms

A policy

It is a deliberate system of principles to guide decisions and achieve rational outcomes. A policy is a statement of intent, and is implemented as a procedure or protocol.

Vision

It is a mental picture of the result you want to achieve; pictures so clear and strong it will help make that result real.

Strategy

It is a general plan to achieve one or more long-term or overall goals under conditions of uncertainty.

Bankruptcy

It is a legal proceeding involving a person or business that is unable to repay their outstanding debts.

Outsourcing

It is a business practice in which services or job functions are farmed out to a third party

Plan

It is an arrangement, blue print, design, plot which leads to making or doing something or achieving an end. A list of steps with details of resources used to achieve an objective and steps in achieving something.

Preparing Change Management Plan

Change management is the concept of helping members of an organization adapt to changes within that organization. A change management plan serves as the roadmap defining concrete steps an organization will take to execute the change management process. Such a plan is typically part of a larger project management process to implement business transformation.

When a business change is small, like a new step in an existing workflow, the change management process may be as simple as training the applicable staff. Larger or complex transitions require a more thoughtful, strategic approach because they can be disruptive and unsettling to the team. In these cases, implement a change management plan.

Change management is primarily about people, not process. It's tempting to focus on the process piece because it's more straightforward and tangible than the messiness of people's behaviors and emotions.

But that approach creates blind spots that lead to failure in implementing change. For example, if you're spearheading the switch to a new software system, it's natural to concentrate on the technical aspects of the new platform. But if the system automates work that was being done by team members, it can make them feel like their jobs are not valued.

It is important to communicate how employees can now shift their attention to higher value work, like spending more time with customers, rather than repetitive tasks that are easily automated.

Managing business transformation is not easy, but with a thoughtful change management plan in place, you'll be well-positioned to successfully champion change in your organization.

How to Create a Change Management Plan

A change management plan resides within the overall framework of a larger project schedule. As such, it falls within the project manager's responsibilities to develop this change plan and apply project integration management to make the entire initiative a cohesive whole.

Although a sub-component of a bigger project, the change piece requires its own set of deliverables, and involves the use of project management techniques and planning in its own right.

Step 1: Goal Creation

When building a change management plan, start by establishing the plan goals. Defining the goals is challenging. The following are tips to in accomplishing this initial step of the process.

- **Understand the changes:** First, be sure you understand the changes being addressed and the associated implications. For instance, if rolling out new software for employees, it's not enough to know how the software operates. It is important to understand how that software can change the steps in existing workflows.
- **Incorporate awareness and adoption goals:** Raising employee awareness and adoption of the change should be part of every plan. These should be included among the goals.
- **Define KPIs:** Next, define quantifiable KPIs to measure the plan's success. A variety of metrics are applicable here, so apply those that make sense given the context of the changes. Example KPIs include reports that measure usage of a new software system, surveys to capture staff feedback, and employee

performance stats to determine if the change reduced productivity or increased it.

Step 2: Establishment of a Change Team

Like any project, change management requires people and resources to execute the plan. Here are suggestions to help you build a team and gain backing for the plan and the necessary resources.

- **Gain stakeholder support:** Every business change involves stakeholders. They can include the CEO, other members of the executive team, or people across the organization, depending on the nature of the change. Get their support for your plan, especially around incentives and resources, to increase your chance of success.
- **Recruit a task force:** Develop a task force to spearhead an organizational change management plan. Team members should include people in leadership roles, like a department head, and SMEs who can educate the rest of the team on the changes as well as provide support and answer questions.
- **Determine necessary resources:** Change management may not be as resource intensive as the project initiating the change, but identifying necessary materials upfront avoids delays during the execution phase. For example, training the team may require computers, so enough computers must be on-hand to meet training deadlines. Also, budget criteria may need to be outlined as well.

Step 3: Plan Development

In this step, project planning transforms into a documented roadmap that lies at the heart of the change management process. This document also helps you avoid scope creep. This part of the process is akin to developing a general project plan. Let's review some nuances that apply to change management.

- **Create a task list:** Task lists are the pieces of work that must be completed to achieve your goals. For example, the creation of training documentation may be one of the tasks. Creation of this list should include feedback from your task force as well as stakeholders. Communication components are included here as well.

- **Develop a timeline:** A due date is typically associated with a change. Therefore, your project plan should revolve around that date. Assign a time component to every task in your list. If some tasks cannot be completed before the rollout of changes, either adjust the due date, or if that's not possible, determine which tasks can be accomplished after the changes take place, and which must be completed beforehand to prioritize accordingly.
- **Use project management tools:** Because change management can be complex, use project management software to increase the likelihood of success. You can build task lists, assign team members and resources, and track progress all within the software, making it easy to know if you're on track as well as to report out your status to stakeholders.

Step 4: Plan Execution

Creating the plan is just the beginning. The rubber hits the road when you are actually executing the change process. Because pitfalls can crop up during the execution of a change management plan, here are some suggestions to help.

- **Create decision-making processes:** To identify all implications of a business change in advance is difficult, so issues are bound to appear. For instance, a workflow might be impacted that wasn't previously considered, necessitating swift decision-making to sort out a solution. Therefore, outline a process to resolve these kinds of issues quickly, so employees are not left in limbo or forced to make up a solution on the fly.
- **Address resistance:** People resist organizational changes for different reasons. Perhaps someone will be demoted as part of the change, or a team feels afraid that they will lose their jobs. To effectively address resistance, get as much employee participation in the change and be as transparent and communicative as possible from the start. Continue this approach throughout the project to reduce employee uncertainty. As the project progresses and your KPIs point to further pockets of resistance, zero in on specific situations to tackle the root cause of individual resistance.
- **Develop momentum:** To build confidence within the organization that the transformation is positive and working, identify and communicate all wins.

Also, provide incentives for embracing the change. For instance, throw a party for the team that is first to completely adopt a new software system. By building momentum behind the change in this way, it harnesses the emotional energy of team members, and creates a cultural willingness to accept the change that keeps on growing. This approach also reduces the natural resistance that crops up.

Step 5: Reinforcement

The final phase of change management occurs after the changes are implemented. It's not enough to assume the team is good to go after being trained. To encourage employees to continue transitioning their behaviors, attitudes, and workflows to the new paradigms, implement a process of reinforcement.

- **Provide positive incentives:** Too often, organization leaders are apt to apply the stick instead of the carrot, taking a get-with-the-program approach to change. This builds resentment. Instead, it's more effective to provide positive incentives, particularly if they naturally align with the change. Modifying a cumbersome process to make it easier for the team is an example of a positive incentive. Another example is adjusting performance plans to reward staff for embracing the changes.
- **Leverage SMEs:** Staff will have many questions and concerns throughout the transition process, and training is not enough to address these. This is where SMEs are invaluable. They help teammates on an ongoing basis to feel supported and confident that they can master the changes. So be sure teams know their designated SMEs.
- **Review and adapt:** Once the changes are live, you can truly assess the impact. Regularly review team progress toward adopting the changes, and be prepared to make further adaptations if the initial planning did not arrive at the optimal solution. For instance, you may have outlined workflow modifications that didn't go as planned after the business changes took place. Acknowledge the need to adjust, and make the necessary adjustments based on real world experience and data. This builds greater team acceptance and confidence throughout the transition process.

Undertaking Change Management Process

Organizations should systematically prepare for and implement major organizational change. John Kotter, a Harvard Business School professor, developed a well-known and widely adopted approach for managing organizational change. This approach, updated in Kotter's book *Accelerate*, involves the following eight stages: -

1. Create a Sense of Urgency

Successful transformation efforts usually begin when leaders examine the market for changes that may lead to new competitive realities for the organization. These changes can stem from demographic shifts, social trends, new technology, market or competitor changes, or new government regulations. The leaders should explain that a potential crisis or major opportunity is imminent, and they should encourage frank discussion throughout the organization. Creating a sense of urgency that the status quo is no longer acceptable is essential to gain the workforce's energetic cooperation.

2. Build a Guiding Coalition

Once employees feel a sense of urgency, leaders should establish a group with enough power to lead the change. Members need substantial authority based on position, expertise, credibility and leadership, as well as effective management skills and proven leadership abilities. This coalition must learn to work together based on trust and set a common goal. Many guiding coalitions build trust through offsite meetings, joint activities and conversation.

3. Form a Strategic Vision and Initiatives

The guiding coalition should craft a clear vision for the future, motivate people to take appropriate actions and coordinate their actions. An effective vision is imaginable, desirable, feasible, focused, flexible and communicable, according to Kotter. Creating an effective vision takes time and can be a challenging process, but the end product provides a clear direction for the future.

4. Enlist a Volunteer Army

Once the guiding coalition has developed the vision, its members should provide extensive communications about how the change will improve the business and how those improvements will benefit employees. Key elements in effective communications include simplicity, use of examples, multiple forums, repetition,

explanation of apparent inconsistencies and two-way communication. The group should model the behavior expected of employees.

5. Enable Action by Removing Barriers

To empower workers to support change and act on the vision, change leaders should identify and remove obstacles. Four categories of important obstacles are:

i. Formal structures that make it difficult for employees to act.
ii. A lack of needed skills.
iii. Personnel or information systems.
iv. Supervisors who discourage actions toward implementing the new vision.

6. Generate Short-Term Wins

Successful and enduring change takes time, which can be discouraging to employees at all levels of the organization. To maintain urgency, leaders should create conditions that support early successes and visible improvements. The key is to actively search for opportunities to score early achievements and to recognize and reward those who made these accomplishments possible. Good short-term wins have unambiguous results, are visible to many people and are clearly related to the change effort.

7. Sustain Acceleration

Until major changes are embedded in an organization's culture (which could take up to a decade), they remain vulnerable to resistance and regression. It is important to use the early successes as a foundation for larger challenges and to revise all systems, structures and policies that do not fit the change vision. HR can consolidate gains by hiring, promoting and developing employees who can implement the transformation vision. Additionally, the change process can be reinvigorated with new project themes and change agents.

8. Institute Change

The final stage in Kotter's model for successful change is linking the changes to two key components of corporate culture—norms of group behavior and shared values. Another model for organizational change includes a four-phase change management process:

1. **Define**—Align expectations regarding the scope of the change as well as timing and business impact.
2. **Plan**—understand how the change will impact stakeholders and design a strategy to help them navigate it.
3. **Implement**—Engage with leaders and associates to execute the change.
4. **Sustain**—Work with leaders and employees to track adoption and drive lasting change.

Figure 26: Change Management Model



Common Obstacles Encountered in Implementing Change

1. Employee resistance.
2. Communication breakdown.
3. Insufficient time devoted to training about the change.
4. Staff turnover during the transition.
5. Excessive change costs.
6. An unrealistic change implementation timeline.
7. Insufficient employee participation in voluntary training.
8. Software/hardware malfunctions.
9. Downturn in the market or the economy.

Managing Varied Types of Major Organizational Change

Organizational change comes in many forms. It may focus on creating new systems and procedures; introducing new technologies; or adding, eliminating or rebranding products and services. Other transformations stem from the appointment of a new leader or major staffing changes. Still other changes, such as downsizing or layoffs, bankruptcy, mergers and acquisitions, or closing a business operation, affect business units or the entire organization. Some changes are internal to the HR function.

In addition to the general framework for managing change, change leaders and HR professionals should also be aware of considerations relating to the particular type of change being made. The subsections below highlight some of the special issues and HR challenges.

Mergers and acquisitions

A merger is generally defined as the joining of two or more organizations under one common ownership and management structure. An acquisition is the process of one corporate entity acquiring control of another by purchase, stock swap or some other method. Nearly two-thirds of all mergers and acquisitions (M&As) fail to achieve their anticipated strategic and financial objectives. This rate of failure is often attributed to HR-related factors, such as incompatible cultures, management styles, poor motivation, loss of key talent, lack of communication, diminished trust and uncertainty of long-term goals.

Downsizing

Successfully implementing a layoff or reduction in force (RIF) is one of the more difficult change initiatives an HR professional may face.

Bankruptcy

Filing for a business bankruptcy and successfully emerging from the process is generally a complex and difficult time for all parties. HR may have to cut staff, reduce benefits, change work rules or employ a combination of such actions.

Closing a business operation

Businesses make the difficult decision to close all or part of their operations for many reasons, including economic recession, market decline, bankruptcy, sale, a realignment of operations, downsizing, reorganization, outsourcing or loss of contracts.

Outsourcing

For several reasons, including cost savings and freeing staff to focus on more strategic efforts, an organization may decide to outsource HR or other business functions. Outsourcing is a contractual agreement between an employer and a third-party provider whereby the employer transfers the management of and responsibility for certain organizational functions to the external provider. Many types of outsourcing options are available to employers, from outsourcing one aspect of a single function to outsourcing an entire functional department. This change can have a similar impact on employees as downsizing or closing a department.

Changes within HR

HR professionals frequently help other parts of the organization respond to change, but what happens when the HR department becomes the epicenter of change? These kinds of transformations, such as moving to a shared services model, integrating with another HR function following a merger or delivering new services to new clients, can be more difficult for HR professionals to manage than other types of organizational changes.

Legal Issues

In addition to managing the "people side" of organizational change initiatives, HR professionals should keep leadership informed of any applicable employment laws and the potential legal implications of various types of change. Typically, HR will be

responsible, in consultation with legal counsel, for ensuring compliance with pertinent federal, state, local and international employment laws and regulations.

Global Issues

Significant organizational changes can create ongoing conflict between two locations in the same country. But conflict is more likely to occur, and is harder to address, when differences in language, time zones, institutions and business practices exist. According to research conducted by the Economist Intelligence Unit, companies will continue to become larger and more global, handling operations in more countries than they do today.

Factors That Shape an Organization's Culture

Most company cultures are not that different from one another. Even organizations in disparate industries such as manufacturing and health care tend to share a common core of cultural values. For example, most private-sector companies want to grow and increase revenues. Most strive to be team-oriented and to demonstrate concern for others. Most are driven, rather than relaxed, because they are competing for dollars and market share. Some of the cultural characteristics that distinguish most organizations include the following: -

Values

At the heart of organizations' cultures are commonly shared values. None is right or wrong, but organizations need to decide which values they will emphasize. These common values include:

- **Outcome orientation.** Emphasizing achievements and results.
- **People orientation.** Insisting on fairness, tolerance and respect for the individual.
- **Team orientation.** Emphasizing and rewarding collaboration.
- **Attention to detail.** Valuing precision and approaching situations and problems analytically.
- **Stability.** Providing security and following a predictable course.
- **Innovation.** Encouraging experimentation and risk-taking.
- **Aggressiveness.** Stimulating a fiercely competitive spirit.

Degree of Hierarchy

The degree of hierarchy is the extent to which the organization values traditional channels of authority. The three distinct levels of hierarchy are "high"—having a well-defined organizational structure and an expectation that people will work through official channels; "moderate"—having a defined structure but an acceptance that people often work outside formal channels; and "low" —having loosely defined job descriptions and accepting that people challenge authority.

An organization with a high level of hierarchy tends to be more formal and moves more slowly than an organization with a low level of hierarchy.

Degree of Urgency

The degree of urgency defines how quickly the organization wants or needs to drive decision-making and innovation. Some organizations choose their degree of urgency, but others have it thrust on them by the marketplace.

A culture with high levels of urgency has a need to push projects through quickly and a high need to respond to a changing marketplace. A moderate level of urgency moves projects at a reasonable pace. A low level of urgency means people work slowly and consistently, valuing quality over efficiency. An organization with high urgency tends to be fast-paced and supports a decisive management style. An organization with low urgency tends to be more methodical and supports a more considered management style.

People Orientation or Task Orientation

Organizations usually have a dominant way of valuing people and tasks. An organization with a strong people orientation tends to put people first when making decisions and believes that people drive the organization's performance and productivity. An organization with a strong task orientation tends to put tasks and processes first when making decisions and believes that efficiency and quality drive organization performance and productivity.

Some organizations may get to choose their people and task orientations. But others may have to fit their orientation to the nature of their industry, historical issues or operational processes.

Functional Orientation

Every organization puts an emphasis on certain functional areas. Examples of functional orientations may include marketing, operations, research and development, engineering or service. For example, an innovative organization known for its research and development may have at its core a functional orientation toward R&D. A hospitality company may focus on operations or service, depending on its historical choices and its definition in the marketplace.

Employees from different functions in the company may think that their functional areas are the ones that drive the organization. Organizational leaders must understand what most employees perceive to be the company's functional orientation.

Organizational Subcultures

Any organization can have a mix of subcultures in addition to the dominant culture. Subcultures exist among groups or individuals who may have their own rituals and traditions that, although not shared by the rest of the organization, can deepen and underscore the organization's core values. Subcultures can also cause serious problems.

For example, regional cultures often differ from the overall culture that top leadership tries to instill. Perhaps aggressiveness that is common in one area may not mesh with a culture emphasizing team building. Or an organization with a culture built around equality may have trouble if the national culture emphasizes hierarchy and expects people to bow to authority. Managers and HR professional**s** must recognize those differences and address them directly.

Learning Activities

The trainees check on the operations of their dinning, together they should come up with areas and items that need to be changed to make its operations better for the student’s .then they should come up with a change plan to present to their Dean /in charge of student welfare.

Self-Assessment

Case study

Mr. Jorum is a Manager at Techwiz Limited. The firm is changing from manual recoding to computerized systems in all the areas of operation. Mr. Jorum is 45 years and the Assistant Manager is 35 years. The average age of the employees is 38 years. 80% of the employees are up-to-date with technology. Mr. Jorum has not found the need to update to ICT skills as his juniors carry out the work and he reads the printed copies in order to make decisions. His peers who are conversant with ICT have constantly advised him on the need for ICT skills. Mr. Jorum does not agree with this change stating that the company is still young in the industry.

a) What are the possible reasons for Mr. Jorum's resistance to change?
b) How can you assist Mr. Jorum?
4. Why would an organization find it necessary to embrace change?
5. Why is it important for an organization to clearly communicate to the employees the changes they want to implement
6. What are some of the cultural characteristics that distinguish one organization from the other?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Self-Assessment Answers

1. Common obstacles encountered in implementing change

a) Employee resistance
b) Communication breakdown
c) Insufficient time devoted to training about the change
d) Staff turnover during the transition
e) Excessive change costs
f) An unrealistic change implementation timeline
g) Insufficient employee participation in voluntary training
h) Software/hardware malfunctions
i) Downturn in the market or the economy

2. Steps in the change management process:

i. Create urgency of change
ii. Identify powerful change leaders
iii. Communicate vision for change
iv. Remove obstacles
v. Create short term achievable targets
vi. Anchor change on organizational culture

3. Cultural differences between organizations include differences in:

- Values
- Degree of hierarchy
- Degree of urgency
- People/task orientation
- Functional orientation
- Organizational subcultures

4. Why would an organization find it necessary to embrace change?

- To avert complacency of employees
- Technological reasons
- Security reasons
- To remain ahead of competitors
- Legal reasons
- Inject new ideas
- To avoid obsolescence

5. Why is it important for an organization to clearly communicate to the employees the changes they want to implement
    - To avert resistance
    - To ensure employees own the change
    - To maintain employee loyalty
    - To take less time in implementing the change
    - To gain employees' contributions toward change

2.2.10 LEARNING OUTCOME 10: PREPARE DEPARTMENTAL TEAM REPORT

Introduction to the Learning Outcome

This learning outcome involves comparing teams' output with departmental targets and determining variation from plans. Review of departmental team strategy is undertaken and departmental team report is prepared.

Performance Standard

1. Teams output is compared with departmental targets according to set operational plans.
2. Variations from plans are determined in accordance with reporting procedures.
3. Review of departmental team strategy is undertaken in accordance to HR Plan and finance Policy.
4. Departmental team report is prepared and shared according to SOPs.

Information Sheet

Definition of terms

A report is

It is a document that presents information in an organized format for a specific audience and purpose. Although summaries of reports may be delivered orally, complete reports are almost always in the form of written documents

Business goals

These are written parts of a long-term vision detailing what results your company aims to accomplish and by what deadline

Targets

These can be considered as smaller, interim steps towards a goal that are aligned with the details and deadlines of larger goals.

Performance indicator or key performance indicator (KPI)

It is a type of performance measurement. It evaluates the success of an organization or of a particular activity (such as projects, programs, products and other initiatives) in which it engages

Measure Performance and Set Targets

A growing business needs to be closely and carefully managed to ensure the success of new investment decisions and expansion plans. However, many owner-managers find that as their business grows they feel more remote from its operations.

Putting performance measurement systems in place can be an important way of keeping track on the progress of your business. It gives you vital information about what's happening now and it also provides the starting point for a system of target-setting that will help you implement your strategies for growth.

This guide sets out the business benefits of performance measurement and target-setting. It shows you how to choose which key performance indicators (KPIs) to measure and suggests examples in a number of key business areas. It also highlights the main points to bear in mind when setting targets for your business.

Benefits of Performance Measurement

Knowing how the different areas of your business are performing is valuable information in its own right, but a good measurement system will also let you examine the triggers for any changes in performance. This puts you in a better position to manage your performance proactively.

One of the key challenges with performance management is selecting what to measure. The priority here is to focus on quantifiable factors that are clearly linked to the drivers of success in your business and your sector. These are known as **Key Performance Indicators** (KPIs).

Quantifiable isn't the same as financial. While financial measures of performance are among the most widely used by businesses, nonfinancial measures can be just as important.

For example, if your business succeeds or fails on the quality of its customer service, then that's what you need to measure - through, for example, the number of complaints received.

Benefits of Target-Setting

If you've identified the key areas that drive your business performance and found a way to measure them, then a natural next step is to start setting performance targets to give everyone in your business a clear sense of what they should be aiming for.

Strategic visions can be difficult to communicate, but by breaking your top-level objectives down into smaller concrete targets you'll make it easier to manage the process of delivering them. In this way, targets form a crucial link between strategy and day-to-day operations.

Deciding What to Measure

Getting your performance measurement right involves identifying the areas of your business it makes most sense to focus on and then deciding how best to measure your performance in those areas.

Focusing on Key Business Drivers

Performance measurement will be a more powerful management tool if focus is on those areas that determine the overall business success. This will vary from sector to sector and from business to business. So it is important to put some time into developing a strategic awareness of what it is that drives success for businesses.

It's crucial that measurements are tailored to specific circumstances and objectives. A manufacturer producing and selling low-cost goods in high volume might focus on production line speed, while another company producing smaller quantities using high-cost components might focus instead on reducing production line errors that result in defective units.

Finding the Specific Measures

Once key business drivers are identified it is important to find the best way of measuring them. The priority should be to look for as close a link as possible with those elements of performance that determine success. For example, one may decide that customer service is a strategic priority for a business and to therefore start measuring this. But there are many ways of doing so.

Other areas of measurement include:

- The proportion of sales accounted for by returning customers

- The number of customer complaints received
- The number of items returned to you
- The time it takes to fulfil an order
- The percentage of incoming calls answered within 30 seconds

None of these is necessarily better than any other. The challenge is to find which specific measure (or measures) will enable a company to improve its business.

This type of measurement unit is often referred to as a key performance indicator (KPI). The two key attributes of a KPI are quantifiable (i.e. you must be able to reduce it to a number) and that it directly captures a key business driver.

Using Standardized Measures

There are standardized performance measures that have been created which almost any business can use. Examples include balanced scorecards, ISO standards and industry dashboards.

Choosing and Using Key Performance Indicators

Key Performance Indicators (KPIs) are at the heart of any system of performance measurement and target-setting. When properly used, they are one of the most powerful management tools available to growing businesses.

Key criteria that KPIs should meet:

- They should be as closely linked as possible to the top-level goals for a business. See the page in this guide on deciding what to measure.
- KPIs need to be quantifiable. If you can't easily reduce your measurement to a number, there will be too much scope for variation and inconsistency if different people carry out the measurements at different times.
- KPIs should relate to aspects of the business environment over which you have some control. For example, interest rates may be a crucial determinant of performance for a given business, but you can't use the Bank of Canada base rate as a KPI because it's not something that businesses have any power to change. By contrast, a business' exposure to fluctuations in interest rates can be controlled and so this might make a useful KPI.

Getting the Most from KPIs

The purpose of performance measurement is ultimately to drive future improvements in performance. There are two main ways you can use KPIs to achieve this kind of management power.

The first is to use your KPIs to spot potential problems or opportunities. Remember, your KPIs tell you what's going on in the areas that determine your business performance. If the trends are moving in the wrong direction, you know you have problems to solve. Similarly, if the trends move consistently in your favour, you may have greater scope for growth than you had previously forecast.

The second is to use your KPIs to set targets for departments and employees throughout your business that will deliver your strategic goals. For more information about using target-setting to implement your strategic plans, see the page in this guide on how to set useful targets for your business.

Managing Your Information

As with most areas of business operations, the more detailed and well-structured the information to keep about KPIs is, the easier it will be to use as a management tool. Computer-based management information systems are available for this purpose.

Measurement of Your Financial Performance

Getting on top of financial measures of your performance is an important part of running a growing business. It will be much easier to invest and manage for growth if you understand how to drill into your management accounts to find out what's working for your business and to identify possible opportunities for future expansion.

Measuring Your Profitability

Most growing businesses ultimately target increased profits, so it's important to know how to measure profitability. The key standard measures are:

- **Gross profit margin** - this measures how much money is made after direct costs of sales have been taken into account, or the contribution as it is also known.
- **Operating margin** - the operating margin lies between the gross and net (see below) measures of profitability. Overheads are considered, but interest and

tax payments are not. For this reason, it is also known as the EBIT (earnings before interest and taxes) margin.

- **Net profit margin** - this is a much narrower measure of profits, as it takes all costs into account, not just direct ones. So all overheads, as well as interest and tax payments, are included in the profit calculation.
- **Return on Capital Employed (ROCE)** - this calculates net profit as a percentage of the total capital employed in a business. This allows you to see how well the money invested in your business is performing compared to other investments you could make with it, like putting it in the bank.

There are a number of other commonly used accounting ratios that provide useful measures of business performance. These include:

- **Liquidity ratios**, which tell you about your ability to meet your short-term financial obligations.
- **Efficiency ratios**, which tell you how well you are using your business assets.
- **Financial leverage or gearing ratios**, which tell you how sustainable your exposure to long-term debt is.

Cash Flow

Bear in mind that even though you are likely to use an increasing number of financial measures as your business grows, one of the most familiar – cash flow - remains of fundamental importance. Cash flow can be a particular concern for growing businesses, as the process of expansion can burn up financial resources more quickly than profits are able to replace.

Measurement and Your Employees

As your business grows the number of people you employ is likely to increase. To keep on top of how your staffs are doing, you may need to find slightly more formal ways of measuring their performance.

Measuring Through Meetings and Appraisals

Informal meetings and more formal appraisals provide a very practical and direct way of monitoring and encouraging the progress of individual employees. They allow frank exchanges of views by both sides and they can also be used to drive up

productivity and performance through setting employee targets and measuring progress towards achieving them.

Regular staff meetings can also be a very useful way of keeping track on wider developments across a business. These meetings often give an early indicator of important concerns or developments that might otherwise take some time to come to the attention of the management team.

Quantitative Measurement of Employee Performance

Looking at employee performance from a financial perspective can be a very valuable management tool. At the level of reporting for the overall business, the most commonly-used measures are sales per employee, contribution per employee and profit per employee. These measures shouldn't be thought of as an alternative to the broader appraisals outlined above, but can flag up issues that might later be explored in more detail in those meetings.

Expressing employee performance quantitatively is easier for some sectors and for some types of worker. For example, it should be quite easy to see what kind of sales an individual sales person has generated, or how many units manufacturing employees produce per hour at work.

But with a bit more effort, these kinds of measures can be applied in almost any business or sector. For example, using timesheets to assess how many hours an employee devotes each month to different projects or customers under their responsibility gives you a way of assessing what the most profitable use of their time is.

Variation

Variation is a normal feature of process characteristics. For production processes, some variations are statistically random, while others are due to the actions of production workers. When the workers don't act consistently, they introduce non-random variations that reduce product quality. The key for using variation as a tool in TQM is to identify the random variations, which are natural to the process, and those due to worker inconsistency. TQM reduces the non-random variations by acting to reduce worker inconsistency.

Uncontrolled Variation

Once TQM has identified the non-random variations, it examines their source. TQM looks for inconsistencies that result from uncontrolled actions. If a product sometimes fails due to a loose bolt, it may be because the worker is not tightening the bolt consistently. If a product's color varies, it may be because the paint composition varies. TQM introduces controls to reduce inconsistency. It may train the worker in the use of a torque wrench and specify a single supplier for the paint. In this way, TQM converts uncontrolled variation into variation it can control.

Controlled Variation

When TQM introduces controls to reduce inconsistency, it must check to see if the controls reduced the variations initially observed. If use of the torque wrench eliminates product failure due to a loose bolt, the controls have eliminated the variation. If the product color still varies, the variation is still uncontrolled. It may be that the color variation is due to inconsistent drying time. If controlling the drying time increases color consistency, the variation is controlled and the product quality increases with respect to the desired characteristics.

Importance of Variation in Manufacturing

Customer satisfaction determines customer loyalty, customer purchase intentions and in turn, a company's revenue stream. Product quality improves customer satisfaction. Reducing variation in both key product features and manufacturing processes is a primary means of decreasing product defects and improving product quality. In turn, improved product quality may lead to decreased production costs.

Product Quality

The quality of a manufactured product is described in terms of:

i. Its construction and reliability,
ii. Its suitability for a specific purpose and
iii. The degree to which it satisfies customers' needs.

Each of these quality objectives is supported by product and manufacturing process specifications that reflect the product attributes essential to create customer value. A company's quality assurance department works to reduce variability in production processes to ensure the characteristics of a manufactured product are consistent with

its specifications through quality control measures including quality inspections and analysis.

Product Characteristic

A quality characteristic is a predefined product attribute that is precise and unambiguous, which can be measured or tested to determine a product's conformance with its specifications. Any difference between a defined product specification and an actual product characteristic is referred to as a variation in either product performance or a manufacturing process.

Manufacturing Variation

Variation is a disparity between an actual measure of a product characteristic and its target value. Excessive variation is outside the upper and lower acceptable limits established for a product specification, which can lead to product discard or salvage.

Therefore, a key manufacturing performance objective is the establishment of stable and predictable processes that limits variation to what can be described as random, minimum variation around target values. Walter Shewhart suggests in "Economic Control of Quality of Manufactured Product, Volume 59" that doing so leads to an economic production scheme, uniform product quality, a reduction in tolerance limits and a minimization of quality inspection costs and product rejection costs.

Uniform Product Quality

Stable manufacturing processes are those for which process variation is the result of random causes. As a result, stable processes produce products that adhere to specifications to a greater degree than those produced by unstable processes.

The more variation in measured product characteristics, the less the product adheres to specifications, the more heterogeneous the population, and the greater the required inspection scope, inspection severity and inspection costs.

In turn, the more homogeneous the population, the greater the adherence of the measured characteristics to specifications, the smaller the inspection scope, the less the inspection severity and the lower the inspection costs.

Reduction in Tolerance Limits

Overall product quality is gauged on the basis of the sum of the individual measurements of product quality characteristics, which are evaluated in terms of the

relationship of the measured values to upper and lower tolerance limits established for product specifications. The more accurately characteristics can be measured, the more appropriate a reduction in tolerance limits used to evaluate characteristic variability and the fewer the number of measurements required. In turn, product quality increases and quality costs decrease.

Minimization of Product Rejection Costs

Excessive variation in manufacturing is outside the upper and lower acceptable limits defined in manufacturing or product specifications, which can lead to product discard or salvage. To achieve the benefits of quantity production, quality must be maintained as indicated by measures of a product characteristic that lie within a predefined tolerance range. Otherwise, defective materials or defective products lead to product rejects and reworks, decreasing manufacturing process efficiency and increasing manufacturing costs.

Importance of Quality Control in Supply Chain Management

Competitive pressures and customer demands have led companies to introduce new strategies to better control processes and get the results they need. W. Edwards Deming, considered the "Father of Modern Quality," developed the Total Quality Management approach as an industrial strategy to improve business performance. In his 1982 book "Out of the Crisis," he identifies variation as a disease that results in waste and poor quality. Many U.S. businesses have used TQM principles to improve the quality of their products.

Total Quality Management

Total Quality Management (TQM) analyzes a production process for unnecessary complications, inefficient procedures and work flows that introduce waiting times. TQM defines these problems as poor-quality processes that result in poor-quality products. It identifies the problem processes by analyzing variations in their basic characteristics.

A high-quality process is consistent and has control of the variation of key aspects. TQM modifies production processes to reduce the possibility of variation, and the resulting products have a consistently high quality.

Review of Departmental Team Strategy

The modern business organization team is often comprised of personnel from across many different departments, and is increasingly led by individuals with little training on how to successfully manage the many different components and dependencies of a large initiative, launch, programme or project. This guide addresses the composition of a well-balanced team, and highlights the skills needed to effectively execute in a business organization

12 Crucial Strategies for Promoting Team Collaboration

1. **Share the company's mission over and over again.**
   Everyone needs a reason to show up each day -- a cause to be part of, and a broader objective to work towards. Defining a company's mission is the first step towards bringing people together under one common goal and working together towards making it happen. The mission should be simple but meaningful. The more compelling a mission is, the better.

   It's your job to give your employees a reason - beyond the paycheck - to show up each day and get passionate about their work. And the more passionate they are, the more likely they are to work together with their teammates to achieve the company's mission. And make sure you're bringing it up often to make sure everyone is clear on the mission -- to the point where everyone on your team can repeat it on their own. That way, when confronted with conflict or challenges, they'll be able to keep the mission in mind to stay focused.

2. **Communicate your expectation for collaboration.**
   Similarly, if a team doesn't know that you want them to work together, you can't expect them to do so. From the start, set your expectation for collaboration as a minimum standard. Even better, it should be part of the on boarding process so that potential recruits know teamwork is prioritized.

   Employees' job descriptions should include details about their own individual roles, as well as roles they're expected to carry out collaboratively. By

differentiating these, clear boundaries are being set between what they should be taking personal responsibility for, and what they need to work on collectively.

3. **Define and communicate your team's goals.**

   Letting your team know what their goals are is not a monthly conversation. Not even weekly. Ideally, you should be discussing your team's goals on a daily basis. A team that knows their individual -- as well as collective -- goals helps to reduce silos and keep everyone productive.

   Morning meetings held at the same time each day can help to foster the idea that everyday team members are working towards something specific together. A manager can take a step back and let the team define their own daily goals.

4. **Highlight individuals' strengths.**

   Recent research by Office Team shows that 66% of employees would quit their jobs if they felt unappreciated. This number jumps to 76% among millennials. People start to look elsewhere if their unique sets of skills aren’t being used, and their value isn't being recognized.

   Not everyone is a leader. Not everyone is a confident public speaker. But a successful team thrives when each member is able to bring their own set of skills to the table.

   As part of the recruiting process, Employees' specific strengths will be identified. Make sure you build on these strengths and emphasize them in collaborative environments. You can build on this by getting everyone to take a personality or skills test and share the results in a group setting.

5. **Promote a community working environment.**

   A sense of community is crucial for collaborative working environments. 54% of employees state that a strong sense of community led them to stay at a company longer than was in their own interests.

   When people feel that their opinion matters, they are more likely to apply themselves more. Conversely, when people know their opinion doesn't count for anything, they feel redundant and team-playing disintegrates.

But it can be tricky to get the conditions right. You don't want to inundate your team with endless meetings and insist on collaboration for collaboration's sake. After all, not all tasks need to be worked on as a team.

A daily morning meeting is a good starting point. At the same time each day, invite your team to get together and discuss their goals, tasks for the day, and opportunities where teamwork would be beneficial. These environments can help teams to align themselves and avoid duplication or oversights.

6. **Foster honest and open communication.**

   Good team collaboration relies on open and truthful communication. The more people feel they can contribute; the more ideas can be shared, the more productive the team will become. However, for the more introverted team members, this part of the process might not come naturally.

   If you create a psychologically-safe working environment in which team members feel safe from judgment, they are more likely to speak openly and contribute their ideas freely. The safer the environment for communication, the more collaborative that space will become.

7. **Encourage creativity.**

   A collaborative team is an innovative one. Likewise, creating the space for creativity will help foster collaboration. It's a virtuous circle.

   Brainstorming sessions can be a great way of opening up your team to creative thinking. An environment in which they can put forward and challenge ideas will help employees feel like they have a stake in the company's mission.

   For some team members, brainstorming sessions can be daunting, especially if it's sprung on them without warning. To work around this, give them a heads-up the day before to allow everyone to prepare their thoughts in advance.

8. **Share knowledge, insights, and resources.**

   Knowledge, as they say, is power. And if knowledge is shared amongst your team, they will feel more empowered to contribute on an even playing field. File-sharing software can help your team access the resources they need to do their jobs -- as can internal collaboration software.

But further than that, create spaces -- both physical and virtual -- where your team can share their insights, discuss their failures, and give each other constructive feedback.

9. **Lead by example.**

   You can strategize for collaboration as much as you like, but if you're not exhibiting collaborative behaviors yourself, then this will filter down to your employees. As a leader of a collaborative team, you need to demonstrate cooperation at every turn. One-to-ones are a great place to start. Focusing some one-on-one time at regular intervals with each of your team members demonstrates that you are ready for dialogue.

   The way you deal with requests and the way you make promises also indicates how you really feel about collaboration. When your employee comes to you asking for support, then honor their request. And only make promises that you know you can keep. The more your team can trust you to have their back, the more that trust will filter down through your team. And, in turn, the more productive they will become.

10. **Get out of the office.**

    Getting out of the office regularly helps teams build relationships based on mutual interests rather than what they share in common within working hours. It helps employees see each other as humans rather than just colleagues.

    But this doesn't need to wait for offsite events. An impromptu morning coffee or a beer after work can help to solidify relationships and gets your team gelling. Some smaller companies adopt a more regular arrangement, in which members of the team "buddy up" and go for lunch one-to-one, rotating amongst the team.

11. **Celebrate and reward successful teamwork.**

    How you measure the success of your team will send out signals about what kind of company you are. If you reward effective teamwork and successful collaboration then you are communicating the values that underpin your business.

    When you design your employee appraisal metrics, focus on team collaboration as well as individual successes. Make it clear that your employees' team efforts will be noted and collaborative successes rewarded.

12. Invest in collaboration tools.

Creating a digital workplace is the most practical thing you can do to ensure long-term collaboration among your team. And uptake is increasingly high, with 80% of businesses using social collaboration tools to advance business processes.

Given that nearly 1.5 million full-time professionals in the country consider their home as their main workplace; it's worth investing in the right tools to enable teams to work together without being in the same physical space.

Social tools assist in workplace collaboration. Predictably, millennials support the use of collaborative tools the most: 49% of the millennials surveyed back social tools for collaboration, with 31% of baby boomers and 40% of Generation X agreeing.

> Your digital workspace can look like whatever you need it to be. You don't have to go all-out right away, and you spend can spend modest at first. The trick is to try different tools and see what works best for your team.

Challenges of Cross-Departmental Teamwork

Obstacle 1 – Tunnel Vision

When employees get too limited by the tunnel vision of their own job descriptions and team functions, frustration often ensues. This is often the root of communication breakdowns and interpersonal conflict. For example, an employee might make an unreasonable request from another team, assuming it was a simple request when it actually created a huge hassle.

Solution

Cross-over-train. Offer employees frequent opportunities to step into each other's shoes, job-shadow each other, or train each other. The idea is not to make everyone essentially interchangeable, but to give employees a basic understanding of how each department functions, individually and as part of the bigger picture. This is especially important for regular processes that touch multiple departments.

Obstacle 2 – Ineffective Meetings

One poll found that 17 percent of employees would rather watch paint dry than attend a meeting. Ouch. Face-to-face time is essential to healthy collaboration – or at the very least, being on the same conference line or web conference. But meetings tend to

clog up calendars, disrupt the workday, go off-topic or off-schedule, or otherwise not accomplish their objectives.

Solution

Meet more mindfully. Before scheduling a meeting, think hard about how to make the most of that time. Meetings should have designated leaders, note-takers, and time-watchers. An agenda, prepared and provided in advance, can keep everyone on track. And there should be a plan in place to follow up on the meeting's objectives and action steps before they are forgotten. Be mindful of scheduling, too – make sure employees have a chance between sessions to make meaningful progress.

Obstacle 3 – Social Silos

Consciously or unconsciously, each department can wind up so isolated from the others that it's effectively in its own silo. Its members only interact among themselves and rarely cross over to other territories. The result is a series of micro-cultures that aren't always compatible. Much like the tunnel vision that prevents employees from understanding each other's jobs, social silos prevent employees from understanding each other, period.

Solutions

Celebrate together. Create opportunities for employees to socialize with each other, during and after office hours. For example, you might consider a casual gathering on the final Friday of each month, and rotate the duty of "hosting" this gathering between departments or teams. You can use these opportunities to highlight positive progress and accomplishments from various teams – but unlike meetings, these gatherings don't need a strict agenda.

Uniting around a common goal is one of the best ways to break down personal walls. So another way to get groups to mix up or interact could be to introduce a goal or project that isn't directly related to work functions. Examples include: a charitable drive, a company 5K team, annual outings, regular "Happy Hours," or some friendly competition like a costume contest around Christmas. All of these can break the ice and help employees see each other as people, not just co-workers.

Obstacle 4 – Top-Down Direction

Cross-departmental collaboration can't happen unless managers lead by example. Direction and leadership are not the same. Cross-departmental collaboration requires buy-in from all involved, including and especially the designated leaders of any given group. Otherwise, the entire effort feels inauthentic. Managers, after all, are just as susceptible to social siloes and tunnel vision as their staff.

The other side of this coin is whether or not employees feel they have a voice in how their departments are run, and in how departments interact. If they don't feel they have an opportunity to raise an issue, ask a question, or be proactive, there's little motivation to simply follow orders.

Solutions

This one is twofold. First, department heads should be modeling cross-departmental collaboration by regularly and visibly engaging with each other – and with each other's teams. If they notice that their department is becoming too isolated or is hesitant to collaborate with others, these leaders should be the first to start building bridges, and not just directing others to do so. Second, you need a mechanism in place to effectively collect employee feedback, in a way that makes employees feel safe from any negative consequences for speaking up. CSP highly recommends a Voice of the Employee program to gather this kind of data.

Culture is the result of actions and priorities. Cross-departmental collaboration is not the kind of thing that can be enforced upon members of staff. It must be nurtured at all levels of the organization, with deliberate intention, even when other priorities seem more immediately urgent.

Team Status Report

Containing detailed summaries of information and activities done by the team to carry out a project, a regular team status report offers a reliable means of getting the team updated with latest developments on the project and the challenges they encountered. Through this type of report, team members will have an idea of the progress made and where it's heading.

How Does It Benefit the Team?

It is an important project management tool that keeps the project on track and within the expectations of the project team, the clients, and other stakeholders.

The project manager and the team can easily spot issues and problems that may come up during the project implementation and can work on a solution to address it. Since they were able to see it in advance, they are given an ample amount of time to accommodate the changes and transition smoothly, thus, eliminating any sudden changes.

Keys to an Effective Team Status Report

Basically, the most important thing to remember in coming up with a team status report is that its content should be relevant to the project and the team, as major decisions may be based on the data presented in this report. The report should reflect the team's accomplishments for the reporting period, issues and challenges encountered and the performance objectives and targets for the succeeding reporting period. The project manager need not take all the responsibilities in the generation of team status report. In fact, different sections of the report may be assigned to each team member for him or her to update and work on based on his or her role or responsibility on the project.
This will give the team members a deeper awareness, understanding, and also ownership of the project and their assignments. The role now of the project manager is to discuss with the team member and approve what they've written

As a result, in its absence, the team may use other means of communication such emails, phone calls, and meetings. There are also useful collaboration tools of but nothing beats having a single document that reflects everything everyone is doing.

Learning Activities

The trainees accompanied by the trainer to visit a .wholesale business within the local market and request to be provided by the owners their previous sales report and then they should compare the sales with the business set targets. Trainees to prepare a report highlighting causes of the discrepancies between actual sale and targeted sales

Self-Assessment

Case studies

Activity 1

A large insurance company developed a new suite of products to meet unique customer needs. But as the products were rolled out, it became clear that the product development and marketing teams had not worked closely enough with the IT and customer service teams that were supposed to support these products. These teams knew about the general product development strategy, but they were not included in the detailed planning and rollout decisions, so they were left scrambling to catch up by the time the products were launched. As a result, customers experienced delays and errors in processing, the call centers were unprepared for questions, and the overall end-to-end cost of the new products ended up being much higher than planned. Prepare a speech to give to your customers apologizing for this situation.

Activity 2

A global manufacturing firm wanted to customize a product component for one of its major customers. Doing so required extensive design reconfiguration, with changes to electronics, cooling, power, weight, pricing, and product delivery. Although every function agreed to take on the changes that affected them, they all worked on them independently and with different time frames. What each function didn't realize was that their changes triggered adjustments for other departments, and this led to a continual cycle of design changes. As a consequence, the product manager was unable to finalize an integrated design and still couldn't give the customer a firm quote or delivery schedule 18 months later. What measures should the HR manager have taken to avoid this situation?

1. As a HR supervisor, one needs to encourage creativity and innovativeness from their team members to enhance collaboration. Give one way that can be used to enhance this?
2. What are the benefits of target setting?
3. What criteria should be used when selecting your key performance indicators (KPIs)

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires

- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

1. Brainstorming sessions can be a great way of opening up your team to creative thinking. An environment in which they can put forward and challenge ideas will help employees feel like they have a stake in the company's mission.
2. The Benefits of Target-Setting

- Gives everyone in your business a clear sense of what they should be aiming for.
- By breaking your top-level objectives down into smaller concrete targets you'll make it easier to manage the process of delivering them.

3. Key criteria that your KPIs should meet:

- First, they should be as closely linked as possible to the top-level goals for your business.
- Second, your KPIs need to be quantifiable. If you can't easily reduce your measurement to a number, there will be too much scope for variation and inconsistency if different people carry out the measurements at different times.
- Third, your KPIs should relate to aspects of the business environment over which you have some control.

CHAPTER 3: MAINTAINING CUSTOMER EXPERIENCE

Unit of learning code: BUS/BM/CR/02/5

Related Unit of Competency in Occupational Standard*:* Maintain Customer Experience

3.1 Introduction to the unit of learning

This unit specifies the competencies required to successfully maintain customer experience. It involves conducting customer experience survey, establishing business competitive edges and innovations, performing product and service quality assurance, incorporating Customer Relationship Management (CRM) system, controlling customer virtual platforms and preparing customer feedback report

3.2 Summary of Learning Outcomes

1. Conduct customer experience survey
2. Establish business competitive edges and innovations
3. Perform product and service quality assurance
4. Incorporate Customer Relationship Management (CRM) system
5. Control customer virtual platforms
6. Prepare customer feedback report

3.2.1 LEARNING OUTCOME 1 CONDUCT CUSTOMER EXPERIENCE SURVEY

Introduction to the learning outcome

This learning outcome on conducting customer experience survey aims at gathering information and feedback from customers for decision making. It involves the following activities: identifying survey tools, identifying required personnel, collecting data and analyzing customer experience survey findings.

Performance Standard

1. Survey tools are identified according to customer survey procedures
2. Required personnel are identified according to survey procedures
3. Data is collected according to survey procedures
4. Customer experience survey findings are analyzed based on marketing strategies

Information Sheet

Definitions of terms

Customer

In sales, commerce and economics, a customer (sometimes known as a client, buyer or purchaser) is the recipient of a good, service, product or idea – obtained from a seller, vendor or supplier via a financial transaction or exchange for money or some other valuable consideration.

Customer experience

It is the customer's perception of a brand determined consciously and subconsciously by every interaction they have with an organization. It is in effect determined by everything a brand does.

Customer relationship management

CRM is about acquiring, developing and retaining satisfied loyal customer, achieving profitable growth, and creating economic value in a company's brand. CRM is not a new concept but an age-old practice, which is on the rise because of the benefit it offers, especially in the present market scenario.

Customer experience survey

It is a questionnaire designed to help a business capture customer's thoughts and feelings about a brand, products or services.

Research skills

Refer to the ability to search for, locate, extract, organize, evaluate and use or present information that is relevant to a particular topic.

Data analysis

It is the process of cleaning, transforming and modeling data to discover useful information for business decision-making.

Customer Satisfaction

Business always starts and closes with customers and hence the customers must be treated as the King of the market. All the business enhancements, profit, status, image etc of the organization depends on customers. Hence it is important for all the organizations to meet all the customers' expectations and identify that they are satisfied customer.

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. It can only be attained if the customer has an overall good relationship with the supplier. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.

Customer satisfaction is a part of customer's experience that exposes a supplier's behavior on customer's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, engineering, quality of products and services, responses customer's problems and queries, completion of project, post delivery services, complaint management etc.

Customer satisfaction is the overall essence of the impression about the supplier by the customers. This impression which a customer makes regarding supplier is the sum total of all the process he goes through, right from communicating supplier before doing any marketing to post delivery options and services and managing queries or complaints post-delivery. During this process the customer comes across working environment of various departments and the type of strategies involved in the organization. This helps the customer to make strong opinion about the supplier which finally results in satisfaction or dissatisfaction.

Customer's perception on supplier helps the customer choose among the supplier on basis of money value and how well the delivered products suit all the requirements. The supplier's services never diminishes after the delivery as customer seeks high values post marketing services which could help them use and customize the delivered product more efficiently. If he is satisfied with the post marketing services then there are good chances for supplier to retain the customers to enhance repeated purchases and make good business profits.

It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer satisfaction. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. Even if the products are identical in competing markets, satisfaction provides high retention rates. For example, shoppers and

retailers are engaged with frequent shopping and credit cards to gain customer satisfaction, many high end retailers also provide membership cards and discount benefits on those cards so that the customer remain loyal to them.

Higher the satisfaction level, higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renounced position in the global market and enhance business and profit.

Methods of Measuring Customer Satisfaction

Managing customers' satisfaction efficiently is one the biggest challenge an organization face. The tools or methods to measure customer satisfaction needs to be defined sophisticatedly to fulfill the desired norms and include:

Direct Methods: Directly contacting customers and getting their valuable feedback is very important. Following are some of the ways by which customers could be directly tabbed:

- Getting customer feedback through third party agencies.
- Direct marketing, in-house call centers, complaint handling department could be treated as first point of contact for getting customer feedback. These feedbacks are compiled to analyze customers' perception.
- Getting customer feedback through face to face conversation or meeting.
- Feedback through complaint or appreciation letter.
- Direct customer feedback through surveys and questionnaires.

Organizations mostly employ external agencies to listen to their customers and provide dedicated feedback to them. These feedbacks needs to be sophisticated and in structured format so that conclusive results could be fetched out. Face to face meetings and complaint or appreciation letter engages immediate issues. The feedback received in this is not uniformed as different types of customers are addressed with different domains of questions. This hinders the analysis process to be performed accurately and consistently. Hence the best way is to implement a proper survey which consists of uniformed questionnaire to get customer feedback from well

segmented customers. The design of the prepared questionnaire is an important aspect and should enclose all the essential factors of business. The questions asked should be in a way that the customer is encouraged to respond in an obvious way. The feedback received by the organizations can be treated as one of the best way to measure customer satisfaction.

Apart from the above methods there is another very popular direct method which is surprise market visit. By this, information regarding different segment of products and services provided to the customers could be obtained in an efficient manner. It becomes easy for the supplier to know the weak and strong aspects of products and services.

1. **Indirect Method:** The major drawback of direct methods is that it turns out to be very costly and requires a lot of pre compiled preparations to implement. For getting the valuable feedbacks the supplier totally depends on the customer due to whom they lose options and chances to take corrective measure at correct time. Hence there are other indirect methods of getting feedback regarding customer satisfaction:

- Customer Complaints: Customer's complaints are the issues and problems reported by the customer to supplier with regards to any specific product or related service. These complaints can be classified under different segments according to the severity and department. If the complaints under a particular segment go high in a specific period of time then the performance of the organization is degrading in that specific area or segment. But if the complaints diminish in a specific period of time then that means the organization is performing well and customer satisfaction level is also higher.
- Customer Loyalty: It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer loyalty. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. A customer is said to be loyal if he revisits supplier on regular basis for purchases. These loyal customers are the satisfied ones and hence they are bounded in a relationship with the supplier. Hence by obtaining the customer loyalty index, suppliers can indirectly measure customer satisfaction.

Factors affecting Customer Satisfaction

Customer satisfaction is the overall impression of a customer about the supplier and the products and services delivered by the supplier.

Following are the important factors that could affect customer satisfaction:

- Department wise capability of the supplier.
- Technological and engineering or re-engineering aspects of products and services.
- Type and quality of response provided by the supplier.
- Supplier's capability to commit on deadlines and how efficiently they are met.
- Customer service provided by the supplier.
- Complaint management.
- Cost, quality, performance and efficiency of the product.
- Supplier's personal facets like etiquettes and friendliness.
- Supplier's ability to manage whole customer life cycle.

Compatible and hassle free functions and operations.

The above factors could be widely classified under two categories i.e. suppliers behavior and performance of product and services. The supplier's behavior mostly depends on the behavior of its senior subordinates, managers and internal employees. All the functional activities like customer response, direct product and maintenance services, complaint management etc. are the factors that rely on how skillful and trained the internal and human resources of the supplier are. The second category is regarding all the products and services. This depends on the capability of supplier to nurture the products and services efficiently and how skilled the employees are. It's all about how the skills are implemented to demonstrate engineering, re-engineering and technological aspects of the products and services. The quality and efficaciousness of the products is also an important factor that enables compatible and hassle free functions and operations. This leads to lower maintenance and higher life of the product which is highly admired by the customers.

If the product is having some problem or compatibility issues and requires frequent maintenance and support the customers could get irritated and possibilities of sudden divert is there which lead to supplier's financial loss. In the same way if the product is

expecting huge amount of financial and manual resources then customers could get a feeling of dissatisfaction and worry. However, if these aspects are handled efficiently by giving class services and dealing with complaints effectively then dissatisfied customers could be converted into long time satisfied customers and retaining them becomes easy.

It is practically impossible for the supplier to provide all the above explained features. There are always some positive as well as negative features in products and services which could lead to delight or irritate customers. The final opinion is the sum of overall experiences which a customer percept and likes. But it is also true that more the positive aspects, the more the customer is satisfied. Hence the aim of the supplier should be always to enhance these positive feelings among all the customers to increase customer satisfaction. The supplier must identify how to enhance these positive aspects to maximum level by analyzing the customer's data and information using CRM system. The individual liking and disliking of customers differ from customer to customer. It is hence required to target a customer and identify individual requirement to make them satisfied.

The higher the satisfaction level, the higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection are very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renounced position in the global market and enhance business and profit.

Survey tools are identified according to customer survey procedures

Every business has their unique customer service requirements, so this is a broad assessment of what to look for when choosing a customer survey tool. However, there are certain factors that determine the effectiveness of a tool. They include:

- Usability
- Effectiveness
- Value

The following methods may be used: interviews, questionnaires, focus groups, market analysis surveys, public opinion polls, literature review and file reviews

The following are some of the tools that can be used in an organization:

- Shared team inbox
- SaaS Call centers
- Help ticketing system
- Live chat
- Mobile apps
- Push notifications
- Instant messaging
- Social media
- Email automation
- Customer portal
- Self-service knowledge base
- Online communities
- Customer satisfaction surveys
- Reports dashboard
- Integrations
- Suggestion box
- Face to face interviews
- Telephone interviews

Metrics that a tool can measure include:

- Speed of service
- Quality of service
- Pricing issues
- Complaints
- Overall satisfaction with the product or service
- Attributional satisfaction

Customer satisfaction survey best practices:

1. Keep the survey short
2. Only ask questions that fulfill the end goal
3. Construct smart open-ended questions

4. Ask one question at a time
5. Make rating scales consistent
6. Avoid leading and loading questions
7. Make use of yes/no questions
8. Get specific and avoid assumptions
9. Think about timing
10. Offer survey respondent a bonus

Required personnel are identified according to survey procedures.

Being humble and open to criticism, building a social network, report writing, data collection, analysis of information, critical thinking, planning, scheduling, interviewing are desirable qualities of effective personnel.

Research skills involve intensive search, investigation and critical analysis usually in response to a specific research question or hypothesis. This makes it important to hire the right person for the job.

The customer satisfaction survey procedure activities include:

- Satisfaction survey preparation
- Satisfaction survey follow up
- Satisfaction survey review

Therefore a survey researcher has to:

- Conduct background research on survey area
- Plan and design surveys and determine survey method
- Test survey to make sure that people understand the questions being asked
- Coordinate the work of survey interviewers and data collectors
- Account for and solve problems caused by nonresponse
- Analyze data
- Summarize survey data using tables, graphs, charts and factsheets
- Evaluate surveys, their methods and performance to improve future surveys

Customer survey responsibilities include:

a) The customer service manager who is responsible for follow up on all Customer Satisfaction surveys and for training Customer Service representatives in the use of the customer satisfaction survey when needed

b) The Quality Manager who defines and reviews the effectiveness of customer satisfaction surveys
c) The Sales and Marketing Managers who meet periodically with the Customer Service Manager and Quality Manager to review the customer satisfaction survey and make improvements when needed.
d) Data collectors
e) Data entry personnel

The recruitment process of all personnel involved is a process of identifying the job vacancy, analyzing the job requirements, reviewing applications, screening, shortlisting and selecting the right candidate. A well designed job specification and job description will ensure the hiring of the right candidate and proper placement of the new staff.

Collecting data

Data is collected according to survey procedures

Certain steps are followed in gathering data, these include: determining the objectives, selecting respondents, creating a data analysis plan, developing the survey, pre-testing the survey, distributing and conducting survey, analyzing data and sharing the report findings. Most surveys collect three types of information: demographics of respondents, quantifiable information and open-ended questions. Questions can be asked in an open-ended and closed-ended format. Formats of closed-ended questions include: multiple-choice questions, dichotomous questions, rankings and rating scales. It is important to write questions that are

- Self-explanatory
- Unambiguous
- Meaningful to the respondent
- Exhaustive
- Mutually exclusive
- Short
- Free of jargon
- Visually appealing
- Without absolutes
- Matching the respondents language

Developing the research plan on how the information will be gathered.

Secondary data is information that already exists somewhere, having been collected for another purpose. Secondary data can be accessed by using *commercial online databases*, which are collections of information available from online commercial sources or accessible via the Internet. Internet search engines can be used to locate secondary data, but the research must verify that the found information is relevant, accurate, current and impartial.

Primary data is information collected for the specific purpose at hand. It can be collected via *observational research*, which gathers primary data by observing relevant people, actions and situations. *Ethnographic research* is a form of observational research that involves sending trained observers to watch and interact with consumers in their "natural environments".

Primary data can also be collected via survey research, which gathers information by asking people questions about their knowledge, attitudes, preferences and buying behavior. Experimental research gathers primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors and checking for differences in group responses.

Information can be collected via mail, telephone, and personal interviews or online. Mail questionnaires can be quite massive, while telephone information is also quickly gathered. Personal interviewing can be individual or group interviews. **Online marketing research** collects primary data online through Internet surveys, online focus groups, web-based experiments or tracking consumer's behavior online. **Online focus groups** gather a small group of people online with a trained moderator to chat about a product, service or organization and gain qualitative insights about consumer attitudes and behavior.

It is often impossible to collect information from the entire population, so marketers often base conclusions on samples. A **sample** is a segment of the population selected for marketing research to represent the population as a whole. Three decisions regarding the sample need to be made: the sampling unit (who), sampling size (how many) and sampling procedure (how should they be chosen). There are *probability samples*, in which each member of the population has an equal chance of being included, such as simple random samples, stratified random samples and cluster

samples. But there are also *non-probability samples*, such as convenience samples, judgment samples and quota sample categories.

When collecting primary data, there are two research instruments: the questionnaire and mechanical devices. The questionnaire can be via email, phone or online and are flexible. Mechanical instruments can help monitor consumer behavior.
There are different ways of distributing surveys for example sending by email, embedding or advertising on a website or app or using a link, by use of pop-up windows on a website or app or posting on social media. The response rates can be improved by use of appealing invitations, keeping the survey short or offering respondents something for filling out survey.

Analyzing customer experience survey findings

The purpose of data analysis is to extract useful information from data and taking the decision based upon the data analysis. There are several types of data analysis, the major ones being: text analysis, statistical analysis, diagnostic analysis, predictive analysis and prescriptive analysis. Data analysis is extracting meaningful information from a mass of data involving four steps

1. Data clean up: it involves editing the questionnaires or research in coding, tabulation (frequency distribution).

2. Data reduction: This is to come up with single figures – measures of central tendering (averages) mean, mode measures of dispersion – range, variance, standard deviation.

3. Data differentiation: for example are there significant differences eg. Computed arithmetic mean in sample 1 and 2? Are the differences real? Use statistics such as "T" test, the Z – test and Chi-square test, F – test (use when comparing more than 2)

4. Data explanation: when significant differences are found a researcher need to ask what are the explanatory factors – techniques used

    - Correlation analysis
    - Regression analysis $y=a+bx$

Customer experience survey findings are analyzed based on marketing strategies

When presenting the findings or communication the result of the study, the researcher should know the principles of good communication. One should be simple, concise, give complete information and avoid technical jargon.

Learning Activities

Knowledge	Learning activity	Special instructions
• Identifying survey tools	Trainees to prepare survey tools	Tools should possess the required qualities
• Identifying required personnel	Attend an interview meeting in an organization of choice	Carry the required documents
• Collecting data	Develop the tools and administer to a sample size	Follow the procedures and appropriate instrument
• Analyzing customer experience survey findings	Conduct a data analysis	Necessary methods and tools should be used

Self-Assessment

1. What measures should be taken when designing survey for data collection to ensure the desired results are achieved.
2. How would a data collector conduct a survey interview to make it effective?
3. What are the benefits of data collection on customer experience to an organization
4. What are ethical issues in data collection that researcher should adhere to
5. Which are methods used for data analysis in qualitative research

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras

- Check sheets
- Control charts

References materials

- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements
- organization strategic plans
- Company policies

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2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Olive Mugenda, Abel G Mugenda, Research methods: Quantitative and qualitative approaches, (1999), Acts Press

Responses Self- assessment

1. Measures that should be taken when designing survey for data collection
    - Avoid loaded or leading words or questions
    - Questions should always have reference to the intended context
    - Multiple choice questions should be mutually unique in order to provide distinct choices
    - Avoid the use of confusing/unfamiliar words
    - Avoid directed questions for they give respondents excessive leeway
    - Never force questions
    - Avoid use of long questions
2. How would a data collector conduct a survey interview
    - Occasionally verify the tape recorder (if used) is working
    - Ask one question at a time
    - Attempt to remain a neutral as possible

- Encourage response with occasional nods of the head, “uh huh”s, etc
- Be careful about appearance when note taking
- Provide transition between major topics
- Do not lose control of the interview

3. Benefits of data collection on customer experience to an organization
    - Data empowers to make informed decisions
    - Data helps to identify problems
    - Data allows to develop accurate theories
    - Data helps in backing up arguments
    - Data helps in making strategic approaches
    - Data helps in budgeting for funds
    - Data helps to conduct a SWOT analysis
    - Data saves time
    - Data increases return on assets
    - Data improves quality of life
4. Ethical issues in data collection
    - Informed consent
    - Beneficence- do not harm
    - Respect for anonymity and confidentiality
5. Methods used for data analysis in qualitative research

    Content analysis, narrative analysis, discourse analysis and grounded theory

3.2.2 LEARNING OUTCOME 2: ESTABLISH BUSINESS COMPETITIVE EDGES AND INNOVATIONS

Introduction to the learning outcome

This learning outcome on establishing business competitive edges and innovations is aimed at making businesses become market leaders in their areas of operations. It involves: identifying business strengths and opportunities, identifying competitive edge, formulating product and service innovation strategies, analyzing product and service innovation strategies, training championing team, implementing product and service innovations, carrying out pilot trial of product/service, adopting new product/services, patenting innovations of products/processes and implementing areas of competitive edge.

Performance Standard

1. Business strengths and opportunities are identified based on SWOT analysis in line with strategic plan
2. Competitive edge is identified in accordance to analysis of surveys on competitors
3. Product and service innovation strategies are formulated based on product development policy and customer's feedback
4. Product and service innovation strategies are analyzed and recommendation made based on product development policy
5. Championing team is trained based on new product and services innovated
6. Product and service innovations are implemented based on strategy recommendation
7. Pilot trial of product/service is done based on the product innovation guidelines
8. New product/service are adopted based on product's pilot results
9. Innovations of products/processes are patented based on intellectual properties right (IPR)
10. Areas of competitive edge are implemented in accordance with business budget product/service innovation committee is formed as per organizational policy

Information Sheet

Definition of terms

Business

It is the organized efforts and activities to produce and sell goods and services for a profit.

Business environment

This means all of the internal and external factors that affect how the company functions.

Strategic plan

It is a written document that points the way forward for a business

Customer satisfaction

This is defined as a measurement that determines how happy customers are with a company's products, services and capabilities.

Competitive edge

In business, this is the attribute that allows an organization to outperform its competitors

Competitor

In business, this is a company which rivals another. Two companies that operate in the same industry, make similar products and target the same consumers are competitors.

Business strengths and opportunities are identified based on SWOT analysis in line with strategic plan

One way of assessing the organization's current performance and the factors in the external environment which might affect its plans for the future is by conducting a SWOT analysis. This is a review of internal strengths, weaknesses together with an assessment of opportunities and threats in the external environment. Current internal performance is usually assessed in terms of key performance ratios, such as sale turnover, net profit, output per head etc. in SWOT analysis; however, managers will be encouraged to make qualitative judgements about performance based on their

assessment of customer satisfaction and other non-quantifiable elements in the total performance of the organization.

Process of SWOT analysis

In a SWOT analysis, the strengths and weaknesses represent characteristics that are within your control referred to as internal factors. The opportunities and threats focus on external factors that could have an impact on your business, project, or product and which are out of your control.

Determine the strengths of your business

First step is to determine the strengths of your business, or product or project. The strengths refer to positive things that are within your control and allow you to have an advantage over others. When applying this to a business, areas that are in your control include the team, your financial positions, your experience, or processes.

Determine the Weaknesses of your Business

Second step is to determine the weaknesses of your business, or product or project. The weaknesses refer to negative things that are within your control and that could put you at a disadvantage over others. When applying this to a business, areas that are in your control include the team, your financial positions, your experience or processes

Determine the Opportunities for your Business

Third step is to determine the opportunities facing your business, or product or project. The opportunities refer to positive things that are outside of your control and that could have an effect on you. When applying this to a business, areas that are outside of your control include future trends, economic, laws, or political issues

Determine the threats to your business

Fourth step is to determine the opportunities facing your business, or product or project. The threats refer to negative things that are outside of your control and that could have an effect on you. When applying this to a business, areas that are outside of your control include future trends, economic, laws or political issues. Finally

- Leverage your strength and expand what you are doing well
- Minimize your weaknesses and avoid things that are not working

- Be prepared to make use of the opportunities that could be coming your way
- Be prepared to reduce the impact of threats that you could be facing

Strategic planning is an organization's process of defining its strategy or direction and making decisions on allocation of its resources to pursue this strategy. A strategic plan consists of five key components: a vision statement, a mission statement, goals and objectives, an action plan and details of how often the strategic plan will be reviewed and updated.

Strategic planning process involves the following steps

1. Determining the strategic position
2. Prioritizing the objectives
3. Developing strategic plans
4. Executing and managing plans
5. Reviewing and revising plans

Competitive edge is identified in accordance to analysis of surveys on competitors

To develop a robust content marketing strategy, a competitive analysis is crucial to make an impact and connect with the targeted audience. There are three types of competitors:

i) Direct competitors: are the business that sells a similar product/service in the same category
ii) Indirect competitors: These are the businesses that sell a product or service in the same category, but it's different enough to act as a substitute for a product/service
iii) Replacement (phantom) competitors: These are competitors that sell a product/service that is both different in category and type than you, but one which your customers could choose to spend their money instead.

Profiling of competitors is based on: price, quality, durability, image/style, value, customer service and convenience. When a business is comparing itself with its competitors it is important to: interview stakeholders and customers, use of the sales team to extract information, vendors etc.

How to beat competition

1. Identify and solve the pain points for customers
2. Build a niche to have more room for business

3. Get the pricing correct
4. Make innovations
5. Improve customer service

Importance of competitive edge

a) It contributes to higher prices of the product of the company
b) It contributes to more customers
c) It establishes brand loyalty

Establishing such an advantage is one of the most important goals of any company, it is essential to business success. Without it companies will find it difficult to survive. There are three strategies for establishing competitive advantage: cost leadership, differentiation and focus (cost-focus and differentiation-focus)

A **competitive advantage** is an advantage over competitors gained by offering consumers greater value than competitors do. Competitive marketing strategies exist of competitor analysis and developing competitive marketing strategies. **Competitive marketing strategies** are strategies that strongly position the company against competitors and give the company the strongest possible strategic advantage. **Competitor analysis** is the process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses and reaction patterns, and selecting which competitors to attack or avoid. It consists of three steps.

1. Identifying competitors. This might seem easy, but companies face a lot more competitors than can be identified at first sight. Competitors can be identified from an industry point or a market point of view.

2. Assessing competitors. When doing so, firms need to look at the competitor's objectives and identify competitor's strategies. A **strategic group** is a group of firms in an industry following the same or a similar strategy. It is also important to assess the strengths and weakness of competitors. This way, the firm can benchmark. **Benchmarking** is the process of comparing one company's products and processes to those of competitors or leading firms in other industries to identify best practices and find ways to improve quality and performance. Finally, the firm can estimate how competitors will react to changes and anticipate their moves.

3. Selecting which competitors to attack and avoid. A useful tool for assessing competitor's strengths and weaknesses is the **customer value analysis**: an analysis conducted to determine what benefits target customer's value and how they rate the relative value of various competitors' offers. The key to gaining competitive advantage is to take each segment and examine how the company's offer compares to that of competitors. Most companies compete with close competitors, but they will also have distant competitors. Firms also benefit from having competitors whom they share the costs of market development and which may increase total demand.

When the competitors are identified and evaluated, the firm must design a competitive strategy. Strategies differ for every company. Approaches to marketing strategy often pass through three stages: entrepreneurial marketing, formulated marketing and entrepreneurial marketing.

Entrepreneurial marketing: most companies are started by individuals who have no explicit strategy. **Formulated marketing**: as small companies are more successful, they move to more formulated strategies. **Entrepreneurial marketing**: many large companies get stuck in formulated marketing and should re-establish their entrepreneurial spirit.

Porter's strategies

Porter is famous for his competitive positioning strategies: three winning ones and one losing one. The three winning strategies are:

- *Cost leadership*: the firm has the lowest production costs and can therefore ask the lowest prices.
- *Differentiation*: the firm creates a highly differentiated product.
- *Focus strategy*: the firm focuses on a small niche market segment.

The losing strategy is the "*middle of the roaders*" and applies to firms with no clear strategy.

Companies can pursue any of three value discipline for delivering superior customer value:

- *Operational excellence:* the firm has leads in the industry by price and convenience.

- *Customer intimacy:* the firm provides superior value by precisely tailoring its products to match the needs of their customers.

- *Product leadership:* the firm provides superior value by offering a continuous stream of superior products.

There are multiple competitive positions in a given market.

1. **Market leader**
2. **Market challenger**
3. **Market follower**
4. **Market niche**

However, a company can also focus too much on its competitors. A **competitor-centered company** is a company whose moves are mainly based on competitor's actions and reactions. A **customer-centered company** is a company that focuses on customer developments in designing its marketing strategies and delivering superior value to its target customers. A **market-centered company** is a company that pays balanced attention to both customers and competitors in designing its marketing strategies.

Product and service innovation strategies are formulated based on product development policy and customer's feedback

New Product Development

New product development is a task taken by a company regularly and the reasons may include:

a) The existing products may be technologically outdated,
b) Different segments to target
c) Need to cannibalize an existing product.

Stages of new product development

1). Idea generation- In this you are basically involved in the systematic search for new product Ideas. A company has to generate many ideas in order to find one that is worth pursuing. The Major sources of new product ideas include internal sources, customers, competitors, distributors and suppliers.

2). Idea Screening- The second step in new product. The purpose of idea generation is to create a large pool of ideas and narrow down to those that is genuinely worth pursuing.

Companies have different methods for doing this from product review committees to formal market research.

It is helpful at this stage to have a checklist that can be used to rate each idea based on the factors required for successfully launching the product in the marketplace and their relative importance.

Against these, management can assess how well the idea fits with the company's marketing skills and experience and other capabilities. Finally, the management can obtain an overall rating of the company's ability to launch the product successfully.

3). Concept Development and Testing. The third step in new product development. An attractive idea has to be developed into a Product concept. That is an idea for a product that the company can see itself marketing to customers, i.e. a detailed version of the idea stated in meaningful consumer terms.

This is different again from a product image, which is the consumers' perception of an actual or potential product.

Once the concepts are developed, these need to be tested with consumers either symbolically or physically. After being exposed to the concept, consumers are asked to respond to it by answering a set of questions designed to help the company decide which concept has the strongest appeal. The company can then project these findings to the full market to estimate sales volume.

4) Marketing Strategy Development. This is the fourth step in new product development. The strategy statement consists of three parts: the first part describes the target market, the planned product positioning and the sales, market share and profit goals for the first few years.

The second part outlines the product's planned price, distribution, and marketing budget for the first year. The third part of the marketing strategy statement describes the planned long-run sales, profit goals, and the marketing mix strategy.

Business Analysis – Once the management has decided on the marketing strategy, it can evaluate the attractiveness of the business proposal. Business analysis involves the review of projected sales, costs and profits to find out whether they satisfy a company's objectives. If they do, the product can move to the product development stage.

5). Product Development. Here, R&D or engineering develops the product concept into a physical product. This step calls for a large investment. It will show whether the product idea can be developed into a full- fledged workable product.

First, R&D will develop prototypes that will satisfy and excite customers and that can be produced quickly and at budgeted costs. When the prototypes are ready, they must be tested. Functional tests are then conducted under laboratory and field conditions to ascertain whether the product performs safely and effectively.

6) Test Marketing

If the product passes the functional tests, the next step is test marketing: the stage at which the product and the marketing program are introduced to more realistic market settings. Test marketing gives the marketer an opportunity to tweak the marketing mix before the going into the expense of a product launch.

The amount of test marketing varies with the type of product. Costs of test marketing can be enormous and it can also allow competitors to launch a "me-too" product or even sabotage the testing so that the marketer gets skewed results. Hence, at times, management may decide to do away with this stage and proceed straight to the next one:

7) Commercialization

The final step in new product development is Commercialization. Introducing the product to the market – it will face high costs for manufacturing and advertising and promotion. The company will have to decide on the timing of the launch (seasonality) and the location (whether regional, national or international). This depends a lot on the ability of the company to bear risk and the reach of its distribution network.

Today, in order to increase speed to market, many companies are dropping this sequential approach to development and are adopting the faster, more flexible,

simultaneous development approach. Under this approach, many company departments work closely together, overlapping the steps in the product development process to save time and increase effectiveness.

Product Innovation

Is defined as the development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products

Numerous examples of product innovation include introducing new products, enhanced quality and improving its overall performance. Product innovation, alongside cost-cutting innovation and process innovation are three different classifications of innovation which aim to develop a company's production methods.

Thus product innovation can be divided into two categories of innovation: radical innovation which aims at developing a new product, and incremental innovation which aims at improving existing products

Advantages of product innovation

• Growth, expansion and gaining a competitive advantage: A business that is capable of differentiating their product from other businesses in the same industry to large extent will be able to reap profits.

• Brand switching: Businesses that once again are able to successfully utilize product innovation will thus entice customers from rival brands to buy its product instead as it becomes more attractive to the customer.

Disadvantages of product innovation

• Counter Effect of Product Innovation: Note all businesses/ competitors do not always create products/ resources from scratch, but rather substitute different resources to create productive innovation and this could have an opposite effect of what the business/ competitor is trying to do. Thus, some of these businesses/ competitors could be driven out of the industry and will not last long enough to enhance their product during their time in the industry

• High Costs and High Risk of Failure: When a business attempts to innovate its product, it will inject lots of capital and time into it, which requires severe experimentation. Constant experimentation could result in failure for the business and will also cause the business to incur significantly higher costs.

• Disrupting the outside world: For product innovation to occur, the business will have to change the way it runs, and this could lead to the breaking down of relationships between the business and its customers, suppliers and business partners. In addition, changing too much of a business's product could lead to the business gaining a less reputable image due to a loss of credibility and consistency

Product Modification

It is an adjustment in one or more of product's characteristics. It is most likely to be employed in the maturity stage of the product life cycle to give a brand a competitive advantage. Product line extensions represent new sizes, flavors, or packaging. This approach to altering a product mix entails less risk than developing a new product.

There are three major ways of product modification, i.e. quality modifications, functional modifications, and style modifications.

(1) Quality modifications: These are changes that relate to a product's dependability and durability and usually are executed by alterations in the materials or production process employed. Reducing a product's quality may allow an organization to lower the price and direct the item at a larger target market.

The quality of a product may give a firm an advantage over competing brands and may allow the firm to charge a higher price because of increased quality. Or the firm may be forced to charge more because of higher costs to achieve the increased quality.

(2) Functional modifications: Changes that affect a product's versatility, effectiveness, convenience, or safety are called functional modifications. They usually require redesigning the product.

Functional modifications can make a product useful to more people, which enlarges the market for it. This type of change can place a product in a favorable competitive position by providing benefits not offered by competing items. Functional

modifications can also help an organization to achieve and maintain a progressive image.

(3) Style modifications: Style modifications are directed at changing the sensory appeal of a product by altering its taste, texture, sound, smell, or visual characteristics. Through style modifications a firm can differentiate its product from competing brands and perhaps gain a sizable market share for this unique product. The major drawback in using style modifications is that their value is determined subjectively. Although a firm may modify a product to improve the product's style, customers may find the modified product to be less appealing.

Product and service innovation strategies are analyzed and recommendation made based on product development policy

A product innovation strategy is about creating winning products/services which attract market, target a profitable customer segment, address the right unmet needs and help customers get a job done better than any other competing solution. When innovation is broken down into two dimensions: technology and market, it gives us four types of innovation: architectural, radical, incremental and disruptive.

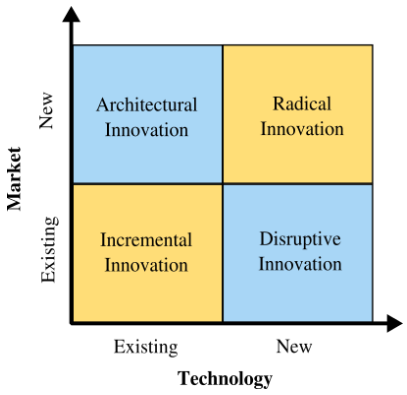


Figure 27: types of innovation

The most important thing is to find the type that best suits an organization.
The factors influencing the level of innovation include the activities of customers, competitors and suppliers, labour market, legal, regulatory, competitive and economic conditions; and the supply of technological and other types of knowledge of value to innovation.

Factors influencing innovation strategy ***[ctrl+click] to follow link.***

Championing team is trained based on new product and services innovated

Champion teams are designated by leadership to drive innovation processes. These teams can be tasked with finding innovation solutions, new products, and technological adoptions or even different ways to connect with stakeholders.

How organizations can identify innovation champions:

- Connector: someone who knows the right people in the organization who can open doors to resources
- Entrepreneur: someone with an entrepreneurial spirit who believes things can be done differently
- Leader: someone who is not afraid of accountability to bring in new ideas and subject matter experts
- Story teller: someone who can craft a vision how things will be and tell it in an emotional

  Way

Roles:

a) Carry out research to find out if the idea has commercial value
b) Conduct manifestation of the discovery as a product
c) Communicate the potential through a compelling business case
d) Acquire resources needed to establish potential
e) Use resources to reduce risk
f) Seek approval of the project for formal development
g) Translate the project into the criteria used for approval
h) Make a decision on whether to approve or not approve project
i) Develop and launch the product

Steps to build teams that champion innovation:

i. Get the support of top management
ii. Create a culture of innovation
iii. Select the best team members
iv. Set specific objectives

Product and service innovations are implemented based on strategy recommendation

The first step is to create a culture and embrace innovation.

Innovation Lifecycle

The following six stages as being the most representative of the process and the associated considerations:

- Identifying problems: Learning where and how an innovative response is needed
- Generating ideas: Finding and filtering ideas to respond to the problems
- Developing proposals: Turning ideas into business cases that can be assessed and acted on
- Implementing projects: Making the innovation happen
- Evaluating projects: Understanding whether the innovative initiative has delivered what was needed
- Diffusing lessons: Using what was learnt to inform other projects and to see how the innovation can be applied in other ways.

Ways of embracing innovation include:

1. Create an innovation team
2. Decide what areas need improving
3. Brainstorm solutions
4. Work together as a team
5. Engage technology partners

Pilot trial of product/service is done based on the product innovation guidelines

Implementing a pilot program:

- Set clear goals
- Decide the length of time
- Choose the testing group
- Develop a plan for on boarding
- Get feedback
- Address challenges

New product/service are adopted based on product's pilot results

Once you've surpassed proof of concept, tested your minimum viable **product**, and created a prototype, it's time to **pilot** your **product**. A **pilot** typically involves rolling out the solution to a small test group, in order to get feedback and smoke-test your technical capabilities in real-world scenarios

Innovations of products/processes are patented based on intellectual properties right (IPR)

It is important that an invention must not be disclosed to the public before a **patent** is filed. In order to obtain a **patent** in **Kenya**, the applicant is required to submit an application form in KIPI. The form can be downloaded from KIPI's website www. kipi.,go.ke .

Areas of competitive edge are implemented in accordance with business budget product/service innovation committee is formed as per organizational policy.

Learning Activities

Knowledge	Learning activity	Special instructions
Competitive edge	Develop an assessment tool and conduct a survey on an organization	Proper preparations, necessary documents
Training of champions	Conduct a training program	Training plan
Formulating product and service innovation strategies	Visit a production company that has launched a new product in the market	Proper PPEs should be worn Prepare an assessment guide

Self-Assessment

1. What are the benefits of competition
2. Supa Company limited operates in an industry that has many players. As the Assistant Office Manager advise management on ways the company can gain competitive advantage over the others

3. The Assistant Office Manager at Pau Company limited is in the process of identifying a Product Champion for one of their products. What characteristics should the person possess
4. Which are the reasons that would lead to the failure of a new product in the market

Tools, Equipment, Supplies and Materials

Writing materials
Developed questionnaires
Tablets
Computers
Cameras
Check sheets
Control charts

References materials

Company operating procedures
Industry/workplace codes of practice
Customer requirements
organization strategic plans
Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Factors influencing innovation strategy ***[ctrl+click] to follow link.***
4. Copyright Law of Kenya

Suggested answers to self- assessment

1. Benefits of business competition
    - Increases the demand. Competition leads to investment in more marketing activities by different players which increases the overall demand for the product in the market
    - Boosts innovation
    - Helps business find its competitive advantage
    - Makes businesses serve customers better
    - Makes employees more efficient
    - Boosts constant business development
2. Ways a company can gain competitive advantage
    - Charge more. There is value in charging more than slashing prices
    - Become an online influencer to reach more customers
    - Create own data which to work with and help in making decisions. Use of data points and statistics in the marketing content they create gives the appearance of authority and credibility
    - Niche down. Narrow down to target audience. Also use technology that nobody else is using
    - Speaking at conferences, meetings and other events helps in expanding the company's perceived authority
    - Delight the customers. Make this a competitive advantage
    - Invest in deeper customer relationships. Real relationships stand out and create a powerful competitive edge
    - Create a killer culture
3. Characteristics that a Product Champion should possess
    - Pro-active
    - Risk-taker
    - Energetic
    - Aware of own roles
    - Deviant preference
    - Charisma
    - Persistent
    - Flexible

- Socially independent

4. Which are the reasons that would lead to the failure of a new product in the market

- Poor product quality
- High price
- Poor timing
- Inherent defect
- Extent of competition
- Lack of promotional resources
- Faulty distribution
- Unavailability of spare parts
- Poor after sales service
- Imitation products

3.2.3 LEARNING OUTCOME 3: PERFORM PRODUCT AND SERVICE QUALITY ASSURANCE

Introduction to the learning outcome

This learning outcome involves the following activities: assessing quality assurance system on services/product delivery and customer expectations, monitoring quality assurance system. Implementing quality management system, monitoring QMS, carrying out QMS external audit and certification and reviewing QMS for changes in the organization and ISO Standards

Performance Standard

1. Quality assurance system is assessed based on services/product delivery and customer expectations
2. Quality assurance system is monitored based on internal and external checks as per SOPs
3. Quality management system is implemented according to the organizations internal procedures
4. QMS is monitored using regular internal audits as per organization's policy
5. **QMS** external audit and certification are carried out by quality assurance certification bodies as per organization requirements
6. The QMS is reviewed for changes in the organization according to the standard operating procedures
7. The QMS is reviewed for changes in the ISO Standards

Information Sheet

Definitions of terms

Quality assurance

It is a way of preventing mistakes and defects in manufactures products and avoiding problems when delivering products or services to customers

Monitoring

A continuous inspection or observation of process performance or process output for a special purpose through a defined scope

Measurement

The activity of delivering data to a method in order to define objectively a quantitative or qualitative measure and capturing a situation without any reference to the significance

Analysis

A set of techniques for examining trends and tendencies of measurement of an output

Evaluation

The action of comparing a process or process output measurements against given criteria to determine the performance of the process or conformity of a process output

Quality assurance system is assessed based on services/product delivery and customer expectations

The terms quality control and quality assurance are used interchangeably to refer to ways of ensuring the quality of a service or product. Quality assurance comprises administrative and procedural activities implemented in a quality system so that requirements and goals for a product, service or activity will be fulfilled. It is the systematic measurement, comparison with a standard, monitoring of processes and an associated feedback loop that confers error prevention. This can be contrasted with quality control, which is focused on process output.

Quality assurance includes two principles: "Fit for purpose" (the product should be suitable for the intended purpose); and "right first time" (mistakes should be eliminated). QA includes management of the quality of raw materials, assemblies, products and components, services related to production, and management, production and inspection processes. The two principles also manifest before the background of developing (engineering) a novel technical product: The task of engineering is to make it work once, while the task of quality assurance is to make it work all the time.

The following are some of the most popular quality assurance methods and processes:

- Benchmarking

- Business process re-engineering
- Kaizen
- Operations analysis
- ISO accreditation
- Ishikawa diagrams
- Specifications
- Standard operating procedures
- Cost-benefit analysis
- Statistical sampling
- Quality management methodologies e.g. Six Sigma, Lean Manufacturing

Factors Affecting Quality Assurance

The effectiveness of the quality assurance process in an entity will be based on various factors such as:

- Complexity of the end product.
- Number of processes through which a product passes.
- Level of precision in the processes

Quality assurance system is monitored based on internal and external checks as per SOPs

Approaches to quality control include: failure testing, statistical control, total quality management, model and standards and company quality.

The purpose of quality assurance is to fulfill front and back-end processes in the most efficient and fluid manner, delivering the intended product or service on-time and within-budget, and going above and beyond in all transactions and interactions with the consumer

Best practices for Quality Assurance:

- Create a Robust Testing Environment
- Select release criteria carefully
- Apply automated testing to high-risk areas to save money. It helps to fasten the entire process.

- Allocate Time Appropriately for each process
- It is important to prioritize bugs fixes based on software usage
- Form dedicated security and performance testing team
- Simulate customer accounts similar to a production environment

Quality Assurance Functions:

There are 5 primary Quality Assurance Functions:

1. **Technology transfer:** This function involves getting a product design document as well as trial and error data and its evaluation. The documents are distributed, checked and approved
2. **Validation:** Here validation master plan for the entire system is prepared. Approval of test criteria for validating product and process is set. Resource planning for execution of a validation plan is done.
3. **Documentation:** This function controls the distribution and archiving of documents. Any change in a document is made by adopting the proper change control procedure. Approval of all types of documents.
4. **Assuring Quality of products**
5. **Quality improvement plans**

Quality management system is implemented according to the organizations internal procedures

QMS consists of written and controlled guidelines and procedures that form a foundation for all procedures. An organized QMS ascertains the steps for key processes and forms methods in preventing failures in a timely manner. QMS is organized to protect the brand, organization processes, and the customers' interest.

Implementation of quality management system should result in many long-term financial gains. Here is the list of few benefits of effective implementation of a QMS:

1. Achieve organizational goals.
2. Reduce costly errors.
3. Improve customer satisfaction.
4. Market your business more effectively.
5. Manage growth more effectively.

6. Improve documentation availability.
7. Correct issues to improve products and services.
8. Grow market share in new territories and market sectors.
9. Creates a culture of quality.
10. Embed vision for all projects.
11. Better internal communications.
12. Consistent products.
13. Measure performance of individuals and teams.
14. Improve compliance.

What does a QMS need?

A quality management system requires many important elements. Here are few of them:

- Documented quality policy and quality objectives.
- A quality manual which will document scope, exclusions with justification. QMS includes documented procedures, guidelines, checklists. This will allow observed quality and continuous improvement.
- Document procedures mandated by the compliance standard.
- Documents required by the company for effective planning, operation, monitor, and control

Steps for the Creation of an Effective QMS

The steps required for the conceptualization and implementation of a QMS include the following:

Define and map your processes

Process maps creation will force the organization to visualize and define their processes. In the process, they will define the interaction sequence of those processes. Process maps are vital for appreciating the responsible person. Define your main business process and converse the flow.

Steps for the creation of an effective QMS:

1. Define and map the processes

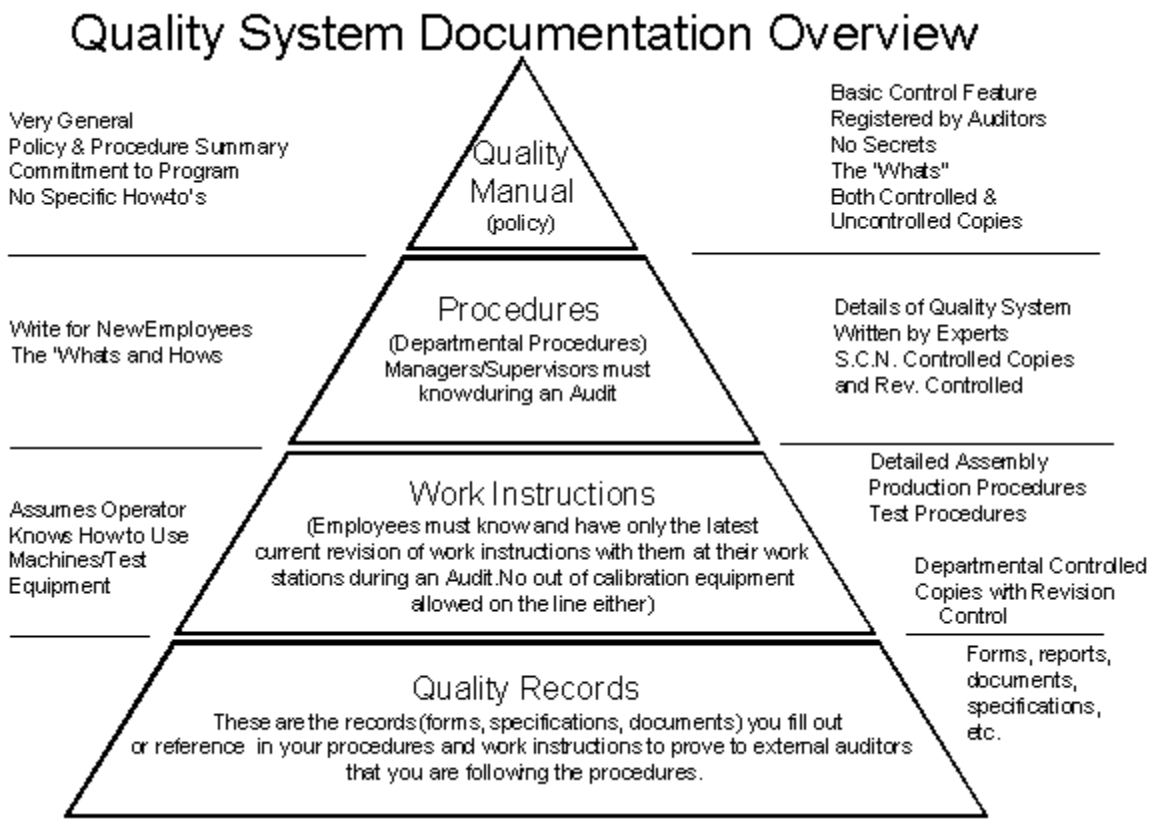


Figure 28: steps for creation of an effective QMS

2. Define the quality policy
3. Define quality objectives
4. Develop metrics to rack and monitor critical success factor data
5. Define defects for every process
6. Develop documents and records
7. Define quality process
8. Determine training needs
9. Use quality management system
10. Measure, monitor and implement activities to improve the performance

Tools to be used in QMS:

- Process maps or flow chart
- Measuring systems and tools

QMS is monitored using regular internal audits as per organization's policy

The goal of monitoring, measurement, analysis and evaluation is to provide the decision makers an understanding through a situation report concerning the performance of processes. The data that the monitoring, measurement, analysis and evaluation provide shall relate directly to the controls suggested by the standard. Those activities shall indicate the effectiveness of the QMS and the extent to which the QMS achieves its quality objectives. It's important to:

- Determine the processes needed for the QMS
- Evaluate these processes needed for the QMS
- Improve the processes and the QMS

What are the advantages of implementing monitoring, measurement, analysis, and evaluation?

- Implementing a systematic control of the realization processes
- Identifying deviations in time and submitting them to a controlled process for treatment
- Allowing users of the QMS to make decisions regarding results of processes
- Allowing the users of the QMS to prevent nonconformities by identifying gaps in a process and preventing the transition of non- fomites outputs to the next process
- Determining the effectiveness and efficiency of processes
- Using the monitoring, measurement, analysis, and evaluation as means for continual improvement
- Promoting the achievement of quality objectives through key process indicators related to the objectives of the organization

When monitoring and measuring a process, the following issues shall be referred:

a. Identification of the processes or process outputs that must be monitored and measured
b. Identification of those parameters or outputs that may indicate how the process behaves

c. Identification of the function or the role responsible for conducting the activities of measurement (designated employees, a certain department, organizational unit, etc.)
d. Definition of parameters for monitoring such as process conditions, interval, sampling rates, batch loads, and quantities
e. Description of the stages during the process where measurement activities shall be undertaken
f. Tools, equipment, or software required to perform or assist in the measurement
g. The activities and the use of techniques of measuring the process
h. Where and how the results must be documented
i. The criteria necessary for the evaluation of the results (the objectives)
j. Action required in case nonconformities are detected

The QMS is reviewed for changes in the ISO Standards

ISO 9000

This standard was first established in 1987, and it is related to Quality Management Systems. This helps the organization ensure quality to their customers and other stakeholders. An organization who wishes to be certified as ISO 9000 is audited based on their functions, products, services and their processes. The main objective is to review and verify whether the organization is following the process as expected and check whether existing processes need improvement.

This certification helps -

- Increase the profit of the organization
- Improves Domestic and International trade
- Reduces waste and increase the productivity of the employees
- Provide Excellent customer satisfaction

Learning Activities

Knowledge	Learning activity	Special instructions
Quality assurance system on products/services	Assessing Quality Assurance System on services/product delivery and customer expectations	Prepare a checklist
Monitoring Quality Assurance System	Conduct a monitoring exercise on the QMS system	Prepare a checklist
Carrying out QMS external audit and certification	QMS external audit	Necessary documents should be availed
Reviewing QMS for changes in the organization	Conduct a survey on reviewing changes on QMS	Data collection tools should be prepared

Self-Assessment

1. What are the principles of QMS that organizations should adhere to
2. What are the reasons that may lead to failure of quality management systems
3. Which are the responsibilities of management representative
4. How can an organization identify the triggers that can cause a change to a QMS

- Provide sample answers for self-assessment items in a separate document

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Check sheets
- Control charts

References materials

- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements
- organization strategic plans
- Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers

Responses to self-assessment

1. Principles of QMS that organizations should adhere to:
    - Customer focus
    - Leadership
    - People involvement
    - Process approach
    - Systematic approach to management
    - Continual development
    - Mutually beneficial supplier relations
2. Reasons that may lead to failure of quality management systems:
    - Lack of proper training
    - Lack of communication
    - Inability to integrate cross-functional interactions
    - No focus on metrics
    - Standards not being set
    - Lack of incentives for improvement
3. Responsibilities of management representative
    - Training new staff
    - Management liaison
    - Overseeing internal audits

4. How an organization can identify riggers that can cause change to a QMS
    - Customer feedback
    - Customer complaint
    - Product and service failure
    - Employees and other stakeholders feedback
    - Innovation
    - Determined risk
    - Determined opportunity
    - Internal or external audit results
    - Management review results

3.2.4 LEARNING OUTCOME 4: INCORPORATE CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM

Introduction to the learning outcome

Incorporating customer relationship management (CRM) system involves the following activities: assessing customer relationship management systems, developing customer relationship management strategies, developing customer relationship management software, implementing customer relationship management software and reviewing customer relationship management (CRM) system.

Performance Standard

1. Customer relationship management systems are assessed based on customer's expectations
2. Customer relationship management strategies are developed based on organizational strategies
3. Customer relationship management software is developed as per customer relationship management strategy
4. Customer relationship management software is implemented as per customer relationship strategy
5. Customer relationship management system is reviewed and monitored in accordance with CRM strategies

Information Sheet

Definitions of terms

Customer relationship management

CRM today is a discipline as well as a set of discrete software and technologies, which focuses on automating and improving the business processes associated with managing customer relationships in the areas of sales, marketing, customer service and support.

Key performance indicators

A CRM key performance indicator is a standard measurement used to evaluate the process of delivering satisfaction to all the customer needs from the organization.

Automation

The use of automatic equipment in a manufacturing or other process or facility

System

A set of principles or procedures according to which something is done; an organized scheme or method

Software

The programs and other operating information used by a computer

Customer relationship management systems are assessed based on customer's expectations

CRM is about acquiring, developing and retaining satisfied loyal customer, achieving profitable growth, and creating economic value in a company's brand. CRM is not a new concept but an age-old practice, which is on the rise because of the benefit it offers, especially in the present market scenario.

Customer relationship management strategies are developed based on organizational strategies

Relationship Marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes Customer retention and Satisfaction rather than a dominant focus on Sales transactions. According to Liam Alvey, Relationship marketing can be applied when there are competitive products alternatives for customers to choose from and when there is an ongoing and periodic desire for the product or service.

CRM is a tool for servicing the customer. Firms of late are making use of technology to serve the customers by using and application of latest development in information technology.

Galbreath defines "CRM has activities of an enterprise performed to identify, to select, acquire, develop and retain loyal and profitable customers." CRM aims at developing new customer base by designing marketing and its product to suit their need.

CRM is an approach that integrates people, processes and technology to maximize the relations of an organization with its customers. Firms make use of the development in communication and technology to collect information regarding product and its marketing to meet expectations of people. Firms keep on developing customer's data base to update their need and designing marketing strategy to satisfy such needs.

Customer relationship management software is developed as per customer relationship management strategy

The concept CRM is the methodology which enables the organization to understand the customers' needs and behavior better. It introduces reliable processes and procedures for interacting with customers and develops stronger relationships with them.

The process helps organization in assimilating information about customers, sales, marketing effectiveness, responsiveness and market trends. Then this information is used to give insight into behavior of customers and value of retaining those customers.

The whole process is designed to reduce cost and increase profitability by holding on to the customer loyalty.

A simple installation and integration of the software package does not ensure success. It has to be absorbed into the system. Employees have to be convinced about its positive attributes and then they have to be trained.

The existing business processes have to be modified. The company has to decide what kind of information is to be collected about the customers, what is to be done with the information and priorities this accumulated information.

The company must drill into this database of its customers and ascertain their buying patterns, product preferences, the potential for add-on sales etc.

A good strategy will be to integrate every area of touch point with customers like marketing, sales, customer service, and field support. This is achieved with the integration of the people, process, and technology in the business.

Customer relationship management software is implemented as per customer relationship strategy

CRM consists of:

(i) Helping an enterprise to enable its marketing departments to identify and target their best customers, manage marketing campaigns and generate quality leads for the sales team.

(ii) Assisting the organization to improve telesales, account and sales management by optimizing information shared by multiple employees and streamlining existing processes (for example- taking orders using mobile devices).

(iii) Allowing the formation of individualized relationships with customers, with the aim of improving customer satisfaction and maximizing profits; identifying the most profitable customers and providing them the highest level of service.

(iv) Providing employees with the information and processes necessary to know their customers understand and identify customer needs and effectively build relationships between the company, its customer base and distribution partners.

Types of CRM:

There are several types of CRM. Among the most common are Sales force, Automation, Customer Service, Marketing Automation and Analytics Automation.

1. Sales Force Automation (SFA): In sales force automations, software is used by the company to improve the efficiency of the sales process. This results in sales representatives having to spend less time on different parts of the sales process, which allow them to spend more of their available time pursuing clients.

It allows the company to track or record each stage of the sales process and pay attention to each client served by the company. Additionally, SFA software applications may also provide information on territories, opportunities, work flow automation, sales forecasts and knowledge of products.

2. Customer Service: In customer services technology may be used by companies to improve the quality of service they can offer customers, while at the same time increasing the efficiency and minimizing the cost of that service. Comprehensive call center solutions are commonly applied here, such as computer telephone integration (CTI) and intelligent call routing (ICR).

3. Marketing Automation: In marketing system the automation assist the company in locating and reaching its best customers, as well as in finding leads the sales team can pursue. A valuable feature in marketing is the ability to not only track but also measure diverse campaigns, including domains such as social media, direct mail, email and searching. Data monitored by marketing include deals, responses, revenue and leads.

4. Analytics Automation: System involving analytics are typically integrated with applications related to service, sales and marketing. The purpose of sales analysis is to allow companies to develop a more comprehensive understanding of why clients do what they do and hold the preferences they do.

Web analytics for example, have increased in complexity from their initial functions as means to track mouse clicks to their current implementations as methods of predicting likely purchases and identifying difficulties of customers facing in making purchases.

5. Small Business: Small business solutions that assist both individuals and organizations in monitoring and documenting interactions such as jobs, emails, faxes, documents and scheduling. Tools for small businesses generally focus on account management. Small businesses are increasing turning toward online solutions, particularly for workers who travel and telecommunicate, to solve their business needs.

6. Integrated and Collaborative Practices: Integrated and Collaborative practices refers to interaction and collaboration between department inside companies and enterprises, the goal here is to increase levels of cooperation among different departments such as marketing, sales and service. Collaborative systems involve the use of technology to bridge distances between departments.

7. Non Profit Organizations: Non Profit Organizations are used to track constituents, as well as the actions they take related to the org itself. Such systems typically include capabilities for tracking features such as fund raising membership levels, volunteering demographics and communications with target individuals.

Objectives & Context of CRM:

CRM, the technology, along with human resources of the company, enables the company to analyze the behaviour of customers and their value.

The main areas of focus are as the name suggests customer, relationship and the management of relationship and the main objectives to implement CRM in the business strategy are:

(i) To simplify marketing and sales process.

(ii) To make call center's more efficient.

(iii) To provide better customer service.

(iv) To discover new customers and increase customer revenue.

(v) To cross sell products more effectively.

Context of CRM:

The context of CRM can be summarized as follows:

(i) Increased Sales Revenue: Increased sales result from spending more time with customers, which results from spending less time chasing needed information, (i.e., productivity improvement).

(ii) Increased Win Rates: Win rates improve since companies can withdraw from unlikely or bad deals earlier on in the sales process.

(iii) Increased Margins: Increased margins resulting from knowing customer better, providing a value-sell and discount prices.

(iv) Improved customer satisfaction rating: This increase occurs since customers find the company to be more responsive and better in touch with their specific needs.

(v) Decreased General Sales and Marketing Administrative Costs: This decrease occurs since the company has specified its target segment customers, it knows their

need better, and thus it is not wasting money and time, for example, on mailing information to all customers in all existing and potential target segments.

Purposes of Adopting CRM Processes:

(i) Develop better communication channels.

(ii) Collect customer related data.

(iii) Create detailed profiles of individual customers.

(iv) Increase in customer satisfaction.

(v) Access to customer account history, order information and customer information at all touch points.

(vi) Identity of new selling opportunities.

(vii) Increased market share and profit margin.

(viii) Increased revenues.

(ix) More effective reach and marketing.

(x) Improved customer service and support.

(xi) Improved response time to customer requests for information.

(xii) Enhanced customer loyalty.

(xiii) Improved ability to meet customer requirements.

(xiv) Improved quality communication and networking.

(xv) Reduced costs of buying and using product and services.

(xvi) Better stand against global competition.

Features of CRM:

A well- designed CRM has the following characteristics:

(1) Customer Based: Customer Relationship Management is a customer oriented feature with service response based on customer input, one-to-one solutions to

customer's requirements, direct online communications with customer and customer service centers that help to solve customers' questions.

(2) Automation of Sales: Every sale transaction can be recorded, by tracking sales records that is name of a customer, purchase details etc. Firms have to install automation system to record such transactions. This function can implement sales promotion analysis tracking of a client's account history for repeated sales or future sales and also coordinate sales. Helpline and call centers may be installed to keep record of customers.

(3) Use of Technology: Firms make use of technology to keep detail information of customer needs. Use of ICT, Computer to store information, e-mail Systems, Mobile phone data and even paper note cards etc. storing all the data from all departments (ex- Sales, Customer service, marketing and HR) in a central location gives, management and employees immediate access to the most recent data when they need it.

It applies data warehouse technology in order to aggregate transaction information, to merge the information with CRM solutions and to provide key performance indicators (KPI). Such information is used to revise product and its marketing to match to need of customer and ensure effective CRM.

(4) Opportunity Management: This feature helps the company to manage unpredictable growth and demand and implement a good forecasting model to integrate sales history with sales projections.

Functions of CRM:

CRM performs various functions for the marketing department of the organization.

These functions are as follows:

- Managing Leads – It refers to generating and retaining potential customers.

- Qualifying and Converting Leads – It refers to the assessment of generated leads to know potential and profitable customers.
- Managing Opportunities – It refers to utilize every possible opportunity to get long-term benefit from customers.
- Keeping a Track on Activities – It refers to capture information, such as customers' buying pattern, quantity purchased, and time spent by customers in the store.
- Managing Reporting and Forecasting – It refers to process input data, such as average time spent by the customers in the store and their preferences for the product.

CRM also performs several functions in **one-to-one marketing.**

These functions are mentioned in the following points:

- Identify Customers – It refers to differentiate between profitable and non-profitable customers.
- Differentiate the Needs of Customers – It refers to finding variation in the requirements of customers. The organization makes different groups of customers as per the needs of customers.
- Customize Products and Services – It refers to the products and services produced as per the requirements of individual customers.
- Build Stronger Relationship – It refers to establish a relationship between an organization and customers by facilitating a personalized way of communication.

Importance of Customer Relationship Management:

Looking at some broader perspectives given as below we can easily determine why a CRM System is always important for an organization:

1. A CRM system consists of a historical view and analysis of all the acquired or to be acquired customers. This helps in reduced searching and correlating customers and to foresee customer needs effectively and increase business.

2. CRM contains each and every bit of details of a customer, hence it is very easy to track a customer accordingly and can be used to determine which customer can be profitable and which not.

3. In CRM system, customers are grouped according to different aspects according to the type of business they do or according to physical location and are allocated to different customer managers often called as account managers. This helps in focusing and concentrating on each and every customer separately.

4. A CRM system is not only used to deal with the existing customers but is also useful in acquiring new customers. The process first starts with identifying a customer and maintaining all the corresponding details into the CRM system which is also called an 'Opportunity of Business'.

The Sales and Field representatives then try getting business out of these customers by sophistically following up with them and converting them into a winning deal. All this is very easily and efficiently done by an integrated CRM system.

5. The strongest aspect of Customer Relationship Management is that it is very cost-effective. The advantage of decently implemented CRM system is that there is very less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a CRM system are also very cheap and smooth as compared to the traditional way of business.

6. All the details in CRM system is kept centralized which is available anytime on fingertips. This reduces the process time and increases productivity.

7. Efficiently dealing with all the customers and providing them what they actually need increases the customer satisfaction. This increases the chance of getting more business which ultimately enhances turnover and profit.

8. If the customer is satisfied they will always be loyal to you and will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business.

Need for Customer Relationship Management:

Customer relationship management is a corporate level strategy focusing on creating and maintaining relationships with customers. CRM is a term not only used by the business organizations but also in any type of organizations to create a beneficial environment among the customers. This is a business approach that combines people, processes and technology to maximize the relation of an organization with all types of customers.

It helps in understanding the customer better and according to the needs of the customer; the organization can effectively customize their products and services in order to retain the customers and also to increase customer's loyalty and satisfaction.

The ultimate purpose of CRM is to increase profit, which can be achieved mainly by providing a better service to customers than competitors. CRM enables companies to gather and access information about customer orders, complaints, preferences, and participation in sales and marketing campaigns. This information can then be used to better react to customer needs, automate some operations, and capture customer feedback to improve products and services.

The need of CRM arises because of the following reasons:

a. To enable the company to identify, contact, attract and acquire new customers.

b. To obtain a better understanding to the customers- their wants and needs.

c. To define the appropriate product and service offering and match it to the unique needs of the customer.

d. To manage and optimize company's sales cycle.

e. To increase retention of existing customers through improved sales, service and support.

f. To identify cross selling and up selling opportunities.

Relationship Marketing Strategies:

1. Make Every Customer Interact: The first strategy to build a strong customer relationship and make every customer interact. Each and every interaction with a customer is a gift and should be valued. Getting into the mind of customers and knowing their needs will help know what the customer want and try to give that.

2. Follow through on Commitments and Claims about Products or Services: The business must make a specific promise to the customer and deliver on that promise if it intends to win the heart of the customer. False claims however should be avoided at all cost as it can harm the credibility. Promise made must be fulfilled.

3. Offer Benefits and Product Value that Responds to the Customer's Desires: Another positive step to build a strong customer relationship is to offer value to the customer. Customers should know that firms provide the best quality.

4. Treat Customers as Individuals who are Respected and Valued: A retailer knows how difficult it is to find a customer and further retain such customer. Each customer is an individual his needs and preferences differ. His tastes and likings differ. Retailer has to understand such individual differences and try to meet each individual customers need.

5. Listen to Customers: If complaints are handled properly and quickly then they become a gift to the retailer. Retailer should be available and accessible when customers have questions, concerns or comments. If the shopkeeper can listen to the customers, that itself will help to develop a bond and relationship between them.

6. Build a Strong Brand Identity: The customers should identify the products in the midst of the crowd and that is possible by creating a winning slogan, tagged with a catchy logo and a unique theme. Most important, if a specific promise is made they have to deliver on that promise.

7. Surround your Customers with Valuable Information: Keep the customers informed on the latest trend, price or development by using emails, website content, social

media and other methods of outreach. The firm must also make it easy for customers to reach them. Customer should be regularly updated with product its marketing and any change in that.

8. Business must have a Website: The firms should consider making their website user – friendly and easy to navigate for new and existing customers. The World Wide Web (www) is making it easier for businesses to build a strong customer relationship with their customers.

9. Reward Loyal Customers: Most of the business goes after new customers while forgetting that the existing customers need to be taken care of. Introducing a loyalty program is an effective relationship marketing strategy. Nothing strengthens a bond more than appreciation.

Thanking the customers for sticking to the brand will go a long way to make them know that they are very important. A simple thank you package might be all the business needs to connect personally with the existing customers.

Benefits of CRM:

A complete view of all customer information, knowledge of what customers and the general market want and integration with existing product and services to verify how much does it match with customer's needs. To consolidate all business information and gather feedback from customers, understand their needs and improve product or services and enable a firm to design and deliver the products as dreamed by the existing and prospective customers.

CRM system will gather data from a huge variety of source social media, online chat, customer's calls etc. This allows the company to get a complete picture of what the customer wants and how they feel about the products services. This gives the firm the opportunity to improve the offerings based on what the customers are saying.

(1) Provide Better Customer Service: CRM system gives advantages such as the ability to personalize relationship with customers. CRM maintains Customer Profiles, there by treating each client as an individual and not as a group. This way every

employee can be better informed about each customer's specific needs and transaction profiles.

Better Customer Service improves the responsiveness and understanding which helps in building Customer loyalty. It also helps the company in getting continuous feedback from the Customers on the Product they have brought.

For Example: LG Company always make a follow- up with its Customers on the items the, Customers have bought, so as to rectify the problem (if any) even before it gets logged as a complaint.

(2) Increase Customers Revenues: Regular updating of customer information will help a firm to keep on revising its product and marketing strategy. Adaptation of product and its marketing to match the changing needs of a customer make the organisation customer friendly resulting in increase the sales and revenue.

(3) Discover New Customers: CRM systems help the organization in identifying potential Customers by keeping a track of the profiles of their existing client, the business can easily come up with a strategy to determine the kind of people they should target so that it returns them maximum revenue.

(4) "Cross Sell" and "Up Sell": CRM system facilitates Cross-selling (offering customers complimentary products based on their previous purchases) and Up-Selling (offering customers premium products in the same category) It helps them to gain a better understanding of customers and anticipate their purchases.

For Example- (Cross sell – A Bluetooth head set along with the smart phone and up sell – Surf Detergent has introduced Surf Excel a better quality product.

(5) Help Sales Staff Close Deals Faster: CRM helps the business in closing deals faster through quicker and more efficient responses to customer needs and customer information. The organizations have to implement CRM Systems effectively.

(6) Customer Loyalty: Firms can gain loyalty of the customer by regularly understanding their needs and meeting their needs. Customer develops regular association with the firm due to the products and marketing style of a firm that is of customers liking.

CRM Benefits

It offers a win situation for everyone that is:

- Customer is benefited as he gets product of his choice.
- Retailer is benefited as he has less difficulty in selling the product.
- Manufacturer is benefited due to regular sales.

Disadvantages of CRM:

Implementation of CRM system has following limitations for an organization:

(1) Investment: A firms has to invest capital in developing the CRM system and technology to gather information about the customer regularly. Small firms with the limited capital may find difficult to install the CRM system in their organisation.

(2) Technology: Collection of information regarding the customer's needs and its regular updating requires use of modern information technology. A firm must not only have adequate capital but needs necessary knowledge to install and implement the technology.

(3) Liaison between Production Marketing and CRM Team: CRM is undertaken to understand to needs of customer and accordingly device product and its marketing. It needs cooperation between manufacturer, retailer and their infraction with the final customer to know customers' needs and accordingly market the product.

Lack of coordination between them will make the task of CRM unsuccessful. That is information collected must be communicated to manufacturer. Manufacturer must redesign product based on such communication. If the communication is not proper or manufacture does not respond to communication CRM will be in effective.

(4) Regular Exercise: CRM is a regular activity it is not a one-time affair. Firms have to regularly monitor to under and customer's needs. The CRM system has to work 24×7 to regularly get feedback from the customers. In such case use of technology like, Website, Toll free communication, email may be effective.

(5) Wrong CRM Tool: A mistaken tool choice may make CRM more complicated. So the companies need to consider in advance what kind of tools would be appropriate in order to follow its relationship with its customers.

Customer relationship management system is reviewed and monitored in accordance with CRM strategies

CRM measurement frameworks

How a company measures its CRM activities depends on who is doing the measuring and what activities are being measured. Below are the common CRM measurement frameworks:

1. Brand-building
2. Customer equity building
    a. Customer behavioral modeling
    b. Customer value management
3. Customer-facing operations
    a. Marketing operations
    b. Sales force operations.
    c. Service center operations.
    d. Field service operations
    e. Supply chain and logistic operations.
    f. Web site operations
4. Leading indicator measurement
    a. Balanced scorecards
    b. Customer knowledge management

Key performance indicators can be set up across key activities that are critical to the satisfaction of the customer.

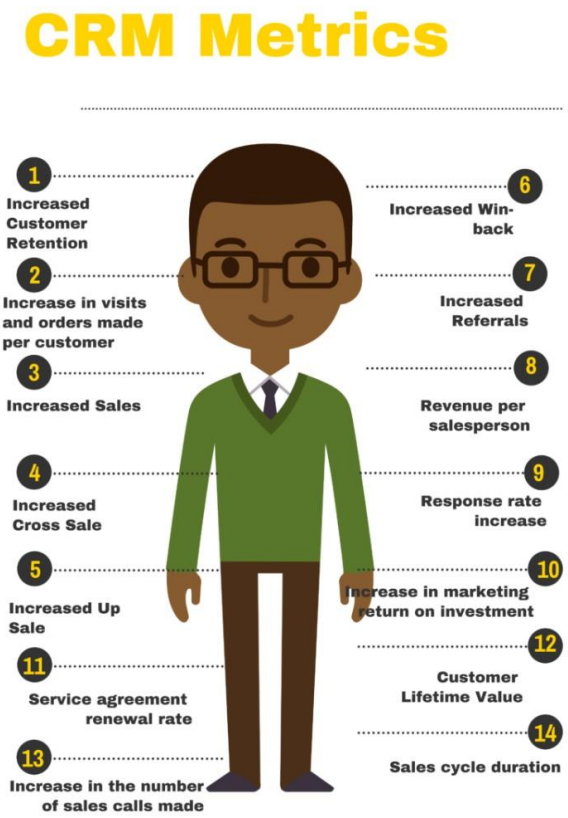


Figure 29: How to measure the performance of CRM

Learning Activities

Knowledge	Learning activity	Special instructions
Customer relationship management systems	Assessing Customer relationship management systems	Prepare the assessment tools and observation checklist
Customer relationship strategies	Developing Customer relationship management strategies	Case study a particular organization and develop customer relationship management for them.
Customer relationship management software	Developing Customer relationship management software and implementing it	Qualities of appropriate software. Follow the laid down procedure
Reviewing Customer	Monitoring and evaluation	Implement and analyze the

relationship management system		tools

Self-Assessment

1 In what ways does a company benefit form effective customer relationship management
2 A newly established restaurant has sought your advice on ways of building better customer relationships. Prepare a report and submit it to them with recommendations.
3 What are the challenges of phone surveys

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

1 Writing materials
2 Developed questionnaires
3 Tablets
4 Computers
5 Cameras
6 Check sheets
7 Control charts
8 Company operating procedures
9 Industry/workplace codes of practice
10 Customer requirements
11 organization strategic plans
12 Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers

3. Jill Avery, Susan Fournier and John Wittenbrake, Unlock the mysteries of customer relationships, Harvard Business Review

Sample answers for self-assessment

1 Ways in which a company benefits form effective customer relationship management

- Enhanced ability to target profitable customers.
- Integrated assistance across channels.
- Enhanced sales force efficiency and effectiveness.
- Improved pricing.
- Customized products and services.
- Improved customer service efficiency and effectiveness.
- Individualized marketing messages also called campaigns.
- Connect customers and all channels on a single platform.

2 A newly established restaurant has sought your advice on ways of building better customer relationships. Prepare a report and submit it to them with recommendations.

- Understand what customers value
- Show genuine care to the customers
- Adapt to their space
- Let the brand be the guide
- Model the expected behavior
- Remember that relationships are built over time

3 Challenges of phone surveys

- The telephone is becoming obsolete, making the data less diverse
- Limited by space
- They are unavoidably constrained by time
- More expensive than web-based and direct mail survey

3.2.5 LEARNING OUTCOME 5: COORDINATE ORGANIZATION VIRTUAL PLATFORMS

Introduction to the learning outcome

Coordinating organization's virtual platforms involves: identifying virtual platforms, training virtual platforms' personnel, assigning virtual platforms to personnel, identifying and addressing concerns on virtual platforms , monitoring and evaluating virtual platforms' feedback and Preparing and sharing management of Virtual platforms report.

Performance Standard

1. Organization's virtual platforms are identified as per organization requirement
2. Virtual platforms' personnel are trained in accordance with HR training policy
3. Personnel are assigned virtual platforms in accordance to customer relationship management strategies
4. Customer's concerns on virtual platforms are identified and addressed according to customer relationship management
5. Virtual platform feedback is monitored and evaluated in accordance with PR policy and procedures
6. Management of virtual platform report is prepared and shared based on organization policy

Information Sheet

Definitions of terms

Virtual

Created, simulated or carried on by means of a computer or computer network

Platform

The computer architecture and equipment using a particular operating system

Digital marketing

Refers to any marketing initiative that leverages online media

Organization's virtual platforms are identified as per organization requirement

Common digital marketing initiatives center on distributing a brand message through search engines, social media, applications, email and websites.

Today, digital marketing often focuses on reaching a customer with increasingly conversion-oriented messages across multiple channels as they move down the sales funnel. Ideally, marketing teams will be able to track the role each of these messages / channels played in reaching their ultimate goal.

Gartner notes that in the context of modern business, platforms are tools that provide multiple business or technology capabilities. While there are tools to address specific functions within one business need, such as a single tool to schedule social media updates alone, platforms support multiple functions across these needs. Platforms typically enable a more extensive set of functions with APIs, integrations, and partnerships with other applications or data sources.

Now, let's revisit the initial question. What is a digital marketing platform? A digital marketing platform is a solution that supports a variety of functions within the realm of marketing over the internet. According to Gartner, it is important to note that to classify as a platform, the solution cannot claim to support every component of digital marketing – but will rather cover functionality like media buying, performance measurement and optimization, and brand tracking. However, it may not cover other marketing efforts like SEO, social media.

Types of digital marketing:

a) Social media marketing platforms
b) Influencer marketing
c) Email marketing
d) Content marketing
e) Search engine optimization marketing
f) Pay-per-click (PPC)
g) Affiliate marketing

Advantages of digital marketing platforms:

- Track and allocate spend

- The right advertisements to drive conversations
- Correlate qualitative and quantitative results

What to look for in digital marketing measurement platform

- Clean data
- Relationship with third parties
- The ability to look at campaigns holistically

Platforms to share your message via social media

Take into consideration the following tips as your organization decides to use various channels to deliver your message.

Facebook

- Create a Page for your organization: your organization should have a Page on Facebook where you can share stories and connect with people. Pages are only open to real organizations and businesses and is used to communicate with the public (who like the Pages), and may only be created and managed by official representatives of the organization. Groups, on the other hand, are spaces for people to communicate about shared interests; therefore, it is more limiting.
- Keep the message simple: most users only skim through their newsfeed on Facebook, so it's ideal to keep your message short and on-point. Keeping your message under 40 characters has been proven to generate the highest engagement – so keep it short!
- Engage, engage**:** the key to amplifying your advocacy is to engage your audience! Use Facebook to have conversations, not monologues. Engage your key audience by asking questions and encourage interactivity.
- Post frequently: to keep your audience engaged, post no more than 2x a day. If you post more, your followers may unfollow or hide your content. If your organization posts content more constantly like how news organizations do, do not post more than once every 3 hours.
- Directly post articles and visuals: you can now directly embed and post articles and videos on your Facebook Page. This will help you directly engage with your audience, it is more work since it will require you to edit and tailor the article or video for Facebook format.

- Add photos and videos**:** adding visuals to your message will help make the content more exciting. Facebook's new feature, Facebook Live, lets you livestream video. It's best to use your organization's photos, but you can also find and use free and shared photos on creative commons.

Twitter

- Use relevant #hashtags: tweets with hashtags get 2x more engagement. By using hashtags, Twitter aggregates conversations and creates affinity groups. To create momentum for your advocacy campaign, it's best to create a specific hashtag that resonates and sends a clear message on what the issue is. Or if there's an existing hashtag about the issue that's being discussed, use that popular hashtag to add your organization's voice to the discussion. You will get more attention if you use event or cause specific #hashtags instead of using generic hashtags like #countryname or #keyterm.
- Retweeting = increased engagement with audience: retweeting is a way to show support or build your content on Twitter. By retweeting, you send three messages, including (1) share the information with your audience, (2) create a deeper connection between your organization and the original tweeter, and (3) helps expand your network because retweeting usually results in gaining new followers.
- Shorter message = more likely to be retweeted**:** just like Facebook posts, shorter Tweets that are 120-130 characters are more likely to get retweeted and garner more engagement.
- Add visuals: similar to Facebook, you get more engagements if you include photos or videos. You can also share a short video on Twitter via Vine – a mobile app where users can share 6 second videos.

Blogs

- Explain your advocacy campaign: blog is a great way to explain why your organization is leading a specific advocacy and what action you'd like your community to take. Use free sites like WordPress or Tumblr and post updates regularly on your advocacy campaign.
- Cross-post on Facebook and Twitter: using your organization's Facebook or Twitter to spread the word about your blog is the best way to redirect traffic to the blog. It's also the most effective way to reach a broader audience than using each of the

channels alone. Just remember to add descriptions about the post within the Twitter or Facebook post.

InfographicsData is your starting point: infographic combines information and image. It relies on your data, and uses images to tell the same story as the numbers tell on their own.

- Visualize your data in an easy way: infographics is a powerful way to grab your audiences' attention. By using charts, maps, or diagrams, you can illustrate a more complicated story and provide more contexts around the data you are presenting.
- More compelling information = more sharing: a well thought-out, informative infographic is more likely to be shared by people, thus driving traffic to your organization's Facebook page or website that explains your advocacy campaign.
- Tools for data visualization: depending on your budget, you can create infographics using different tools. Check out free infographic tools like am, canva, or mapping tools like CartoDB. (Extra tip: here's a CIPE video tutorial on how to use

How to create a digital marketing strategy:

- Determine what you want to accomplish
- Understand the digital sales funnel (discovery, research, purchase and loyalty)
- Create buyer personas(attributes)
- Determine where to find users at all funnel stages
- Implement specific guidelines to reach the goals: by placing lead generation widgets or lead magnets on the sides of blog posts, sharing influencer's content on social media to build a relationship, encouraging testimonies with email plugins that can then be placed on the site.
- Incorporate automation and personalization
- Look for loopholes in the digital marketing strategy (troubleshooting)

A guide on content development strategy:

- Define the goals to be achieved
- Do research on the audience
- Focus on the niche
- Measure results
- Prepare consumption metric

- Prepare social sharing metrics: conversations, assisted social conversations and last interaction social conversations
- Prepare lead metrics
- Build and solidify the company's online authority
- Create content the right way
- Set a budget

Virtual platforms' personnel are trained in accordance with HR training policy

The roles of employees can be categorized into: event lead, production lead, technology lead, social media lead and subject matter experts.

Employee training is a program that is designed to increase the technical skills, knowledge, efficiency, and value creation to do any specific job in a much better way. Training increases the needed skill set and helps in development of an employee as well as overall growth of the organization. It is also one of the most essential components of the hiring process.

Ways of creating a successful training program

1. Set short term goals and draft a plan
2. Embrace the right technology for remote employee training
3. Recognize the strengths and weaknesses of the team
4. Improve product learning
5. Provide responsive Support
6. Track productivity regularly
7. Address pain points and build fellowship
8. Foster transparency and clear communication
9. Validate employee and elevate leadership
10. Have reasonable expectations.

There are a number of different types of training that can be used to engage employees. These types are used in all steps in a training process; that is orientation, in-house, mentorship and external training.

Here are some basic technology skills that employees should now have:

1. Word Processing Skills

2. Spreadsheets Skills
3. Database Skills
4. Electronic Presentation Skills
5. Web Navigation Skills
6. Web Site Design Skills
7. E-Mail Management Skills
8. Digital Cameras
9. Computer Network Knowledge Applicable to your School System
10. File Management & Windows Explorer Skills
11. Downloading Software From the Web (Knowledge including eBooks)
12. Installing Computer Software onto a Computer System
13. WebCT or Blackboard Teaching Skills
14. Videoconferencing skills
15. Computer-Related Storage Devices (Knowledge: disks, CDs, USB drives, zip disks, DVDs, etc.)
16. Scanner Knowledge
17. Knowledge of PDAs
18. Deep Web Knowledge
19. Educational Copyright Knowledge
20. Computer Security Knowledge

General Benefits from Employee Training and Development

There are numerous sources of online information about training and development. Several of these sites (they're listed later on in this library) suggest reasons for supervisors to conduct training among employees. These reasons include:

- Increased job satisfaction and morale among employees
- Increased employee motivation
- Increased efficiencies in processes, resulting in financial gain
- Increased capacity to adopt new technologies and methods
- Increased innovation in strategies and products
- Reduced employee turnover
- Enhanced company image
- Risk management, e.g. diversity training

Training process

1. **Needs assessment:** The first step in the training process is to assess the need for training the employees. The need for training could be identified through a diagnosis of present and future challenges and through a gap between the employee's actual performance and the standard performance.

   The needs assessment can be studied from two perspectives: Individual and group. The individual training is designed to enhance the individual's efficiency when not performing adequately. Group training is intended to inculcate the new changes in the employees due to a change in the organization's strategy.

2. **Deriving Instructional Objectives:** Once the needs are identified, the objectives for which the training is to be conducted are established. The objectives could be based on the gaps seen in the training programmes conducted earlier and the skill sets developed by the employees.
3. **Designing Training Programme:** The next step is to design the training programme in line with the set objectives. Every training programme encompasses certain issues such as: Who are the trainees? Who are the trainers? What methods are to be used for the training? What will be the level of training? Etc. Also, the comprehensive action plan is designed that includes the training content, material, learning theories, instructional design, and the other training requisites.
4. **Implementation of the Training Programme:** Once the designing of the training programme is completed, the next step is to put it into the action. The foremost decision that needs to be made is where the training will be conducted either in-house or outside the organization.

   Once it is decided, the time for the training is set along with the trainer who will be conducting the training session. Also, the trainees are monitored continuously throughout the training programme to see if it's effective and is able to retain the employee's interest.

5. **Evaluation of the Training Programme**: After the training is done, the employees are asked to give their feedback on the training session and whether they felt useful or not. Through feedback, an organization can determine the weak spots if any, and can rectify it in the next session. The evaluation of the training programme is a must because companies invest huge amounts in these sessions and must know it's effectiveness in terms of money.

Thus, every firm follows the series of steps to design an effective training programme that serves the purpose for which it was intended.

Methods of training

On- the- job training (internal training)	Off-the-job training (external training)
1. Apprenticeship 2. Job instruction training (JIT) 3. Planned progression 4. Job rotation 5. Creation of assistant –to position 6. Temporary promotions 7. Committees and junior boards 8. coaching	11. lectures 12. Straight lecture 13. Discussion methods 14. Demonstrations 15. Seminars and conferences 16. Reading, television and video instructions 17. Business simulations 18. Case presentation 19. Equipment simulations 20. Business games 21. Experimental

	exercise 22. Role-playing 23. Behavior modelling 24. Computer modelling 25. Vestibule training 26. Sensitivity training (T-groups) 27. Computer-based training

Table 15: methods of training

Personnel are assigned virtual platforms in accordance to customer relationship management strategies

Assigning responsibilities for project team members boosts efficiency. Having a clear **u**nderstanding of project roles allows the leader to develop a timeline. Such a chart lists who is in charge of which task and when the specific portion of the project is expected to reach completion.

ALLOCATING ROLES AND RESPONSIBILITIES

Identifying team roles and responsibilities will enhance team performance, as it provides clarity about who does what and encourages team members to take responsibility for their contribution to overall team goals. Additionally, where one member becomes unable to meet deadlines or if someone leaves, it is easy to identify outstanding work and re-allocate it.

When allocating roles and responsibilities it is important to:

- Identify all the tasks that will be needed to complete the project/assignment.
- Allocate tasks evenly amongst team members, making use of team strengths or areas where development is desired.
- Ensure agreement from team members to taking on specified tasks.
- Provide frequent opportunities feedback to team members from individuals.
- Re-allocate roles and responsibilities only after agreement with all of the relevant team members.

Addressing Poor Performance

Incidences of poor performance in the team need to be addressed quickly and effectively. Identifying poor performance, investigating reasons why and finding mutual agreeable solutions will not only ensure optimum member performance, but also overall team effectiveness and meeting project team goals. Poor performance, left unaddressed, will result in individual member de-motivation, reduces levels of teamwork and productivity and may endanger the success of the project.

Some tips and strategies for addressing poor performance are:

- Informal reviews, conducted properly, will both energize the team and produce more sound solutions.
- Open and honest channels of communication will ensure instances of poor performance are identified at the earliest opportunity.
- Clear identification of roles and responsibilities will provide clarity about who is (or should be) doing what tasks.
- As a team leader, have an approachable attitude.
- Develop supportive communications skills.
- It may be useful to undertake a review to assess the situation and agree an action plan for

<u>Virtual platform feedback is monitored and evaluated in accordance with PR policy and procedures</u>

Every company has a digital marketing strategy. Customer opinions about a company's brand are formed based on mention of company's name by users on digital

platforms. Therefore it is important to regularly evaluate how well the strategy is working. The following are ways of doing it:

1. Evaluate digital marketing goals: These include things like the number of social shares a blog post receives, the size of fan base on networking websites, mentions of brand name on social media sites, the number of positive reviews left about the company, inbound website visitors from social networks and total number of conversations resulting from social traffic
2. Reexamine the target customer profiles
3. Take a look at the digital presence: by examining the customers targeted and whether the company is actively participating on the right digital properties.
4. Evaluate the messaging strategies: the type of messages performing best with the audience, the words chosen resonating with the audience and how frequently the marketing materials are being shared virally amongst users.
5. Check the digital marketing return on investment (RIO): by tracking two variables, that is the amount invested into digital marketing campaigns and the financial benefit of any conversations being tracked.

Management of virtual platform report is prepared and shared based on organization policy

If a company wants to drive more business from digital channels like search engines, email marketing and social media it is important to have a strategy in place. It should drive more prospective buyers to the website; convert these into leads and the leads into sales. It is important to have a strong team to guide all the integrations on the backend, create a holistic approach and build a solid digital marketing framework.

Learning Activities

Knowledge	Learning activity	Special instructions
Training Virtual platforms' personnel	Role play on training personnel	Required materials and proper preparation
Identifying and addressing concerns on Virtual platforms	Prepare tools for identifying the concerns role play on ways of	Should be appropriate. Different platforms use different tools

	addressing the concerns	
Monitoring and evaluating Virtual platforms' feedback	Watch a video	The content should be relevant
Preparing and sharing management of Virtual platforms report.	Prepare a report and present it on power point slides	Content should be relevant and use of good ICT skills

Self-Assessment

1. What are the advantages and disadvantages of internet marketing
2. How would the management of an organization make on-the-job training effective
3. What are the factors to consider when choosing the right virtual event platform
4. While assigning work in managing virtual platforms, why would an employee decline to take up delegated work
5. What is your opinion of the impact of information technology on customer service? Offer at least two specifics in your answer.

List of Recommended Resources

Tools and equipment

1. Writing materials
2. Developed questionnaires
3. Tablets
4. Computers
5. Cameras
6. Check sheets
7. Control charts
8. Company operating procedures
9. Industry/workplace codes of practice
10. Customer requirements
11. organization strategic plans
12. Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Jill Avery, Susan Fournier and John Wittenbrake, Unlock the mysteries of customer relationships, Harvard Business Review.

Sample answers for self-assessment items

1. Advantages of internet marketing
    - Low cost promotion strategy
    - Reaching a global market
    - Reaching the target easily
    - Convenient payment collections

   Disadvantages of online marketing
    - Lack of instant trust
    - Competition
    - Skill and knowledge required
2. Ways of making on-the-job training effective
    - Understand the employees need to match them to the objectives
    - Be inclusive
    - Choose the trainers well
    - Consider different training styles
    - Evaluate and follow up
3. Factors to consider when choosing the right virtual event platform
    - Future prove on investment
    - End-to-end engagement
    - Ability to customize
    - Audience engagement tools
    - Connections and networking
4. Reasons that would an employee decline to take up delegated work
    - Fear of making decisions

- Lack of authority commensurate with responsibility
- Lack of skills
- Lack of enough motivation/incentives
- The employee may have made mistakes in the past which caused embarrassment

5. What is your opinion of the impact of information technology on customer service? offer at least two specifics in your answer. A wide range of responses are possible here including negative, neutral, and positive. On the negative side, all the e-mail ads can be annoying, and so can being routed through a long menu of options to answer a question asked on the telephone. On the neutral side, calling in utility reading, or reporting them online seeks satisfactory. On the positive side, many people enjoy paying bills online, and receiving account information from the bank through voice-recognition systems.

3.2.6 LEARNING OUTCOME 6: PREPARE CUSTOMER FEEDBACK REPORT

Introduction to the learning outcome

This learning outcome covers competencies in preparing customer feedback report. It involves: conducting customer satisfaction surveys, analyzing customer satisfaction surveys, measuring customer satisfaction and Preparing, evaluating and disseminating customer satisfaction reports.

Performance Standard

1. Customer satisfaction surveys are conducted based on product/service performance
2. Customer satisfaction surveys are analyzed based on product/service performance and SOP
3. Customer satisfaction is measured based on regular customer surveys
4. Customer satisfaction reports are prepared, evaluated and disseminated based on management procedures

Information Sheet

Definitions of terms

Empowerment

It refers to managers transferring, or sharing, power with lower-ranking employees. In terms of customer relations it means pushing decision-making and complaint resolution down to customer-contact employees.

Customer satisfaction

It is a measurement that determines how happy customers are with company's products and capabilities.

Survey

It is a research method used for collecting data from predefined group of respondents to gain information and insights into various topics of interest.

Bond

It is a relationship.

Customer satisfaction surveys are conducted based on product/service performance

Introduction to customer satisfaction

Customer Satisfaction Skills

Customer satisfaction receives the highest priority in today's business environment. Many companies today emphasize total customer satisfaction over short-range profits because excellent customer service leads to good will, repeat business, and referrals.

- External customers are paying customers including clients, guests, and patients.
- Internal customers are the people one serves within the organization, or those who use a person's job output.

All workers in contact with customers are required to have customer satisfaction skills. Despite all the talk and writing about customer service in recent years, poor customer service particularly at the retail level remains a major problem. Many customers purchase over the Internet to avoid dealing with rudeness and indifference they sometimes receive from store associates.

General Principles of Customer Satisfaction

Certain general principles will sharpen a person's ability to satisfy customers and thereby improve customer retention. Satisfaction, however, is considered a minimum expectation. Customer delight should be the ultimate goal. Customer satisfaction is also highly valued because it breeds customer loyalty, which in turn is very profitable. A set of key principles follows:

B. Satisfied Employees Provide Better Customer Service. Employees who are satisfied with their jobs are the most likely to satisfy customers.
C. Employees want recognition and compensation that relates to their achievement of customer-service goals.
D. Employees can control some attitudes and beliefs related to customer satisfaction. 1. Interest in the work itself 2. A feeling of self-esteem 3. Optimism and flexibility 4. Positive self-image 5. Positive expectations about the job
E. Understand Customer Needs and Put Them First

The most basic principle of selling is:

- To identify and satisfy customer needs. To help identify customer needs, the customer service worker may have to probe for information. Customers now have more power because of the availability of information and more competition. Satisfying customer needs adds value for them.
- After customer needs have been identified, the focus must be on satisfying them rather than on personal needs or those of the company.
- Focus on Solving Problems, Not Just Taking Orders. Effective selling uses sales representatives to solve problems rather than merely taking orders. The focus on problem solving enables sales representatives to become partners in the success of their customers' businesses. Using this approach, the customer is receiving consulting services in addition to the merchandise or services being offered.
- Respond Positively to Moments of Truth an effective customer contact person performs well during situations in which a customer comes in contact with the company and forms an impression of its service (a moment of truth). If the customer experiences satisfaction or delight during a moment of truth, the customer is likely to return when the need for service arises again. The customer who is angered or frustrated during a moment of truth will not return.

  One way to track moments of truth is to prepare a cycle of service chart. Such a chart summarizes the moments of truth encountered by a customer during the delivery of a service.
- Be Ready to Accept Empowerment. A major strategy for improving customer service is to empower customer-contact employees to resolve problems by themselves. For empowerment to work, the company must grant decision-making latitude to employees, who in turn must be willing to accept empowerment.
- Enhance Customer Service through Information Technology. Information technology can play an important role in recording customer preferences and individualizing service. One such application is to use databases to have information on hand about customer preferences.
- Sending customers information they are likely to use is another way of enhancing customer service through information technology. A major

challenge in providing good customers service when using information technology is to preserve the human touch. For example, (a) when you respond to a voice-mail outgoing message, leave specific, relevant information, and (b) use the customer s name when sending e-mail messages.

- Avoid Rudeness. Although rudeness to customers is obviously a poor business practice, the problem is widespread. Rude treatment creates more lost business than does poor product quality or high prices.

Creating a Bond with Your Customer

Creating a bond or emotional relationship with a customer helps bring about customer satisfaction and delight. Warm, constructive customer relationships enhance customer retention. Creating a bond is aimed at increasing sales, but also enhances service. If the customer relies on and trusts the sales representative, the customer will perceive the service to be of high quality.

Five key principles are as follows:

1. Create a welcoming attitude, including a smile. (Smile at customers, but not in a sexy manner.)
2. Provide exceptional service.
3. Show care and concern.
4. Make the buyer feel good.
5. Build a personal relationship.
6. Invite the customer back. (You come back, now!)

Dealing with Customer Dissatisfaction

Most customers put honest effort into preventing customer dissatisfaction. Despite the many efforts to achieve total customer satisfaction, some customer dissatisfaction is inevitable. One reason for this dissatisfaction is that mistakes in dealing with customers are inevitable. Three different approaches to dealing with customer dissatisfaction follow.

A. Deal Constructively with Customer Complaints and Anger Customer: satisfaction specialists recommend the following techniques for dealing with angry customers:
    1. Acknowledge the customer’s point of view.
    2. Avoid placing blame.

3. Use six magic words to defuse anger. (I understand [that this is a problem]; I agree [that it needs to be solved]; I'm sorry [that this happened to you].).
4. Apologize for the problems created by you or your company.
5. Take responsibility, act fast, and be thorough.
6. Follow up on the resolution of the problem.

B. Involve the Customer in Working out the Problem: To minimize the perception of poor service, the customer should be involved in deciding what should be done about the problem. By involving the customer in the solution to the problem, the customer is more likely to accept a deviation from the service promised originally.

C. Anticipate How to Handle an Unreasonable Request: The customer who makes an unreasonable demand is usually aware of the unreasonableness, and therefore may not expect to be fully granted the request. A few of the suggestions for dealing with an unreasonable request are as follows:

1. Let your customers retain their dignity by stating your position politely and reasonably
2. Avoid arguing with an upset customer.
3. Appeal to your customer's sense of fair play and integrity.
4. Be firm by repeating the facts of the situation, but keep your temper under control.
5. Accept responsibility for your decision.
6. Be willing to say no to a customer when it is justifiable. D.

Customer satisfaction survey is an excellent way to measure whether or not business is meeting its customers' expectations. Customer satisfaction surveys should be a core tool for any business. Customer satisfaction surveys bring to light problems that need to be addressed and problems that left unattended, which may eventually lead to customer turnover and a loss of profits. By regularly conducting customer satisfaction surveys, the company can build trust with its customers.

Customer satisfaction surveys are a very cost-effective way to identify what businesses need to do to execute changes and achieve breakthrough increases in customer satisfaction, customer engagement and loyalty, generating increases in sales

and profit. Achieving consistently high levels of customer satisfaction is one of the best ways for any company to compete effectively, grow their customer base and increase profit.

Need for Customer Satisfaction Survey:

Customer satisfaction surveys are carried out for following reasons:
a. To assess the level of customer satisfaction with a particular product, service or experience.

b. To find if company's representatives are professional, polite and helpful.

c. To check if customer service issues are handled properly and in a timely manner.

To check if there is a growing market trend that needs to be addressed.

e. To check if their website is easy to navigate.

f. To check any problems with product quality.

g. To find out any problems with shipping or delivery.

To check if companies have a favorable business location, store layout, parking lot etc.

i. To identify communications problems within and across organizational units, this is a significant cause of dissatisfaction and poor performance.

Steps in Conducting Customer Satisfaction Survey:

The reason for a survey is to gather information from customers to enhance company's relationship with them and provide better services in the future. It is very important in today's marketplace to make sure that companies have happy customers. The steps are:

Step 1: The first step in conducting a customer satisfaction survey is to determine which customers a company wants to survey. The goal for the survey is either for improving service or to gather information about what customers would like the company to provide in addition to what they are getting.

Step 2: The next step is to decide upon the way of conducting the survey. The survey is to be done in personal way or over the telephone or by e-mail.

Step 3: The next step is to make every customer understand that there is a single purpose to the survey. It is not a sales call. Be very clear, that company appreciate their honesty and need them to be honest when answering the survey questions to improve serving them.

Step 4: Those questions should be asked in survey, which allow the customer to impart information about what is most important to them.

Step 5: The next step is to summarize all the answers given by the customers and check its correctness by repeating the answers.

Step 6:

The next step is to ask the customers about improvements they would like to see.

Step 7:

The last step is to thank the customer for providing required information.

How to Ask Whether Customers Are Satisfied

You have several options for asking your customers whether they're satisfied with your company, your products and the service they've received. You can do it face-to-face as they're about to leave your store or office. You can call them on the phone after their visits if you have their phone numbers and permission. You can also email or snail-mail a questionnaire or survey, but if you use email, take care not to violate spam laws. You might email an invitation to take a survey instead. Mail-in survey results tend to be predictable.

Ways of making a survey effective:

1. Keep it short
2. Only ask questions that fulfill the end goal
3. Construct smart, open-ended questions

4. Ask one question at a time
5. Make rating scales consistent
6. Avoid leading and loaded questions
7. Make use of yes/no questions
8. Get specific and avoid assumptions
9. Take care of the timing
10. Offer survey respondent a bonus; entice the customer to participate

When to Conduct a Customer Satisfaction Survey

The best time to conduct a satisfaction survey is when the experience is fresh in your customer's minds. A customer's response may be less accurate if you wait. It is easy for any customer to forget some details over time, or respond regarding a later event.

What to Ask in a Customer Satisfaction Survey

There's a school of thought that says you only have to ask a single question in a customer satisfaction survey: "Will you buy from me again?" Although it can be tempting to reduce your customer satisfaction survey to this supposed "essence," you'll miss a lot of valuable information and can easily be misled. It's too easy for a customer to simply answer "Yes." Instead, ask questions to get closer to the expected behavior and to collect information about what to change and what to keep doing.

By all means, ask the basic customer satisfaction questions:

- How satisfied are you with the purchase you made of a product or service?
- How satisfied are you with the service you received?
- How satisfied are you with our company overall?

Ask customer loyalty questions, too:

- How likely are you to buy from us again?
- How likely are you to recommend our product/service to others?
- How likely are you to recommend our company to others?

Don't neglect to ask what the customer liked or didn't like about the product, your service or your company.

Customer satisfaction surveys are analyzed based on product/service performance and SOP

What you ask your customers is important when you conduct a customer satisfaction survey. How, when and how often you ask the questions are also important. But what you do with their answers is the most critical component of conducting a customer satisfaction survey.

It is important to compile the answers from different customers, keeping an eye out for trends, differences by region or product. However, the most important thing is to act on the information you get from your customers through the survey. Take the time to fix the things the customers have complained about and to investigate their suggestions. That way, you will improve your company and product in the areas that mean the most to your customers, all while avoiding changing the things that they like.

It's also important to let them know that their answers were appreciated and that they're being acted upon. That feedback can be individual responses to the customers if this is appropriate, or it can simply be fixing the things they've told you need to be fixed.

Tips to analyze customer satisfaction data

- Be clear about the most important few metrics
- Help managers tell the meaningful story behind data
- Create a clear concise guide about how to access the data
- Create short team huddle template:
- Help your managers explore key data with their teams, too.

This should be a two-way conversation and should include:

i. The reason the data matters to the business (Does it drive sales? Profit? Loyalty?)
ii. The current score
iii. The reasons why the score is what it is – Ask the team to recall the previous period: *Who was on shift? What was happening? Did we do anything different?* This isn't about blame – for team members or

customers. Instead, it's about having an upbeat and engaged conversation about how the team can improve or build on momentum.

iv. The goal or benchmark
v. Progress to celebrate
vi. One action to improve a metric (the team isn't told this action – they come up with it together)
vii. A plan to hold each other accountable and follow-up

Customer satisfaction is measured based on regular customer surveys

Reasons for measuring customer satisfaction:

a) Customer dissatisfaction is costly
b) It is easier to retain customers than to acquire new ones
c) Customer dissatisfaction is detrimental to the brand image
d) Measuring customer satisfaction enables enhancement of the customer experience

Customer satisfaction measurement indicators:

a. Customer satisfaction score (CSAT)
b. Net promoter score (NPS): enable identification of promoters and detractors
c. Customer effort score (CES)
d. Intentions to repurchase
e. Loyalty measurement

Tools and methods that measure customer satisfaction:

- Satisfaction surveys
- Mystery shoppers
- Qualitative interviews
- Customer feedback
- Active listening on forums and social networks

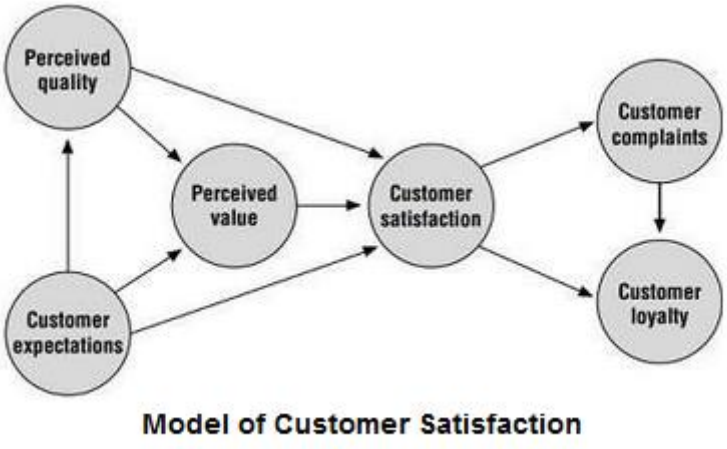


Figure 30: model of customer satisfaction

How Often Should You Conduct a Customer Satisfaction Survey?

The best answer is "often enough to get the most information, but not so often as to irritate the customer." In reality, the frequency with which you conduct customer satisfaction surveys depends on the frequency with which you interact with your customers.

D. Maintain a Realistic Customer Retention Attitude: Some customers are too unreasonable, and therefore may not be worth keeping. A realistic goal is to retain as many profitable customers as possible. Airline passengers who engage in air rage are not worth keeping.

Steps in monitoring and measuring customer satisfaction:

1. Define the business objectives
2. Create comprehensive plan to gauge customer satisfaction
3. Prepare the customer service satisfaction survey questionnaire
4. Select the right communication channel (chat surveys, email surveys, website surveys, in-app surveys)
5. Monitor the key customer satisfaction indicators
6. Analyze and evaluate the collected data
7. Manage social media with monitoring tools. Social media listening helps to analyze brand conversations and use insights for better business decisions.
8. Implement the feedback

survey don'ts

While there are many survey "do's," it's important to keep a few "don'ts" in mind, too:

- **Don't over-survey.** Bombarding customers with too many surveys can wear them out — and hurts response rate. One suggestion is to survey customers annually, and survey the same audience no more than twice per year.
- **Don't jump to conclusions.** When it comes to analyzing results, be sure to research all the factors that might cause them rather than making an assumption.
- **Don't operate in a vacuum.** To truly validate results, it's important not to analyze them alone. Instead, involve key staff in both the analysis and action planning.

Customer satisfaction reports are prepared, evaluated and disseminated based on management procedures

Guidelines to help when preparing the customer satisfaction report:

- do thorough assignment/home work to ensure comprehensive information
- rely on past experiences
- target information to areas of concern
- determine the format of the report
- make it easy to read and follow the flow of information
- once complete, look for trends
- follow up

Elements of a formal report

1. Heading
2. Terms of reference
3. Procedure
4. Findings
5. Conclusions
6. Recommendations
7. Closing section

Tips for Customer Service Success

1. Always practice two-way communication with the customer.

2. Provide staff with regular customer-service training.
3. Strive for excellence in every interaction — from the way the phone is answered to the cleanliness of the vehicle upon return.
4. Always show respect for customers and make them feel important.
5. Show customers how much you value their business — not just in words, but in actions, too.
6. After each service, the mechanic should make a personal call to the driver to make sure everything is running right.
7. Make your waiting area comfortable, and consider supplying magazines, the newspaper, and/or coffee.
8. Hold a customer appreciation event — this can be as simple as providing popcorn and soda for a day.
9. After a visit, explain the services you've provided and how they will benefit the driver.
10. Always thank customers for coming in.

Learning Activities

Knowledge	Learning activity	Special instructions
Conducting Customer satisfaction surveys	Carry a student's customer satisfaction survey in a Technical college within your locality	• Prepare survey tools • Follow the appropriate procedures
Customer satisfaction surveys	Analyze the data collected from the survey above	• Right procedures • Right tools
Measuring Customer satisfaction	Measure the customers satisfaction with the products and services offered at the local supermarket	Measurement tools appropriate for the exercise should be prepared

Evaluating and disseminating customer satisfaction report	Prepare two reports from the two exercises above	• Include all parts of a reports • Good grammar and logical arrangement of information

Self-Assessment

1. Which are the ways in which an employee may deal with unreasonable customer request?
2. For what reason is a satisfied employee more likely to provide better customer service
3. Describe a situation in your life when you experienced customer delight. What made the experience delightful?
4. Imagine any sales situation involving a major purchase. How would you identify customer needs
5. Describe several customer moments of truth you have experienced this week. What made you classify them as moments of truth
6. Visualize yourself as an executive at Target. Develop a policy to empower customer service desk associates to resolve customer problems, including the limits to their empowerment
7. Which are the ways in which customers are rude to customer-contact workers?

Tools, Equipment, Supplies and Materials

Writing materials
Developed questionnaires
Tablets
Computers
Cameras
Check sheets
Control charts

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson

1 Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers

2 Jill Avery, Susan Fournier and John Wittenbrake, Unlock the mysteries of customer relationships, Harvard Business Review.

Suggested responses to the self-assessment questions

1 Suggestions for dealing with an unreasonable request are as follows: ☹(1) Let your customers retain their dignity by stating your position politely and reasonably. (2) Avoid arguing with an upset customer. (3) Appeal to your customer's sense of fair play and integrity. (4) Be firm by repeating the facts of the situation, but keep your temper under control (5) Accept responsibility for your decision.(6) Be willing to say no to a customer when it is justifiable

2 For what reason is a satisfied employee more likely to provide better customer service?

- A satisfied employee is less likely to be harboring discontent that he or she might take out on customers.
- A satisfied employee is also less preoccupied and can therefore concentrate better on customers, thereby serving them better.
- Another consideration is that when one is satisfied, it is easier to deal with the challenges of human interaction.

3 Describe a situation in your life when you experienced customer delight. What made the experience delightful? Students who can identify incidents of customer delight will help provide insight into the nature of customer delight. It will be helpful to share these episodes of delight with classmates to look for trends.

4 Imagine any sales situation involving a major purchase. Describe how you might identify customer needs. Whichever

description the student chooses for identifying customer needs, it should realistically involve an interview along with probes for more details. The investigation should also take indirect paths such as asking about the customer's lifestyle and professional activities.

6. Describe several customer moments of truth you have experienced this week. What made you classify them as moments of truth?

   An appropriate answer to this question includes an understanding of the concept of moments of truth: interactions in which the person forms an impression of the company's service. Many of these moments of truth will be negative, such as two store associates conducting a conversation while the student was waiting to be served. Another negative many students have experienced is not being taken seriously because they were dressed as students.

7. Visualize yourself as an executive at Target. Develop a policy to empower customer service desk associates to resolve customer problems, including the limits to their empowerment.

   Policy development is a stretch exercise that students enjoy. Here is a sample policy for the customer service desk personnel: Target customer service associates are granted the authority to resolve a wide range of customer problems without approval from their supervisor. Customer service workers are authorized to grant full refunds when it appears the customer has tried out but not regularly used merchandise. Full refunds and exchanges can be granted for defective merchandise. Customer service personnel, however, are not authorized to make payments to customers in excess of the retail price of the merchandise. A supervisor must be consulted before a customer service worker can grant refunds or exchanges without proof of purchase. (Students might be asked to critique this sample policy from the point of view of the customer service worker and management.)

8 Which are the ways in which customers are rude to customer-contact workers? Customers are rude to customer-contact workers in numerous ways, such as displaying impatience, distrusting them, speaking to

them in terms of endearment, sexually harassing them, and accusing them of cheating the customer on change.

CHAPTER 4: CARRYING OUT CORPORATE IMAGE STRATEGIES

Unit of learning code: BUS/BM/CR/03/5

Related Unit of Competency in Occupational Standard: Carry out corporate image strategies.

4.1 Introduction to the unit of learning

This unit specifies the competencies required to carry out corporate image strategies. It involves carrying out public relations and CSR, maintaining stakeholders' relationships, developing partnerships for innovation, coordinating corporate image through virtual platform and preparing functional corporate image report.

4.2 Summary of Learning Outcomes

1. Carry out Public Relations and Corporate Social Responsibility (CSR) tasks
2. Maintain Stakeholders Relationship
3. Develop Synergies for Innovation
4. Coordinate Corporate Image through Virtual Platform
5. Prepare Functional Corporate Image Report

4.2.1 LEARNING OUTCOME 1: CARRY OUT PUBLIC RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY (CSR) TASKS

Introduction to the learning outcome

This learning outcome specifies the content of competencies required for identifying Public Relations activities, determining Public Relations expenditure, carrying out Public Relations activities, identifying CSR areas, incorporating CSR dimensions, determining CSR targeted benefits and determining the Scope of CSR.

Performance Standard

1.1 Public Relations Activities are identified in accordance with the strategic plan.
1.2 Public Relations expenditure is determined in accordance with the PR Budget
1.3 Public Relations Activities are carried out in accordance with PR Policy and Procedures
1.4 CSR Areas are identified in accordance with the Strategic Plan
1.5 CSR dimensions are incorporated in accordance with the CSR policy
1.6 CSR targeted benefits are determined in accordance with Cost Benefit Analysis
1.7 Scope of CSR is determined in accordance with the budget allocation

Information Sheet

Definitions of terms

- **Accountability:** It refers to an obligation or willingness to accept responsibility for one's actions.
- **Activitie**s: Things you do or just the state of doing
- **Corporate Image**: This is the image that people have in their minds about a company, its products, and its services. It is also the product of a company's performance, media coverage and its activities.
- **Corporate Social Responsibility**: Is the act of incorporating environmental and social concerns into a company's planning and

operations. This helps the company to be socially accountable to itself, its stakeholders and the public.

- **Cost Benefit Analysis**: A Cost Benefit Analysis (CBA) is a systematic approach that can be used to get an idea of the strengths and weaknesses of, for example transactions, investments, business processes and other activities. This mostly monetary evaluation method is used to identify effective options and make responsible choices, which are both advantageous and save costs..
- Evaluation: Is the process of determining the effect, worth, impact or significance of a certain plan or activity
- Expenditure: This is the act or process of spending money on something
- Functional Corporate Image Report: This is written information that is useful and precise to deliver its purpose to the end users.
- Goal: Is commonly described as the desired outcome of a plan of action.
- Implementation: Is the process of putting a decision or plan into action.
- Innovation: It's the practice of developing and introducing of new things with an aspect of improvement ad also the spread. It includes introduction of new products, new services, new methods of production and even opening of new markets.
- Market Relations: Also known as business relations and are the connections that exist between all entities that engage in commerce.
- Objective: Is the expected outcome of research
- Planning: Is the process of thinking about the activities required to achieve a desired goal?
- Policy: Is a course or principle of action adopted or proposed by a government, party, business entity, or individual.
- Practitioner: Is a person engaged in the practice of a profession or certain occupation.

- Public Relations: It is the art of managing how information about an individual or company is disseminated to the public. It includes the practice of deliberately managing the release and spread of information between an individual or an organization (such as a business, government agency, or a nonprofit organization) and the public
- Stakeholder: Is either an individual, group or company who is impacted by the outcome of a business/project of a company. It could be positive or negative impact. These include employees, customers, suppliers, shareholders, communities, government and even trade associations.
- Strategy: Is the road map or approach to reach objectives.
- Synergy: Is the combination of effort and performance of individuals or companies (through power, profits) in order to be more successful. It could be greater financial benefits, growth in sales, increase of impact and growth.
- Research: Is the careful consideration of study regarding a particular concern or a problem using scientific methods.
- Tactics: These specific activities conducted to implement strategies of a program.
- Transparency: This is an attribute of company culture that is revealed through the behavior of an organization's managers, employees and other stakeholders.
- Virtual Platform: Refers to the technology used for the creation and development of tools on the Web (sibal) used broadly in the Web 2.0 such as communication tools (forums, chat, emails), authorization management tools, productivity tools (calendars, bookmarks), student tools (evaluation, group work areas, profiles) and tools of course (bulletin, evolve). It is also a system that allows different applications to run under the same environment, allowing users to access them via the internet.

PUBLIC RELATIONS

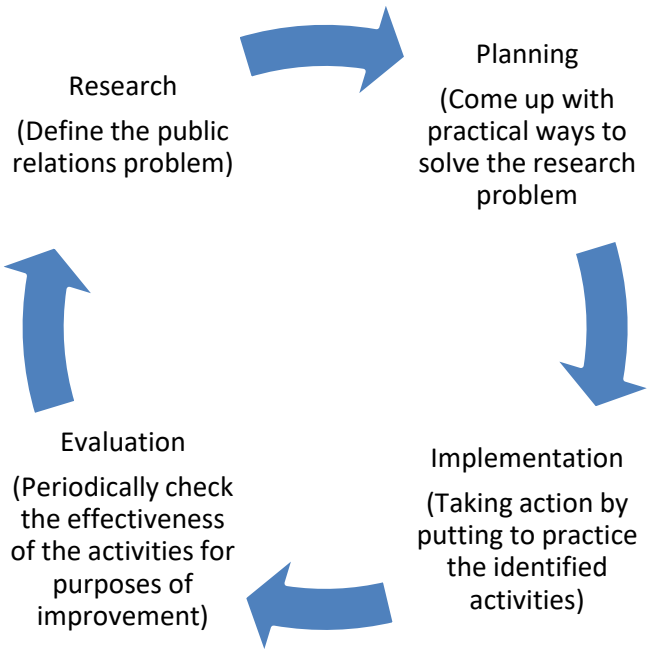
Introduction

This is the art of managing how information about an individual or company is disseminated to the public. It includes the practice of deliberately managing the release and spread of information between an individual or an organization (such as a business, government agency, or a nonprofit organization) and the public. Therefore, every company in modern day business has to come up with a way to manage their PR activities so as to ensure there is a positive image out in the market place. They also have response mechanisms for dealing with any eventualities that could bring the company to bad light and otherwise tarnish the image of the company.

In light of the above it is important to for a company to identify and develop a PR management system which consists of the actual activities to be carried out in accordance with the Strategy Plan.

HOW TO IDENTIFY PR ACTIVITIES?

Fig. 31: **Steps to follow to come up with effective PR Activities**



1. **Research**

The importance of research in public relations Research **establishes a foundation for a public relations plan**. Research allows public relations professionals to learn and understand an organization, its goals and its target market.

These are the questions to ask yourself.

- Who is your target audience?
- What do you want them to do?
- What messages do you want to communicate to each category of persons that will encourage desired behavior, increase brand knowledge and change attitudes?

2. **Planning**

This involves several steps in order to identify the PR activities to be undertaken by a company.

Writing a PR Strategic Plan

Steps for writing a public relations plan will give you the framework to assess any public relations situation even if you are faced with a case study from an industry with which you are not familiar with.

i. Set Goals

Goals are longer term, broad, more global. Goals are a futurist state of "being." EXAMPLE: To become a recognized leader. They must also be clear and SMART.

S – Specific

M – Measurable

A – Attainable

R – Realistic

T – Time bound

ii. Identify Target Audiences

PR is about building positive relationships with key audiences that are connected to the company in one way or another. These may include not only the general public but also:

- ✓ Current or potential customers
- ✓ Investors and analysts
- ✓ Vendors and suppliers
- ✓ Government regulators and policy makers
- ✓ Employees and their families
- ✓ Trade, consumer and news media.

These are the groups or sub-groups with whom you need to communicate (both by talking and listening.)

Who needs to know or understand?

Who needs to be involved?

Whose advice or support do we need?

Who will be affected?

iii. Set Objectives for Those Targeted Audiences

They should be for a shorter term (3 – 6 months).

Define what behavior, attitude or opinion you want to achieve from specific audiences,

; how much to achieve and by when. Also think in terms of the awareness, attitude or action you desire. That is the end result.

Objectives MUST:

- ✓ Address the desired result in terms of opinion change and/or behavioral outcome. Designate the public or publics among whom the behavioral outcome is to occur.
- ✓ Specify the expected measurable level of accomplishment or outcome. Identify the time frame in which those accomplishments are to occur.

Types of Objectives

Outcome Objectives — they change behavior, create awareness, form an opinion, support; and require high-level strategic thinking.

Output Objectives – They measure activities or outputs such as the number of news releases. (This metric has no direct value in measuring the effectiveness of a campaign.)

Example of an Objective

To increase by 8 percent, the ridership of public transportation in the Nairobi City Metropolitan area by workers earning less than Ksh45,000 per year within the first six months of the communication program.

iv. Establish the Strategies

Choosing the right PR strategies will depend on clear understanding of your objectives, target audience and budget allocation. People often confuse PR strategies and PR tactics, but there's a big difference. Strategies are general approaches to achieving objectives while tactics are day to day activities a company implements to carry out each strategy.

Do not indicate specific actions. Use verbs such as demonstrate, collaborate, etc.

EXAMPLE: Demonstrate that riding public transportation is an attractive, affordable alternative to driving.

v. Develop Tactics

Use the knowledge of your goals, target audiences, and key messages to identify the best tactics for your PR Plan. Your PR Plan may include various tactics across multiple platforms and channels from traditional media relations (pitching stories to the press), social media, PR events, digital storytelling and more. It is also good to develop multiple tactics for each objective and target audience, because no matter how carefully you research and plan you cannot be certain a particular tactic will work. In addition, make sure your tactics accurately reflect the image you want people to have of your company.

This will help you know how you will use your resources to carry out your strategy and work toward your objectives.

EXAMPLES: Meetings, publications, news releases, websites, billboards.

vi. Establish Activities with Key Messages

Design your key messages that not only educate and inform but also to change people's perceptions or compel them to take action. Messages should be direct and to the point. Also develop key messages for each of your objectives and target audiences.

Include specific activities required under your tactics to carry out strategies. Ensure that PR activities are in line with the company's brand Informal plans often jump from objectives to activities.

Vehicles or channels you will use to communicate are listed here.

vii. Define Evaluation Process

This is for purposes of measuring results.

Ask yourself these type of questions while making an evaluation process.

How will you know if you are reaching your objectives?

How will you measure an expected outcome?

What are the expected observations to consider?

What opinion is required?

How is feedback given or received?

Before implementing your PR plan, establish Key Performance Indicators (KPIs) to measure progress and achievements.

viii. Determine a PR Expenditure Budget

Budgeting in PR refers to setting up the cost for the campaigns to be carried. This incorporates costs for all the PR activities that are to be carried. It needs one to set up priorities and give importance on being cost-effective. In most cases, it depends highly on budget allocation for PR Budget by the company. In essence, it is prudent to budget on what is available for use.

It is important to put into considerations the goals, objectives, tactics, strategies, targeted and actual activities to be undertaken in order to prepare a good expenditure budget that is all inclusive. Every activity must have a monetary value to it to ensure effective planning and expenditure.

Basic factors that relate to public relations budgeting:

1. Overall income for the PR activities

   These are sales generated, interest and dividends earned from positive image gained from the PR activities
2. Competitive necessity focuses

   It is important to factor competition in order to ascertain company market share in order to create a niche' through the targeted audience.
3. Goal or task model to be followed or used

   This helps to ensure expenditure equals increased income in the long run. As every activity has an expected outcome.

4. Excess profit model to be applied

   This helps to avoid wastage of resources.

ix. Prepare a Timetable and Task List

This should include:

Who does what and when?

Have a work formula. Either work backward from deadline or forward from start date.

3. Implementation

This puts into consideration actual messages sent through stipulated communication channels.

It also includes monitoring tools for execution.

4. Evaluation

At the evaluation stage, you are required to measure effectiveness of the program against objectives.

Identify ways to improve and recommendations for the future.

Adjust the plan, materials and methods whenever needed as a continuous way forward to ensure set PR objectives are met.

Carrying out pr activities

PR practitioners undertake a variety of PR activities throughout the communications life cycle as they seek to identify and build relationships with the media and understand and also influence the conversation about them, their industry and competitors across print, broadcast, online and social media. The PR activities to be carried out should be in accordance with company set PR policy and procedures so that they are measurable.

Activities to be carried out are as follows:

a) **External Communications** – Messages disseminated through paid, owned or earned media to external audiences.

b) **Internal Communications** – Planned messages disseminated to employees through a variety of communications channels, including newsletters, bulletin boards, payroll stuffers, posters, etc

c) **Media Relations** – Dissemination of purposefully planned and executed messages to selected media to further the interest of an organization or person without specific payment to media. This is also known as organic media. Media relations relies on finding and connecting with journalists and influencers who can help amplify messages.

d) **Paid Advertising** – Preparation, purchase and placement of purposefully planned and executed messages in selected print, broadcast, online or social media to further the interest of an organization or person.

e) **Corporate Social Responsibility (CSR)** – Recognition of a corporation's obligations and responsibilities to communities by making monetary and resource contributions to charitable organizations.

f) **Corporate Sponsorship** – Providing support to an event or a cause by devoting corporate resources in exchange for an opportunity to enhance good will, product image and sales.

g) **Lobbying** – Direct attempts to influence legislative and regulatory decisions in government.

h) In Kenya, many organizations tend to voice their opinions in line with political parties or certain politicians to influence government decisions that favor their respective industries. However, in Canada, the Lobbyists Registration Act governs who and how lobbying can be done and in the US, there are stringent lobbying disclosure regulations.

i) **Promotion** – Using techniques such as events, promos, ads and stunts to create and stimulate interest in a person, product, organization or cause.

j) **Publicity** – Information about an organization, person, issue or cause published or broadcast in the news media because of its value or relevance/importance to the community or the media outlet's audiences.

k) **Public Relations Research** – The term public relations research does not describe specific types of research methodology such as content analysis, public opinion polls or readership surveys. Instead, the term refers to any type of research that yields data for use in planning and evaluating public relations efforts. Four basic categories of public relations research activities are most common: media monitoring, public relations audits, communication audits and social audits. Public relations research can be formal or informal, primary or secondary, qualitative or quantitative, etc.

Determining Public Relations Expenditure

In order to come up with an effective expenditure budget it is important to look at the actual expenditure areas.

The expenditure areas to consider in PR are as follows:

1.1 Transportation

This includes all transport costs related to the PR activities being implemented in the department or PR agency engaged. It also includes any applicable taxes, duties, fees and assessments and the **costs** in obtaining insurance in relation thereto.

1.2 Hospitality

This being the relationship between a guest and a host, where in the host receives the guest with goodwill, including the reception and entertainment of guests, visitors, or even strangers. This could mean the actual stakeholders. Therefore, hospitality includes the costs of entertaining the stakeholders involved in the PR activities such as meals, accommodation where needed, hiring of entertainment such as comedians, artists etc.

1.3 Branded merchandise

These are items **that carries a company's logo or brand statement printed on them.** Examples are T-shirts, umbrellas, caps, pens, notebooks, etc. They are used as part of the PR activities and depend on budgetary allocation. They are distributed at little or no price to promote a company brand.

1.4 Personnel expenses

This is the value of expenditure related to the personnel in PR including salary, commissions, allowances, training, payroll taxes, and benefits to be incurred by the department in relation to PR activities.

1.5 Communication

These are costs incurred in the communication process between your company and the stakeholders involved in the PR activities to be carried out. It includes cost of advertising, airtime, data, social media, phones, tablets, laptops etc.

1.6 Exhibitions/shows / activations/open days

This includes cost of registration fees, merchandise to be used, allowances, meals to be paid to personnel during these events. Cost of transport may be included if need be.

Figure 32: **Corporate Social Responsibility areas**



Identifying CSR Areas

CSR refers to the moral and ethical efforts made by a company for the betterment of the society in some way. Now a company can contribute to different types of CSRs to improve the society ranging from donating money to nonprofits or charitable organizations or implementing environmentally-friendly policies in the workplace.

Corporate Social Investment can give you a competitive upper hand over your competitors and help you to build a reputation as a responsible business. Companies should maintain responsible and ethical policies because they will heavily influence the way customers are going to judge them. At present customers prefer to associate with responsible companies and insist businesses get involved in philanthropy.

Different Types of CRS Areas

There are several areas that a company can choose to engage in CSR activities. However, it is important that while identifying CSR activities to ensure they are carried out in accordance with the company's Strategic Plan.

CSR Initiatives are based on four different dimensions:

1. **Economic**

This is crucial in our day to day business activities as it is a necessity required by society. This focuses on practices that facilitate the long-term growth of the business, while also meeting the standards set for ethical, environmental and philanthropic practices. By balancing economic decisions with their overall effects on society, businesses can improve their operations while also engaging in sustainable practices. An example of economic responsibility is when a company modifies its manufacturing processes to include recycled products, which could benefit the company by potentially lowering the cost of materials and also benefit society by consuming fewer resources.

In this context, companies try to find out solutions that can facilitate their business growth and generate profits by benefitting the community and society at large. Here economic decisions are made by considering their overall effects on society and businesses at the same time. Hence, economic responsibility can improve business operations while engaging in sustainable practices. Considering Training and Development programs that explain the connection between the company's core products or services and the society at large, their value to the local community and ways in which employees can get involved in appropriate CSR projects would sustain and direct these initiatives to ensure longevity.

Being socially responsible includes remaining profitable. Businesses support a lot of people, including shareholders and investors, employees and partners. It is socially responsible for the company to thrive and meet its revenue goals. In addition to increasing revenue, businesses need to work to reduce expenses and costs so they can maximize their profits.

However, economic interests are not the only guideposts and should not be viewed in a vacuum. Businesses maintain profitability and minimize expenses by keeping the broader community in mind and not taking any actions to harm it. This means ethical sourcing of products, using sustainable business practices, treating employees and customers fairly, and taking responsibility for business actions.

Sustainability and CSR initiatives will therefore, continue to be prevalent in years to come.

2. Legal

It is important to look at CSR initiatives from a legal perspective as it required by society at large. It is critical for a business entity to follow the laws to the letter. In addition to being aware of local, federal and international laws, companies also need to understand the rules of regulatory bodies for their industries and adhere to the rules and regulations. All businesses have a legal responsibility to do so. For example, if a small business sells toys for children, it needs to ensure that the products meet all safety regulations specified by the regulatory bodies. In addition, it needs to check that any international manufacturers used appropriate materials, since businesses in other countries may have different rules and regulations.

3. Ethical

This area is very much expected by society. In a company, the primary focus on ethics is to provide fair labor practices for businesses' employees as well as the employees of their suppliers. Fair business practices for employees include equal pay for equal work and living wage compensation initiatives. Ethical labor practices for suppliers include the use of products that have been certified as meeting fair trade standards. For example, Lyons Made Ice Cream uses fair trade-certified ingredients like sugar, cocoa, vanilla, coffee and bananas.

Ethical actions define the core values of a business. Instead of merely abiding by the law, a business that focuses on CSR needs to **go above and beyond** that and make choices based on what is right, not just what is legal. For example, if a business pays its employees minimum wage, that action follows a legal directive. However, if an employer chooses to pay its employees more than minimum wage

in the belief that the employees do important work and deserve to be compensated accordingly, that is making a socially responsible decision. In addition to the compensation, employers can offer paid vacation, education and training benefits and health coverage to improve the lives of their employees.

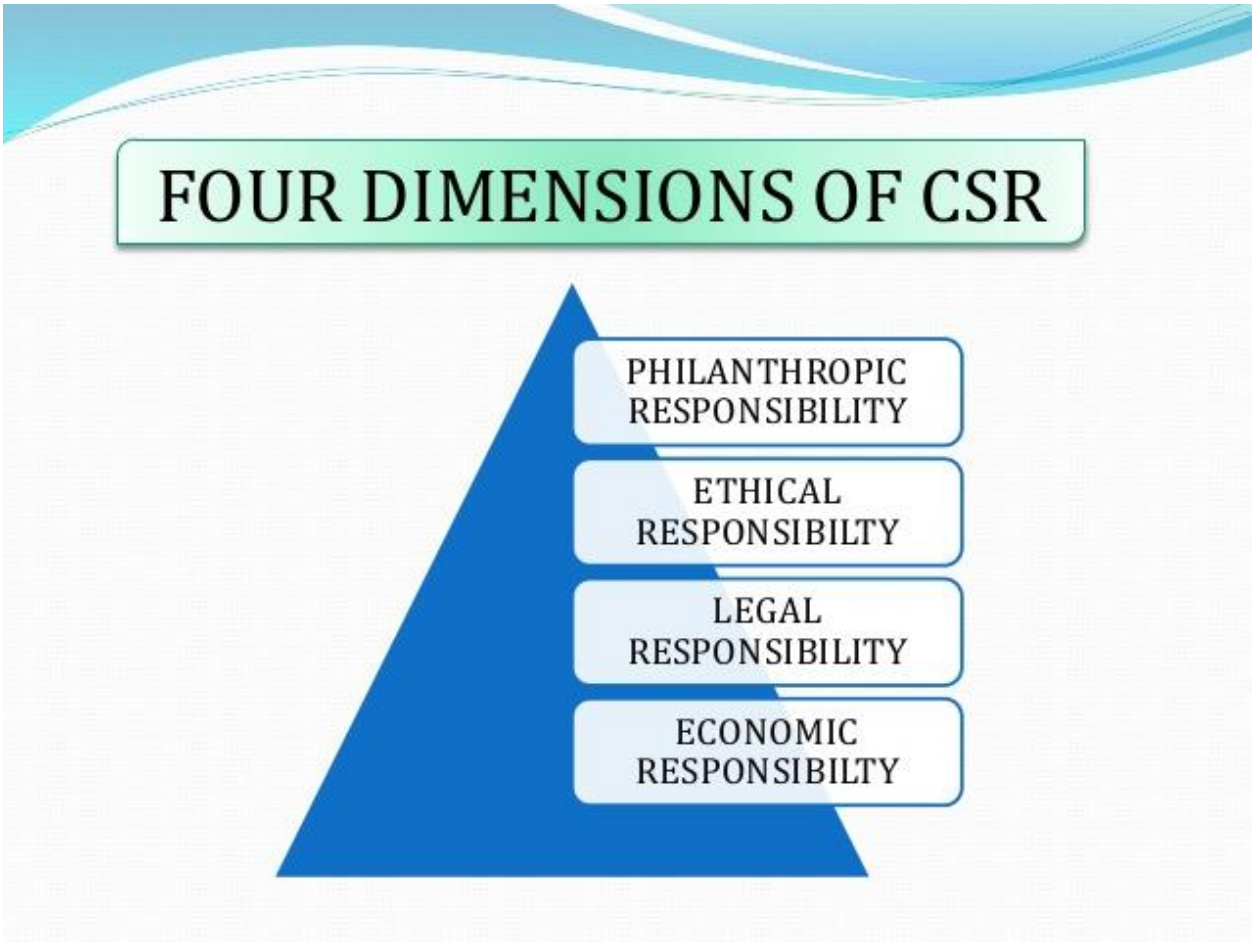
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4. **Philanthropic**

This simply means to serve humanity. It is one area that is desired by the society. This criterion pays attention to the wellbeing of the unprivileged or needy people who require our support to sustain their lives. Companies fulfill their philanthropic responsibility by donating their time, money, or resources to charities and organizations at national or international levels.

A company can take actions that improve the society around them, such as donating money or products and volunteering time. By helping those in need, businesses make a positive difference in the lives of people in their communities

Figure 33: **Four Dimensions of CSR**



The following dimension is a bonus as our modern society has become environmentally aware and putting it in consideration as you carry out business if prudent.

5. **Environmental**

Here, we need to focus on two main areas of our environment: limiting pollution and reducing greenhouse gases. A company is bound to fulfill its economic responsibility because awareness of environmental issues is growing largely among the consumers and today they want businesses to take necessary steps to save our planet and preserve all the lives in it. Companies that are concerned about reducing air, land, and water pollution have increased their standing as good corporate citizens while benefiting society.

Different Types of CSR

Companies running the business organizations must understand that CSR has become a mandatory practice and they cannot ignore or deny it anymore. For companies that are small or medium size and do not have a budget for this, they may encourage their employees to practice CSR from an individual basis that could in turn improve the corporate image of the company. They could support individual initiatives that are within company budget and in accordance to their Strategic Plan.

Corporations, business houses and entrepreneurs can improve their public image by supporting nonprofits through volunteerism and making monetary or materialistic donations to build strong partnerships with their consumers and the community alike. When these philanthropic efforts make headlines and get good media coverage, companies increase their chances of becoming favorable in the eyes of their consumers.

Human Psychology says that consumers feel good and satisfied while shopping at institutions that help the community. It is important that companies take building their image seriously and set out to incorporate CSR in their business strategies to improve a better relationship with the consumers. Companies that demonstrate their commitment to society, humanity, and the environment are perceived as philanthropic and positive which ultimately boost their long term growth and profits. CSR ensures their business sustainability even in the future. Companies that are inattentive about their philanthropic responsibilities and have no CSR strategy will soon stand on the verge of becoming nonexistent.

Dimensions of CSR:

The facets and dimensions of CSR include the obligations a business has to its interest groups also called ‘stakeholders.’ The stakeholders in a business include shareholders / owners, customers, employees, government agencies, social action organizations such as trade associations and financial institutions, etc.

When determining the dimensions for CSR to be considered by any organization, it is important to consider the company's CSR Policy that is in place.

1. **Business ethics**

These are moral principles that act as guidelines for the way a business conducts itself and is transactions. It is also considered as determining Right and Wrong.

Acting ethically means determining what is "right" and what is "wrong" when it comes to business practices. Basic standards exist around the world that dictate what is wrong or unethical in terms of business practices. For example, unsafe working conditions are generally considered unethical because they put workers in danger. An example of this is a crowded work floor with only one means of exit. In the event of an emergency such as a fire, workers could become trapped or might be trampled on as everyone heads for the only means of escape.

2. **Accountability and Transparency**

When organizations are accountable, they understand and accept the consequences of actions undertaken by their legal representatives in which they assume responsibility. Accountability exists in a relationship between two parties where one has expectations of the other, and the other is obliged to provide information about how they have met these expectations or face the consequences of failing to do so.

There are two components of accountability:

- **Answerability** – which means providing information and justification for how one's actions align with expectations; and
- **Enforcement** – which means being subject to, and accepting the consequences of, failing to meet these expectations.

Accountability in an organization is likely to involve multiple parties, it is important there to be clarity about who is accountable to whom and how. The way this

accountability is achieved will generally be set out in an organization's governing documents, such as its constitution, CSR Policy and any laws that apply to it. For example, an NGO may be required to provide an annual financial report to its regulator and the penalty for failing to do this may be a fine.

It is important that the documents and policies that enable accountability are made available to relevant stakeholders. Subject to necessary confidentiality, usually this is done by providing such information on the organization's website, but it should be readily available on request by any stakeholder. For accountability to be achieved, there must be transparency.

Transparency is how values of a company are embodied and demonstrated on a day to day basis.

Organizations are transparent when they enable others to see and understand how they operate in an honest way. To achieve transparency, an organization must provide information about its activities and governance to stakeholders that is accurate, complete and made available in a timely way.

Transparency enables accountability.

This does not mean all information should be made publicly available. There are certain types of information that may not be provided publicly such as private information (such as client records) and 'commercial in confidence' material (such as tender submissions).

An organization should be accountable to the following stakeholders.

- Regulators, police and the courts;
- Government and non-government accreditation bodies;
- Clients and customers;
- Financial institutions such as banks;

- Funders and government departments through funding and service agreements; and other individuals and organizations through contracts for service or employment.

3. Social Economic Development

This is a process that seeks to identify both the social and the economic needs within a community, and seek to create strategies that will address those needs in ways that are practical and in the best interests of the community over the long run. The general idea is to find ways to improve the standard of living within the area while also making sure the local economy is healthy and capable of sustaining the population present in the area. Socio-economic development occurs in neighborhoods in metropolitan areas, sections of smaller cities and towns, and even in rural settings.

There are a number of factors that must be considered as part of any socio-economic development effort. Understanding the current circumstances that prevail in the area is the first step toward regional development. By assessing the potential of human resource in the area, allowing for the current unemployment rate and looking at the laws and regulations currently in place that may be impeding the introduction of new industry into the area. This will then make it possible to begin developing a plan that will ultimately mean more jobs, stable employment for more households, and more money flowing through the local economy.

Socio-economic development may involve making changes in current laws and regulations in order to attract new growth and enhance the standard of living for local residents. Changes in laws can make it easier for new industry to move into the area and offer employment at equitable wages. This in turn can aid in motivating the creation of more services that citizens can enjoy, allowing the area to prosper. With the right type of motivation and improvements to the infrastructure, residents are not tempted to move away in order to earn a living or enjoy desirable services, and there is a good chance more people will move into the area and provide further stimulation for the local economy. While there is no one right way to pursue socio-economic development, the process is essential to preventing decline and the eventual extinction of a community.

When looking at this, it is important to look at the budgetary allocation for CSR activities to avoid engaging in activities that may not be cost effective for the organization.

4. **Environmental**

The environmental dimension considers the environment where the business organization operates in. It is also known as ecological or natural dimension, its objective is the search and preservation of biological scenarios and all the inherent aspects of these.

All companies are subject to environmental laws and regulations regarding pollution emissions, handling of dangerous materials, and protection of natural resources. CSR movements ensures that companies may go above and beyond compliance with the law to make a positive contribution to environmental quality.

5. **Human rights**

They are rights human beings have simply because we exist as human beings. They are not granted by any state. These universal rights are **inherent** to us all, regardless of nationality, sex, national or ethnic origin, color, religion, language, or any other status. They range from the most fundamental; the right to life - to those that make life worth living, such as the rights to food, education, work, health, and liberty. Companies are expected to adhere to this even when coming up with CSR activities or even how they treat their employees and other stakeholders.

6. **Workers welfare**

It is an **important aspect of industrial relations** which looks to give satisfaction to the worker in a way that even a good wage cannot. Welfare programs are aimed at promoting the physical, psychological and general well-being of the working population. Each company is expected to put one in place for its workers. This helps in employee retention.

7. **Market relations**

This includes the relationships between various stakeholders in any business network, such as those between employers and employees, employers and business partners, and all of the companies a business associates with.

Market relations may also include a long list of customers, suppliers, sales leads, potential customers, banks, stockbrokers, the media, and service providers. They can also involve county, state, and governmental agencies. Essentially, market relations are all of the individuals and organizations with which a business is connected or expects to have a connection, whether internal or external.

- Market relations may include customers, suppliers, potential customers, banks, stockbrokers, the media, and service providers.

  County, state, and government agencies are also included in a company's market relations network.

- Social media, as an integral part of market relations, can give users and companies a competitive advantage and therefore improve business performance.
- Trust, loyalty, and communication are hallmarks of solid market relations.
- Effective market relations include communications strategies that can lead to greater employee satisfaction.

8. Sustainable development

This is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of needs goes beyond simply material needs and includes values, relationships, freedom to think, act, and participate, all amounting to sustainable living, morally, and even spiritually

CSR TARGETED BENEFITS

Every company should consider the benefits targeted from the CSR activities being undertaken by putting into consideration the CBA. This is to ensure that the activities will bring the expected gains in a cost effective manner that lead to a win-win scenario.

1. CSR initiatives can be the best way to contribute to the society and its people. Through local or national charitable contributions businesses can help the society. Businesses can get involved in the society and help it to progress by taking social initiatives on behalf of the company such as investing in education programs for the poor and street children and homeless care activities for homeless people or refugees. They can support a local charity making financial contributions in effective charitable projects. If you are a restaurant owner, you may provide food to local homeless groups or to orphanages free of cost.

2. Businesses can pay attention to material recyclability, develop better product durability and functionality and use more renewable resources at lesser costs to keep the environment as clean as possible and contribute to the ecology of the country.

3. CSR is the way to show the human face of your business. Businesses deal with humans so you can only connect with them through human language by showing some humanity. For most businesses, it makes sense to get involved in progression of the community solely, depending on CSR initiatives related to your product or service.

4. CSR is the thoughtful and practical way to give back to the society. When businesses are walking extra miles to do good to the people, do good to the environment and society.

5. When businesses decide to make positive contributions to the society they are actually benefitting the company in the process. The companies benefit through lower operating costs, increased sales and customer loyalty, greater productivity, gaining ability to attract and keep skilled employees, getting access to more capital through more willing investors etc.

6. CSR has strong and direct impact on business performances as well. Sales are likely to go up by at least 9%.

Contributing to social value has become the first and foremost condition to creating a successful business. Companies need to establish themselves as socially responsible and good corporate citizens to add greater value to their business.

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SCOPE OF CSR

The scope of CSR is conceptually quite unbound at the present time in Kenya. The debate between the private sector, civil society and governments focuses on a few key issues as there is no single commonly accepted classification of the main components of CSR. Often, CSR is related to: Environmental protection, human rights, community development, enterprise development, health promotion, and human disaster relief amongst many more. Selection and focus for different businesses is reliant on the Strategic Plan fit required by the concerned organization. Therefore, when determining the scope of CSR. It should be done in accordance with the budget allocation to maintain a balance.

It is important to note from our above study, the benefits of adopting CSR policy are worthwhile and is the way for the futuristic business model.

Learning Activities

Field Visit

Table 3: Field visit to a nearby Investment Company

Visit Objective/Aim	**Indicators**	**Special Instruction**
To establish their PR Needs	**- Sales module they use** - Relevant PR budget -PR plan being implemented by the company	**Must have evidence of the actual visit such as photographs**
Ascertain the CSR activities they undertake.	**- Detailed contents/information contained.** **- Authorization by PR officer**	Written Report must be authorized by PR officer

Practical activities

Develop PR plan targeting middle income earners with a view to increase sales of the company product by creating awareness of company CSR activities undertaken in the community.

A case study

Carefully read the case study presented in this excerpt and answer questions that follow.

The Grace Well Ltd., an international company that deals with sale of locally made clothes in Kenya has been struggling with making sales. Their desired target market is young families that have young children. In their area of

operation, they are facing competition from mtumba vendors. Assume they hire you as PR agency to assist in branding and boosting their image in the Kenyan market.

Required:

Which are the critical issues you will need to consider while evaluating PR activities for this company to undertake?

Develop a PR plan for them that will help them meet their desired goal which is to increase sales.

Self-Assessment

1. Why is carrying out a research important when determining the PR activities?
2. What is CSR?
3. How do you implement CSR?
4. What are the tools to communicate CSR Activities?
5. Why do you need a PR Expenditure budget?
6. How can you measure the benefits of CSR?

Tools, Equipment, Supplies and Materials

The following resources are provided

- Computers
- Internet connectivity
- Printer
- Projector
- Camera
- Tablet
- Mobile Phone
- Classroom and classroom resources

- Stationery
- Sample logo designs
- Print media

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Self-Assessment Responses

1. Why is carrying out a research important when determining the PR activities?

   Because it establishes a foundation for a public relations plan. Research allows public relations professionals to learn and understand an organization, its goals and its target market.

2. What is CSR?

   It is the act of incorporating environmental and social concerns into a company's planning and operations. This helps the company to be socially accountable to itself, its stakeholders and the public.

3. How do you implement CSR?

   As the company has defined its key stakeholders, you should determine what your company wants to achieve through relations with each chosen groups, and accordingly look for activities to achieve these goals. You should measure the activity with properly selected

indicators whether a given activity is for your benefit or not. Then, you should be continuously monitoring and evaluating your CSR activities.

Examples of each step in the implementation of CSR			
Key Stakeholders	Goals	Activities	Indicators
Investors	Transparency	Provide reporting on CSR (use of quantitative and qualitative indicators as methodology of its creation)	Validation report by certified CSR auditor
			Number of published indicators
Customers	Increase customer satisfaction and loyalty	Customer Care development	Customer Satisfaction Index
		Expanding after-sales service	Number of loyal customers
		Emphasis on quality of products and services	Number of complaints
Employees	Allowing reconciliation of work and personal lives of employees	Flexible working time	Number of alternative working modes
		Work at home	Number of actively participating employees on parental leave
		Engaging employees on parental leave in corporate activities	
Local Community	Community support in place of business	Corporate giving	Financial or material contribution
		Corporate volunteering	Number of awards
		Community education	Feedback from local community

Environment	Minimal burden on the environment	Sorting waste	
		Utilization of waste	Water purity
		Double sided printing and copying	Amount of emission
		Use of environmentally clean fuel	Quantity of unsorted residual waste
		Gentle handling of water and electricity	

4. What are the tools to communicate CSR Activities?

   They are posters, meetings, newsletters, emails, payroll stuffers, press releases, news conferences, billboards, websites and publicity. Sponsorships, product placements, and social media also generate a lot of positive PR

5. Why do you need a PR Expenditure budget?

   - ✓ **Have costs in perspective**
   - ✓ **Helps to set up priorities**
   - ✓ **Gives importance on being cost effective**
   - ✓ **Helps to measure outcome in monetary terms.**

6.How can you measure the benefits of CSR?

CSR is perceived as an investment in intangible assets of the business, which can be evaluated using indicators. In the long term view CSR activities could provide measurable financial benefit as well (see examples in the table).

Intangible Assets	Evaluation using indicators	Long-term measurable manifestations
Good reputation	Questionnaire survey	Strengthening the market

		position
	Group discussion	Possibility of new business opportunities within local partnership
	Widely in the media	Getting socially sensitive consumers as new customers
		Streamlining risk management
Customer satisfaction and loyalty	Customer surveys	Strengthening the market position
	Number of repeated orders	Increased turnover
	Number of complaints	
Business flexibility (creativity in bringing new products, services or processes)	Number of product or service modification	Expansion of product range
	Added value of the product or service	Increase in market share
Satisfaction and workforce skills	Employee survey	Higher motivation, satisfaction and performance of employees
	Number of off-site day	Lower employee turnover
	Number of trained employees	Greater opportunity to recruit new employee
Ecological corporate culture	Power consumption	Opportunity to bid for tenders of large corporation or public administration
	Percentage of recyclable waste	Obtaining environmentally sensitive consumers as new customers
	Amount of emission	Increase in eco-effectiveness

		(reducing the negative environmental impact on a product)

4.2.2 Learning Outcome 2: Maintaining Stakeholder's Relationship

Introduction to the Learning Outcome

This learning outcome specifies the competencies required to identify stakeholders, develop stakeholders register, maintain stakeholders' communication, Analyze Stakeholders feedback, carry out response to stakeholders' feedback and maintain stakeholders' register.

Performance Standard

2.1 The Stakeholders are identified and categorized in accordance with the stakeholders' policy.

2.2. Stakeholders register is developed based on stakeholders' information and other reliable sources.

2.3. Stakeholders' communications are maintained as per organization procedures.

2.4. Stakeholders feedback is analyzed in accordance with procedures.

2.5 Response to stakeholders' feedback is carried out according to procedures

2.6. Stakeholders' register is maintained as per organization procedures

Information Sheet

Definition of Terms

- Influencers: Are people or groups that are not directly related to the use of the project's product, but can influence, due to their profile. They can be positive or negative influencers.
- Feedback: Positive or negative (including complaints) observations related to services and/or supports that are provided by SPC. Feedback may be solicited (such as information and comments collected through a satisfaction survey or a comment box) or unsolicited (such as a letter from a person or family member). Feedback may be formal (like the survey or letter noted above) or informal (such as a verbal complaint expressed to a staff person)
- Shareholder: Is a business owner. Can be the sole owner in a sole proprietorship or stockholder in a company where they own one or several shares in that

business.

- Stakeholder: Is an individual, group or company who is impacted by the outcome of a business/project of a company. It could be positive or negative impact. These include employees, customers, suppliers, shareholders, communities, government and even trade associations.

- Stakeholder Analysis: Is a technique to identify stakeholders and their needs in a company, system, project or other processes.
- Stakeholder Identification: is the process of finding all the individuals, groups and organizations that can affect or are affected by the achievement of the objectives of an organization.
- Stakeholders' Matrix: Is visualization where the stakeholders from the stakeholder analysis are plotted in a matrix. The matrix assesses the stakeholders in terms of power and interest.
- Stakeholders' Policy: Is the course of action adopted by an organization as a commitment to be good citizens to its stakeholders. It honors the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages cooperation constructively in matters that interest stakeholders, and takes part in developing society and environment so that Company continues developing its business sustainably.
- Stakeholder Register: Is a document that contains a list of external and internal project stakeholders.

Introduction: stakeholders

In business perspective, stakeholders are important because they affect major changes within a company, from financial decisions to how an organization runs. Therefore, it is important to identify them from an early stage to ensure smooth running operations. Stakeholders are the people who play a direct role in shaping a policy, business practice or decision that negatively or positively helps in the operations of a business.

Stakeholders usually have a vested interest in a company, and these interests can be intellectual, social, financial or environmental.

Identifying a stakeholder's interest and involving them in a business gives the organization more ideas to work with, creates new partnerships and gives a company support from the outside. In a publicly traded company, stakeholders make up the board of directors and directly influence major decisions about staff and investments as well as minor issues concerning policy and management.

On another level, stakeholders are customers and employees, providing revenue from using an organization's services as well as the manpower to create those services.

Investors and large-scale stakeholders are a company's watch dog, analyzing financial data and making decisions to correct its course, monitoring business policies and bringing issues based on vital interests to the table.

HOW TO IDENTIFY STAKEHOLDERS

Stakeholder Identification being the process of finding all the individuals, groups and organizations who can affect or are affected by the achievement of the objectives of an organization. All these parties are forming a force field surrounding an organization.

SI is part of stakeholder management and forms the basis for stakeholder analysis and is often seen as the first step of it. When carrying out SI, it is important to know and understand the organization’s SP that is in place. As it guides the scope of the stakeholders to be considered.

Stakeholder Analysis Plan

It’s essential to map the various stakeholders because they might have a significant impact on the success of an organization, project or other process. Conducting a stakeholder analysis via a stakeholder map tool or a template as a fixed part of effective stakeholder management. There are three steps that can be followed in the stakeholder analysis.

1. **Identify all stakeholders**

To be able to communicate with the stakeholders, they must first be identified. Therefore, it is important to make sure that both the primary and secondary stakeholders have been identified. When making a list, think of everyone who might have influence on or might be influenced by the project. People who benefit from the success or failure of a project or organization are also important.

- Who might have a negative impact on the success of the project or organization?
- Have both the supporters and opponents been identified?

- What is the relationship between these stakeholders?
- Major Stakeholders in any business organization are as follows:
- **Customers**
- This is a person or organization that buys a product or service from your business. The main goal of attracting customers is to make them purchase what is being sold and also encourage them to keep coming back for what is called repeat sales. The relationship with this stakeholder is mutual. The customer gets their needs met while the business benefits through sales and profits made.
- **Shareholders**
- These are business owners. It can be sole owner in a sole proprietorship or stockholder in a company where they own one or several shares in that business. They are the ones who fund the business by injecting capital. This can be done by buying shares in the company or by having a business idea and actualizing it by yourself.

- **Employees**

- These are the people a company hires and pays to work in that business. They are in different levels such as managers, receptionists, accountants, messengers, drivers, marketers etc.
- **Suppliers**
- Are people **or businesses that provides a product or service to another entity.** The role of a supplier in a business is to provide high-quality products from a manufacturer at a good price to a distributor or retailer for resale.
- **Government agencies**
- These are administrative units of national, regional or local governments that are tasked with specific responsibilities
- **Social action organizations**

They are action oriented organizations, usually as a part of an organized group or community to create positive change. Often they have led to noticeable change in society as in the case of Civil Rights Movement. Some advocate for better pay for workers, perseveration of the environment etc. Examples are; The Greenbelt Movement, Trade Unions etc.

2. Assess the stakeholders and sort them by influence

When the stakeholders have been identified, it's important to sort them based on their impact and power. The groups of stakeholders can subsequently be divided across the stakeholder matrix. This will be explained in the next section.

3. **Understand the stakeholders**

It's important for the project manager or business manager to know what the stakeholders think of a project, and what they like or dislike about it. This enables the manager to develop a perspective on what the stakeholders expect to gain from the project.

The information that is gained here is used to get an idea of exactly which stakeholders exert how much influence, and how these stakeholders can best be handled. After all stakeholders and their interests and influence have been established, these can be included in the stakeholder matrix.

Stakeholder Matrix

The stakeholder matrix is visualization where the stakeholders from the stakeholder analysis are plotted in a matrix. The matrix assesses the stakeholders in terms of power and interest.

Power

Meet needs	Manage closely
Monitor	Keep Informed

Interest

Figure 34: **Stakeholders matrix analysis**

Stakeholders Matrix Analysis

a) **A lot of power, a lot of interest (manage closely)**

These stakeholders should be involved in as many activities as possible and great effort should be put into keeping this group satisfied.

b) **A lot of power, less interest (meet needs)**

These people should be kept satisfied, but not too much information should be shared with them that they're not interested in.

c) **Less power, a lot of interest (keep informed)**

These stakeholders should be kept informed, because they can often offer creative ideas or other input thanks to their interest or stakes in the project.

d) **Less power, less interest (monitor)**

This group of stakeholders should be monitored, but it is not necessary to deploy a lot of resources to keep them happy.

How to Maintain Stakeholders' Communication

You must come up with a plan on how to continuously maintain communication with stakeholders as per company set procedures. This plan describes your strategy for providing the right information, to the right people, in a useful format, with the proper frequency. The knowledge gained about stakeholders during the Stakeholder Identification and Stakeholder Response Development steps will inform the communication strategy for each person or group. The mere act of consciously planning communication can transform stakeholder management from reactive to proactive.

Stakeholder consultation and engagement typically follows a recognized three-step process:

- ✓ Notification
- ✓ Consultation,
- ✓ Participation.

The public has the right to be concerned about your project, to ask questions about it, and even to oppose it. But every person should have the correct information to form her or his opinion.

Meaningful consultation that involves ongoing two-way communication with a project representative increases understanding, clarifies the community's preferences and values, and allows the proponent to understand how the public's views can and should lead policy decisions. However, organizations often struggle with communication with their stakeholder groups.

Factors that negatively influence communication include:

- Not understanding how to set up a stakeholder engagement project so it effectively communicates the organization's intentions
- Suffering from a lack of focus when engaging stakeholders – and failing to define the 5 W's (who, what, when, where, and why)
- Having the wrong person representing the organization. This can be someone who is inexperienced or whose strengths lay outside the field of communication
- Company and stakeholder groups involving multiple representatives that change over time. Relationships get lost and communication history, or commitments that were made can be forgotten.

Effective Communication Strategy for Stakeholder Engagement and Maintenance

1. Make sure all information regarding your project is presented in a transparent way. The more you share in an honest, factual and easy to comprehend format, the more likely it is that stakeholders will take the time to comprehend your intentions, what their role is, and how it may affect them.

2. Communicate with stakeholders in the manner that works best for them. Recognize that each person or community is different and select the most suitable communication channel – email, online platforms, social media, phone, or in-person group meetings. People should be offered a variety of options to communicate with you and provide their input.

3. Do not judge what your stakeholders value, instead seek to understand why. Keeping an open and curious attitude will help your team understand the history and concerns of your stakeholders. This open, curious attitude will help both sides reach creative solutions to overcome roadblocks, aligning values and interests in the process.

4. Provide feedback to stakeholders on how their interests and issues are addressed and resolved. Track commitments made to them and ensure project team members coordinate consultation events, share information, and assign tasks and follow-up actions.

5. Keep a careful record of all aspects of stakeholder communications that occur over time. This includes meetings, phone calls, emails, and commitments made. Misunderstandings and delays can be prevented if you can easily demonstrate the history of all aspects of communication with your stakeholders which is especially challenging with multi-year projects that where representatives change over time.

Detailed consultation will identify a community's views on your project and how this perception changes over time. It will allow you to anticipate issues and develop ways of addressing them. Ultimately, it will help develop trust and generate solutions with your stakeholders and rights-holders.

Analyzing Stakeholders Feedback

It is important to analyze feedback from the stakeholders as part of the evaluation process. This is done in accordance with the company procedures. This is for purposes of tracking whether the set goals and objectives are being met and for continuity and implementation of any needed change or improvement in any particular area.

Stakeholders' feedback is the best way to find out what they think about your product or service. Whether it is in the form of survey responses, social media mentions, product reviews, or chats with the customer support team, listening to the voice of your customers should be a central part of any business strategy.

Analyzing customer feedback provides valuable insights for product improvement, and leads to a better understanding of your customer's needs and expectations. And when you monitor feedback on a regular basis, you can measure customer satisfaction over time to see if your business is going in the right direction.

Stakeholders' Feedback

This refers to the information and opinions provided by stakeholders about a product or service. You can get feedback from different sources: surveys, social media, product reviews, chat interactions with your customer support team, among others as set in your PR plan.

For companies, understanding what their clients think is key for providing the best customer experience possible. By analyzing feedback, you can find out which aspects of your business are working well and which ones require improvement, and use those insights to make data-driven decisions that align your product or service to your customers' needs.

What are the Benefits of Gathering Stakeholders' Feedback?

Collecting and analyzing customer feedback has a number of benefits:

- it can help you measure customer satisfaction,
- improve your product or service,
- show your customers that you care about their opinions, and much more.

Measure Customer Satisfaction

Reaching out for customer feedback consistently is the best way to measure customer satisfaction. We all know how it goes: the happier your clients are, the more likely they'll stay loyal to your brand and help you attract new clients through recommendations. In fact, 77% of customers say they would recommend a company to a friend after having a good experience.

Analyzing what your customers say about your business can help you understand what drives customer satisfaction. Often, customer service plays a very important role

in this. According to a Microsoft report, 56% of customers say they have stopped doing business with a brand due to a poor customer service experience.

Improve Products and Services

Customer feedback comes directly from the people who are using your products and services. Therefore, it can provide many insights that help you improve particular features and the overall customer experience.

At the same time, customer insights can help you understand client behavior by showing you how they interact with your product or service. What features do they find most useful? What are the main issues they have while interacting with your product? Are they suggesting new functionalities?

Making improvements based on customer feedback allows you to create products and services that really solve your clients' needs.

Show Customers that their Opinions Matter

Customers want to be heard. In fact, 77% of customers have a more favorable view of brands that ask for and accept customer feedback.

By asking your clients for feedback, you are letting them know that you care about their opinions and ideas. This helps build trust and strengthens their relationship with your brand.

However, you need to make sure that you take action on that feedback. If a customer complains about a flaw in your system, for instance, you should try to fix the issue as soon as possible, and send a follow-up message to let them know that you've listened and taken care of the issue.

Improve Customer Retention

For a company, it costs 5 times more to acquire new customers than it does to keep the existing ones. This proves that focusing on customer retention is an effective and profitable business strategy. Getting feedback is a great way to find out which aspects of your business are making your customers happy or unhappy. This builds better relationships with other stakeholders as the business ends up being profitable for everyone.

Perhaps you are taking too long to respond to customer issues, or you're not solving their problems effectively. By analyzing this feedback, you can prevent customer retaliation, as it enables you to take action on the aspects that your clients are most frustrated with.

Make Better Data-driven Decisions

By gathering and analyzing both quantitative and qualitative feedback, you can get actionable insights and use them to make smart data-driven decisions. For example, you can decide which areas require more investment, validate a business strategy (or not), or innovate based on customer requests (develop a new feature, for example).

Discover New Opportunities

Please note, whether you are doing marketing research, following new trends within your industry, or trying to find new areas for growth, examining customer feedback can help.

There's a lot of public feedback available on product review websites, forums, or social media channels. You can easily take a look at what customers are saying about your competitors, identify new business opportunities, and find out more about your clients' preferences and practices.

Organize and Categorize Feedback

Once you collect feedback from the targeted stakeholder, the next step is to organize and categorize the results. By turning unstructured data (which can be quantitative, qualitative or a mix of both) into meaningful and actionable information, you can understand what they are saying about your business and use those insights to make better business decisions.

Analyzing quantitative feedback is about the numbers; the bigger challenge resides in finding the most effective way to analyze qualitative data, especially when you have to deal with large volumes of *open-ended responses.*

Analyzing Quantitative Feedback

Quantitative customer feedback can be gathered from surveys with closed-ended questions. These survey responses provide hard facts and show a broad overview of the customer's opinions and motivations.

Quantitative data is expressed in a numerical way and reflects concrete and quantifiable aspects of a business, for example the data you collect might tell you the percentage of customers that would recommend your company, or how many clients gave low scores following their latest customer service interaction with you.

When it comes to analyzing closed-ended questionnaires, assigning a numerical value to each response (a process known as 'coding') allows you to turn that data into indicators, metrics, data tables, and graphs.

For example, you might notice that most of your Detractors mention negative experiences with your customer service. Cross-tabulation can easily be done using an Excel spreadsheet, the results of which you can export to a data visualization tool to present in a more attractive way

How to Categorize Feedback?

Categorizing feedback provides a sort of structure to the data, and makes it a lot easier to understand the main topics your stakeholders are referring to.

However, there's no standard way to tag feedback: the right solution will depend on your goals. What kind of insights would you like to get from your feedback analysis? Are there any specific problems that you would like to address?

A useful way to organize customer feedback is by splitting it into three main categories:

- *Product,*
- *Customer Service,*
- *Marketing & Sales.*

Then, within each of these main categories, come up with subcategories by scanning your data. For example, subcategories for product feedback could be *UX/UI, Bugs or Feature Requests,* while for customer service you could use tags that reflect common issues raised by users such as *Account, Billing, or Usability.*

Product feedback can be put into 3 categories: *Reliability, Usability, and Functionality.*

- **Reliability**: feedback about performance issues, bugs, downtimes, incidents, or things that aren't working as expected are tagged with this category. For example, "X isn't working".

- **Usability**: feedback related to how easy (or difficult) to use is the product, how easy it is to navigate, etc. For example, "Not sure how to do X".

- **Functionality**: feedback about specific features within the product. “I Wish X did Y” You can consider the way customers ask questions concerning a certain type of issue and then classify their feedback into three categories:
- **User Experience Issues**: customers asking how to get things done with your product. This includes questions like “How do I customize this feature?” or “I tried to customize this feature and now everything is broken”.

- **Product Marketing Issues**: questions related to what things your product can do. “Can I use your product for this?” or “How do you compare with this other product when it comes to doing this?”.

- **Positioning Issues**: customers asking if your product is for them. Questions starting with “I’m probably not your target customer…” or “I’m sure I’m wrong but I thought your product might be able to help me solve this problem…”

How to carry out responses to stakeholders’ feedback

It’s a learning opportunity for an organization, whether the feedback received is negative, positive, neutral and sometimes even irrelevant. This is because you get to see the business through their eyes and that brief glimpse can change the course of the relationship for better. The direction it will take depends on how you handle the situation. Response to any stakeholders’ feedback is to be carried out according to company procedures.

It is therefore important to respond to feedback before they drive your customers away. Responses should be:

- ✓ Polite and respectful
- ✓ Apologetic
- ✓ Precise and to the point

- ✓ Must be prompt. (It is advisable to respond within the first 72 hours of receiving the feedback where possible.)

How to Respond to Negative Feedback

Responding to negative reviews is difficult. Bad reviews can be hurtful. Sometimes they can hurt the organization. It's natural to get upset, but when you have lost your composure, or if you feel like retaliating, it's wise to step away from the situation. You can't let your emotions dictate what you're going to write in your response to a negative review.

It is good to note that when the feedback is negative, as a business's focus more on engaging directly with the customer, showing the willingness to understand and sympathize with their experience, and offering them an easy way to access the business — usually including direct contact information.

Notice that while businesses do apologize, that's a relatively small part of the response (13 percent)—and that makes sense: it can come across as unprofessional to be overly apologetic. Instead, brands focus on their commitment to service and "next steps" (e.g., how a consumer can contact them directly).

1. **Take responsibility**

Don't make excuses. Even if what happened was an uncommon instance, an isolated case, an unfortunate incident, an off day — acknowledge the customer's experience. At the same time, provide reassurance that you hold yourself to high standards.

- **Make things right**

Avoid responses that do not resolve or address any specific issues raised in the review. Be as specific as you can about the customer's experience, and communicate

any changes or improvements you have made or will make as a result of their feedback.

2. Take the issue offline

It's best for you and your customer to talk directly about the problem they had and take the issue offline. For this reason, brands will provide direct contact information for their customers in their review response.

2 Ask for a second chance

Do not shun negative reviewers; extend a hand. Invite them to come back; when they do, welcome them with open arms.

Not only does this create an opportunity for you to change the conversation; it also establishes confidence in your ability to deliver an experience worth raving (instead of ranting) about what you can say

Identify people in your organization who will be directly involved with responding to bad reviews. This is actually complicated, because reviews live at the intersection of marketing, operations, social media, and customer service. There are a lot of stakeholders.

Typically speaking, we see that branch or location managers, social media teams, marketing teams, and customer service staff are typically the people who are put in charge of review response.

Clarifying who is in charge of responding to reviews is important not just because it simplifies the process—it will also increase your review response time, a key customer success metric.

Whoever steps up as the head of your review response program should understand the guidelines of each review site, be able to transform the collected feedback into valuable insights for your company, and — perhaps most important of all — display the right tact needed to address complaints and represent the brand well.

Create a review response policy

If you operate in multiple locations, chances are more than one person will be assigned to respond directly to online reviews.

This makes it crucial to have an organization-wide policy that guides how your company should proceed whenever new customer reviews are posted online.

Your policy should cover things like what language and tone you should use, what the timeline is for getting back to customers, with whom the reviews will be shared in your organization, when do escalations become necessary, what the ideal response rate is, and other items that may affect how your company handles reviews.

How to Respond to Positive Reviews

Positive reviews are likely not to drive your customers away like bad reviews do. So why respond? The short answer is: responding to a positive review directly translates to seizing an opportunity.

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Ways to come up with the Right Review Response: Positive Reviews

1. Say thank you

Show appreciation for the customer who took the time to share their positive experience. After all, great reviews and high ratings serve as powerful social proof for attracting new potential customers and influencing their decision-making process.

Your customer in this instance has given you a free marketing exposure to other stakeholders.

2. Reinforce the positive

Often, positive reviews cite specific things that the customer liked best about their experience. Identify them — then mention them in your response. This lets you do some subtle marketing and hype up a specific product, service, or feature.

3. **Pass along the compliment**

When the reviewer mentions someone at the business by name, always pass along the compliment.

4. **Let customers know you would love to see them again**

Make happy customers feel welcome by extending an invitation for them to return. This does two things: first it turns *customers* into *repeat customers*. And secondly, it shows other online users that yours is the kind of business that people come back to.

5. **Mention other products or services**

You have to be careful with this last step as you don't want to come off as pushing a product to the client in an obvious manner.

That said, the savviest replies often include some mention of another product, service, or feature worth trying.

Practices to consider When Responding to Positive Reviews

Respond publicly

Your response to a positive review may be intended for one specific person. But on websites like Google, Facebook, Yelp, and TripAdvisor, thousands of other people will be reading what you write.

So don't limit yourself to sending private "thank you" messages to customers. Seize the opportunity to reinforce the positive and show the world how much you care about reviews (good or bad).

Share the review with your team

There's nothing like anecdotal evidence to show your team exactly what makes customers happy; by sharing the review, you encourage more of that behavior.

This also has the effect of boosting employee morale, so be sure to share the positive review (and your support) for your team's success.

Share the review with the world

If you consistently receive 5-star ratings and glowing reviews on online review websites, don't hesitate to show them off. Handpick your best reviews and share these on social media. .

Please take note that the impact of user-generated content, such as that found in reviews, is more powerful and effective than loud sales messages or promotional brand content.

How to Respond to Neutral Reviews (3-Star rating)

As you might expect, neutral reviews usually combine positive comments with negative feedback — which means that you'll have to take what you can from the previous two sections and determine review response techniques most applicable to your situation.

Oftentimes, however, 3-star reviews are brief and lack details. They happen because customers don't feel strongly enough either way to describe their experience in great detail.

Coming up with the Right Review Response: Neutral Reviews

1. As always, say thank you

Before you write out the rest of your neutral review response, start the right way by showing appreciation for the time the customer took to write the review.

2. Reinforce the positive

If the 3-star review contains positive feedback, be sure to call attention to it by mentioning it in your response: "We're glad to hear that enjoyed _____."

Even if the review includes a critical comment, start your response with an affirmation of the review's positive aspects.

3. Address the negative

If you receive a neutral review with negative feedback, acknowledge the specific issues the customer had with their experience. You may also issue a short apology and provide a brief explanation on what happened.

4. Take it offline

If you're asking the customer for more details, do so with the intention of taking it offline. That way, you can investigate the situation more thoroughly while preventing details of a possibly negative experience from becoming public.

This type of response will work because it reinforces the positive ("So glad you enjoyed the cupcakes and liked our jewelry…"), while also providing information that's useful to the customer who wondered about the price, as well as to readers of

the review who might be curious why the nail salon's prices are slightly higher than that of her competitors. The response also gives an idea of the great lengths the business goes to in order to provide quality services and products.

How to Respond to Employee Reviews

Crucial to the success and growth of any organization is its ability to attract and retain the best talent. That's why it's so important for your leadership and HR teams to embrace, instead of fearing online reviews and public employee feedback posted online or even on company response platforms.

Don't miss out on the opportunity to show current and prospective employees that your company is open to and appreciative of feedback, values the employee experience, and is constantly working towards make the work environment better.

Coming up with the Right Review Response: Employee Reviews

Respond in a timely and organized manner

The first step to responding to reviews is developing an organized way to do so. Timeliness is crucial: whether it is once a week or once a month, find the most appropriate timeframe that works for your team's bandwidth.

Show your appreciation

When responding to employee reviews, make it a priority to thank the reviewer, regardless of whether they're singing your praises or highlighting areas for improvement.

Respond professionally and with authenticity

The strongest responses to employee reviews show respect for the reviewer by addressing feedback in a way that's professional and authentic.

Take action

Correct any organizational problems discussed in online reviews or otherwise posted by your employees. By using their reviews to improve the employee experience, you can build not only a stronger employer brand but also a happier and more productive workforce. Do not victimize any employee especially if they have given a negative response.

Ask for more feedback

Asking for more details can be tricky when you're dealing with employee reviews which are anonymous but where the identity is known, please do so. You'll want to respect that anonymity and encourage the reviewer to give private feedback to your HR team.

For example, an employee may feel comfortable offering negative feedback about their boss while on using an anonymous platform, but not in person. Direct them to your HR team so that you can get more details about their experience, but make sure they also feel comfortable. They must be assured that they will not be victimized in any way.

Responses to Negative Employee Feedback

When you give your employees a chance to give you their feedback, there is a good chance that some of them will be negative. Instead of getting defensive, you must handle negative employee feedback in a better way.

Ways to Respond to Negative Employee Feedback

Don't React Immediately

When you get negative feedback, understand that employees are pointing out flaws and issues with management. Don't consider it a personal attack.

When you receive negative feedback, don't rush into responding right away. Take a breather and relax. This ensures that your emotions don't get the better of you. You don't want to say something to your employees that you will regret later.

Ask the Right Questions

To fully understand the employee feedback survey, you need to ask the right questions. When you get the feedback, ask:

- Is the feedback factual or not?
- Are there any instances to support the negative feedback?
- How can you change things to resolve the mentioned issues?

Focus on Important Issues

Don't try to fix everything at once. Focus on a few key issues that were repeatedly raised by the employees.

Gather as much data as you can for the issues you want to focus on. There is no right or wrong way to choose what you want to focus on first. You can choose either issues across all the departments or the top problems that each department faces.

Clarify with Employees

Before you take steps to work on the issues, get clarification from the employees. You and the employees may have different ideas about the same thing.

For example, the employees say they are not happy with the flexibility offered at work. You might think they want to choose their working hours, but maybe they want the option to work from home few days a month.

Speak with Actions

Show your employees that their feedback matters. There would be no point of asking for feedback if you don’t work on resolving the issues.

Come up with solutions that you think would work best. Schedule a follow-up meeting, and discuss if those solutions would work. Brainstorm with your employees, and discuss potential solutions to the raised concerns.

Listen and acknowledge their suggestions, and implement their ideas if you think they would be effective. This gives your employees a sense of ownership and will also increase employee engagement levels.

How to give positive feedback

Positive feedback is a form of evaluation that focuses on an employee's strengths and accomplishments. When you provide positive feedback, you are telling your team members what they're doing correctly and should continue to do. Negative feedback is the opposite, as it focuses on what they did wrong or what they need to improve.

Though constructive criticism is important to utilize sometimes, providing positive feedback is often more beneficial. It can help your team feel motivated and engaged in their work. It also helps them understand your company's standards.

Too much criticism can decrease morale and make team members feel self-conscious about their ability to fulfill their roles. With the right mix of positive feedback and constructive criticism, they can instead feel proud of their accomplishments while understanding what skills they need to develop.

It's important to provide thoughtful positive feedback to your employees. Most people want in-depth evaluations instead of simple praise. They want to know why it is good, what is working and what skills they excel at.

Here are a few things to consider when writing positive feedback:

1. **Make it specific.** If your positive feedback is vague, they won't know which of their skills are good and which ones they need to improve. Tell them specifically what they've been doing well and what you liked about it.
2. **Give it in a timely manner.** If you notice they're doing something well, say something right away. If you wait too long, they may decide to do the project in a different way. Immediate positive feedback can boost their morale and motivation, helping them continues to do good work.
3. **Let others see it.** You can give positive feedback in many ways, whether that be verbal, over email or in your company's instant messenger. By writing it somewhere everyone can see, your other employees may feel motivated to work harder so they can receive similar feedback.
4. **Praise everyone eventually.** Make sure to praise all your team members when they deserve it. This can help you ensure that everyone feels like an important part of a team.

5. **Explain their impact.** When your team members know their work is contributing to the company's success, they feel that what they are doing is important.
6. **Give the right amount of praise.** Only give positive feedback when it is earned. By giving the right amount, it is still special and noteworthy to employees.

Maintaining the stakeholder's register

Identification of stakeholders is one of the critical processes in any company. The stakeholders are individuals, groups or organizations that may be affected by the decision, outcome or even a small activity related to a particular project.

The Stakeholder register is a project management document that identifies, assess and classifies the stakeholders of the company and any project being undertaken at any given time. It is also a document that provides information used to plan different ways

on how to engage the stakeholders. Therefore, it should be maintained as per the organization procedures.

As a project management document, the stakeholder register is often subjected to many updates as part of the maintenance process. The updated information on the change of the stakeholders is also noted in this particular document. The changes of updates may include the identification of new stakeholders or if the registered stakeholders are no longer impacted in or involved in the project.

The stakeholder register is one of the essential documents used as an input to create the different project management processes. Processes like the Plan Stakeholder Management, Plan Procurement Management, Plan Risk Management, Plan Communications Management, Plan Quality Management, Collect Requirements and Identify Risks all require the Stakeholder register as one of their inputs.

Table 16: **Developing a Stakeholders' Register**

Project Name	**Date**
Project phase	

Name of the project	**Designation**	**Department**	**Role on the project**	**Title of the stakeholder**	**Type of the communication**	**Expectations**	**Interest**	**Influence on the project**

A Stakeholder Register is a document that contains a list of external and internal project stakeholders. It is usually developed based on the stakeholders' available information and other reliable sources.

The register typically addresses the following questions:

- What are the stakeholder names, contact information, designation, and company name?
- What are the stakeholder expectations, interests, impact, and requirements?
- Which stakeholders are critical for the entire project and which ones are more active for specific project phases?
- How often do stakeholders require communication and what is the preferred communication method?
- What type of communication is required?
- Is there a reporting relationship between stakeholders?

These are some of the questions that a Stakeholder Register addresses. You can customize this list as per your project communication requirements. The act of getting answers to these questions is called Stakeholder Analysis. In Stakeholder Analysis, you'd typically create a list of all project stakeholders and then determine their expectations, impact, and influence on the project. The Power/Interest grid and the Influence/Impact grid are useful during stakeholder analysis. Note: A stakeholder can also be an entity, such as an organization.

Project Stakeholder Management

The stakeholders are very important in project management. Different projects need different stakeholders thus the project stakeholder management is employed. It includes all the processes that are needed to identify the people, groups, and organizations that can impact or can be affected by the project. It also involves analyzing the expectations of stakeholders and their impact on the project itself. Moreover, it also involves developing managing strategies to engage the stakeholders effectively when it comes to making project decisions and executions.

This particular process in project management also focuses on how to establish continuous communication with the stakeholders in order to understand their expectations and needs. It also deals with managing the conflicts and fostering engagement of the stakeholders during the entire project lifecycle.

The project stakeholder management includes different types of project management processes which include Identify Stakeholders, Plan Stakeholder Management, Manage Stakeholder Engagement and Control Stakeholder Engagement.

The project manager can use all these processes so that he or she can accurately identify and manage the stakeholders using appropriate methods to ensure the success of the entire project.

Control Stakeholder Engagement

Stakeholders are very important to the success of any project. Engaging stakeholders is an important project management activity. To engage them, it is crucial for the project managers to communicate effectively all throughout the project life cycle. Moreover, managing and controlling the stakeholder engagement is more than just responding to their concerns but also anticipating different project requirements and making sure that the engagement plan of stakeholder is maintained.

The control stakeholder engagement is a process in project management that monitors the entire project and also the stakeholder relationships. It is done by adjusting different strategies in engaging the stakeholders. The main benefit of this project management activity is that it helps improve the efficacy of the stakeholder engagement activities as the project life cycle continues to evolve due to the different changes of the environment and project requirements.

The control stakeholder engagement process requires inputs of information to create the management plan and these include the issue log, work performance data, and

other required project documents. All of these inputs will be used to create the work performance information, change requests and updates on the management plan, project documents, and organizational process.

The control stakeholder engagement ensures the commitment of the stakeholders during the entire stage of the project. It also ensures that their expectations are met as well as anticipate any future problems so that that they can be addressed during the project's lifecycle.

It is important to take note that the stakeholders have high influence during the implementation of the project as well as during its progression. This is the reason why the control stakeholder engagement process is very important in project management as it keeps the stakeholders involved with the life cycle of the project–including its changes–at all times.

Plan Stakeholder Management

Engaging the stakeholders is useful and beneficial during the entire project lifecycle. This is the reason why project managers utilize the Plan Stakeholder Management. This process is used to develop the right management strategies to engage the stakeholders effectively all throughout the life cycle of the project. This process also involves analyzing the needs, interests and impact of stakeholders on the success of the project.

It is under the Project Stakeholder Management that encourages the continuous communication and commitment of the stakeholders to the project. The benefit of this particular project management process is that it gives clear and doable strategies and plans on how to interact with the stakeholders of the project so that they will provide continuous support.

The Plan Stakeholder Management also identifies how the project will impact the stakeholders. It also helps project managers develop means to engage them as well as manage their expectations to eventually achieve the objectives of the project. It is more than just improving the communication but it is about creating and maintaining a good relationship between the project team and the stakeholders.

Register

The risk register details all risks, provides descriptions of them, categorizes them, and also discusses potential causes as well as probability. Also discussed are potential responses as well as who would be responsible for dealing with the risks. The risk register is part of the project management plan. It is used to ensure any given project goes on despite known or unknown risks that may emerge in the life cycle of the particular project. This helps to advise on stakeholder management.

Maintenance of the Stakeholders Register

Due to the constant and continuous changes that happen in any given project being undertaken by a company, using SR templates is useful as a way of maintain them successfully.

A stakeholder register template is a predesigned stakeholder register that contains typical categories and stakeholders for a particular type of project. You may develop and maintain your own stakeholder register templates for tasks you perform, functional groups may develop and maintain stakeholder register templates for tasks they typically conduct, or your organization's project management office may develop and maintain templates for the entire organization.

Regardless of who maintains the template, it reflects people's cumulative experiences. As the organization continues to perform projects of this type, stakeholders that were overlooked in earlier efforts may be added and stakeholders that proved unnecessary removed. Using these templates can save you time and improve your accuracy.

If you prepare the budget for your department each quarter. After doing a number of these budgets, you know most of the people who give you the necessary information, who draft and print the document, and who have to approve the final budget. Each

time you finish another budget, you revise your stakeholder register template to include new information from that project. The next time you prepare your quarterly budget, you begin your stakeholder register with your template. You then add and subtract names as appropriate for that particular budget preparation.

Guidelines for Maintaining Stakeholders Register Templates

- Develop templates for frequently performed tasks and for entire projects. Stakeholder register templates for individual tasks that are part of projects are available or can be developed to suit the purpose such as awarding a competitive contract or printing a document. Many times, projects that appear totally new actually contain some tasks that you've done before. You can still reap the benefits of your prior experience by including the stakeholder register templates for these tasks in your overall project stakeholder register.

- Focus on position descriptions rather than the names of prior stakeholders.

  Identify a stakeholder as accounts payable manager rather than by the name of the Stakeholder. People come and go, but functions endure. For each specific project, you can fill in the appropriate names.

- Develop and modify your stakeholder register template from previous projects that actually worked, not from initial plans that looked good but lacked key information. Often you develop a detailed stakeholder register at the start of your project but don't revise the register during the project or add stakeholders whom you overlooked in your initial planning. If you update your template with information from an initial list only, your template can't reflect the discoveries you made throughout the earlier project.

- Encourage your team members to brainstorm possible stakeholders before you show them an existing stakeholder register template. Encouraging people to identify stakeholders without guidance or restrictions increases the chances that they'll think of stakeholders who were overlooked on previous projects.

- Use templates as starting points, not ending points. Make clear to your team that the template isn't the final register. Every project differs in some ways

from similar ones. If you don't critically examine the template, you may miss people who weren't involved in previous projects but whom you need to consider for this one.

- Reflect your different project experiences in your stakeholder register templates. The post-project evaluation is an excellent time to review, critique, and modify your stakeholder register for a particular project.

- Keep updating the registers depending on laid down procedures. This is for keeping track of the stakeholder's feedback and actions.

Learning Activities

1.Trainees to visits any nearby institution or company .Through the management of that entity they should note who are the stake holders ,their duties and interest in the that organization or institute

2. Field/Visit to nearby Media house

Have a recorded interview with the Relationship Manager. Thereafter, write a written report:

1. Identifying their five stakeholders
2. Prepare a stakeholders' register for the media house capturing the five stakeholders following set guidelines.

Practical Activities

a) Identify 6 stakeholders for an investment company and develop a stakeholders' register using the templates given.

b) Develop a stakeholders' register for the above stakeholders.

A Case Study

Read the case study presented below and answer questions that follow.

FA Company Ltd has been manufacturing peanut butter for the last five years. For the past 3 months, they realized that their sales have been dwindling due to bad publicity

brought about by a faulty product that went out to the market without passing through quality control measures. The employee involved was fired but they did not give feedback to their stakeholders as a stop gap measure. They handled the issue by recalling the product upon getting numerous complaints. Several clients posted their complaints on Facebook.

Ann from Nakuru,

"Have you tasted the FA peanut butter. Tastes like grease". I want a refund.

Kamau from Naivasha.

"I hear you Ann. It's bad."

Mwanaisha from Nairobi.

"I do not know what all you people are talking about. FA peanut butter, is my best choice. The kids love it."

b) How should FA PR team have handled this matter in the first place in terms of giving communication to their stakeholders?
c) Analyze the stakeholders' feedback to ascertain whether the feedback was negative, positive or neutral.
d) Develop a press release in attempt to remedy the situation.
e) Prepare a response for the negative feedback they got on Facebook following the guidelines given.

Self -Assessment

You are provided with the following questions for self -assessment, attempt them and check your responses:

1. a) What is a Stakeholders' Analysis Plan?

   b) What are the 3 steps to follow in the stakeholders' analysis?

2. What does a stakeholders' register document contain?

3. What are the factors that negatively influence communication with stakeholders?

4. What are the 3 benefits of gathering stakeholder's feedback?

5. Why is it important to respond to employee reviews? Outline at least three.

Tools, Equipment, Supplies and Materials

The following resources are provided

- Computers
- Internet connectivity
- Printer
- Projector
- Camera
- Tablet
- Mobile Phone
- Classroom and classroom resources
- Stationery
- Sample logo designs
- Print medi

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Self-Assessment Responses

1. a) What is a Stakeholders' Analysis Plan?

It's essential to map the various stakeholders because they might have a significant impact on the success of an organization, project or other process.

b) What are the 3 steps to follow in the stakeholders' analysis?

1. Identify all stakeholders

To be able to communicate with the stakeholders, they must first be identified. Therefore, it is important to make sure that both the primary and secondary stakeholders have been identified. When making a list, think of everyone who might have influence on or might be influenced by the project. People who benefit from the success or failure of a project or organization are also important.

- **Who might have a negative impact on the success of the project or organization?**
- **Have both the supporters and opponents been identified?**
- **What is the relationship between these stakeholders?**

2. Assess the stakeholders and sort them by influence

When the stakeholders have been identified, it's important to sort them based on their impact and power. The groups of stakeholders can subsequently be divided across the stakeholder matrix. This will be explained in the next section.

3. Understand the stakeholders

It's important for the project manager or business manager to know what the stakeholders think of a project, and what they like or dislike about it. This enables the manager to develop a perspective on what the stakeholders expect to gain from the project. Ask yourself the following questions:

- **Do stakeholders have a financial or other interest?**
- **Which information is valuable to them and how can this best be communicated to them?**
- **What is their opinion?**
- **Who or what influences their opinion?**
- **Are there mutual relationships between stakeholders that might change this opinion?**
- **How could possible hostile actions be avoided?**

2. What does a stakeholders' register document contain?

It contains a list of external and internal project stakeholders.

3. What are the factors that negatively influence communication with stakeholders?

- **Not understanding how to set up a stakeholder engagement project so it effectively communicates the organization's intentions**

- **Suffering from a lack of focus when engaging stakeholders – and failing to define the 5 W's (who, what, when, where, and why)**
- **Having the wrong person representing the organization. This can be someone who is inexperienced or whose strengths lay outside the field of communication**
- **Company and stakeholder groups involving multiple representatives that change over time. Relationships get lost and communication history, or commitments that were made can be forgotten.**

4. What are the 3 benefits of gathering stakeholders' feedback?

- **It can help you measure customer satisfaction,**
- **Gives feedback that can help you improve your product or service,**
- **It helps to show your customers that you care about their opinions, and much more.**

5. Why is it important to respond to employee reviews? Outline at least three.

i. **You can drive engagement with employees as well as support efforts to improve the overall employee experience.**

ii. Responding to employee reviews also provides job candidates with an extra measure of reassurance, particularly when they see that you, as an employer, are active on employee review sites.

iii. It show current and prospective employees that your company is open to and appreciative of feedback, values the employee experience, and is constantly working towards make the work environment better.

4.2.4 LEARNING OUTCOME 3: DEVELOP SYNERGIES FOR INNOVATION

Introduction to the Learning Outcome

This learning outcome specifies the content of competencies required to develop partnerships, determining partnership benefits, form beneficial partnership and also form partnership for innovation.

Performance Standards

3.1 Partnerships are developed in accordance to collaborations policy and the strategic plan

3.2. Partnership benefits are determined in accordance with the Strategic plan

3.3 Beneficial Partnership is formed in accordance to the collaboration procedure

3.4 Partnership for innovation is formed in accordance to the collaboration policy

Information Sheet

Definition of Terms

- Action plans: These Are set specific actions that are expected to lead to the implementation of your goals.
- Benchmark: This is a strategic management tool of that allows organizations to set goals and measure productivity, on the basis of the best industry practices. It is a practice in which quality level is used as a point of reference to evaluate things by making a comparison.

- Collaboration: Is a formal relationship where the partners agree to work together on a specific project for an agreed purpose. Collaboration has mutual benefits for the partners.

- Collaboration policy: This is a framework of how a partnership will be ran in collaboration with all stakeholders.

- Collaboration procedure: This is the model of action set up to ensure the collaboration runs effectively to achieve set goals and objectives for a partnership.

- Cooperation: This is working in parallel ways on a task, sharing ideas, activities and resources, with a commitment to collective outcomes.

- Equity participation: This refers to how an individual or company can own shares of a company or property. One can purchase the shares by allowing partial ownership as against financing or through other available options of ownership.

- Execution: This is the actual implementation of strategies and action plans into real actions inorder to accomplish the strategic goals and objectives.

- Information Sharing: Is the act of exchanging data, reports, facts and similar resources with people or organisations with whom you may, or may not, interact in other ways.

- Innovation: Execution of a new idea, method or device.

- Joint distribution: This is a business model where it involves facilitation of distribution of goods or services form the producers/manufacturers to the end user/customer in the most cost efficient manner.

- Joint venture: Is a business entity created by two or more parties and is generally characterized by shared ownership, shared returns on investment and risks, and shared company governance.

- Merger and Acquisitions: These are transcations in whivh the ownership of companies, business organizations or their operating units are transferred or consolidated with other entities to form one company. It ia an aspect of strategic management that allows enterprises to grow or

downsize and change the nature of their business or coompetitive ositions.

- Mission: This is a special assignment that a business sets out to achieve and can be explained as a mission statement.

- Mission Statement: It states what line of business a company is undertaking and why it exists and what is its purpose it serves. It may include their corporate strategy.

- Need equity: It refers to the provision of varying levels of support based on specific organizational needs so as to achieve greater fairness of treatment and outcomes in a partnership.

- Networking: This is connecting with people with similar interests to exchange information, explore opportunities and share best practice.

- Partner: Is a person/organization who takes part in an undertaking with another or others, especially in a business or company with shared risks and profits.

- Partnership: This is an association of two or more people/organizations as partners.

- **Partnership agreement /deed: This is usually an agreement that is made between partners when establishing a new or existing business. It clearly states the actual operations, responsibilities and procedures to deal with any conflict that may arise in the lifespan of the partnership. It also shows the procedure to be followed in the event the business must be dissolved.**
- **Research and Development: Is a term used to describe the effort a company devotes to the innovation, improvement of its products and processes.**

- Score card: Tool used for measuring performance of the strategic plan objectives/goals

- Strategic Objectives: These are the long term, continuous strategic areas that help an organization connect their mission to their vision.

- Strategic Plan: This is a document that is written to outline the process of documenting and establising a direction of your business by assing both where you are and where you want to go. It gives you a place to record your mission, vision, and values as well as long term goals and the action plans you will use to achieve them.

- Supply relationships: Is a business venture where you have affiliations with companies that supply your business with good and services for purposes of maximizing profits because the basis of the partnership is reduced prices for goods/services offered.

- SWOT Analysis: This is a renowned tool for audit and analysis of the overall strategic position of the business and its environment. Its key purpose is to identify the strategies that will create a firm specific business model that will best align an organization's resources and capabilities to the requirements of the environment in which the firm operates. It is an acronym standing for Strengths, weaknesses, opportunities and threats.

- Synergies: This is the interaction or cooperation of two or more organizations, substances, or other agents to produce a combined effect greater than the sum of their separate effects.

- Vision: Is a written clear direction that provides a concrete way for stakeholders, especialy employees, partners to undertsnad the meaning and purpose of your business. It can be presented as a statement.

- Values: These are set principles that govern the basic code of conduct for a given company e.g. integrity, passionate about people, accountability, etc

Developing Partnerships

Entering into partnership is not a decision to be made lightly by any organization, nor is it a process to be undertaken without adequate planning and appropriate resources. This is because collaborative partnerships have the potential to deliver positive benefits for organizations, clients and communities. Two heads are better than one when it comes to strengthening communities in a holistic way. By thinking, planning, and working together it is possible for organizations to accomplish far more than they could achieve alone.

When it comes to developing partnerships, it is crucial to know that partnerships are developed in accordance to collaboration policy and the strategic plan to ensure they are in line with company goals and objectives.

Ways of coming up with a successful collaboration

Once a successful collaboration policy has been developed, that becomes the standard against which to develop lasting partnerships that are sustainable and effective.

Things to consider: when coming up with collaboration policy.

Have a Clear Purpose and Expectations

Desire to achieve the same outcomes with your partners. Work towards a definite goal or outcome, identifying what is mutual so as to avoid overlaps and gaps. Also clarify the expectations of each organization. Then make it a choice to recognize that working together is for the good of everyone.

Avoid collaboration without an expected out. Do not it for the sake of it. Carry out a SWOT analysis first so as to come up with guidelines and modalities for running the partnership.

An overview of the SWOT analysis (Strengths, Weaknesses, Opportunities and Threats):

1. **Strengths -** These are the qualities that enable us to accomplish the organization's mission. These are the basis on which continued success can be made and continued/sustained.

   Strengths can be either tangible or intangible. These are what you are well-versed in or what you have expertise in, the traits and qualities your employees possess (individually and as a team) and the distinct features that give your organization its consistency.

   Strengths are the beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty. Examples of organizational strengths are huge financial resources, broad product line, no debt, committed employees, etc.

2. **Weaknesses -** These are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on the organizational success and growth. Weaknesses are the factors which do not meet the standards we feel they should meet.

   Weaknesses in an organization may be depreciating machinery, insufficient research and development facilities, narrow product range, poor decision-making, etc. Weaknesses are controllable. They must be minimized and eliminated. For instance - to overcome obsolete machinery, new machinery can be purchased. Other examples of organizational weaknesses are huge debts, high employee turnover, complex decision making process, narrow product range, large wastage of raw materials, etc.

3. **Opportunities -** They are presented by the environment within which our organization operates. These arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations can gain competitive advantage by making use of opportunities.

   Organization should be careful and recognize the opportunities and grasp them whenever they arise. Selecting the targets that will best serve the clients while

getting desired results is a difficult task. Opportunities may arise from market, competition, industry/government and technology. Increasing demand for telecommunications accompanied by deregulation is a great opportunity for new firms to enter telecom sector and compete with existing firms for revenue.

4. **Threats -** They arise when conditions in external environment jeopardize the reliability and profitability of the organization's business. They compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake. Examples of threats are - unrest among employees; ever changing technology; increasing competition leading to excess capacity, price wars and reducing industry profits; etc.

Once you have done a SWOT Analysis, come up with modalities on how the partnership can capitalize on the strength areas, purpose to build up on the weaknesses. Maximize on the opportunities available and eliminate threats. Where they cannot be eliminated, prepare to deal with any eventualities to minimize any negative effects.

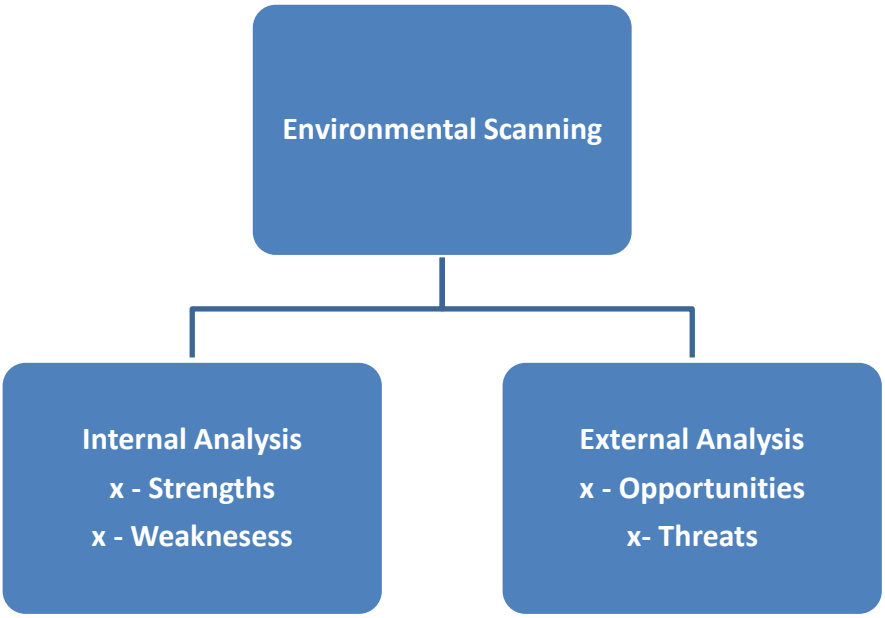


Figure 35: SWOT Analysis Framework

Ensure all Partners Are Committed to the Working Relationship

Organizations must want to work together with mutual understand and a common interest which is to maximize profitability. If the relationship is not established the partnership will not be successful. All stakeholders need to be involved so as to maximize on the all available resources. Each partner must be clear about the nature of the relationship. They must also know what each company has to offer, personally and professionally. Understand each service involved in the partnership that is need equity, transparency, respect, profit sharing margins, and courtesy.

Develop Clear Roles, Responsibilities and Guidelines

This is good practice so as to ensure there is no over lapping or repetition of roles being done to avoid wastage or underutilization of any resource made available for the partnership. Clear roles and responsibilities should be set out. Formal agreements and good documentation should be formulated. Good communication and decision making processes established to avoid misunderstanding and breakdown of any communication lines.

It is important to note that set structure that ensures partnership relates to positions not personalities. Ensure you also come up with clear processes for all members to participate in the management of the partnership/project. Establish workable review and feedback processes. Strong financial and statistical accountability procedures should also be developed for sustainability of the partnership.

Ensure Shared Values and Goals

To ensure compatibility, values and working approaches need to match. They must have the same attitudes towards stakeholders. Develop shared values, goals and outcomes. There should be need compatible philosophies put in place to ensure a clear understanding of the frame of reference being followed or adopted for the partnership.

Appoint a Designated Driver

You must appoint a project driver who is not tied up in service delivery. The appointed project manager should have the motivation and energy to 'keep it rolling' that is to say, he ensures the partnership project is running effectively and efficiently for the benefit of all the partners. Responsibilities should be delegated for oversight

of consistency and quality issues. Then allow plenty of time to develop all the processes for purposes of building up a strong collaboration that will be successful.

Determining Partnership Benefits

Every partnership must have an end game outlook that is to say, what are the expected beneficial outcomes to be considered. This is important because it helps to put a purpose to the partnership and is used as a benchmark for sustainability.

The Partnership benefits are determined in accordance to the company's strategic plan. A well written strategic plan plays a pivotal role in the company's business growth and success because it helps to guide you and your employees how best to respond to opportunities and challenges. It as helps partnerships to derive expected benefits for sustainability. For many partnerships, the set objectives are to increase revenue and profitability.

Benefits of Partnership to an organization

Sustainable beneficial relationships

This can be achieved with the help of suppliers, other similar organizations, and customers. This is by building brand awareness and trust.

Brand awareness and recognition is hugely important to all businesses, regardless of size. Even if you are extremely small, customers like to have the confidence that they know and recognize who they are dealing with and that they have aspirations to grow and therefore undertake the necessary activities to achieve this. By partnering with a similar organization and your suppliers, you are immediately increasing your brand awareness by accessing different routes to market and being exposed to the marketing strategies of the partnering business.

Streamlining objectives

This is the process used to simplify or eliminate unnecessary work-related tasks to improve the efficiency of processes in business or organizations. Streamlining objectives may require the usage of modernizing techniques, technology and other possible approaches. This will help in choosing partners that can help you achieve this

without necessarily adding more capital. The other partner brings this angle to the business and helps to access new customers.

Sharing of resources becomes a direct benefit. Companies, specifically the smaller ones, often find it difficult to recruit or afford the roles and resources necessary to grow a business. By creating the right strategic partnership this can be overcome by sharing resource, particularly where those resources are of a technical nature and may expose the business to new and innovative solutions.

People skill connection

This is well done in mergers and acquisitions as one brand adopts the name of the other and vice versa thereby creating opportunities to reach new markets and sectors.

While it's likely that any chosen partner will be working in a similar or associated field to you, it is more than likely that their customers will be in different markets and sectors to you. It is advisable to choose partners where this is exactly the case. The bottom line is that if you are looking to grow your business and increase revenue and profitability, strategic partnerships can have a major influence on the speed and ease with which you can achieve your goals and objectives. Working and collaborating with likeminded businesses can provide significant benefits and cost savings

National goal focus

When you bear this is mind, an organization can expand without having to move from their domicile location but through partnership, they can broaden their reach for their much needed products/services in other geographical locations within a country. This will in turn create options of added value proposition for your existing customers.

Disadvantages of partnerships

The business has no independent legal status

It is important to note that a business partnership has no independent legal existence distinct from the partners. By default, unless a partnership agreement with alternative provisions is put in place, it will be dissolved upon the resignation or death of one of

the partners. This possibility can cause insecurity and instability, divert attention from developing the business and will often not be the preferred outcome of the remaining partners.

Unlimited Liability

When a business does not have a separate legal personality as indicated above, the partners are liable for the debts and losses incurred whether directly by them or their employees in line of duty. So if the business runs into trouble, your personal assets may be at risk of being seized by creditors.

The partners are jointly and severally liable for any liabilities by the partnership. One partner can end up binding the partnership into unexpected liabilities.

Potential for differences and conflict

By going into a partnership business, you are likely not to always have your own way. Each partner will need to demonstrate flexibility and the ability to compromise for the good of the business.

The partnership may experience slower, more difficult decision making processes

This is because there's need for consultation and discussion of matters with other partners to ensure all needs are met for each partner involved. Where there are disagreements, more time will be needed for negotiation to build an agreement consensus. Sometimes, this could mean opportunities are missed altogether. This scenario is likely to frustrate a partner who had been used to making all decisions for their business.

In a partnership, it dictates that profits are to be shared equally

Under the Partnership Act 1890, profits are to be shared equally amongst partners. This position can only be amended by a partnership deed. Sharing profits could raise difficult questions such as;

- What happens when one partner is seen to be putting less time and effort in growing the business yet is still taking their full share of the profits?
- How do you value different partners' respective skills?

Resentment from partners can arise if there doesn't appear to be fair balance between effort and expected reward.

Formation of Partnership

Effective and beneficial partnerships are formed in accordance to a set collaboration procedure.

A well-executed collaborative procedure brings together the right people who are like minded, with the right information and process structure to drive informed, insightful, and sustainable outcomes in a partnership agreement.

Factors to consider when forming a partnership.

- Ensuring objectives are clear

  Once you have set clear goals, you are able to identify like-minded people or organizations with similar objectives to form partnerships that bring mutual benefits to all the partners involved. Come up with a partnership deed to deal with any eventualities that could jeopardize the growth and sustainability of the partnership.

- Characterize your situation

  Establish the real cause why you want to get into a partnership.

  a. Is the business struggling?

  b. Is it in a good place just that it needs a boost in sales to grow to greater heights?

  c. Do you need more capital resources in terms of money, skill, expertise or human resource?

  d. What is it you are looking to benefit from in a partnership agreement?

  <u>The process of identifying and connecting with interested parties</u>

- Design and manage a credible partnership process

  This involves coming up with a strategic plan as detailed above. This will be guiding tool.

- Facilitating productive and engaging meetings with prospective partners

This must be done intentionally with an expected outcome that is definite. It involves asking the right questions, expecting to get feedback that will direct your decision of the right partner that is suitable for your type of business and in line with the set objectives.

- Signing a partnership deed or deeds with identified partner(s)

  Drafting an all-inclusive kind of partnership agreement will help shield the business form unexpected eventualities that can bring to an abrupt end of the business.

- Chartering the way for the partnership

  This should be a detailed course of action that is set. It includes

  a. Coming up with aligned goals and objectives of the partnership.

  b. Identifying a suitable manager/driver who will drive the partnership. He/she should be charged with the success of the partnership.

Forming Partnerships for Innovation

Partnering for innovation is a business idea that is being embraced in the now. This is because, the time when companies used to innovate and deal with challenges by themselves is long gone. Many, look for suitable partnerships in order to foster innovation. Case example was the merger between Old Mutual Kenya, UAP Holdings and Faulu Kenya in July 2015. Their prime goal was to offer a one stop shop for financial solutions in modern Kenya. The idea is to combine experience, efforts and resources, thereby bettering the chances of effective, successful and sustainable innovations.

This must be in line with the collaboration policy that is in existence within the company. A collaboration between innovators can exist in various forms depending on their agenda and intended outcome i.e.

i. Others seek to create partnership for innovation for purposes of moving towards a sustainable future while others

ii. Seek an opportunity to create a next generation product or service.

Strategic partnerships can also act as a form of open innovation but in a more secure way. The protection provided by mutual agreements can decrease potential financial risks and ensures that the partners are safe. Whether the partnership is between a company a research institution, a startup, or another company with similar products/services; a partnership will allow creation of a full innovation picture, where all elements are intact i.e. financial strategy, ideas and implementation process.

Types of partnership/;

1. Equity participation
2. Joint ventures
3. Supply relationships
4. Joint Research and Development partnerships
5. Mergers and Acquisitions
6. Joint distribution

The basis of that choice should drive a clearly defined agenda, strategy and forecastable results of the partnership. When it comes to innovation, collaboration is about sharing mutual interest in order to provide a much needed product or service by joining forces and focusing on the essence of what the current market truly wants and how best you can successfully innovate in disruptive times other than about any rivalry that could potentially exist.

Partner Engagement Process for Innovations

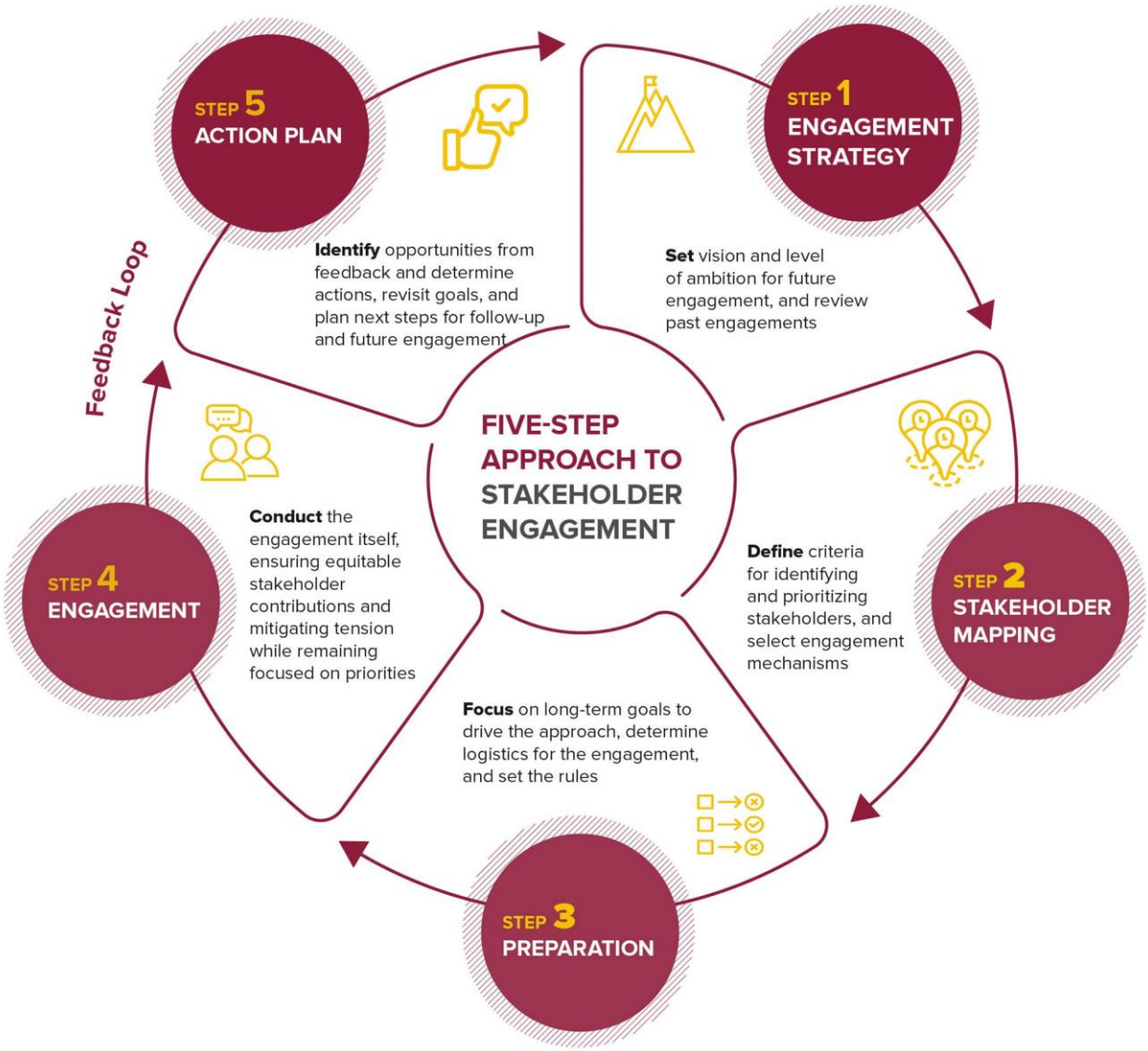


Figure 36: **Steps to Stakeholder Management**

Learning Activities

. Field/Visit to a nearby manufacturing company.

Write a written report of the findings of your assignment.

7. Carry out a SWOT analysis their five stakeholders
8. Come up with guidelines and modalities of running a partnership having in mind the outcome of the SWOT analysis carried out.

Practical Activities

a) Outline ways of coming up with a successful collaboration for a supply chain venture.

b) Give an example of a successful partnership through collaboration.

A Case Study

Read the case study presented below and answer questions that follow.

Mzima Springs is a water bottling company based in Kwale county. They have a fresh water well and they have been bottling water without proper approval as they do not have adequate capital to put up a water processing plat required by law in Kenya today.

f) How would you advise them so that they can be able to achieve their vision which is to the best fresh water distributer in the Coastal Region?

ii) How do they go about forming a partnership so as to achieve their vision and increase profitability?

Self -Assessment

You are provided with the following questions for self -assessment, attempt them and check your responses:

1. What is a partnership agreement/deed?
2. What are the benefits of a partnership?
3. What can be the expected disadvantages of a partnership?
4. Briefly describe the partnership engagement process?

Tools, Equipment, Supplies and Materials

The following resources are provided

- Computers
- Internet connectivity
- Printer
- Projector
- Camera

- Tablet
- Mobile Phone
- Classroom and classroom resources
- Stationery
- Sample logo designs
- Print media

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Strategic Management, Formulation, Implementation and control

https://www.managementstudyguide.com/swot-analysis.htm

https://ctb.ku.edu/en/creating-and-maintaining-coalitions-and-partnerships

Self-assessment Responses

1. What is a partnership agreement/deed?

It is an agreement that is made between partners when establishing a new or existing business. It clearly states the actual operations, responsibilities and procedures to deal with any conflict that may arise in the lifespan of the partnership. It also shows the procedure to be followed in the event the business must be dissolved.

2. What are the benefits of a partnership?

i. Access to new customers

A major goal for most businesses is to grow their customer base. Once you have a good customer base, focus changes to how do you retain them. By partnering with another company with a similar product set or services you can immediately access a pool of warm customers who have already purchased and are being serviced by the partner. The same is true for the partner in their accessibility to your customer base.

ii. There are Opportunities to reach new markets and sectors

While it's likely that any chosen partner will be working in a similar or associated field to you, it is more than likely that their customers will be in different markets and sectors to you. It is advisable to choose partners where this is exactly the case. Expanding into new markets and sectors where you already have a warm base of clients is far easier than starting from scratch with limited credibility or trust in those type of markets.

iii. Options of Added value proposition for your existing customers

Whilst accessing a new customer base is attractive to any business looking to grow, it is equally important (if not more in some cases) to retain your existing clients and build on their existing expenditure, thus encouraging them to remain with you rather than seek alternative suppliers. By associating yourself with partners who offer similar products to you can reduce the risk of other 'unknown' companies approaching your customers and introducing organizations that compete with your products and services.

iv. You can Build brand awareness and trust

Brand awareness and recognition is hugely important to all businesses, regardless of size. Even if you are extremely small, customers like to have the confidence that they know and recognize who they are dealing with and that they have aspirations to grow and therefore undertake the necessary activities to achieve this. By partnering with a similar organization, you are immediately increasing your brand awareness by accessing different routes to market and being exposed to the marketing strategies of the partnering business.

Adding additional products and services to your portfolio through partnerships and being seen to be trusted by other will also increase customers' views of you as industry experts and trusted advisers.

Customers always like to know that you empathize with their individual challenges. By utilizing the knowledge and experience brought by the partner, it can also help in demonstrating the requisite domain knowledge to

successfully compete in certain markets, particularly where the offering may be viewed as specific to that particular market.

v. You can expand the Geographic Reach

Whilst direct presence in a particular location or geography is arguably becoming less and less important due to the ability to transact business remotely through online marketing platforms, some customers still take comfort from dealing with local businesses. Choosing to work with partners in different geographic locations will help to open up those locations to your business by allowing the partner to represent you as the local presence.

vi. Shared resources

Companies, specifically the smaller ones, often find it difficult to recruit or afford the roles and resources necessary to grow a business. By creating the right strategic partnership this can be overcome by sharing resource, particularly where those resources are of a technical nature and may expose the business to new and innovative solutions. Collaborating with partners and sharing ideas and resources can also introduce innovation in terms of new ways to approach business processes and overcoming specific internal issues or problems without the need for additional investment.

vii. Ability to Win more business

The bottom line is that if you are looking to grow your business and increase revenue and profitability, strategic partnerships can have a major influence on the speed and ease with which you can achieve your goals and objectives. Working and collaborating with likeminded businesses can provide significant benefits and cost savings. It can also be a major factor in your ability to win more business and increase order values.

3. What can be the expected disadvantages of a partnership?

a. The business has no independent legal status

It is important to note that a business partnership has no independent legal existence distinct from the partners. By default, unless a partnership agreement with alternative provisions is put in place, it will be dissolved upon the resignation or death of one of the partners. This possibility can cause insecurity and instability, divert attention from

developing the business and will often not be the preferred outcome of the remaining partners.

Even if a partnership agreement is in place, the remaining partners may not be in a position to purchase the outgoing partner's share of the business. In that case, the business will likely still need to be dissolved and bring unexpected end to the business venture.

b. Unlimited Liability

When a business does not have a separate legal personality as indicated above, the partners are liable for the debts and losses incurred whether directly by them or their employees in line of duty. So if the business runs into trouble, your personal assets may be at risk of being seized by creditors.

The partners are jointly and severally liable for any liabilities by the partnership. One partner can end up binding the partnership into unexpected liabilities. You can end up finding yourself paying for the actions of the other partners. If your partner(s) are unable to settle debts, you as a partner, will be expected to take the responsibility of settling them. In an extreme example where you could only be owning 10% of the partnership, if your partners have no assets; you might end up having to settle 100% of the debts of the partnership and may need to sell your possessions in order to do it.

c. The Potential for differences and conflict is high

By going into a partnership business, you are likely not to always have your own way. Each partner will need to demonstrate flexibility and the ability to compromise for the good of the business.

There is always potential for differences, large or small with other partners. These might relate to:

- The strategic direction in which the business should go or how to get there
- How to handle any number of discrete business issues that may arise.
- Emergence of different views on how partners should be rewarded when they put different amounts of time, skills and level of investment into the business that is contrary to the initial partnership collaboration agreement.

- Shifted ambition.

  Some partners may want to dedicate every waking moment growing and developing the business, while others may want a quieter life that may not acceptable for everyone.

Differences might not be evident immediately but over time, partners' preferences, personal situations and expectations may change. Disagreements and disputes can therefore harm the business and the relationship between the individuals/organizations involved in the partnership. Conflict can end up being a major distraction that might end up absorbing the partners' time, energy and money. It is generally advisable to draft a partnership deed when forming business partnerships. It ensures the partners' respective rights and responsibilities are stipulated and that there is common understanding of the procedures to be followed in case of disputes. In the event the partnership must be dissolved, the process of dissolving the business will have been articulated in this document.

d. The partnership may experience slower, more difficult decision making processes

This is because there's need for consultation and discussion of matters with other partners to ensure all needs are met for each partner involved. Where there are disagreements, more time will be needed for negotiation to build an agreement consensus. Sometimes, this could mean opportunities are missed altogether. This scenario is likely to frustrate a partner who had been used to making all decisions for their business.

e.In a partnership, it dictates that profits are to be shared equally

Under the Partnership Act 1890, profits are to shared equally amongst partners. This position can only be amended by a partnership deed. Sharing profits could raise difficult questions such as;

- What happens when one partner is seen to be putting less time and effort in growing the business yet is still taking their full share of the profits?
- How do you value different partners' respective skills?

Resentment from partners can arise if there doesn't appear to be fair balance between effort and expected reward.

4.Briefly describe the partnership engagement process?

1**. Engagement strategy – Set vision and level of ambition for future engagement and review past engagements**

2. Stakeholder Mapping – Define criteria for identification and prioritizing stakeholders and select engagement mechanisms.

3. Preparation – Focus on long-term goals to drive the approach, determine logistics for the engagements and set the rules.

4. Engagement – Conduct the engagement itself ensuring equitable stakeholder contribution and mitigating tension while focusing on priorities.

5. Action Plan – Identifying opportunities from feedback and determine action, revised goals and plan next steps to follow up and future engagements.

4.2.4 LEARNING OUTCOME 4: COORDINATE CORPORATE IMAGE THROUGH VIRTUAL PLATFORM

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to Identify Virtual platforms, Develop Virtual platforms organizations account, Train Virtual platforms personnel and Manage Virtual platforms.

Performance Standard

1. Virtual platforms are identified as per ICT policy
2. Virtual platforms are developed in accordance with prevailing legislation and provider's terms and conditions
3. Virtual platform personnel are trained in accordance with training policy
4. Virtual platforms are managed in accordance with PR policy and procedures

Information Sheet

Definitions of terms

- Blog: Is just a website
- Blogging: Refers to a virtual platform for someone to create content with passion and build a community around it.
- Corporate Image: This is the image that people have in their minds about a company, its products, and its services. It is also the product of company's performance, media coverage and its activities.
- ICT Policy: Is a roadmap to ICT implantation strategies.
- Independent Software Vendor: They are also known as software publishers. They are organizations specializing in making and selling software to suite individual clients need.
- Micro blogging: Is an online broadcast medium that exists as a specific form of blogging. A micro-blog differs from a traditional blog in that its content is typically smaller in both actual and aggregated file size. Micro-blogs "allow users to exchange small elements of content such as short sentences, individual images, or video links", which may be the major reason for their popularity. These small messages are sometimes called micro posts

- Virtual Platform: It refers to the technology used for the creation and development of tools on the Web (sibal) used broadly in the Web 2.0 such as communication tools (forums, chat, emails), authorization management tools, productivity tools (calendars, bookmarks), student tools, (evaluation, group work areas, profiles) and tools of course to improve teaching and learning, (bulletin, evolve). It is also a system that allows different applications to run under the same environment, allowing users to access them via the internet.

Introduction

The Concept of Virtual Platforms

The arrival of the Internet has brought the cost software development down tremendously, making it easier for the creation of materials to be used online. However advanced programming skills are still needed to create a course or a training module, and therefore these courses are not accessible to everyone. Since the mid-1990s, they begin to emerge educational platforms that enable the creation and management of full Web courses unless they are required in-depth knowledge of programming or graphic design.

The Virtual Classroom

The virtual classroom is not only a mechanism for the distribution of information, but it should be a system where the activities involved in the process of learning can take place, i.e. which should allow interactivity, learning, application of knowledge, evaluation and management of the class.

Virtual classrooms today take different shapes and sizes, and even are called with different names. Some are closed systems in which the user as an instructor of a class, will have to abandon their contents and limited to the options which were intended by the creators of the virtual space, to develop its course. Others extend along and across the network using Hypertext as their best ally to stop students not to visit or learn about other resources on the network in the class.

The Virtual Platform

Platform is a concept with various applications. It is usually a base that as certain height or what provides support, either physical or symbolic. The most common use of the term virtual, on the other hand, is linked to what exists either apparent or

simulated, and not physically.

A virtual platform is a system that allows different applications to run under the same environment, allowing users to access them via the Internet. This means that, when you use a virtual platform, the user should not be in a particular physical space, they only need to have a connection to the Web that allows you to enter the platform in question and make use of their services. Virtual platforms, usually used for distance education and try to simulate the same conditions of learning in a classroom. It is also a powerful tool for communication that can lead to corporate collaboration in business. Although each platform can present different characteristics, typically allow the interaction between students and between students and the teacher and all other users. For this, they have various avenues of communication, such as chat, forums, etc. Permit systems allow the efficient management of virtual platforms. The administrator, who is usually the teacher or the head of the education, you can access all the information available on the platform; students, on the other hand, do not.

How to identify virtual platforms

Identification of virtual platforms for any given company is based on its ICT Policy. The company also needs to develop policies to ensure the acceptable uses of ICTs within the organization. Developing an ICT policy for an organization is as important as having any other policy within the organization. Note also that, an effective policy allows the organization to define how and for what purposes ICTs will be used, while also providing the opportunity to educate employees about ICTs and the risks and reward associated it.

Developing and implementing an ICT policy can also be difficult as there are no quick-fixes or one-size-fits-all solutions that can suffice for every organization. This is because every organization is different, and the approach taken to meet objectives and/or ensure compliance will vary from one environment to another, even those in the same industries. But several basic things need to be done to ensure that the organization's ICT policy works. These include: building executive support, building consensus among stakeholders by involving them in the process, including the right

contents in the policy, performing an internal and external research, drafting and ultimately disseminating the policy.

Building executive support means gaining the blessings of top management. No policy will succeed without the support of senior leadership. Therefore, the senior leadership is needed to understand the necessity of developing and maintaining an ICT policy; whether it is for compliance, cost reduction, security, total Cost of Ownership (TCO), return on Investment (ROI), avoiding liability, and so on. In fact, the senior leadership should participate in the introduction of the ICT policy to the organization to ensure that everyone has a clear understanding of the purpose of the policy.

Building consensus among the stakeholders is also very important since the policy will affect them. As the policy is being developed all stakeholders must be involved in the discussion of its establishment, and this can be done by creating a committee. This committee should consist of the owner of the policy, subject matter experts, frequent users of the policy, and representatives from groups affected by the policy. Including the Human Resources, Financial, and Legal departments.. This will ensure the policy being developed is fully understood by everyone concerned and that it has their backing once it is implemented. A broad base of support is one of the best assurances for policy success.

The contents of the policy are another “component” that must be taken seriously since policies differ from organizations to organizations. But basically, the policy should include a statement of purpose, description of the users affected, history of revisions (if there are any), definitions of any special terms, and specific policy instructions from management. Additionally, performing an internal research is also imperative to developing a good ICT policy. This means an understanding of the organizations mission, goals, and culture must be gotten prior to the development of the policy. This will ensure that the policy works for and with stakeholders, rather than against them. Now, while the goal of the policy is to create a more compliant and secure environment without making things overly difficult or incomprehensible for the stakeholders, the contents of the policy should clearly state that inconveniences in terms of usability will be inevitable.

Upon drafting and finalizing the policy, the policy should be reviewed by the organization's legal counsel to ensure that it complies with Liberian laws before disseminating it to employees. The completed policy should often be reviewed to make sure it continues to comply with applicable laws and the needs of the organization. New laws, regulations, and court cases that emerge after the completion of an ICT policy have the potential to affect it.

When it comes to dissemination, it is advisable to request the Human Resource department to provide a hard copy of the ICT policy to users and have them acknowledge receipt of it. Require users to sign a document of acknowledgement to be placed in their individual personnel files. Subsequently, the policy must be placed on the organization's Intranet, if there is one, or somewhere prominent. Stakeholders must be reminded about the ICT policy periodically though e-mails and short training presentations either on the intranet or during workshops.

A good and regularly reviewed ICT policy can be both an effective employee relations tool and a helpful defense against lawsuits. This policy should explain clearly what kind of user behavior is acceptable and what is not. For example, no user is allowed to install his/her own copy of Windows 7 on the organization's computers; or chat on Facebook during work hours. Hopefully, the injection of an ICT policy in your organization will save the organization from litigation, reduce cost, etc., and not make users/stakeholders hate the ICT department!

Features: of a good virtual platform

- **Insight**: Make sure that the virtual meeting platform that you choose to use has features the can accommodate future needs
- **Dependable and Superior**: Consistently quality service and high-resolution visuals ensure that online meetings run smoothly which can lead to an increase in productivity for a business
- **Desktop Sharing**: An important aspect of team collaboration is not just being able to see fellow team members work, but having the ability to interact and edit the work in real-time
- **Video Conferencing**: This is the main feature that a virtual platform must have in order for online meetings to take place

- **Streamlined Instant Messaging**: Tools for communication between team members must be easy to use, can be used on various platforms, and can be synced with popular devices

- **Sign-On button**: Is it easy for a new user to create an account and log back in for use of service?

Benefits of Virtual Platforms

- **Enhanced communications**: Face-to-face interactions helps to enhance how messages are given, taken, and interpreted even if it is behind the computer screen

- **No time wasted**: To keep team members engaged, it is encouraged for hosts to have virtual meetings be no more than 30 minutes. The features of virtual platforms help to alleviate potential time that could be lost.

- **Enhanced efficiency**: Productivity increases when communication is clear, goals are known, and everyone has a voice.
- **Spread knowledge**: Virtual meeting software helps a business (both employees and higher-ups) know what is going on with operations when everyone is working remotely

- **Giving infinite invitations**: No matter how many stakeholders a business has, as long as the host has the ability to give access to virtual meetings through its features, all can be involved without duplication of resources.

- **Different meeting schedules**: Despite the earlier advice to have virtual meetings on Tuesday afternoons, last-minute work updates and emergencies might require pop up meetings that can be scheduled and conducted using various platform features.
- **Lessens traveling costs and time**: There is no need to travel across the city, state, or even country lines when a user can talk to anyone from anywhere in the world with the touch of a button.

- **Easy to use interface**: A virtual platform's level of usability is essential to whether a meeting was productive or an unorganized mess

- **Live recorded meeting**: Although note-taking is useful during a meeting, being able to record not only exactly what has been said but who said it and how they said it is a godsend to employees and supervisors who are already incredibly busy. It is also offers a good record of meetings that one can refer to from time to time.

- **General productivity increases**: Short meetings, being able to stay in one place, recording everything that is happening, and easy collaboration between employees and supervisors ensures a guaranteed increase in work that is able to get done within a short while.

Disadvantages of Virtual Meeting Platforms

- **Less direct interaction**: Although virtual platforms allow users to technically be face-to-face, the physical work environment cannot be replicated

- **Unstable connection**: No matter how advanced a technological platform is, there still is a possibility of technical difficulties to occur due to poor internet connections that vary from place to place or even time to time.

- **Less human contact**: Employees interacting with each other online does not compare to the personal relationships that can form from being physically present in one space

- **Hacking**: Trolls are not just on social media platforms. Zoom recently had an incident occur where people hacked into online learning sessions and spewed racially insensitive comments toward its users, many of whom were children

Types of Virtual Platforms commonly used

1. **WhatsApp**

It is an American freeware, cross-platform messaging and Voice over IP service owned by Facebook, Inc. It allows users to send text messages and audio messages, make audio and video calls, share images, documents, user locations and other types of media such as photos, videos etc.

It runs on mobile devices but it is also accessible from desktop computers, as long as the user's mobile device remains connected to the internet while they use the desktop app. The service requires its users to provide a standard cellular mobile number for registering with the service. In January 2018, WhatsApp released a standalone business app targeted at small business owners called WhatsApp Business so as to allow companies to communicate with customers who use the standard WhatsApp client.

2. **Facebook**

Facebook is an American online social media and social networking service based in Menlo Park, California. It was founded by Mark Zuckerberg along with his fellow Harvard College students and roommates Eduardo Saverin, Andrew Mc Collum, Dustin Moskovitz and Chris Hughes. It can be accessed from devices with internet connectivity such as PCs, tablets and smartphones. Upon registration, users can create a profile revealing information about themselves. They can post text, photos, and multimedia which is shared with any other users that have agreed to be their "friend"

or with a different privacy setting with any reader. Users can also use various embedded apps, join common-interest groups, buy and sell items or services on Marketplace, receive notifications of their Facebook friends' activities and activities of Facebook pages they follow.

Instagram

It is commonly abbreviated to Insta or IG. It is an American photo and video sharing social networking service owned by Facebook, created by Kevin Systrom and Mike Krieger and originally launched on IOS in October 2010. The Android version was released in April 2012, followed by a feature-limited desktop interface in November 2012. The app allows users to upload media that can be edited with filters and organized by hashtags and geographical tagging. Posts can be shared publicly or with pre-approved followers. Users can browse other users' content by tags and locations and view trending content. This can help in communication with people globally as a marketing platform or means of creating awareness of your business activities

3. **Twitter**

This is an American microblogging and social networking service on which users post and interact with messages known as tweets. Only registered users can post, like and retweet tweets, but unregistered users can only read them. Users are able to access Twitter through its website interface through SMS or its mobile-device software application.

4. **Snap chat**

This is an American multimedia messaging app developed by Snap Inc. One of the principal features of Snapchat is that pictures and messages are usually only available for a short time before they become inaccessible to their recipients. However, the app has evolved from originally focusing on person-to-person photo sharing to presently featuring users' stories of 24 hours of chronological content along with discover letting brands that show ad-supported short term content..

5. **Video Conferencing**

The influence of video and chat apps in our daily communication, business owners and employees are increasingly becoming more comfortable with using video and audio conferencing to get work done.

There are many other reasons that video conferencing is good for business including

1. Improve client and co-worker interaction,

2. Convey concepts or goals in a clearer and concise manner,

3. Ensure the non-verbal is not misunderstood, and

4. Combat isolation from remote work locations.

How to Develop Virtual platforms organizations account

The Virtual Reality has become the new norm in these times. Many sectors are therefore, finding and pioneering bold applications or finding the best virtual platforms that will best suit their needs

People are able to engage all their stakeholders in this way in an effective and efficient manner. The virtual platforms are being used for training, collaboration and

As an organization, you will need to decide whether you are ready to adopt it because, the need for it as a way of doing business today is evident. VPs are usually developed in accordance with prevailing legislation for a particular industry and the service providers' terms and conditions. The IT leader will first need to evaluate hardware, software, and the processes they will need in order to implement it and manage its use. They might need to adopt an independent software vendors (ISVs) in order to develop the software needed and guide the effort if what is available locally is not going to suit their organizational use of the VP.

Process to follow when developing an organization Account

As an organization, you must appoint a team leader who will act as the project manager who will be accountable for the establishment and effective running of the VPs. The person has to be conversant will the organizational needs that are to be served by this venture.

1. **Project manager** will first establish a feasible timeline for the team to research, test, and introduce Virtual hardware and software or readymade platform that can be used at the organization, which includes schedules for securing the budget and identifying the optimal ISV.

2. **The team leader** will lead strategy on determining the right initial use for VP, such as training management, coordinating teams, building 3D models, or handling cargo. This role will identify which audience at your organization will test this technology; which milestones to use to measure success; and which developer has the closest potential offering to help.
3. **The executive sponsor** must establish and maintain the support of the organization's executive officers. Not only is their buy-in essential for funding the project, also team will need their feedback to hit the right goals, and their promotion of the cultural change VR will bring to every level of your organization.
4. **If you decide that to suite your organizational needs you are better off developing your own, then your ISV developer** will build your first VP application by following your specifications and incorporating your initial and evolving goals and user feedback to iterate and improve the software before launch.
5. **The launch team's IT lead** begins testing your application, taking the VP hardware and software online to the trial audience and maintaining and troubleshooting as those employees identify necessary changes.
6. **The Project Manager** is now able to manage VP and ascertain its effectiveness in line with the needs to be met. With the technology having being launched, the business leader analyzes the results in the data, adds KPIs, and identifies additional uses to develop VP as you scale it across the organization.

If as an organization you have chosen the mentioned mainstream platforms to use such as WhatsApp, Twitter, Facebook, Instagram etc., you just need to get in touch with the service provider and subscribe to their services by opening accounts and paying the subscription fees to make it useful and effective for your use. It is mandatory that you appoint someone responsible to manage the platforms in order to ensure they yield expected results.

Handling Training for Virtual platforms personnel

If no one is an expert in handling the VPs, Training of staff will be mandatory for

smooth running of this project and effectiveness in its intended use. However, this is to be conducted in accordance to the Training policy that has been set up in the organization. Training can be out sourced or in house depending on the type of VPs identified or developed. One can get online free training offered by the service providers that can be cost effective yet efficient.

Managing Virtual platforms

You must identify which platforms are suitable for your organization. That is, is Facebook, Twitter, Instagram, WhatsApp, Snapchat? All these are social media platforms. Some of the service providers have management models that can assist you manage your VP in accordance to your need. You might need more than one to be effective bearing in mind management of VPs is in accordance with your PR policy and laid down procedures.

Steps to follow in managing your VPs:

1. Come up with your Social Media Strategy

If you have a team of people running multiple accounts, it can be difficult to get everybody to stay on brand. But by drafting a social media strategy, which includes policies, procedures, and a style guide in line with your PR policy you can give everyone involved in management to have a set guide to follow at all times.

Even if every account has different goals, a documented strategy can help everybody stay in sync and not stray away from your company's message.

2. You can adopt the use of Social Media Management Software

It can be time consuming to copy and paste the same content to multiple accounts on different social media platforms. Therefore, investing in social media management software such as Buffer will help you manage publishing and engagement all in one place. This again will depend on PR budget expenditure.

These programs can help you post similar or identical content to different accounts on different networks simultaneously with the click of a button thus making work easier.

3. **Monitor Activity and Engage**

Here you must keep track of mentions and keywords especially if you set up a support-related account. You want to know if a customer needs your help, or if you can jump on a trending topic related to your business. Just as importantly, you don't want to overlap with any of your co-workers working similar accounts.

Social media management software should be able to help with monitoring while providing a space for collaboration within your team. It is not good if a brand replies either to a years-old post or if an inquiry receives two replies from different people in the same organization.

4. Create an Editorial Calendar

Editorial calendars are useful for providing direction and making sure you are on track with your social media strategy. This can be done through social media management software or even by sharing a simple document with your social team.

It puts everything in one place and provides a reference for social media managers. Also, it can be helpful for spotting gaps or missed opportunities in your posting schedule.

2. **Analyze Your Own Strategy**

This should be done regularly so as to implement new or better ideas for improvement. It's important to analyze the results of your own social media strategy so as to answer simple questions.

Are some accounts doing better than others?

How can you help ones who are lagging behind?

Does every account contribute to your brand?

You won't know without looking at it analytically. Employing your strategy and reading the results is the only way for you to make improvements to your approach to social media as you manage your VP accounts.

Practices for platform management

- Set clear expectations: When employees know what you want them to do, as well as how you expect them to do it, it's easier for them to meet company standards and produce high-quality work
- Conduct regular meetings: Meeting with team members on a regular basis (once per week is ideal) helps to foster good communication practices and create a more collaborative work environment
- Collect feedback: During your weekly meetings, you shouldn't be the only one talking; allow your team members to provide feedback and talk about their experiences so they can get more helpful advice and feel more comfortable speaking up
- Use the right tools: The right virtual team management software will simplify the process of communicating and setting expectations for your workers

Learning Activities

Practical activities

Identify a VP bearing in mind the necessary features to consider in the process.

A case study

Read the case study presented below and answer questions that follow.

Havilah Eze Ltd has been experiencing low sales due to Covid 19 interference on how they have been marketing their brand and receiving feedback from their clients. Which has been handing out fliers for new price offers and sales promotions. This has worked well for them over the years because their main market is the local community within their location. They need to quickly adopt the new norm of doing

business online yet ensuring all stakeholders are incorporated as per their collaboration policy.

a) Explain what are VPs?
b) Advise them on the benefits of VPs in business?
c) Elaborate to them the possible VPs they can adopt:
    i. So as to improve awareness of their products
    ii. So as to communicate with other stakeholders
    iii. So as to get new clients

Field/Visit to potential individual clients at a nearby firm to analyze their preferred VP so as to come up with establish how they can maintain their VP accounts

a. Identify **10** employees in businesses near your locality whom you will give the Questionnaire attached to fill in.

b. Compile a report on the preferred VPs they use using the questionnaires filled in. The Report should be on the format provided.

QUESTIONNAIRE: CLIENT PROFILE S. No….

Name of Organization…….

Your Department/Office……

Please answer the following 10 Questions by a circle in the selected response

1. Do you use social medial as a virtual platform for communication and engagement with stakeholders?

a) Yes
b) No
c) Sometimes

2. How long have you engaged in Virtual Platforms?

a) Less than 6 months
b) Less than 3 years
c) More than 5 years
d) Never used

3. Which are the Virtual Platforms you specialize in?

a) WhatsApp
b) Video conferencing mediums like zoom, Microsoft teams
c) Facebook
d) Instagram

4. Are you familiar with any restrictions or limitations on the said platforms?

a) Yes, I am
b) No, I am not
c) I don't know

5. Are the platforms you use for?

a) Only Personal use
b) Only for business
c) Both for personal and business use

6. What is your opinion on use of virtual platforms as a marketing tool?

a) It is effective
b) It can be effective but takes time to yield results
c) It promotes fraud

7. Do the virtual platforms used in the organization measure success of the business?

a) Yes
b) No
c) I don't know

8. Do you alert your clients of new opportunities using virtual platforms?

a) Yes
b) No
c) I don't know

9. Can you give me an example of a limitation of a virtual platform that you have

experienced and overcome or you are still working on?

……..

……..

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……..

10. Would you recommend the use of virtual platforms as a forward strategy to doing business?

a) Yes
b) No
c) I don't know

End of questions

Remarks

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Self-Assessment

1. Which is the process to follow when developing an organization's VP account?
2. Why is training important for VP personnel?
3. Elaborate how to manage a VP account?
4. . What is video conferencing?

5.. Why is it good for business?

Tools, Equipment, Supplies and Materials

The following resources are provided

- Computers
- Internet connectivity
- Printer
- Projector
- Camera
- Tablet
- Mobile Phone
- Classroom and classroom resources
- Stationery
- Sample logo designs
- Print media

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Self-Assessment Responses

1. Which is the process to follow when developing an organization's VP account?

- **Appoint a project manager who will establish a feasible timeline for the team to research, test, and introduce Virtual hardware and software or readymade platform that can be used at your organization, which includes schedules for securing the budget and identifying the optimal ISV.**
- **The PM then has to lead strategy on determining the right initial use for VP, such as training management, coordinating teams, building 3D models, or handling cargo. This role will identify which audience at your organization will test this technology; which milestones to use to measure success; and which developer has the closest potential offering to help.**
- **The person heading the project must establish and maintain the support of your organization's executive officers. Not only is their buy-in essential for funding the project, you also will need their feedback to hit the right goals, and their promotion of the cultural change VR will bring to every level of your organization.**
- **If you decide you need a VP to suite your organizational needs you are better off developing your own, then your ISV developer will build your first VP application by following your specifications and incorporating your initial and evolving goals and user feedback to iterate and improve the software before launch.**
- **The launch team's IT lead then begin to test your application, taking the VP hardware and software online to the trial audience and maintaining and troubleshooting as those employees identify necessary changes.**
- **After this, the PM is able to manage VP and ascertain its effectiveness in line with the needs to be met. With the technology having being launched, the business leader analyzes the results in the data, adds KPIs, and identifies additional uses to develop VP as you scale it across the organization.**

1. Why is training important for VP personnel?

a. To be able to identify your own company audience

b. **To be able to create a compelling structure that works and is effective in content and delivery.**
c. **To learn to communicate in a simple and brief manner**
d. **To be able to make the experience with your audience visual and interactive**
e. **To be able to measure effectiveness of the VP being used in comparison to set goals**

2. Elaborate how to manage a VP account?

a. **Come up with your Social Media Strategy**
This should include policies, procedures and a style guideline for everyone involved to follow at all times.
b. **Adopt the use of Social Media Management Software to help you manage publishing and engagement, all in one place. This will help you post similar or identical content to different networks simultaneously thus making work easier. However, this will be dependent on the PR budget.**
c. **You must monitor activity and engage. Here you keep track off mentions and keywords especially if you set up a support related account so as to know if the customer needs help. It also helps to respond promptly**
d. **Create an editorial calendar which is useful for providing direction and making sure you re on track with your social media strategy. This can be done using social media management software or use of a simple document in your social team. It can also be helpful for spotting any gaps or missed opportunities in your posting schedules.**
e. **Analyze your own strategy on a regular basis so as to implement new or better ideas for improvement and also to answer simple questions.**

3. a. What is video conferencing?

It is the use of video and chat apps to communicate to stakeholders in your business. It has proven to be more comfortable to get work done. It is an important way to communicate verbally and brings connectivity and a face to face touch in the scenario. Most people feel that if you can't meet

face to face, a video conference is the next best thing. As a younger generation of more mobile and technologically advanced users enter the workforce, companies find it necessary to change the way teams communicate and collaborate with each other.

b. Why is it good for business?

1**. Improve client and co-worker interaction,**

2. Convey concepts or goals in a clearer and concise manner,

3. Ensure the non-verbal is not misunderstood, and

4. Combat isolation from remote work locations.

4.2.5 LEARNING OUTCOME 5: PREPARE CORPORATE REPORT

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to identify corporate image components of the functional unit, obtain feedback from stakeholders, evaluate corporate image from analyzed marketing information system, undertake corrective action and prepare and share corporate image report.

Performance Standard

5.1 Corporate image components of the functional unit are identified according to corporate image policy guidelines

5.2 Feedback from stakeholders is obtained according to Organizations policy and procedures

5.3 Corporate image is evaluated in accordance with analyzed marketing information system

5.4 Corrective action is undertaken in accordance with the policy and procedures

5.5 Corporate image report is prepared and shared in accordance with procedures

Information Sheet

Definitions of terms

- Corporate Image: This is the image that people have in their minds about a company, its products, and its services. It is also the product of company's performance, media coverage and its activities.
- Corporate Image component: Is an element that makes part of the corporate image such as goods and services.
- Corporate Image policy: a principle of action adopted or proposed by an organization to govern how they build and manage their corporate image.
- Corporate image report: This is written information that is useful and precise to deliver its purpose to its end user.
- Brand: It is the image and personality of a product or service that a business provides. A product's features, such as logos or slogans, make it unique and different.

- Functional unit: It is a quantified description of the performance requirement that provides reference.
- Jingle: It is a short slogan, verse, or tune designed to be easily remembered, especially as used in advertising
- Logo: This is a graphic mark, emblem, symbol or stylized name used to identify a **company**, organization, product, or brand
- Marketing Information System: It is a permanent arrangement system or set up for provision of regular availability of relevant, reliable, adequate, and timely information for making marketing decisions.
- Marketing Intelligence: It includes everyday information about developments in the marketing environment that help managers to prepare and adjust marketing plans and short run tactics
- Marketing Research**:** It is a process that identifies and defines marketing opportunities and problems, monitors and evaluates marketing actions and performance, and communicates the findings and implication to management.
- Mascot: This can be a person or thing that is supposed to bring good luck or that is used to symbolize a particular event or organization such as brand name, sports team, trophy etc.
- Pseudonym (fictitious name): It used by the company but it is not the actual registered company business name.
- Slogan: This is a short and striking or memorable phrase used in advertising of a certain company.

Identifying Corporate Image Components of the Functional Unit

Introduction

A corporate image is considered to be the perception that the general public holds about a particular organization. Many companies invest a great deal of time and other resources in an effort to influence the opinion that consumers hold about the products offered by the business, as well as the business itself.

The process of cultivating positive public relations extends to not only interaction with consumers, but also ongoing interaction within the organization, with the media, labor unions, industrial associations, and other entities that have a direct and indirect impact on public opinion.

Corporate Image components of the Functional Unit are as follows:

- Department – This is the PR department that handles all matters to do with the creation of a positive corporate image of any given company. It could also be a PR agency that has been recruited to handle this aspect of the business.
- Section - This is the actual office handling the assignment. In most organizations, it is called the Corporate Affairs section.
- .Activity – This is the actual objective to be undertaken by the section which in essence is building a strong brand with a good corporate image that is sustainable.
- Program – These are the planned series of future planned activities lined up as approved by organization for undertaking in any particular financial year.
- Project – This is planned work or activity that is to be finished over an agreed period of time and is intended to achieve a particular purpose e.g. to improve brand image from 10% penetration to 30% or to increase target audience from 100 participants to 500 etc.

Creating an effective corporate image involves the following steps.

1. **Mission Statement.** Create a mission statement that makes it clear

   (1) What your company does,

   (2) Who the target audience is, and

   (3) What makes your company unique.

2. **Corporate Identity tools.** Create corporate identity tools that include

   (1) Name: You can use the registered company name or a pseudonym

   (2) Logo: This is a graphic mark, emblem, symbol or stylized name used to identify a **company**, organization, product, or brand.

   (3) Slogan: This is a short and striking or memorable phrase used in advertising of a certain company. e.g. Safaricom The Better Option

(4) Colors: It is important to choose corporate colors that are synonymous to your brand

(5) Type fonts – To use in every formal writing that is letter heads, branding merchandise such as T-shirts such as Times Roman, Calibri, Arial etc.

(6) Mascots –They are used as fictional, representative spokespeople for consumer products such as wheat stalk for Weetabix.

(7) Jingles – These are used mainly in advertising to bring association to a certain brand when the phrase is made such as "The Better Option" which is synonymous with Safaricom.

3. **Training.** Train your employees and other internal stakeholders on your mission and corporate identity tools so they can transmit them via their word-of-mouth communication platforms and social media circles.
4. **Promotion.** Promote your mission and corporate identity tools to people outside your company using traditional, online, and social media. You put them on business cards, letterhead, signs, company vehicles, packaging, brochures, and all corporate communications.
5. **Measuring results.** Using your MIS, you need to use it to measure how effectively your corporate image is working.
6. **Corrective action.** Using the same system, you need to make necessary adjustments to the above if they are not working according to policies and procedures.

How to shape corporate image

1. Establishing and maintaining positive relationships with the general public. This effort usually begins by offering products that successfully meet the needs of customers, thus generating goodwill. As consumers come to know and trust the product lines offered by the business, they begin to share their opinions with others. This positive word of mouth helps to introduce other consumers to the products offered by the business, and makes it easier to establish a favorable perception in the minds of more people.

2. Becoming involved with the communities where their goods and services are sold. This can involve anything from sponsoring a local sporting event to supporting some type of local charity. By choosing to be a part of the community, the business establishes a perception among consumers that the company is interested in the quality of life of everyone in the community, and not just attempting to turn a profit.

3. Working with the media. Journalists in both print and electronic media hold a great deal of influence with the general public. This means that businesses that want to be perceived in a positive light by consumers will want to cooperate with media professionals. Doing so helps to ensure that when new product lines are launched, or significant events happen in the life of the company, the media is much more likely to convey the news to consumers

Figure 37: Working with the media



It is important to note that Organizations of all sizes will want to carefully create a corporate image that inspires confidence and trust in consumers. In the event that

some event occurs to negatively impact that trust, taking steps to effectively deal with the situation and find ways to restore the confidence of the general public is essential if the company is to survive. For this reason, a number of companies engage the services of public relations professionals or establish an in house PR department to build their brand and maintain a good corporate image. They should also be equipped to manage just about any situation that may arise that could affect the corporate image of the company.

When it comes to identification of corporate image components of the functional units it is done according to the corporate image policy guidelines that have been developed by your organization.

The corporate image components can be tangible or intangible.

Tangible Components

The tangible components of your corporate image are the things people can touch or see like: your logo, brochures, website, letterheads, vehicle signwriting and hoardings on site etc. You cannot overestimate the importance of getting these well designed. Communication from a good logo, a well written brochure, a coherent website, and a well set-out letter is immense.

In this case, it is advised not to underestimate the negative impact of an off-the-shelf logo, a badly written letter or brochure, or a website that is hard to use. These may lose you the business before the potential client has read a single word. Someone might dismiss expenditure on design as an indulgence, something that can be easily cut to improve the bottom line. But just think about your own role as a client: how many of your purchases are influenced by good or bad design and packaging? How often are you put off by something that is poorly presented? Which would you trust more, a generic ‘no-name’ product or a branded one?

Good design is usually the end of a long intentional process, but it is worth investing in. It does not have to be flashy, but get it done professionally. Good design makes you more memorable, and it communicates reliability and helps to build trust.

Intangible Components

These are mainly formed by perception. It is also shaped by people's experiences of dealing with you, and by the gossip of others who have worked with you. This is why it's so vital to get everyone in your firm on board with your marketing strategy so that everyone is on the same page. Your receptionist is on the front line of marketing. First impressions are essential and how they answer the phone and deal with visitors powerfully impacts their impression of your firm, for good or ill.

It's not just the receptionist. Every member of your staff affects your corporate image every day. Do they answer the phone politely? Do they deal with queries promptly? Do they do what they have said they will do? Do they make a good impression on site visits? Do they manage the contracts well? Do they know what they are talking about?

A good experience for clients leads to a good corporate image. And a good image will help clients to be willing to trust you with their business, and that in turn will lead to repeat business.

These could include but not limited to (bearing in mind, it highly depends on the corporate image guidelines set by an organization):

a. The corporate name and logo
b. Ideas and beliefs of your corporate personnel
c. The employees
d. The package and the label

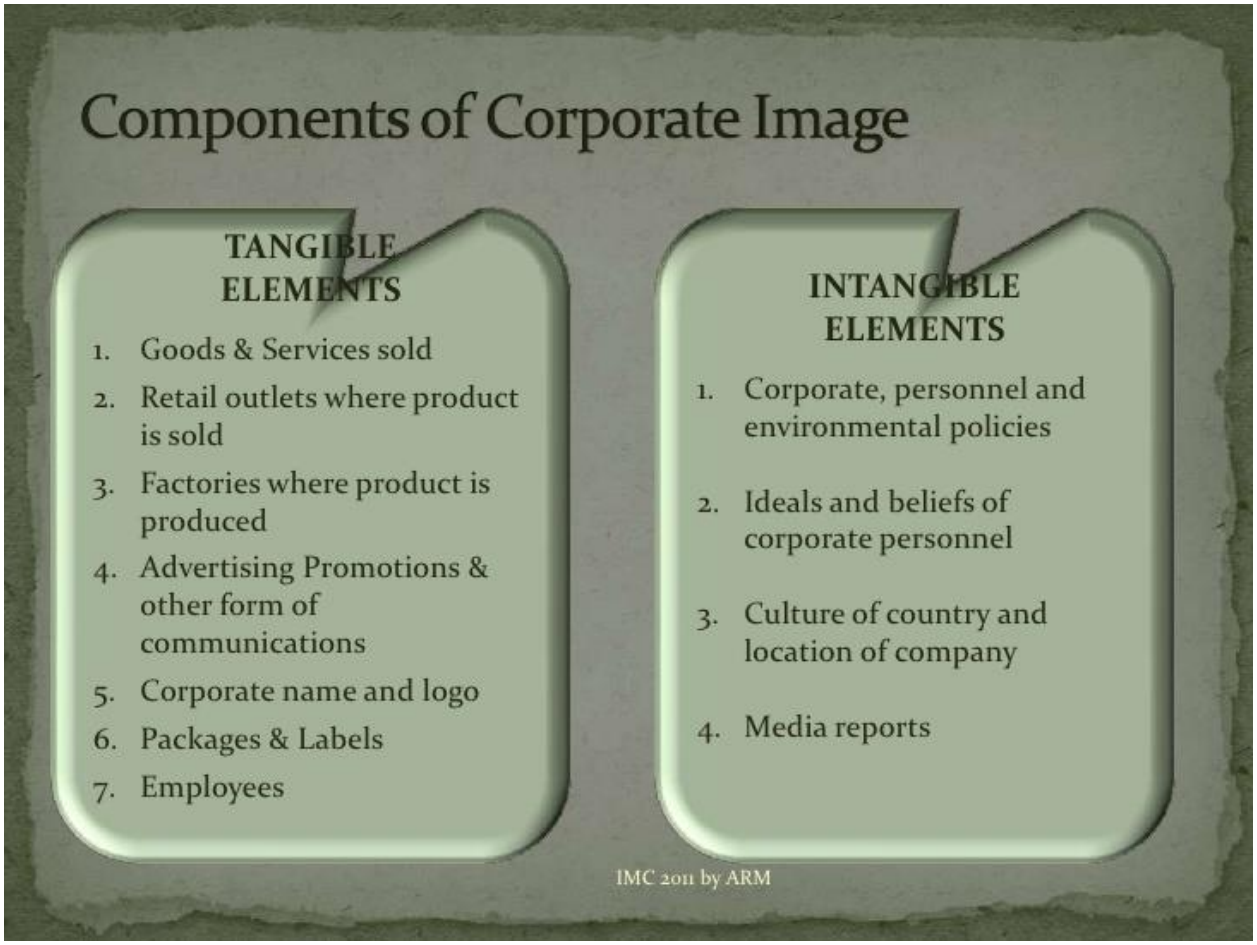


Figure 38: **Components of corporate Image**

Tangible Components

1. **Goods and Services**

These are the products that a company offers to its clients. Goods are items that are ususally but not always tangible such as pens, fruits, machines et while serrvices are activities offered by mainly professionals like cleaning, financila advice, treatment by a doctor, legal services by a lawyer etc.

2. **Factories**

This is an industrial site where goods are manufactured or assembled. It can a building or group of buidings.



Figure 39: Kenyan EPZ factory

3. Communication media

This refers to different media that are employed for transmitting data from one computer terminal to the central computer or to other computer systems inside some kind of network.

There are two forms of communication media:

- Analog: Includes conventional radio, telephonic and television transmissions
- Digital: Computer-mediated communication, computer networking and telegraphy

2. Name

This is the registered name of the business. It should be catchy and inline with the business being conducted. Other companies adopt trade names. This is when the business name is a pseudonym (fictitious name) used by the company but it is not the actual registered company name. Example Kenya Airways is commonly known as KQ. Kenya Electricity Generating Company operates under the name KENGEN.

3. Logo

This is a graphic mark, emblem, symbol or stylized name used to identify a **company**, organization, product, or brand. It may take the form of an abstract or figurative design. It may present as a stylized version of the **company**'**s** name if it has sufficient brand recognition.

Logos have become an integral part of a **company's** brand identities.



Figure 40: Examples of logos

4. Packaging

This means the wrapping or bottling of products to make them safe from damages during transportation and storage. It keeps a product safe and marketable and helps to identify, describe and promote a product. It is an integral part in creating a company's corporate image.



Figure 41: Example of Packaging food stuff

5. Employees

These are individuals who is hired by an employer to do a specific job. An employee is hired by an emlpoyer after application and an interviewing process resulting in his/her selection as an employee. These individuals exchange their skills, knowledge, experience, and contribution in exchange for compensation from their employr=er in form of salary and other agreed upon allowances and benefits.

They are an important resource in a company because they are the tangible face of a company and act as effective brand ambassadors too. They have the ability to build a strong corportae image if they have been sold out to the vision of the company, have job satisfaction and are happy in the orgnization. Many organizations, train andd equip them as a corporate image tool. They are provided with merchandise such as T-shirts, caps, umbrellas that promote the company brand in their respective communities. They also receive training to strenthen their brand knowledge inorer to beuild a strong brand.

Intangible Components

1. Policies

These refer to business' approach to a given issue. The approach is generally detailed and may include components such as acceptable business ethics, rights, dispute procedures and forbidden behaviours.

Basic Policies that can be adopted by any given company.

1. **Employee Position Descriptions** – Define the role of every employee, including their level of responsibility, amount of authority for decision-making, overarching goals and specific tasks. Also create methods for monitoring performance and developing employees through training.
2. **Personnel Policies** – Clearly state business hours, terms of employment (hiring and termination), wages or salary (and bonuses, if any), insurance and health benefits, paid vs. unpaid vacation days, sick leave, and retirement.

3. **Organizational Structure** – Create a chart with each person's name and title showing how each person fits into the structure of the organization.

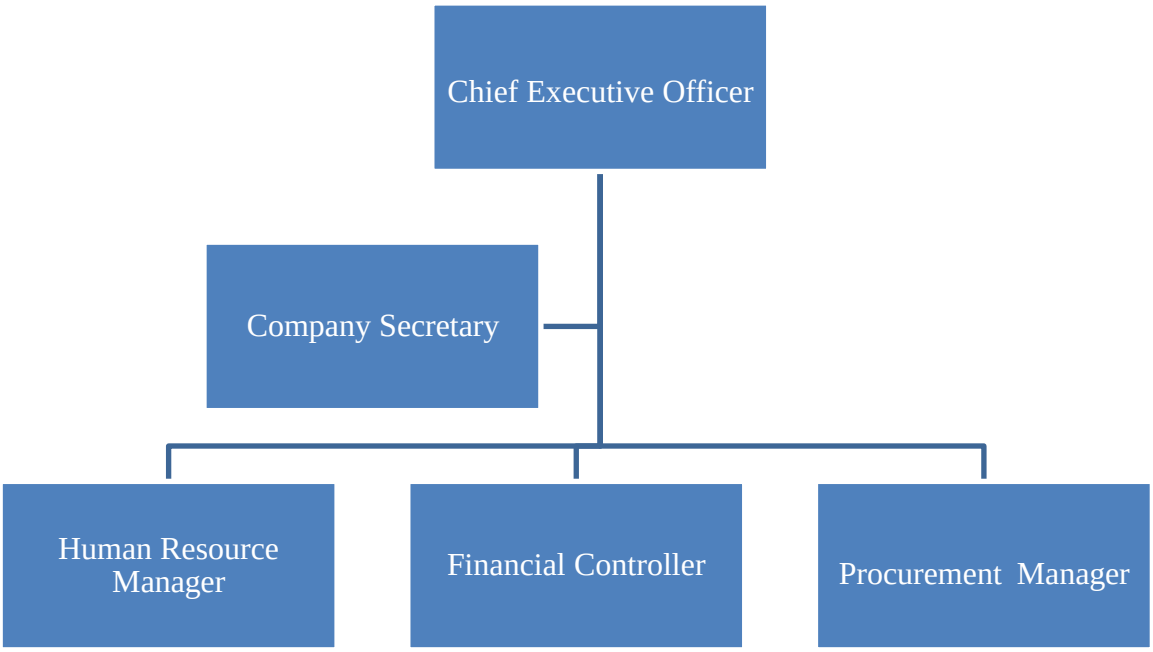


Figure 42: Organizational Chart

4. **Disciplinary Action** – Address issues of honesty, performance, safety and misconduct, and determine what constitutes a violation of company policy, as well as how employees will be disciplined if they violate certain rules.
5. **No Retaliation** – Make sure to have a no retaliation policy to protect your employees and the company.
6. **Safety** – Use industry best practices and relevant local, state and federal laws as guidelines to create rules detailing what safe behavior at work looks like, how to use safety equipment, how to report safety hazards, etc.
7. **Technology** – Establish what's acceptable and what's not in regards to Internet, email and social media usage for personal purposes at work.

   Policies for Customers Doing Business with Your Company
8. **Privacy** – Protect employees, the company and your customers by establishing a policy that encourages transparency and trust with your customers.

9. **Credit** – Determine the terms of opening an account and building good credit with your company. Set an acceptable amount of time for payment, and establish consequences when payment is overdue or not received.
10. **Confidentiality** – Protect sensitive information, and be sure to cover relationships with vendors, customers and other suppliers.

Such policies come along way in strenthening a company's corporate image as set code of conduct is established for stakeholders..

2. Ideas and beliefs

An idea is a formulated thought or opinion while on the other hand a belief is an idea that one accepts as being true or real. These form an impotant aspect when fromulatig corporate image strategies that are effective within any community. Some of the beliefs that are standard are that love is good, giving is better than receiving, stealing is bad, you should always brush your teeth, you should help people in need, you should not lie, murder is wrong etc.

Ideas and beliefs tend to dictate what may or may not be acceptable in any given community.

3. Country culture

This is the customs, arts, set of ideas, anti facts, social institutions and achivements of a particular nation that is adopted by its citizens. It also includes meaningful symbols such as flags,national anthems etc that help individuals communicate, interpret and evaluate as members of a particular society. It tends to influence how organization's are managed and run in a given country.

Attitudes and Behaviours Influenced by Ones Culture

1. Personality i.e. sense of self and society eg the Luo community
2. Language and communication
3. Dressing – Influenced by western culture due colonialism

4. Food habits – In Kenya, production of maize is crucial as ugali is considered the basic standard/staple food for the majority of the peoeple.

5. Relion and religious beliefs – Kenya is considered predorminantly Christian though we have Hindus, Budhists, Muslims and even aithesists.

6. Customs of marriages, religious and special social customs – these mainly depend on the different tribes.

7. Social relationships such as marriage systems, family structure aand relations, social and religious organizations including government

8. Education systems, role of churches, temples, mosques etc on education system i.e mental process of behavior (formal and religious symbols, colleges, technical intitutes, universities, etc)

9. Work habits and products. They differ from country to country, religion to religion.

10. Time value (puntuality, late coming, working hours, rest hours, public holidays and so on

11. Values nad norms

12. Beliefs and faiths in religion such as rebirth, resurrection etc

13. Festivals such as Christmas for Christians, Diwali for hindus, Eid for muslims

14. Art, music, pictures, TV, radio, movies, theatres etc

15. Technology and innovation

16. Products and services.

17. Knowledge

18. Government laws and social traditions and laid down lws by religion

All these factors dictate how a corporate image campaign is perceived or even formulated.

4. Media reports

They are media monitoring and analysis reports that collect data provided by media monitoring tools in one document. They are customizable and while creating, you have 100% control over what is in it. The report is usually prepared in PDF format which maks the dcoument easy to rea on every electronic device able to read such files. They contain content on how media potraays people, products/services or issues. They are especially helpful to non profit organizations and businesses that work with stereotyped groups or issues. Understanding how media refelcts your products/services or customers helps you improve your marketing and public relations in line with building your corporate image.

The purpose of creating a good corporate image

- Positive consumer response

It is important to know that consumer response can be both negative or positive. Th response is what will determine the overall outcome. to all his friends and family. By this quick and positive response, the manufacturer turned that customer to a business ambassador to increase the sales and productivity of business.

Before developing the strategies for customer responses it is important to understand the master plan which indicates how the responses should be modeled according to customer's attitude which is different in different situations. Giving the right response at right time is the only key factor for successfully building the relationships with customers and influencing them to have long-term business deals.

6. Portray business and products

When creating a good corporate image, giving correct details of the type of business you do and the products you offer is crucial. Explaining your products and services in layman's terms will allow you to reach out to a wide range pf investors, including those who know little about your industry but can spot a potentially profitable business opportunity. Sharing this information, it gives all stakeholders a clear

understanding of the business and its products and services. This inturn helps to create a strong brand awareness.

7. Higher pricing

By creating a straightforward, easy-to-understand pricing. Many companies use a complicated pricing structure and try to hide their prices from their customers. It is important to streamline your pricing and make it clear, especially if you run a service business. Exactly how much can your customers expect to pay for which services? A pricing menu is often a good idea. When the company has a good corporate image, there is trust in the brand and people are willing to pay more because they are assured, value for money.

8. Repeat purchase

This is also known as repurchase or replacement sale. Here the consumer purchases the same brand that replaces the previous purchase which has already been consumed. This is to say, satifisfied clients keep coming back for more. They also influence others to join them by word of mouth. Having a good corporate image means that the brand is selling not by pure advertsing but my meeting the needs of its consumers. This builds brand loyalty over a period of time. Consistency is therefore crucial for this cycle. That means maintaining quality and good customer service.

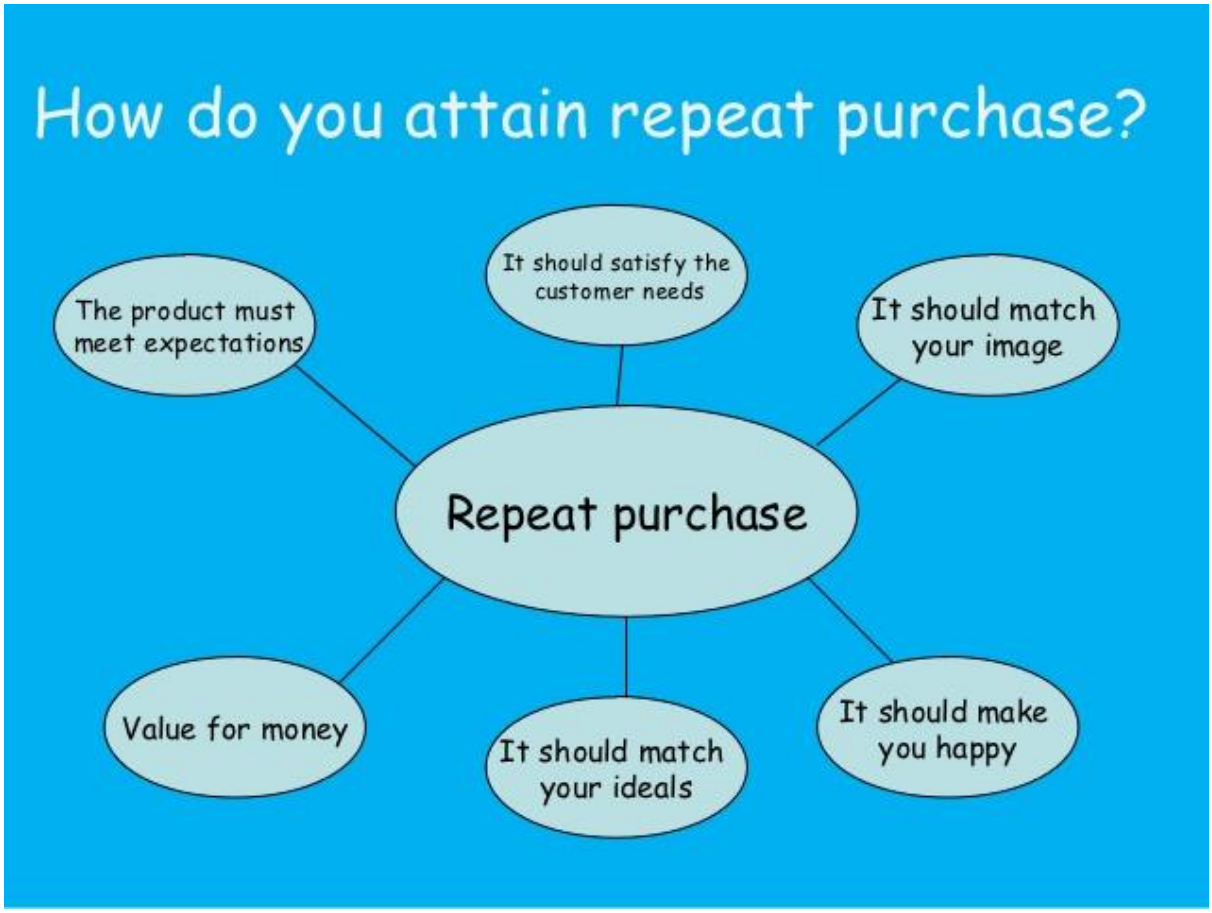


Figure 43: **Repeat purchase process**

9. Quality employees

A company with a good corporate image attracts high quality employees. These are people who are self motivated, have good communication skills, team players, hard working, polite, disciplined, influencers, ethical and adopt easily to an environment. These in turn end up being strong assets to your marketing strategy and enhancing your brand image. Employees who love their jobs and believe in your business will not only display, wear and use your merchandise or services, they will also recommend you to their friends and families. Part of maintaining your corporate image is by treating employee's right, and they could be the foundation of your personal recommendations web.

10. Financial viability

It refers to an organizations ability to generate sufficient income to meet operating payments, debt commitments and, where applicable, to allow growth while

maintaining service levels. It also measures your business' ability to start, grow and survive. It factors in target markets, competition, sourcing and overall financial potential.

11. Public ranking

This is the position or level tht your company has in list that compares its imporatnce, quality of service, value and general success. When people know you in a business sense, they tend to rank you in comparison to your competitiors and other similar ranked businesses. A reputable firm with a strong corporate image alwys tends to emerge in the public limelight and public ranking arenas such as safaricom.

How To obtain feedback from Stakeholders

Here we are looking at feedback that entails to all the efforts being made to build and maintain a positive corporate image. This is important as it is obtained in accordance to an organizations policy and procedure.

Steps that you can follow to obtaining feedback:

1.Define your goal of expected Feedback

Standard goal for most organization is to get a clear and accurate picture of the things you are doing well, the things you can improve upon, and suggestions for taking the proper steps to get there. Good feedback will help you avoid repeating the same destructive patterns in the workplace that only hold you back instead of propelling you forward. Good feedback enables you to grow in management thereby harnessing what you do well, and providing a path to improve upon in the areas of weakness

Feedback with an open mind and a positive, accepting attitude. Remember, it is just as hard for many people to provide feedback as it is for you to receive it.

2. Identify the Right Feedback Givers

Not everyone can provide the specific kind of feedback you're looking for. When determining who can offer the best constructive criticism, think about the people who have the most interaction with your brand on a daily basis. Feedback with more perspective may result in a well-rounded point of view regarding your path forward.

As an organization, your feedback should come from employees, customers, community and media.

Employees

These are people who interact with the brand internally and know the products/services being offered. They form part of the larger community that the organization is interacting with, therefore, they likely to give a good perspective of the organizations corporate image and useful feedback. However, you may need to approach them with the reassurance that you want to hear their honest opinion and that they will not be victimized. Choose employees of different positions and points of view to obtain well-rounded observations and views.

Customers

Your customers provide a unique perspective of your work since they interact more with the final product or service and your role in delivering it. They are outside looking in on your company, which means they can provide a picture of how the customer base, on the whole, views the face or your organization. How you represent your company image is just as important as the work you're performing every day internally.

Community

This is considered a social unit that share a sense of place situated in a given geographical are such as a village, town or neighborhood. They share commonalities such as norms, religion, values, customs or even identity. These include other companies, banks, suppliers, local government authority etc.

Media

These are the main means of mass communication outlets or tools used to store ad deliver information or data. It consists of broadcasting (TV, radio), publishing (Newspapers), cinema, photography, advertising and internet (Social media). From here you can get both positive or negative feedback. This feedback has proven to be effective to build and maintain a good corporate image.

3. **Prepare Questions**

Keep your goals in mind as you think about what questions to ask. What specific questions do you need to ask to achieve your goals? If your goal is to improve relationships with customers/suppliers, ask questions that specifically pertain the current working climate and interactions. Think about your specific goal, and fashion the questions that help you identify and formulate the answer. It may be that you want to see how you're doing on a whole. A range of open-ended questions will help you obtain the relevant responses that will aid evaluation.

Sample questions to formulate depending on the stakeholder you are targeting.

What do you like about our product/service and why?

What would you like to see changed?

What is your ideal version of this product?

In what way does this product/service up to your expectations?

In what ways has it not met your expectations?

4**. Ask for feedback in the Right way**

When the time comes to ask for feedback, you must be willing to accept the answers with an open mind. Perception is reality. If you become defensive or affected negatively by comments other professionals provide, you will be far less likely to receive honest responses in the future.

This doesn't mean you have to have a face to face with every person to hear what could be the ugly truth right then and there. Many people are more honest when they are not confronted directly with the situation. Feedback can be given in a variety of forms, as long as the understanding exists that you are asking for honest input to become a better service/product provider. You may need to reassure your stakeholders that you are ready to hear what they have to say without negative consequences.

How Should You Ask for Feedback?

Direct face to face interaction is typically the most effective way of receiving feedback, however it may not work for everyone or in every environment. This is especially relevant if your team is spread out geographically or if you're asking for feedback from a variety of stakeholders such as client partners or customers, and

whether your feedback is project/product specific or a more formal perspective on the work environment as a whole. Here are some popular means of soliciting feedback.

Online Communication Feedback

This refers to how organizations or individuals communicate with each other through the internet. It happens via email, live chat, online forms, comments on websites, instant messaging, social media sites and forums.

Direct Files

Here you have contributors annotate comments, suggestions, changes, recommendations, etc. directly into files such as Google Docs or Word documents so that you can receive immediate feedback on a particular project/process/product/service. Used effectively in office setups when you need particular changes in a document.

Email

You can ask for professional or project related feedback by merely sending an email containing the appropriate questions.

Feedback Email template

Requesting Feedback for X Product

Dear Esteemed Customer,

I'm passing this product to you for the purposes of soliciting your honest opinion and insight into it. The more information you can provide regarding your opinion of this product, the better we can continually improve on our processes in producing it.

At your convenience, please help us by answering the following questions:

(insert questions here)

To make this product exceptional, I will review your feedback soonest and follow up with the actions we took based on your recommendations.

Thank you.

Survey/Poll

A great way to solicit feedback from a wide variety of people about a particular project, process, or service is by using tools such as Survey Monkey or Type Form These are global leaders in software survey. They are easy to use and feedback is immediate. It can also be called an opinion poll.

Live Chat

This is an online customer service software with online chat, help desk software and web analytics capabilities. It was first launched in 2002 and is currently developed and offered in a SaaS (software as a service) business model by Live Chat software S.A.

Companies use Live Chat as a single point of contact to manage from one software all customer service and online sales activities that are normally provided using different channels (chat, Email, Messenger, WhatsApp, SMS, Apps and even websites.

Virtual Platforms/Social Channels

You can use of the mainstream ones such as WhatsApp, Instagram, Facebook, Twitter, Instagram etc. You are assured to cover a larger scope of targeted stakeholders within a short time. Each of them has a feedback response mechanism that is easy to use.

Offline Feedback

Physical Survey

These are an effective way of getting a consensus from a group of people quickly, such as your employees/customers, particularly if you're managing a large team. It may provide the basis for topics you can explore further and improve upon in the future with your stakeholders.

Calls

The best way to achieve the most comprehensive feedback from your stakeholders merely is by having a conversation with them. Ask them open-ended questions to allow them to expand on their answers. And, ask questions that elicit a balance of

positive responses as well as potentially negative ones. In other words, ask them what you're doing well and what you're doing not so well.

People are more willing to open up about their concerns if they're given an opportunity to highlight what you're doing well. And you may be more open to receiving the criticism this way, too. Just remember to focus on what you can do better in the future instead of fixating on past behavior. You don't have to agree with what they're saying, as long as you accept it without reservation.

4. **Make a Commitment and Follow Up**

Collecting feedback and doing nothing about is the biggest waste of time. Not all feedback you receive will be truly indicative of the quality of your performance, a particular project, process, service or product, but you will notice recurring themes across the different feedback processes that should serve as indicators of what specific things need to be improved upon in the future.

Act upon these things. Make the changes you need to in order to improve processes in the future with all stakeholders involved. And when you have made those changes, circle back with those who have contributed input, and tell them what you have done. This will send them the message that you value their input, which will encourage them to continue contributing in honest and straightforward ways in the future.

Evaluating Corporate Image from analyzed Marketing Information System

Introduction to MIS

An MIS consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers. The MIS begins and ends with marketing managers, but managers throughout the organization should be involved in the MIS.

First, MIS interacts with managers to assess their information needs. Next, it develops needed information from internal company records, marketing intelligence activities, and the marketing research process. Information analysts process information to make

it more useful. Finally, the MIS distributes information to managers in the right form and the right time to help in marketing planning, implementation, and control.

1. **Assessing Information Needs**.

A good MIS balances information that managers would like to have against that which they really need and is feasible to obtain.

2. **Developing Information.**

Information needed by marketing managers can be obtained from internal company records, marketing intelligence, and marketing research. The information analysis system processes this information and presents it in a form that is useful to managers.

a. **Internal Records:** The information consists of information gathered from sources within the company to evaluate marketing performance and to detect marketing problems and opportunities.

b. **Marketing Intelligence**: It includes everyday information about developments in the marketing environment that help managers to prepare and adjust marketing plans and short run tactics. MI can come from internal sources and external sources.

- **Internal sources**: These include the company's executives, owners, and employees.
- **External sources**: These include competitors, government agencies, suppliers, trade magazines, newspapers, business, magazines, trade association newsletters and meetings, and data bases available on the internet.

c. Marketing Research: It is a process that identifies and defines marketing opportunities and problems, monitors and evaluates marketing actions and performance, and communicates the findings and implication to management. MR is project oriented and has beginning and an ending. It feeds information into the marketing information that is ongoing.

Steps in marketing research

1. **Defining the problem and research objectives**

There are three types of objectives for a marketing research project.
a) **Exploratory**. To gather preliminary information that will help define the problem and suggest hypotheses.
b) **Descriptive.** To describe the size and composition of the market.
c) **Casual**. To test hypotheses about cause-effect relationships

2. **Developing the research plan for collecting information**

a) **Determining specific information needs.** Research objectives must be translated into specific information needs. To meet a manager's information needs, researches can gather secondary data, primary data, or both. Secondary data consist of information already in existence somewhere, having been collected for another purpose. Primary data consist of information collected for the specific purpose at hand.
b) **Research Approaches.** Three basic approaches are observations, surveys, and experiments.

i) **Observational research.** Gathering of primary data by observing relevant people, action and situations.
ii) **Survey research** (structured and unstructured, direct/indirect). Best suited to gathering descriptive information.
iii) **Experimental research**. Best suited to gathering causal information.
c) **Contact methods**. Information can be collected by mail, telephone, or personal interview.
d) **Sampling plan.** MRs usually draw conclusions about large consumer groups by taking a smple. A sample is a segment of the population selected to represent the population as a whole.

e) **Research instruments.** In collecting primary data, marketing researches have a choice of primary research instruments: the interview (structured and unstructured), mechanical devices, and structured models such as a test market. Structured interviews employ the use of questionnaire.

f) **Presenting the research plan**. At this stage the marketing researcher should summarize the plan in a written proposal.

3**. Implementing the research plan**

The researcher puts the marketing research plan into action by collecting, processing, and analyzing the information.

4. **Interpreting and presenting findings.**

The researcher must now interpret the findings, draw conclusions, and report them to management.

d. **Information Analysis.** Information gathered by the company's marketing intelligence and marketing research systems can often benefit from additional analysis. This analysis helps to answer the questions related to "what if" and "which is best."

III. **Distributing Information.**

Marketing information has no value until managers use it to make better decisions. The information that is gathered must reach the appropriate marketing managers at the right time for evaluation purposes.

Evaluation Process

The Corporate Image of a given company is evaluated in accordance with analyzed MIS. This can be done every time there is new analyzed information to ensure the brand is selling and remains relevant in the eyes of the relevant stakeholders.

1. **Analyze MIS Feedback**

You are required to measure effectiveness of the corporate image components adopted against the set goals and objectives. The information received from the MIS is precise and often points out the actual threats and weaknesses that need to be mitigated. It also points out the opportunities and strengths that can be strengthened to ensure longevity and posterity.

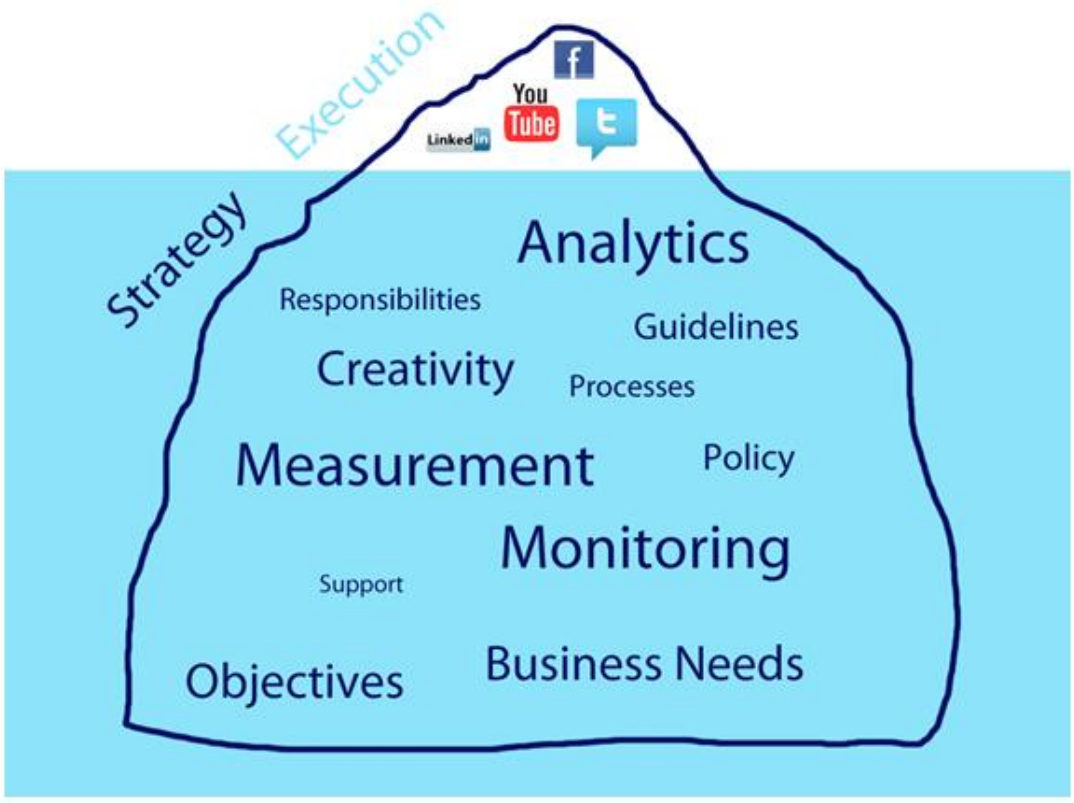


Figure 44: **What to look at when carrying out an analysis**

2. **Identify ways to Improve**

In any given situation, there is always room for improvement. Identify them and make recommendations for the future.

3. Make Adjustments

When you identify that there is need to make adjustments in the plan, materials or methods being used, do it at this point so as to have a continuous way forward to ensure set goals are being met at all times.

A strong corporate brand is crucial for the longevity of any company. Maintaining a positive corporate image is an ongoing process that must be handled with care because it can make and build a company or tear it down.

Undertaking Corrective Action

Taking corrective action is crucial for sustainability of the company. It must be undertaken in accordance with the policy and procedures of the company. When feedback is received and key issues are raised action is expected to assure clients of company good will towards its stakeholders.

Taking corrective measures could mean you taking a protective approach from would be jealous competitors, angry customers, and those with an agenda to attack you. You have to be prepared with the following three sets of procedures.

1. **The Rumor Procedure.**

   If the people are saying things that are not true, you should employ the following three steps of the rumor procedure:

   (1) Don't publicize the rumor,

   (2) Promote the opposite of what the rumor says without mentioning the rumor, and

   (3) Provide undeniable and verifiable proof to support (2).

2. **Fact Procedure.**

When it is true something wrong has been done by your organization, you should employ the following fact procedure

(1) Admit and apologize,

(2) Limit the scope (or put the mistake in perspective), and

(3) Propose a solution so the mistake is unlikely to reoccur.

3. **Turn negatives into positives.**

It is expected that on a transactional basis, misunderstandings and other negative situations will occur between you, your company, and your target audience. You need to do what you can to turn these into positives by:

(1) Neutralizing the negative before it is blown out of proportion that does serious damage to your image and

(2) Developing a closer relationship with the person (or people) that feel "wronged" by your company

Taking corrective measures is crucial for sustainability of an organization thereby promoting longevity and posterity

Preparing and sharing corporate image report

This is an important part for evaluation to take place in any given organization. Monthly reports are written to assess the current CSR activities being carried out and the impact they may have in building a positive corporate image to the public. Annual reports are also done to the stakeholders for accountability and transparency to the shareholders.

A Corporate Image report can be defined as a testimonial of what has been happening in the PR department in the pursuit of building a positive corporate image. It is purely based on observation and analysis and prepared and shared in accordance with procedures of any given organization. A report gives an explanation of any circumstance. In today's corporate world, reports play a crucial role. They are a strong base for planning and control in an organization, i.e., corporate image reports give information which can be utilized by the management team in an organization for

making plans and for solving complex issues concerning branding and cultivating a positive corporate image that has sustainability and longevity in mind.

This type of report discusses a particular problem, CSR activities being carried out, gives the outcome of the feedback analysis that has been done in detail. It brings significant and reliable information to the limelight of top management in an organization. Hence, on the basis of such information, the management can make strong decisions. This reports are required for judging the performances of the PR department in an organization.

An effective report can be written going through the following steps-

1. Determine the objective of the report, i.e., identify the problem. That is what do you want to give information about. Let be clear and precise.
2. Collect the required material (facts) for the report. E.g. How many CSR activities have been carried out? What is the impact of such activities in the community?
3. Study and examine the facts gathered.
4. Plan the facts for the report.
5. Prepare an outline for the report, i.e., draft the report.
6. Edit the drafted report.
7. Distribute the draft report to the advisory team and ask for feedback and recommendations.

The essentials of good/effective corporate image report are as follows-

1. Know your objective, i.e., be focused.
2. Analyze your niche audience, i.e., make an analysis of the target audience (is it the departmental head, the CEO, the shareholders, the general public), the purpose for which audience requires the report, kind of data audience is looking for in the report, the implications of report reading, etc.
3. Decide the length of report.
4. Disclose correct and true information in a report.

5. Discuss all sides of the problem, challenge, impact reasonably and impartially. Include all relevant facts in a report.
6. Concentrate on the report structure and matter. Pre-decide the report writing style. Use vivid structure of sentences.
7. The report should be neatly presented and should be carefully documented.
8. Highlight and recap the main message in a report.
9. Encourage feedback on the report from the critics. The feedback, if negative, might be useful if properly supported with reasons by the critics. The report can be modified based on such feedback.
10. Use graphs, pie-charts, etc. to show the numerical data records over years.
11. Decide on the margins on a report. Ideally, the top and the side margins should be the same (minimum 1 inch broad), but the lower/bottom margins can be one and a half times as broad as others.
12. Attempt to generate reader's interest by making appropriate paragraphs, giving bold headings for each paragraph, using bullets wherever required, etc.

Corporate Image Monthly Reports

These are prepared and shared in accordance to company procedures. The content of this report is predetermined. It is mainly for monthly analysis of the progress of the PR activities carried out in line with the set targets/objectives for purposes of evaluation. This helps to identify a challenge in good time so as to solve it and make improvements as you go along the way. This can be shared via email or presented physically in a meeting for interrogation purposes and feedback.

Annual Reports

These are more detailed and prepared for purposes of presenting to shareholders. It mainly spells out all the PR activities carried out and its impact on the Corporate image branding in line with budget. It outlines the projects and its effects on the company and revenue collected in pursuit of building a positive corporate branch. This helps in budgeting for the next year especially if ah higher budget expenditure is required to sustain the activities and builds a lasting impact on the stakeholders. These are shared as part of the Company Annual Report in accordance to your procedures.

Learning Activities

Field Visit to a nearby firm to study their MIS and how they use it to evaluate their corporate image.

1. Write a written report of your findings and the same must be signed by the PR officer in charge

2. What evaluation process do they conduct in order to evaluate their corporate image?

3. How do they respond to the feedback they receive?

Practical Activities

Create/develop an effective corporate image for your organization putting into consideration all the required steps.

Case Study

Rosewall Hotel is facing a corporate image challenge after a child died during a swimming lesson that was being carried out in their pool.

a. How do they get feedback from the stakeholders in consideration to this particular incident?

b. How do they take corrective action to return a positive corporate image in the community they are operating in.

Self-Assessment

1. How can you shape your corporate image?

2...Which are the tangible components of a corporate image?

3. Identify the right feedback givers in your organization?

4. Which are the online communication feedback channels?

Tools, Equipment, Supplies & Materials

The following resources are provided:

- Computers
- Internet connectivity
- Printer
- Projector
- Camera
- Tablet
- Mobile Phone
- Classroom and classroom resources
- Stationery
- Sample logo designs
- Print media

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Self-Assessment Responses

. 1. How can you shape your corporate image?

You can shape your corporate image by:

1. **Establishing and maintaining positive relationships with the general public. This effort usually begins by us offering products that successfully meet the needs of customers, thus generating goodwill. As consumers come to know and trust the product lines offered by the business, they begin to share their opinions with others. This positive word of mouth helps to introduce other consumers to the products offered by the business, and makes it easier to establish a favorable perception in the minds of more people.**

2. Becoming involved with the communities where our goods and services are sold. This can involve anything from sponsoring a local sporting event to supporting some type of local charity. By choosing to be a part of the community, the business establishes a perception among consumers that the company is interested in the quality of life of everyone in the community, and not just attempting to turn a profit.

3. Working with the media. Journalists in both print and electronic media hold a great deal of influence with the general public. This means that businesses that want to be perceived in a positive light by consumers will want to cooperate with media professionals. Doing so helps to ensure that when new product lines are launched, or significant events happen in the life of the company, the media is much more likely to convey the news to consumers.

2.Which are the tangible components of a corporate image?

These are things that people can touch or see as follows:

Goods and Services

These are the products that a company offers to its clients. Goods are items that are ususally but not always tangible such as pens, fruits, machines et while serrvices are activities offered by mainly professionals like cleaning, financila advice, treatment by a doctor, legal services by a lawyer etc.

Factories

This is an industrial site where goods are manufactured or assembled. It can a building or group of buidings.

Communication media

This refers to different media that are employed for transmitting data from one computer terminal to the central computer or to other computer systems inside some kind of network.

The communication media acts as a channel for linking various computing devices so that they may interact with each other. Contemporary communication media facilitate communication and data exchange among a large number of individuals across long distances via email, teleconferencing, internet forums and many other forms of communication. This is print media, publishing, news media, photography, cinema, broadcasting and advertising.

Name

This is the registered name of the business. It should be catchy and inline with the business being conducted. Other companies adopt trade names. This is when the business name is a pseudonym (fictitious name) used by the company but it is not the actual registered company name. Example Kenya Airways is commonly

known as KQ. Kenya Electricity Generating Company operates under the name KENGEN.

Logo

This is a graphic mark, emblem, symbol or stylized name used to identify a company, organization, product, or brand. It may take the form of an abstract or figurative design. It may present as a stylized version of the company's name if it has sufficient brand recognition. Logos have become an integral part of a company's brand identities.

Packaging

This means the wrapping or bottling of products to make them safe from damages during transportation and storage. It keeps a product safe and marketable and helps to identify, describe and promote a product. It is an integral part in creating a company's corporate image.

Employees

These are individuals who is hired by an employer to do a specific job. An employee is hired by an emlpoyer after application and an interviewing process resulting in his/her selection as an employee. These individuals exchange their skills, knowledge, experience, and contribution in exchange for compensation from their employr=er in form of salary and other agreed upon allowances and benefits. They are an important resource in a company because they are the tangible face of a company and act as effective brand ambassadors too. They have the ability to build a strong corportae image if they have been sold out to the vision of the company, have job satisfaction and are happy in the orgnization. Many organizations, train andd equip them as a corporate image tool. They are provided with merchandise such as T-shirts, caps, umbrellas that promote the company brand in their respective communities. They also receive training to strenthen their brand knowledge inorer to beuild a strong brand.

3. Why does an organization need the right feedback

Employees

These are people who interact with the brand internally and know the products/services being offered. They form part of the larger community that the organization is interacting with, therefore, they likely to give a good perspective of the organizations corporate image and useful feedback. However, you may need to approach them with the reassurance that you want to hear their honest opinion and that they will not be victimized. Choose employees of different positions and points of view to obtain well-rounded observations and views.

Customers

Your customers provide a unique perspective of your work since they interact more with the final product or service and your role in delivering it. They are outside looking in on your company, which means they can provide a picture of how the customer base, on the whole, views the face or your organization. How you represent your company image is just as important as the work you're performing every day internally.

Community

This is considered a social unit that share a sense of place situated in a given geographical are such as a village, town or neighborhood. They share commonalities such as norms, religion, values, customs or even identity. These include other companies, banks, suppliers, local government authority etc.

Media

These are the main means of mass communication outlets or tools used to store and deliver information or data. It consists of broadcasting (TV, radio), publishing (Newspapers), cinema, photography, advertising and internet (Social media). From here you can get both positive and negative feedback. This feedback has proven to be effective to build and maintain a good corporate image.

4. Which are the online communication feedback channels

Online communication feedback channels refer to how organizations or individuals communicate with each other through the internet. It happens via email, live chat, online forms, and comments on websites, instant messaging, social media sites and forums.

Direct Files

Here you have contributors annotate comments, suggestions, changes, recommendations, etc. directly into files such as Google Docs or Word documents so that you can receive immediate feedback on a particular project/process/product/service. Used effectively in office setups when you need particular changes in a document.

Email

You can ask for professional or project related feedback by merely sending an email containing the appropriate questions.

Survey/Poll

A great way to solicit feedback from a wide variety of people about a particular project, process, or service is by using tools such as Survey Monkey or Type Form These are global leaders in software survey. They are easy to use and feedback is immediate. It can also be called an opinion poll.

Live Chat

This is an online customer service software with online chat, help desk software and web analytics capabilities. It was first launched in 2002 and is currently developed and offered in a SaaS (software as a service) business model by Live Chat software S.A.

Companies use Live Chat as a single point of contact to manage from one software all customer service and online sales activities that are normally provided using different channels (chat, Email, Messenger, WhatsApp, SMS, Apps and even websites.

Virtual Platforms/Social Channels

You can use of the mainstream ones such as WhatsApp, Instagram, Facebook, Twitter, Instagram etc. You are assured to cover a larger scope of targeted stakeholders within a short time. Each of them has a feedback response mechanism that is easy to use.

CHAPTER 5: MAINTAINING BUSINESS ASSETS AND LIABILITIES

Unit of learning code BUS/BM/CR/04/5

Related Unit of Competency in Occupational Standard Maintain Business Assets and Liabilities

5.1 INTRODUCTION TO THE UNIT OF LEARNING

This unit specifies the competencies required to maintain business assets and liabilities. It involves preparing business assets and liabilities requirement plan, carrying out internal control, maintaining asset and liabilities inventory and preparing business assets and liabilities report Assets represent a heavy investment of funds and therefore proper planning, control and maintenance of assets and liabilities is essential for effectiveness and efficiency of the operations of the business

5.2 SUMMARY OF LEARNING OUTCOMES

1. Prepare business assets and liabilities plan
2. Carry out assets internal control
3. Maintain assets inventory
4. Prepare business assets report

5.2.1 LEARNING OUTCOME 1: PREPARE BUSINESS ASSETS AND LIABILITIES PLAN

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to prepare business assets and liabilities plan. It includes definition of terms related to business assets and liabilities, assessing assets requirement, analyzing records of existing assets and liabilities, establishing asset usage, establishing acquisition and settlement of liabilities and preparing business assets and liabilities plan and budget. A business should be able to assess, plan and budget for its assets, which will require acquisition of certain liabilities. The business should strive to reduce the asset running costs and ensure the assets are used to achieve efficiency as well as maximize profits.

Performance Standard

1.1 Assets requirement are assessed according to user needs

1.2 Records of existing assets and liabilities are analyzed as per company policy

1.3 Asset usage is established in accordance with asset policies and procedure

1.4 Asset acquisition and settlement of liabilities is established based on finance policy and Procedures

1.5 Business asset and liabilities plan and budget is prepared according to strategic plan and finance policy

Information Sheet

Definition of terms

Assets are items which have value and are resources owed by a person, business or organization

Business Assets Items and property owned by a business in monetary value. They can be tangible or intangible.

Liabilities- amounts a business owes suppliers of goods and services, and for advances and loans acquired. They are business obligations which are expected to be settled from the business assets. In the process of carrying out business operations, liabilities will arise.

Balance Sheet -A statement showing assets, liabilities and capital of a business as at a given date

Life cycle cost –The total cost of an asset from the time of purchase to disposal

Asset tags - labels with bar codes that contain information about each asset.

Policy - is a set of rules or guidelines for a business and its employees followed in order to achieve the goal.

Procedures- is order of the steps to be taken to carry out activity or task.

Strategic plan- is a document that establishes the direction of a business. It communicates the business goals, and how they will be achieve in the long term

Depreciation is defined as the expensing of an **asset** involved in producing revenues throughout its useful life.

Residual value: also known as scrap or salvage value, this is the value of the asset once it reaches the end of its useful life.

Utility is a term in economics that refers to the total satisfaction received from consuming a good or service.

The term "fiscal year-end" refers to the completion of any one-year or 12-month accounting period other than a typical calendar year.

A **fiscal year** (or **financial year**, or sometimes **budget year**) is used in government accounting

Dividend is a share of profits and retained earnings that a company pays out to its shareholders.

Categories of Business Assets

A business requires assets which are economic resources. Assets enables a business to manufacture goods, sell products or provide services. The following are two major types of classification of Assets

- Fixed Assets
- Current Assets

Non-current Assets (Fixed assets)

Fixed Assets are the assets purchased for use in carrying out business operations and last for more than one financial year. Fixed assets include; buildings, tools, equipment, machinery and vehicles.

Characteristics of Fixed Assets

- The business owns the asset or has bought it under a hire purchase agreement or leased under a long term arrangement
- Assets last for long periods mostly more than one year
- Assets are for use in the business operations
- They are depreciated annually (except land) because their value reduces over time. Most of fixed assets will lose value over time.

Types of fixed assets of a business

- **Tangible Assets**- Assets with physical form and is the common general definition of fixed assets. They have a useful life in the business and they are depreciated (except land with infinite life).
- **Intangible Assets**- Assets with no physical form and includes business reputation, business know-how, recognized name and industry knowledge. These assets are not recorded on the balance sheet, but their value adds to the good reputation of the business.
- **Intellectual Assets** - These assets include trademarks, patents, brand names, formulae, and inventions. These properties are generally covered under copyright law to protect them from imitation.

Current assets

The Current Assets are assets that are easily convertible to cash or in cash form. These assets are continuously changing from one form to the other. Types of current assets are as follows

1. Cash in Hand- money held in the in cash box, safe or drawer of a business
2. Cash at Bank - money held in the business bank account
3. Accounts Receivable/Debtors - money which other people or businesses owe to the business.
4. Short term bank deposits or investments- amount deposited by the business on short term basis as reserve and to earn interest

5. Stock/Inventory – goods purchased for the purpose of selling or raw materials for manufacturing products. The value of the stock is the value which was counted in the business or at the production plant when closing of the accounts for the year.

Characteristics of current asset:

- It is easily be converted to cash.
- It is expected to be used, or change its form and value within one year

Total assets

This is the value of the Current Assets plus the value of the fixed assets



Figure 45: Current Assets

Importance of assets to a business

- Assets enable a business to generate sales and income
- The more assets a business has the more the value of the business increases
- Assets can be used as securities to secure Loans

- Assets improve the efficiency of operations in a business
- Assets are used to pay liabilities
- Assets bring about cost savings in the long run, bringing savings to the business in future

Assessing asset requirement in a business

- Identify the specific need for the new or replacement asset
- Outline the purpose for which the asset is required is in line with the objectives of the business
- Determine how the asset will provide significant benefit to the business
- Analyze other viable alternatives to purchase for example upgrading
- Determine whether the asset is appropriate to its task or function and that it is cost effective over the useful life of the asset.
- Check whether the asset is compatible with existing assets and will not bring about additional expenses on other assets or resources
- Confirm that the facilities have the space to accommodate the asset in its place of use and storage
- Select the most appropriate type, brand, and model among the various alternatives of assets

Developing an Asset requirement plan for a business

1. Establishing the status of existing assets

- Carry out a total count of assets
- Establish where the assets are located
- Determine the value of each asset
- Establish when the assets were acquired

- Establish expected life cycles of the assets

2. Determine the life cycle cost of the asset. These are:

- **Purchase cost**- the price paid when the asset was purchased
- **Maintenance cost**- the cost of keeping the asset in efficient working condition
- **Disposal cost-** the estimated cost of selling the asset after its useful life

3. Establish the utility of the asset

- The use of asset
- The quantity of service
- The asset capacity

4. Determine the asset requirement based on:

- The Strategic Plan
- Annual requirement
- Asset priority
- Useful life of the Asset

Liabilities

Liabilities are debts or obligations of a business. They are the amounts the business owes outsiders. There are two types of liabilities

- **Non-current liabilities**- These are amounts the business owes other parties (persons, business, government or organizations etc) payable after more than one financial year.

- **Current liabilities**- These are amounts the business owes other parties payable within the financial year



Figure 46: Types of Liabilities

1. Accounts payable (creditors)

Amounts the business owes suppliers for goods and services received but not yet paid for. An invoice is received from the suppliers indicating the amount payable.

2. Accrued liabilities

Expense incurred by the business but not yet paid for. E.g

- Outstanding electricity bill
- Accrued rent

Unearned revenue

Revenue paid to the business in advance of the service to be rendered by the business eg rent paid in advance by a tenant of a business.

- Rent paid in advance by tenant
- Payments for subscriptions services

Salaries payable

This is the amount owed to employees that they haven't been paid yet at the end date of the financial year. Also known as accrued salaries

Bank account overdrafts

These are amounts overdrawn from the business bank account. They are considered as small advances made by a bank to the business when the amount in the account falls below the required amount needed. The overdraft are paid for as deposits when they made into the bank account.

Dividends payable

Dividends declared by the business but not yet paid to shareholders.

Employee income tax withheld

Employees' income tax amount withheld at the end of the financial period by the employer before remitting to the Income tax department of the government.

Accounting Records

Managing business asset and liabilities accounting is an important function of a business in order to keep track of purchase and utilization of assets as well as scheduling and settlements of liabilities.

Business assets are itemized and valued in the business records. They are listed at purchase cost. Fixed assets are depreciated which is the process of spreading the cost of an asset over time over the estimated useful life. Assets of smaller values are treated as expenses.

Fixed assets can be revalued to a value either upwards or downwards. Many tangible assets, such as vehicles, computers and machinery equipment tend to decrease in value and some may even become obsolete as modern technologies are introduced.

Depreciation

There several methods applicable in depreciating fixed assts the two commonly used are:

Straight line method calculated by subtracting the asset's salvage or resale value from its original cost. The difference between the cost of the asset and salvage value is divided by the useful life of the asset. For example If a machine has a useful life of

5 years, costs sh200, 000, and has a salvage value of Sh 50,000, the depreciation expense is calculated as:

Depreciation per annum: $\frac{\text{Sh } 200{,}000 - \text{Sh}50{,}\ 000}{5}$ = Sh 30,000 per annum

. Instead of writing off the entire amount of sh 200,000, only sh 30,000 is an expense each year.

Reducing balance method--

The reducing balance method of depreciation results in declining depreciation expenses with each accounting period. In other words, more depreciation is charged at the beginning of an asset's lifetime and less is charged towards the end.

Reducing balance depreciation is also known as declining balance depreciation or diminishing balance depreciation.

There are four main factors to consider when calculating depreciation expense:

1. The cost of the asset
2. The estimated salvage value of the asset. Salvage value (or residual value) is the amount of money the company expects to recover, less disposal costs, on the date the asset is scrapped, sold, or traded in.
3. Estimated useful life of the asset. Useful life refers to the window of time that a company plans to use an asset. Useful life can be expressed in years, months, working hours, or units produced.
4. Obsolescence should be considered when determining an asset's useful life and will affect the calculation of depreciation. For example, a machine capable of producing units for 20 years may be obsolete in six years; therefore, the asset's useful life is six years.

Example of reducing balance depreciation

A company purchases a van for £5,000. The company estimates that the van will lose 40% of its value each year and will have a scrap value of £1,000. Following the reducing balance method, the first five years of depreciation calculations would look like this:

Year 1	(£5000 - £1000)	x 40% =	£1600
Year 2	((£5000 - £1600) - £1000)	x 40% =	£960
Year 3	((£5000 - £1600 - £960) - £1000)	x 40% =	£576
Year 4	((£5000 - £1600 - £960 - £576) - £1000)	x 40% =	£345.60
Year 5	((£5000 - £1600 - £960 - £576 - £345.60) - £1000)	x 40% =	£207.36

How book keeping records are kept

Paper based method

This refers to the use of paper books to keep business records. The paper based method works well if the business is small and simple and requires just a few record books.

Computer Based method

If the business is large and requires using several record books, a computer can simplify and improve your record keeping.

The advantages of this method are:

- It is easy to correct an inaccurate entry
- You can quickly find recorded information when needed •
- All calculations are made automatically. The business can use excel worksheets for keeping records.
- An accounting software may be used. Many simple and inexpensive accounting software programs are available and suitable for both small and large entities
- All information on the computer should can have a back up

Asset recording requires the following to be considered:

- The Finance Department advises on the minimum value of individual assets be recorded in the Fixed Asset Register. These assets are depreciated over their useful life.
- Assets costing less than the value are treated as are expenses at the time of purchase.
- The business must establish an account code used for all assets purchased
- An Asset Acquisition Form should be used for recording of Donated Assets , Leased Assets , Additions/upgrades to existing assets and Constructed Assets

Asset usage

This entails continuous monitoring of asset utilization, records and inventory

Importance of proper control of assets of a business

1. to keep track on all of the assets

The management should know where the assets are located, how they are being put to use, and whether there are changes made to them.

2. Helps guarantee the accuracy of amortization rates

Since assets are checked on a regular basis, the process of asset management ensures that the financial statements associated with them are kept updated.

3. Helps identify and manage risks

Asset management encompasses the identification and management of risks that arise from the utilization and ownership of certain assets. This means that a firm will always be prepared to counter any risk that comes its way.

4. Enables adjustments to be made on assets inventory

Assets, damaged, stolen or pilfered should be removed from the book records to reflect proper inventory figures in line with actual inventory.

Controlling usage of non-current assets

1. This is done in order to keep track, protect, and preserve value the business assets by curbing misuse and theft
2. The use of serial numbered asset tags is necessary to manage fixed assets.
3. Businesses also keep track of their assets by using a mobile bar code reader and creating reports.
4. Keeping track each fixed asset's depreciation status to know what to report on business tax.

Responsibility for person in charge of fixed asset of a firm should include

- Determining new assets and tagging for identification
- Performing annual and continuous inventory audits
- Monitoring the movement of assets.

Record keeping of assets and liabilities

The continuous process of storing information and data relating to assets and liabilities

Objectives of recordkeeping are:

- To maintain current accurate data.
- To ensure that the data and information is readily accessible to the users.
- To enable comparison with physical items and reference documents.

Some reference relating to assets and liabilities which may be kept by a business

- Log books for vehicles
- Contracts
- Title deeds
- List of Assets
- List of Supplies
- Maintenance schedules

- Inspection reports
- Service agreements
- Certificates
- List of Tags
- Purchasing Agreements
- Lease documents
- Warranties

Acquisition and settlement of liabilities

Current liabilities will usually arise in the course of business operation and are settled within the year.

Non-current liabilities are planned for by the management or shareholders for a certain purpose. They may be under agreement or under deed. Many businesses use bank loans in addition to capital. .The bank will first check if the business is creditworthy or profitable before they give loans to businesses to make sure the business will be able to repay the loan and interest

Records kept for current liabilities

The business will keep suppliers invoices and invoices or bills for unpaid services rendered. Liability accounts to maintain a record of unpaid balances to vendors, customers or employees.

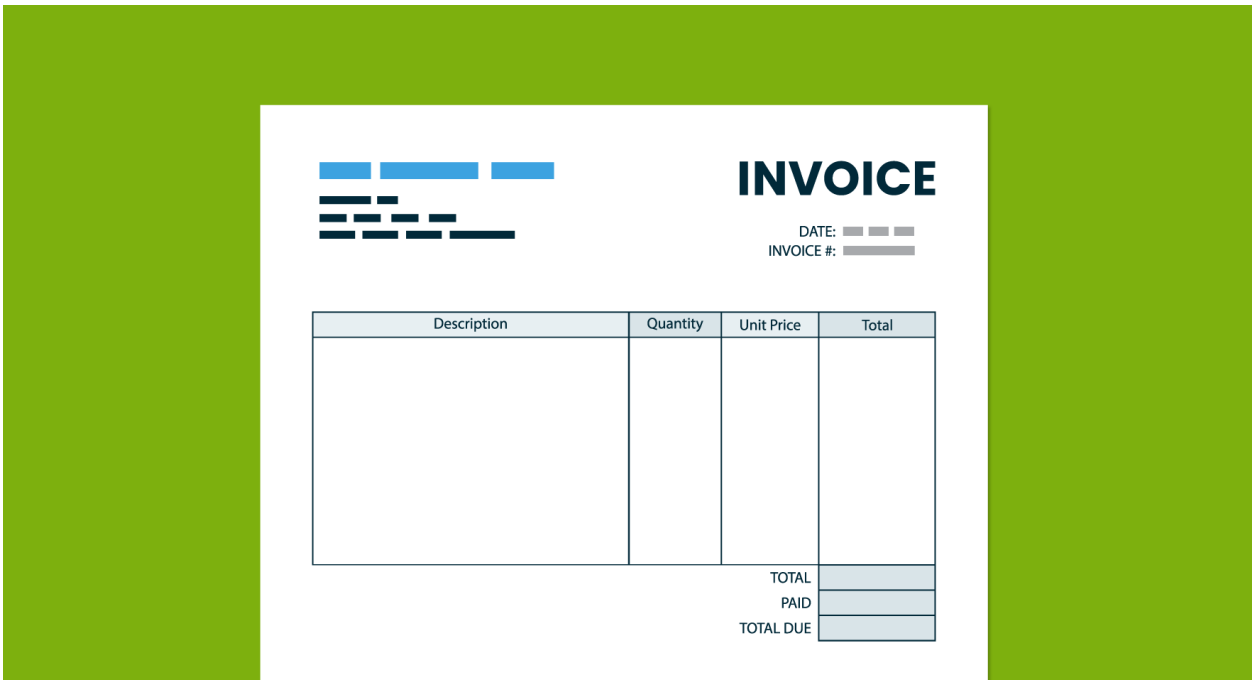


Figure 47: Invoice

Records kept for non-current liabilities

For every Loan acquired by the business the records must show the Principal, annual interest rate, interest amount repayment period in years or months, monthly repayment amount and balance

Table 17: Loan Repayment Schedule

Table 1. Even Principal Payment Schedule

($10,000 loan, 7% annual interest, 20 annual payments)

Year	Total Payment	Principal	Interest [v]	Unpaid Balance
0				$ 10,000
1	$ 1,200	$ 500	$ 700	$ 9,500
2	$ 1,165	$ 500	$ 665	$ 9,000
3	$ 1,130	$ 500	$ 630	$ 8,500
4	$ 1,095	$ 500	$ 595	$ 8,000
5	$ 1,060	$ 500	$ 560	$ 7,500
6	$ 1,025	$ 500	$ 525	$ 7,000
7	$ 990	$ 500	$ 490	$ 6,500
8	$ 955	$ 500	$ 455	$ 6,000
9	$ 920	$ 500	$ 420	$ 5,500
10	$ 885	$ 500	$ 385	$ 5,000
11	$ 850	$ 500	$ 350	$ 4,500
12	$ 815	$ 500	$ 315	$ 4,000
13	$ 780	$ 500	$ 280	$ 3,500
14	$ 745	$ 500	$ 245	$ 3,000
15	$ 710	$ 500	$ 210	$ 2,500
16	$ 675	$ 500	$ 175	$ 2,000
17	$ 640	$ 500	$ 140	$ 1,500
18	$ 605	$ 500	$ 105	$ 1,000
19	$ 570	$ 500	$ 70	$ 500
20	$ 535	$ 500	$ 35	$ 0
Total	$ 17,350	$ 10,000	$ 7,350	

[v] interest = unpaid balance times 7 percent.

Financial Statement items

The assets and liabilities of a business are reflected in a statement called a Balance Sheet at the end of a financial period. It shows the resources that are left at financial year end and available in the next financial year. It also shows the claims to those resources that remain unpaid at the end of the period. The difference is capital.

How to monitor fixed assets usage

The business must keep track of key details about your business assets. These details include the following items.

Asset location

The management must know where all tangible non-current assets are located both within the business or outside the business .there should be a system to track the movement or borrowing of an asset.

Non-current Asset inventory

Keep track of how the number and specifications of the non-current assets of the business. Fixed assets you have. This will enable proper planning and purchasing decisions to be made

Asset Condition

There should be a continuous inspection of condition of the assets of a business. This will enable the assets to be utilized efficiently and effectively.

Asset Maintenance Schedules

Adherence to maintenance schedules to prolong the efficient use of assets. Prepare a planned maintenance schedule for the assets. Undertake unplanned maintenance when it arises, and record it.

The advantages of proper utilization of assets

1. Enables accurate analysis of assets maintenance, repair, and replacement records.

2. Increases time available of asset use.

3. Fewer failures of assets, resulting in fewer unplanned outages.

4. Improves the quality of product and a reduction in costs related to losing or repeat production.

5. Lower costs for maintenance, spare parts inventory, and asset replacement.

6. Improves morale of employees workforce as they use the assets

7. Improves capacity as assets can operate at efficiently for sustained periods without stalling unnecessarily

8. Reduced costs bring about higher profits and increase in production efficiency of assets

Asset financial planning

Non- current assets require long-term financial planning. The financial plan financial plan should determine the priority of assets in line with the objectives of the business in the strategic plan.

Factors to consider when planning for non-current assets

1. Analyze the internal and external operating environment
2. Assess the technical requirements of the asset
3. Analyze the improvements necessary
4. Check on compliance requirements
5. Project the capacity in the future
6. Apply decision making techniques in selecting the asset
7. Prioritize the assets to the needs of the business

Benefits of proper planning of assets

1. Economy in purchasing of assets capable of appropriate use and achieve desired results
2. Access to all current information about the assets of a business; including acquisition, utilization and disposal
3. Enable smooth operation of the business as the assets are available when required and in good condition
4. Identifies assets to be purchased and disposed in a given period and keeping track of asset levels and efficiency
5. Ensures proper records are kept and easily retrieved, for planning and decision making

Capital Budget for non-current assets

Capital budgeting is a plan for the large expenses in a business. Capital budgeting includes the fixed assets that the business forecasts to meet asset needs to invest in form of vehicles, machines or furniture or buildings. It is the process of estimating the costs to obtain, expand, and replace fixed assets. Such a budget is for large, expensive assets with longer useful life and huge amount of money. This are falls under capital budgeting decisions and appraisal carried out by finance department which generates a budget for the business assets in form of a Balance Sheet. (Read more: https://www.referenceforbusiness.com/small/Bo-Co/Budgets-and-Budgeting.html#ixzz6d7EsLaVS)

Settlement of liabilities

Current liabilities are amounts;

- Settled within the business' normal operating cycle.
- held for the purpose of trading eg buying goods on credit
- settled within twelve months of the financial year
- Part of which are authorized over withdrawal in the bank account. This is settled automatically on depositing funds into the account

Non-current liabilities are amounts;

- referred to as long-terms debts, that is, not due to be paid within twelve months
- Which represent a source of funds, which is usually associated with purchase of a fixed asset.eg bank loans,debentures leases etc

1.2.1.3 Learning Activities

1. **What are the names of the non- current assets shown in the below?**



Figure 48: Fixed Assets (Non-current assets)

2. Visit two shops in a shopping centre(Take a photograph of shop). From the owner of each business, identify the Asset requirements of the shop. Fill in the table below given.

Table 18: Asset Requirements

Business 1Name……..Location……..Date					
S. No.	**Asset**	**Specification/size/make/No**	**Appx Unit cost(Sh)**	**Total Cost Sh**	**Priority 1^{st} ,2^{nd} 3^{rd}**
1.					
2					
3					
TOTAL ESTIMATED COST					
Business 2 Name……..Location……..Date……..					
S. No.	**Asset**	**Specification/size/make/No**	**Appx Unit cost(sh)**	**Total Cost Sh**	**Priority 1^{st} ,2^{nd} 3^{rd}**
1.					
2					
3					
TOTAL ESTIMATED COST					
Report on the Business 1 and Business 2 **Conclusion**					

1.2.1.4 Self-Assessment

1. Which six intangible assets may be found in a multinational manufacturing company?

2. Which of the following items are current assets?

- Cash, overdrawn by the business from the bank accounts
- Undeposited cheques from customers
- Petty cash
- Office equipment
- short-term investments
- Inventory for resale
- Accounts payable
- Raw materials

3. Daudi's business is a fast growing one which is manufacturing soaps, detergents and sanitizers and the demand has increased due to a global pandemic. His assets and liabilities records are still in manual form. You have advised him to changes to computerized record keeping. What advantages of this recordkeeping system?
4. Why does a business require assets for running its operations

1.2.1.5 Tools, Equipment, Supplies and Materials

- Stationery
- Computers
- Scanners
- Printers
- Format templates
- Calculators
- Cameras/moble phones
- Shredding machines
- Printing papers

1.2.1.6 References

Meigs, R F. & Walter B. (1990). *Accounting: The Basis for Business Decisions* 8th ed. McGraw-Hill, New York

Reason, T (2000). *Building Better Budgets.CFO.*

Wangombe. D. K (2008) *Fundamentals of Accounting;* Focus Publishers Ltd; Nairobi

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https://www.assetinsights.net/Glossary/G_Recordkeeping.html

https://www.investopedia.com/terms/a/accounting-records.asp

1.2.1.7 Self-Assessment Responses

1. What are the Intangible Assets?
2. Which of the following items are current assets?
3. Why isn't important to computerized recordkeeping system?
4. Why a business requires assets

References

Responses to self-assessment questions

1. What are the Intangible Assets?

- Patents
- Trade marks
- Copyrights
- Designs
- Secret formulas or processes
- Other types of intellectual property
- Purchased customer lists
- Goodwill, or the benefit of a business' good name and reputation

2. Which of the following items are current assets?

- Cash, overdrawn by the business from the bank accounts
- Undeposited cheques from customers
- Petty cash
- short-term investments
- Inventory for resale
- Raw materials

3. why isn't important to computerized recordkeeping system

- It is easy to correct an inaccurate entry
- You can quickly find recorded information when needed •
- All calculations are made automatically. The business can use excel worksheets for keeping records.
- An accounting software may be used. Many simple and inexpensive accounting software programs are available and suitable for both small and large entities
- All information on the computer should can have a back up

4. Why a business requires assets

- Assets enable a business to generate sales and income
- The more assets a business has the more the value of the business increases
- Assets can be used as securities to secure Loans
- Assets improve the efficiency of operations in a business
- Assets are used to pay liabilities
- Assets bring about cost savings in the long run, bringing savings to the business in future

5.2.2 LEARNING OUTCOME 2: CARRY OUT ASSETS AND LIABILITIES INTERNAL CONTROL

Introduction to the learning outcome

This learning outcome specifies the competencies required to carry out assets and liabilities internal control. It involves implementing internal control system on asset and liabilities, undertaking asset requisition , performing asset maintenance , carrying out physical controls and financial controls , undertaking disposal of assets , carrying out debtors' management and undertaking liabilities management. Internal control process is designed to ensure, efficient and effective operations and reliable financial reporting. It brings about compliance with policies and procedures of a business as well as applicable laws and regulations.

Performance Standard

2.1 Internal control system on assets and liabilities is implemented according to policies and procedures of the business

2.2 Asset requisition is undertaken according to asset procedures.

2.3 Asset maintenance is performed as per SOPs

2.4 Physical controls on assets are done according to SOPs

2.5 The disposal of assets is made according to disposal procedures and regulations

2.6 Financial controls are made according to accounting systems

2.7 Debtors management is carried out based on credit control policy

Information Sheet

Definition of Terms

Financial controls- control over cash receipts, payments, raising finance, receivables and payables

Non-financial controls -control of operations, non-cash assets, human resource, policies and procedures

A Purchase Requisition Form is an document used by a user department employee to request for purchase of items, goods or services.

Misuse of assets

Internal control system

All systems of control, financial or non-financial, instituted by a business to ensure that the business is conducted in an orderly manner, and establish safeguards on assets in order to promote economical and efficient use of business resources.

High customer concentration - doing a large proportion of your business with any one customer

Bad debt is an expense that a business incurs once the repayment of credit previously extended to a customer is estimated to be uncollectible.

BIN Card is a table that records the status of a good held in stock. A typical retailing business with a large stock warehouse will use a **BIN card** to record

Objectives of Internal Control system

1. To safeguard assets against misuse
2. To ensure that the business operation are running in an orderly manner
3. To ensure that the documented records are reliable for planning and decision making
4. To ensure compliance with business policies and procedures and regulations

Physical control

These are controls which relate to the safety and custody of business assets. The access to assets is limited to certain persons and there may be time specification. The following are some of the physical controls found in businesses;

1. Security related;

- Security guards,
- CCTV,
- Alarm systems,
- Strong rooms and safe,
- Electric fences,
- Security lights,
- Bullet proof devices,
- Metal detectors,
- Sniffer dogs

1. Motor vehicle related:

- Physical asset,
- Asset specifications,

- Asset location –
- GPS tracking,
- Asset inspection,
- Insurance,
- usage and authorization

Objectives of internal control for assets

- To ensure that proper records are maintained for the assets with an asset register in use
- To ensure that the purchase of the non-current asset is authorized
- To safeguard assets against theft or misuse
- To confirm that the assets have a realistic rates applied for depreciation over their useful life.
    - To ensure that the assets disposed are authorized and the records done for proceeds, profits or losses

Internal control for non-current assets (fixed assets)

- Their purchases should be authorized by top management or AGM
- A Fixed Asset register should be maintained showing details of the assets
- There should be adequate security over the non-current assets. For some assets, there should be limited accessibility
- There should be regular independent checks on the existence of the non-current assets
- The disposals should be check for approval and authorization

Fixed Asset Register

FAR is a list of fixed assets owned by a business including a record of key information about each item?

The following are some examples of fixed assets shown on a register:

- Office equipment
- Computers
- Furniture
- Buildings
- Machinery
- Motor vehicle

Case Study

Wali Ltd bought a photocopier and a printer for Sh 400,000 and sh 55,000 on on 24/2/2020 and 13/3/2020 respectively. The Asset No. for the photocopier is 47227 and for the printer 7469216 with Accounts code of FA 0041 and FA0112. The photocopier is at the Reception, while the printer is for the accounts office. The firm's policy is to depreciate Equipment at 20% per annum on straight line basis.

a) Fill in the above details in the template below
b) What would be the calculated depreciation in the first year of use
c) What measures would you take to ensure that the photocopier is not open to misuse?

Table 19: Fixed Asset Register

Company name ….. Fixed asset register Date ……Prepared……..

Asset no.	Description	Location	Purchase date	Purchase price	a/c cord	Depreciation method	Depreciation Rate	Reemarks

Internal control for liabilities

Accounts payable

- A proper system of requisitioning, purchase order approval, receiving of goods, invoicing should be established
- A check on arithmetical accuracy of suppliers invoice should be done before recording
- Any adjustments made on accounts payable should be approved
- Debit balances in accounts payable should be reviewed and followed up

Non- current liabilities

- Non- current liabilities obligations should be approved by top management or shareholders
- Proper records of the obligation, showing details of loan, outstanding or cleared
- Proper control should be exercised over interest payment

Undertaking Asset Requisition

A requisition refers to the process of formally requesting a service or item, typically using a purchase requisition form or other standardized document.

The requisition process is a standardized way of keeping track of and accounting for all requisitions made within a business

A purchase requisition form is an internal document that employees use to request the purchase of a specific item and the person describes the product and why it is needed.

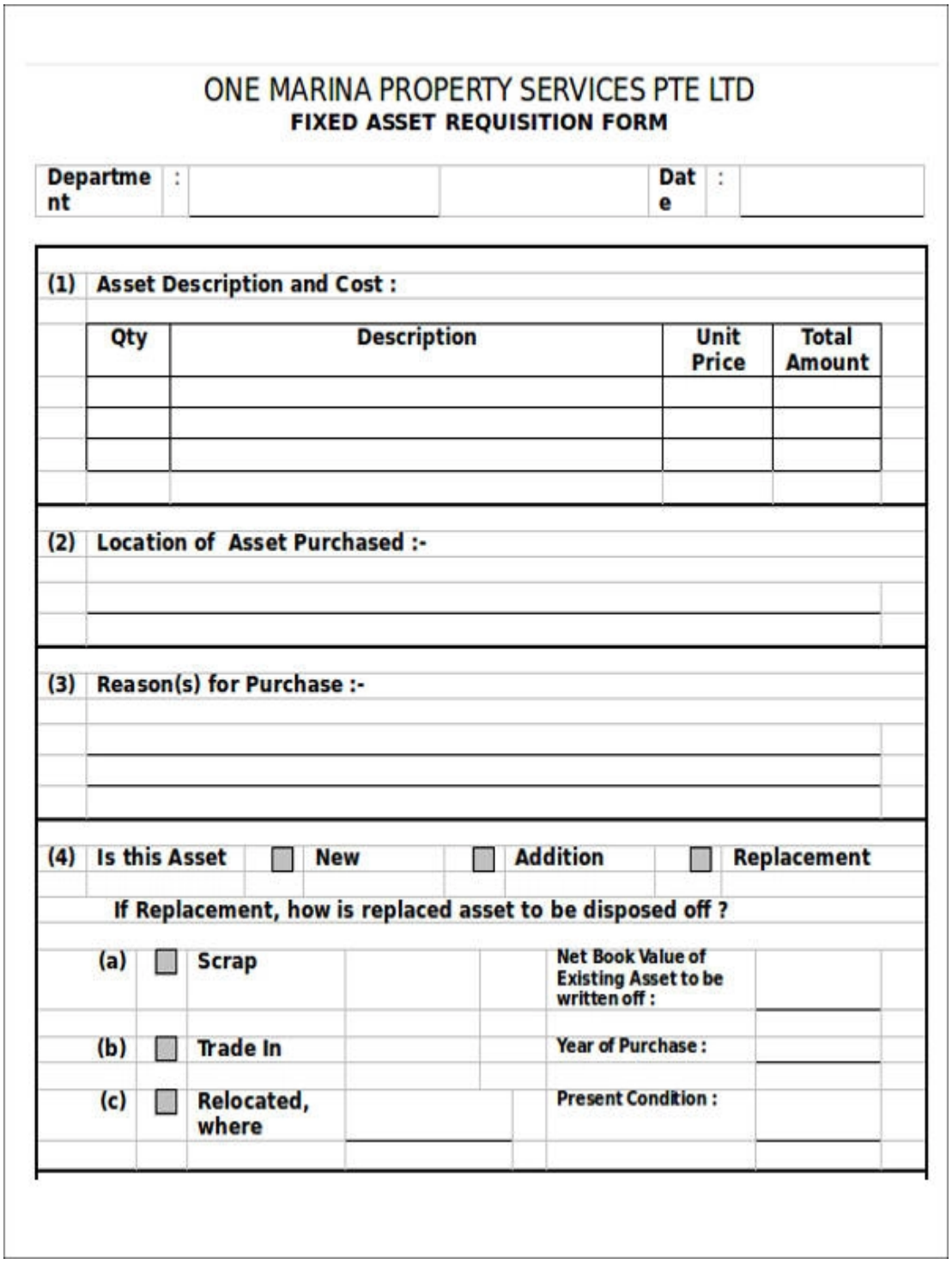
This form is then sent to heads of departments within the business for review and approval.

These purchases may be for business operations (such as office supplies), inventory, or manufacturing inputs

Steps of a procurement process of assets

1. Identify goods or assets needed
2. Consider a list of Suppliers/ Tender process
3. Negotiate contract terms with selected supplier

4. Finalize the purchase order
5. Receive invoice and delivery
6. Process payment
7. Maintain accurate record of invoices



ONE MARINA PROPERTY SERVICES PTE LTD

FIXED ASSET REQUISITION FORM

Department	:		Date	:	

(1) Asset Description and Cost :

Qty	Description	Unit Price	Total Amount

(2) Location of Asset Purchased :-

(3) Reason(s) for Purchase :-

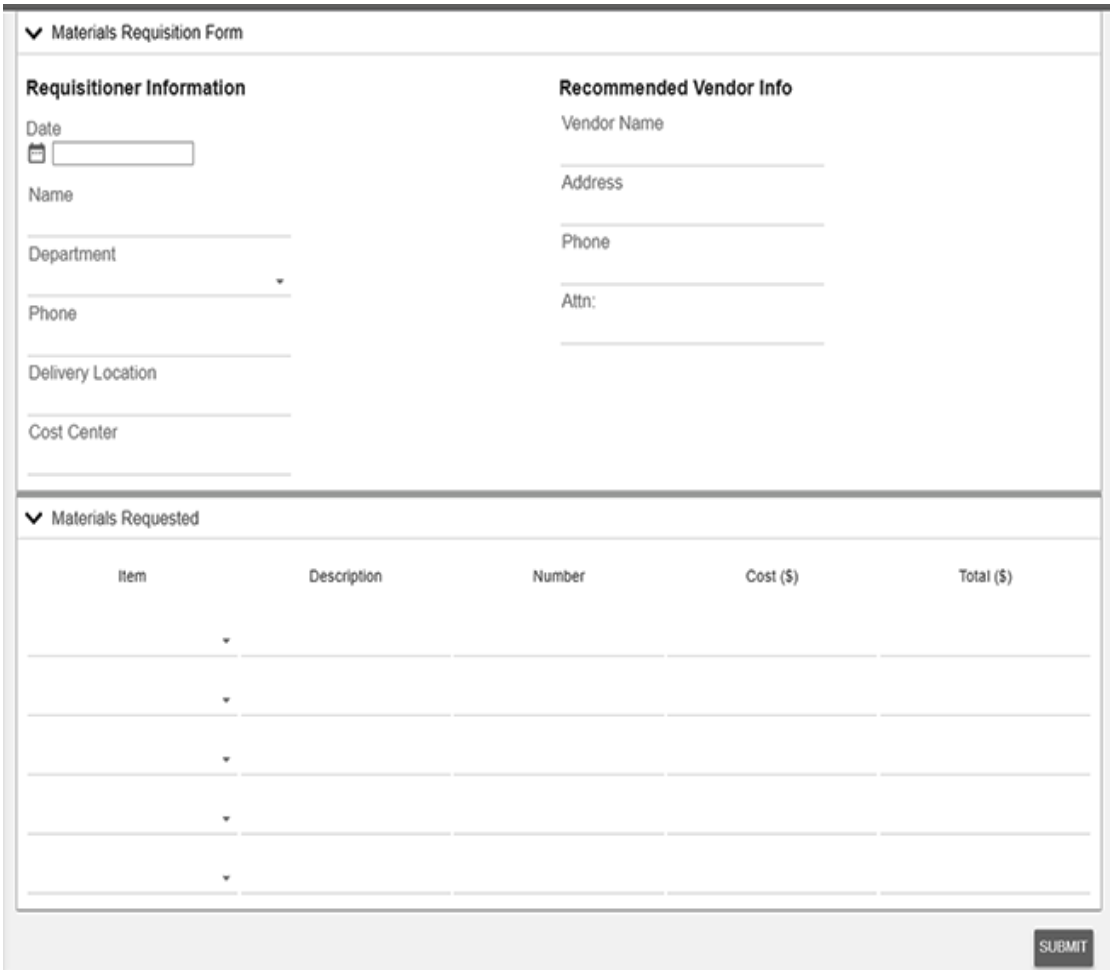
(4) Is this Asset ☐ **New** ☐ **Addition** ☐ **Replacement**

If Replacement, how is replaced asset to be disposed off ?

(a)	☐	Scrap	Net Book Value of Existing Asset to be written off :	
(b)	☐	Trade In	Year of Purchase :	
(c)	☐	Relocated, where	Present Condition :	

Figure 49: Purchase Requisition Form- Fixed Asset

Figure 50: Material Requisition form



Asset Maintenance

The business should ensure complete and compliant maintenance is carried out in accordance with asset maintenance manuals or schedules, and statutory or regulatory requirements.

Asset Maintenance will occur in accordance with the following principles:

1. All fixed assets should be maintained in good working order by care and servicing as recommended in manufacturer's manuals

2. The most efficient repair and maintenance strategy needs to be established and adopted
3. An operation and maintenance plan establishing responsibility and standards for the level of use, condition, servicing and performance should be developed
4. Supplier Maintenance Contracts should be obtained where considered to provide the most economic servicing and repair;
5. A record of such contracts should be maintained to avoid needless expenditure on non-contracted repairers
6. There should be accurate recording of all warranties.

Undertaking Disposal of assets

1. The management has authority to trade-in, sell, dispose or destroy assets.
2. An Asset Disposal Form is available for use when a disposal is needed
3. Fixed Assets disposal is coordinated through the manager in charge of assets disposal process.
4. The following are disposal methods which may be used:
   - Tender (Procurement procedure)
   - Private Sale- only one customer
   - Donation- to organizations or to charities where no market sale exists
   - Destruction & removal- a last option, done under supervision
   - Transfer to other organizations

Procedure for disposing assets

The following are the procedures to be considered while disposing off the asset:

1. Try to dispose the assets within the organization after making necessary communications within the circles of businesses asking whether any other businesses would like to purchase the asset.
2. If the asset has very little or no value, it can be recycled through e-waste, or sold as scrap.
3. If the assets to be disposed have value below or above the particular threshold, required permission has been obtained from the authorize person in the business to dispose of the assets. This is to make sure that the disposed assets are not take advantages by anyone in the company.

4. Where an asset is sold, a sales invoice shall be raised to record the sales
5. A form for disposal shall be filled while disposing off the assets. It shall contain the details such as:

- Description of the asset disposed off
- Reason for disposal
- Financial year originally acquired
- Method of disposal i.e. sale/scrap/part exchange/other
- Value received for disposed asset

A fixed asset may be disposed of for the following reasons:

• The performance of the asset is below the required standard

• Repair and service are no longer cost effective.

• The requirements of the job exceed the capabilities of the asset

• The asset is obsolete or non-functional

Figure 51: Fixed Asset Disposal Form (to customize)



Adams County/Ohio Valley School District FIXED ASSET DISPOSAL FORM	
Section I (To be completed by Principal/Department Heads)	
Item:	
Tag Number:	Serial Number:
Location Taken From -	Building:
Department:	Room:
Condition: ☐ Excellent ☐ Good ☐ Fair ☐ Poor Estimated Value: $_____	
Recommended Method of Disposal: ☐ Donate to other government ☐ Sale (Under $2,000) ☐ Auction (Over $2,000) ☐ Trade - In ☐ Junk	Treasurer's Use Only: (Computer Codes) ☐ Destroyed (D) ☐ Auction (AUC) ☐ Stolen (ST) ☐ Trade – In (I)
Signature	Date
Section II (To be completed by Superintendent/Designee)	
Items having a Fair market Value of under $2,000 must be approved by the Superintendent/Designee	
☐ Approved	☐ Disapproved
Superintendent/Designee Signature	Date
Items having a Fair market Value of over $2,000 must be approved by the Board of Education and auctioned.	
Date of Approval:	Resolution Number:
Section III (To be completed by Treasurer)	
Receipt Number	Date

Carrying out physical controls

. Physical controls are designed to verify existence, condition and custody of the respective asset

1. There must be a register or ledger of fixed assets to identify a particular asset, the date of purchase, model number, serial number, acquisition cost, expected life and assignment to any debt instrument.

2. At a minimum, assets must be accounted for annually.

3. A physical inspection should be carried out for those assets that have a high exposure to damage like vehicles, site development equipment and tools to identify any possible valuation adjustments.

4. Good management teams should periodically review their insurance policies related to the particular assets that have exposure to damage and loss

Carrying out financial controls

The two key financial controls are proper acquisition cost calculation with recording; and the second is the selection of the appropriate depreciation method to properly determine asset value over time.

There are other financial controls but these have less impact on the value as recorded on the financial statements. The following are the basic set of financial controls:

1. The management must initiate and/or approve of requests for fixed asset purchases
2. There should be a policy in place that sets the requirements for capitalization of an asset,
3. There should be a policy and a corresponding set of procedures to follow to determine the depreciation formula.
4. An inventory should be conducted of all fixed assets annually.
5. Disposals of assets should be approved by management and then properly recorded in the books
6. The fixed asset ledgers should be segregated from non-fixed asset purchases account

Effective way of carrying out debtors' management

Many businesses sell goods and services on credit basis. It is important to have clear credit terms in order to reduce and preventing bad debts.

1. Develop a credit policy and terms of credit - Check on customers credit history, references before advancing goods on credit and set limits

2. Provide the right information on quotations, invoices and statements- in order to be paid on time. Clearly indicate the amount owed and the payment due date

3. Ensure the systems are up to date and monitored- by use of software on credit management

.

4. Implement robust accounts receivable processes with set timelines for the various stages of communication in form of letters, emails and phone calls. Invoice as early as possible, as late invoices encourages customers to delay payment.

- Automatically send 30, 60, and 90 days reminder letters
- Regularly follow up on all slow payers to encourage payment
- In the event of debtor disputes payment should be made of the undisputed amounts while the issue is being resolved

5. Credit limit should not be exceeded -regularly review the credit limits for each o customers. Look out for warning signs that they are experiencing financial difficulties. Be cautious of high customer concentration to avoid risk of huge losses.

6. Create a provision for doubtful debts- safeguarding your profitability, by making provisions for doubtful debts in annual accounts or ongoing budgeting process.

Undertaking liabilities management

1. Check on the existence of the liabilities through the records and the financial statement that the figures are disclosed as the liability

2. Ascertain ownership of liability by checking on the documentation
3. Confirm the value of the liability
4. Check payment schedule and due dates

Accounting Book – bookkeeping, principles, and statements
https://corporatefinanceinstitute.com/resources/ebooks/principles-accounting-book-pdf/

Learning Activities

1. In groups of 3 or 4 persons discuss how misuse of assets occur in an organization. How can these be prevented? Make a presentation.

2. Visit a road transport passenger business offices. Find out how they carry physical control on their fleet of vehicles. Write a report.
3. Elegant Shop trades in electric household goods and is a one roomed business. The goods are kept the large room. You have carried out a stock take and encountered discrepancies in the stock. What are the possible causes of the discrepancies? What measures would you advise him to take?

Self-Assessment

1. What are the various disposal methods available for assets of a business?

2. The manager of the business where you work has received a call that the business had obtained a loan early in the year and had only made two payments and the status is five months in arrears. How would you investigate the information given by the bank?

3. The production manager of Chozi Textiles has proposed that the weaving machine be disposed. What would be the reason for the suggestion?

Tools, Equipment, Supplies and Materials

- Computers
- Scanners
- Printers

- Template formats
- Documents
- Calculators
- Cameras
- Shredding machines
- Paper punch
- Procurement Act and regulations

References

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Response to Self-Assessment

1. Disposal methods

- Tender (Procurement procedure)
- Private Sale- only one customer
- Donation- to organizations or to charities where no market sale exists
- Destruction & removal- a last option, done under supervision
- Transfer to other organizations

2. Investigate the loan liability

- Check on the existence of the liabilities through the records and the financial statement that the figures are disclosed as the liability
- Ascertain ownership of liability by checking on the documentation
- Confirm the value of the liability
- Check payment schedule and due dates

3. Why an equipment may be disposed

: • The performance of the equipment is no longer reliable.

• Repair and service are no longer cost effective.

- The requirements of the job exceed the capabilities of the equipment.
- The equipment is obsolete or non-functional

5.2.3 Learning Outcome 3: Maintain assets and liabilities records

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to maintain assets and liabilities records. It involves formulating inventory and liabilities policy identifying organizations inventory and liabilities, tagging inventory items, updating inventory transactions and liabilities, carrying out stock taking and preparing discrepancies report. Proper records and documents enable a firm to have accurate and up-to-date record and supporting documents.

Performance Standard

1.1 Assets and liabilities policy is formulated according to finance policy and procedure

1.2 Organization assets and liabilities are identified according to operational requirements

1.3 Inventory items are tagged according inventory maintenance procedures

1.4 Inventory transactions and liabilities records are updated according to standard operating and accounting procedures.

1.5 Stock taking is carried out according to store's procedures.

1.6 Discrepancies report is prepared according to store's procedures

Information Sheet

Definition of terms

Stock taking -Physical counting and checking of goods or items on hand ready for sale, use or in storage.

Fixed Assets register -A register held within the business showing the non-current assets owned. It shows details of costs of assets, the date of purchase, serial number, reference number, and depreciation rate and method.

Policy- serves as the governing document that regulates the accountability of various functions within a business

Inventory discrepancy- this is when the actual stock in a warehouse of a retail store does not match the recorded inventory stock count

Stock out - when a business run out of products to sell

Overstocking – when a business has excess products or goods in hand

Dead stock -when the products/goods become obsolete/outdated before they are sold/used

Objectives of fixed asset policy

1. Precise identification of the assets
2. Proper use of assets
3. Periodic taking of physical inventory of the asset
4. Effective maintenance of the assets
5. Proper Disposal of asset
6. Replacement of the asset when required.
7. Up to date records of asset

An Inventory policy requires:

1. Establishment of a process for the recording, identification, and accountability of all business assets lasting more than a specified period in years.
2. A person responsible of maintaining a system of asset control to provide a safeguard against loss and to facilitate effective utilization
3. An asset control system with detailed information as to particular identification of the asset.
4. A person to conduct the annual inventory of all assets assigned to each department or unit location.
5. The responsibility for asset accountability to be assigned to the appropriate department or unit head.

Fixed asset inventory

- The purpose of the inventory check is the physical monitoring of the assets belonging to a project.
- The physical monitoring makes it possible to detect differences between information about asset in the records and the actual state of assets/its existence.
- Physical check is usually done once a year and is the responsibility of the finance division.

Identifying organization inventory

Fixed Assets record check

- type of item
- description of item

- identification code
- service user or name of manager
- assigned location
- previous replacement of item
- notes on condition of item
- record updates (cost, depreciation, valuation)
- minutes of physical inventory

Tagging of Assets

Asset tagging is the process of fixing identification tags or labels to assets. It provides a way of identifying each fixed asset, fixed or movable over its useful life. These tags are generally adhesive labels that are put on each asset item. Tags contain unique code or identification numbers and details about asset. These tags can be scanned to produce additional asset information. This improves security and monitoring of assets. It also allows ease of cross sharing assets within department and tracking assets.



Figure 52: Asset Tags

Figure 53: Tracking type of Asset Tags



Tag assets appropriately

1. When a business owns multiple fixed assets that are nearly identical, the easiest solution is to tag each asset with a unique identifier in the form of bar code labels.
2. The use of technology that can scan and record each bar code in seconds.
3. Labels of fixed asset should be selected from a variety of labels that can be printed on demand and meet specifications.
4. Choosing the type of bar code labels for assets depends on an assessment of the type of assets to be labeled as well as the environment in which the assets operate.
5. For high visibility, foil labels stand out and are easy to read.
6. Purchase labels that break when removal is attempted to prevent labels from being tampered with or moved to another asset.
7. Machinery and equipment in some operating environments need unique labels that can endure extremely high temperatures, such as 250° and up.
8. Some samples of specific label types include the following: Tamper Evident, Foil, Polyester, Destructible Vinyl

(Further reading: Fixed Assets Best practices for fixed asset managers. www.SageFixedAssets.com)

Updating Inventory transactions of goods/consumable stores is recorded in a:

- **Stores Bin Card**- this shown the physical movement of stock items. It is maintained in the stores department, and
- **Stores Ledger account**- It shows the book movement of goods in the stores in terms of quantities and amounts. The recording in this ledger csn be:
    - **First In First Out**- It is assumes that the prices of items which were purchases first will be used first in making issues out of stores.
    - **Last in First Out** – It is assumes that the prices of items which were purchases last will be used first in making issues out of stores.

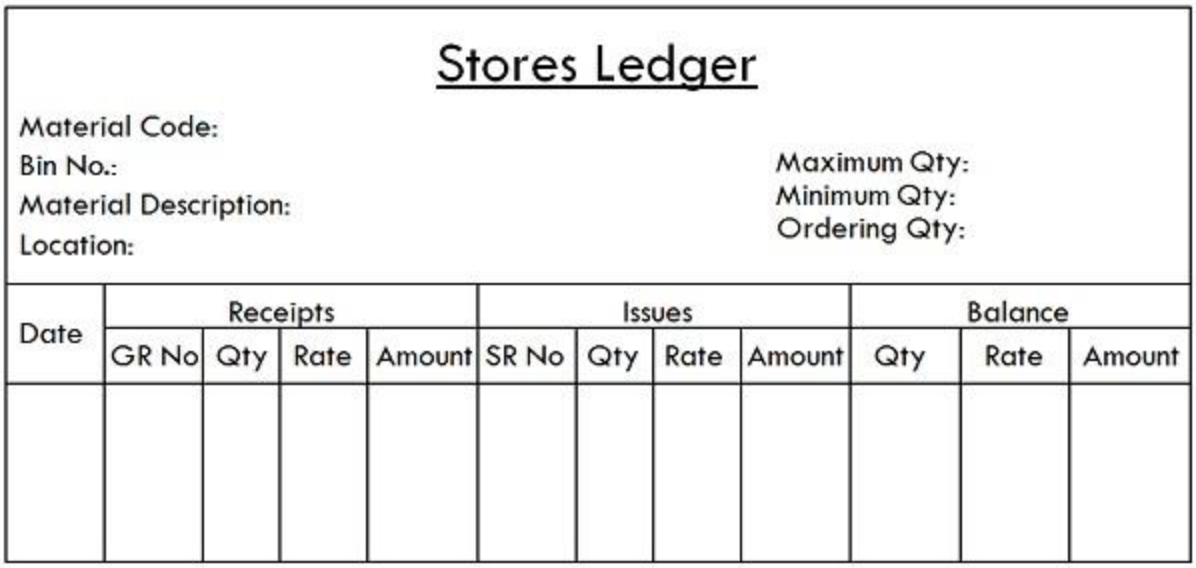
Figure 54: Bin Card

Company Name
Bin Card

Material Nam:	Maximum Stock level
Material Code:	Minimum Stock Level
Location	Reorder Level

Date	Receipt		Issue		Balance	Name
	GRN #	Qty	Request #	Qty		

Figure 55: Stores Ledger



Stores Ledger

Material Code:
Bin No.:
Material Description:
Location:

Maximum Qty:
Minimum Qty:
Ordering Qty:

Date	Receipts				Issues				Balance		
	GR No	Qty	Rate	Amount	SR No	Qty	Rate	Amount	Qty	Rate	Amount

Stock taking

Stock taking is the physical checking of inventory/stock items while counting and recording the entire inventory in hand. It is part of inventory control. The process of stocktaking will vary from one business to another. Stock taking sheets displays a list of all or selected range of stock with a designated column for the stock count figure to enter into the system after a stock taking is done.

Carrying out stock taking

There are three general stages of stocktaking:

- Before the stocktaking
- During the stocktaking
- After the stocktaking

Before the stock taking

- Decide on a date and time preferably when there are no distractions
- Assign everyone a role Confirm the process to all staff involved.
- Cut off all your purchases and sales to avoid mix-up of figures.
- Prepare the area where the stock taking will take place to avoid unnecessary disruptions

During the stock taking

Include everything and take time to check everything properly for all stock items by recording the stock that is actually on the shelf and noting the figure in the system or books

After the stocktaking

- Value all the stock correctly.
- Check the figures again
- Record everything into the inventory system
- Note the items of stock with stockout, overstocking or dead stock
- Pay particular attention to discrepancies between the figures from the stocktaking and the system.

Dealing with stock discrepancies

Any stock discrepancy is bad for the business, whether stock figure is higher or lower. They indicate symptoms of larger problems in stock control. When you encounter a discrepancy, the first thing to do is to uncover its cause. It might be a simple human error like placing something in the wrong place or entering a wrong figure into the system). Alternatively, it might be a serious problem such as theft, pilferage or supplier issues.

Once the cause of the discrepancy is known, it is reported and steps are taken s to ensure that it does not occur again.

Causes of stock discrepancies

- Incorrect unit of measurement was counted
- Stock loss due to damage
- Stock is in the incorrect location
- Human error during stocktake process
- Stock loss due to theft
- Stock is labelled with incorrect identification
- Stock mistaken for similar product
- Inbound stock not recorded accurately
- Faulty inventory

Resolving discrepancies in stock

- Re-count the stock in question
- Check if the stock exists in another location
- Make sure the correct unit of measurement was used.
- Verify that the SKU or product identification number is correct.
- Ensure the product has not been mistaken for a similar product.
- Scan your inventory records for errors
- Confirm that there is no missing paperwork.
- Investigate whether employees or customers have been stealing stock
- Speak to your warehouse/storeroom managers.

(Furtherreading:https://www.unleashedsoftware.com/inventory-management-guide/stocktaking)

Learning Activities

1. Visit a reasonably large institution in your community
   a) Write the name of the institution and Location Details
   b) List the assets availed to you

Use the format given below.

Table 20: Asset Listing Table Compiled by…….Date……

Asset no.	Asset description	Asset location	Asset clsss	Asset cord	Functional area	Asset a/c	a/c administrator	Administrative expense a/c	

2. Visit a store in any institution or business and carry out a stock taking exercise of at least three items use the following form.

Table 21: Stock Taking Form

Stock Taking Form **Name of Business/Organization……..** **Prepared by……..Date……..**							
S. No	**Item Code**	**Item Name**	**Unit cost**	**Counted Quantity**	**Record card/book Quantity**	**Difference**	**Remarks**
1							
2							
3							
Conclusion							

3. Kleva Manufacturers has a wide range of assets, high value, movable, stationary, borrowed by staff. The management has approached you and they are considering tagging the fixed assets. What advantages will they gain from this exercise?

Self-Assessment

1. What are the possible causes of inventory discrepancies revealed in stock taking?

2. The following are inventory transactions of a consumable stores PT 43 of Bettax Ltd 2020

August 1 Balance in hand 400 units at sh 20 per unit
3 Purchased 1,500 units at sh 22 per unit, GRN 490
15 Issued 700 units, MRF 107
20 Purchased 2,700 units at sh 18 per unit GRN 567
30 Issued 1,900 units, MRF 236

3. Complete the stores Ledger Form given below using First in First out (FIFO) Method

Table 22: Stores Ledger Account

Bettax Ltd

Stores Ledger Account

Material: PT43 **Method: FIFO**

Date	**RECEIPTS**				**ISSUES**				**BALANCE**		
	GRN	**Qty**	**c/u**	**Amt**	**MRF**	**Qty**	**c/u**	**Amt**	**Qty**	**c/u**	**Amt**
2020		units	Sh	Sh		units	Sh	Sh	units	Sh	Sh

Juma has a business with various assets and is having challenges in managing the fixed assets How would a fixed asset policy be beneficial to his business?

Tools, Equipment, Supplies and Materials

- Computers
- Stock taking manuals
- Stock sheets
- Scanners
- Printers
- Template formats
- Documents
- Calculators
- Cameras
- Printing papers
- Paper punch

References

Din, N. U. (1998), Cost Accounting and Budgeting made simple, Standard Accounting Publications Company, Nairobi

Lucey, T. (2000) Costing, 7th ed. pdf

Answers to Self-Assessment

1. Causes of inventory discrepancies

- Incorrect unit of measurement was counted
- Stock loss due to damage
- Stock is in the incorrect location
- Human error during stocktaking process
- Stock loss due to theft
- Stock is labeled with incorrect identification
- Stock mistaken for similar product
- Inbound stock not recorded accurately
- Faulty inventory

Table 23: Stores Ledger Account Solution

Bettax Ltd **Stores Ledger Account** **Material: PT43** **Method: FIFO**											
Date	**RECEIPTS**				**ISSUES**				**BALANCE**		
	GRN	**Qty**	**c/u**	**Amt**	**MRF**	**Qty**	**c/u**	**Amt**	**Qty**	**c/u**	**Amt**
2020		units	Sh	Sh		units	Sh	Sh	units	Sh	Sh
Aug 1									400	20	8,000
3	490	1,500	22	33,000					1,900	20/22	41,000

15					107	700	20/22	14,600	1,200	22	24,600
20	567	2,700	18	48,600					3,900	22/18	73,200
30					236	1,900	22/18	37,200	2,000	22	36,000

A fixed asset policy will ensure that the business will have:

- Precise identification of the assets
- Proper use of assets
- Periodic taking of physical inventory of the asset
- Effective maintenance of the assets
- Proper Disposal of asset
- Replacement of the asset when required.
- Up to date records of asset

5.2.4 LEARNING OUTCOME 4: PREPARE BUSINESS ASSETS AND LIABILITIES REPORT

Introduction to the learning outcome

This learning outcome specifies the content of competencies required to prepare business assets and liabilities report. It includes definition of terms related to business assets and liabilities report, obtaining asset usage feedback and liabilities management feedback, identifying asset discrepancies, obtaining asset maintenance feedback and asset requirements and preparing and sharing business asset report. Feedback and reports on assets and liabilities enable the management to plan and make decisions concerning the operations and investments of the business.

1.2.4.2 Performance Standard

4.1 Asset usage feedback is obtained according to SOPs

4.2 Liabilities management feedback is obtained based on finance procedures

4.3 Asset discrepancies are identified according to SOPs

4.4 Asset maintenance feedback is obtained according to maintenance procedures.

4.5 Asset requirements are obtained according to user department needs.

4.6 Business asset/liability report is prepared and shared according to organization procedures

1.2.4.3 Information Sheet

Definition of terms

Ghost asset -an asset which is lost, stolen, but is still recorded as fixed asset in the system

Report - a document that presents information in an organized form for a specified purpose or purpose

Feedback report - a summary of results and additional comments and recommendations giving ways of improvement or addressing situations

Data- figures and items collected together to be analyzed

Software – has programs and other operating information used by a computer. It contains a set of instructions, data or programs used to operate computers and execute specific tasks.

Fixed Asset Usage

Monitoring asset usage also includes checking on repairs and maintenance schedules, asset condition and depreciation schedules. If assets are issued to staff it is important to track where they are and when they should be returned. Fixed assets usage needs to be properly monitored throughout their useful life until they are disposed off.

The use of barcode technology and related software, it has become easier to track the location of each asset at any time. Fixed asset software could be used on maintenance schedules, repairs, and warranties, which will enable the firm to capture the status of each of their asset. By keying in a few report details, it is possible to generate accurate and detailed reports.

Further Reading : 8 Evergreen Asset Tracking Software Benefits That Helps Business

Case Study

The following chart relates to assets of Tonny Ltd for the current year.

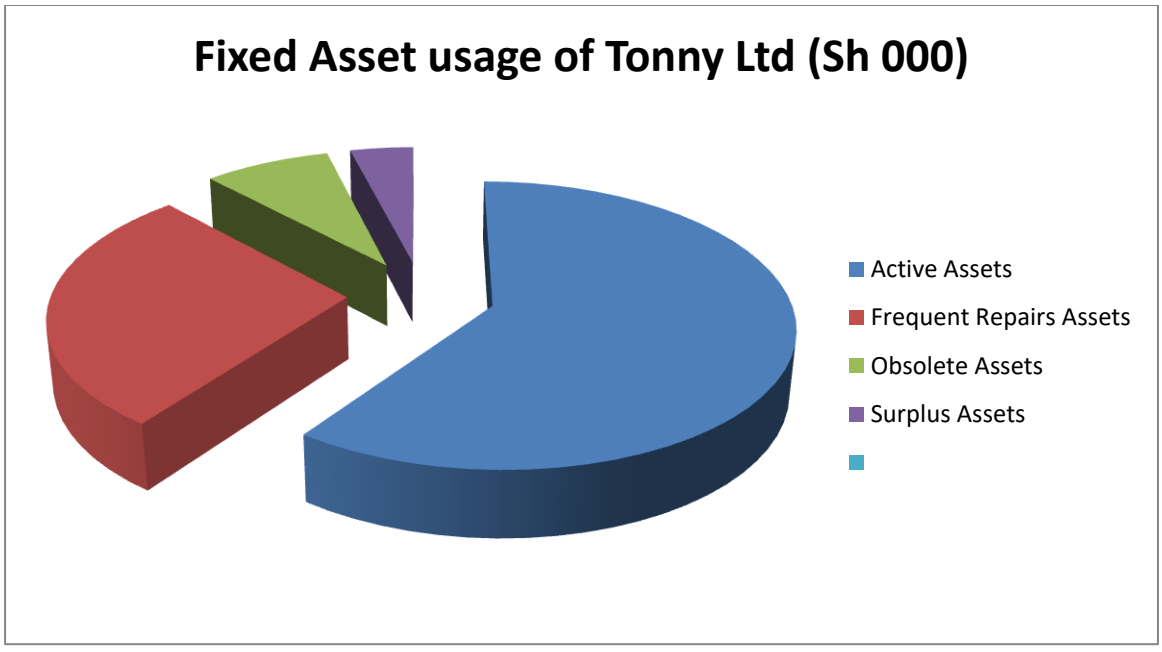


Figure 56: Fixed Asset Usage

You are a newly employed supervisor in Tonny Ltd. You have obtained feedback on the analyzed status of fixed assets. You are to make a report addressing each of the following:

a) What is the meaning of each of the four current status of the assets?
b) What could have caused the current status?
c) How would you deal with each of the asset status?
d) Present the report to the Management

Identifying asset discrepancies

Ghost assets that are not identified can cause lost productivity. Fixed assets should be inventoried on a regular basis using. The two methods of conducting physical stock taking inventories:

- Full inventory verification- all inventory is verified at the same time in all departments
- Cyclical inventory verification- multiple partial inventories within different departments, possibly at different times of year

Business asset report

Business assets reports are in many forms depending on the end user. The report forms part of management reporting. The reports could be routine reports or special reports requested by the management, or the donor, or the government, or the industry.

At the end of every financial year or otherwise dictated by the management polcy the status report of assets and liabilities should be prepare .

An illustration of end year asset report on vehicles

Asset name	Physical state	Recommendation
Lorry KCE 241 J	Worn out tires, won out paint,	Needs new tires ,and painting

Labilities

Type of liability	How much	When due for payment	Recommendation
Accrued salaries	Ksh 120,000	End of month	To be paid

Case StudyAT

Tenax Industries manufactures a product for domestic market. An assessment on its fixed assets was carried out by an independent party and the report had the following findings:

The firm has relatively new assets which undergo maintenance as and when funds are available. The firm has ten new generators. Only one is used when there is a power blackout. The old assets are not in use and occupy a quarter of the premises. The delivery vans are recorded under the drivers' name and are used on working and non-working days by them. Laptops are purchased and issued to the users on an annual basis. When assets are purchased, they are recorded in a book which shows the date, description and amount. No other record is maintained.

Write a recommendation report on what measures should be taken on the following findings.

Table 10 Fixed Asset Report Form

S. No.	**Findings on**	**What is not done right?**	**What should be done?(Recommendation)**
1	New assets maintenance		
2	Generators		
3	Delivery vans		
4	Laptops		
5	Recording of		

	assets purchased		

Also Read: Everything you need to know about Equipment Maintenance

Obtaining liabilities management feedback

It is importance for the management of a business to monitor repayment of all loans to find out if they were cleared at the scheduled projected time. In case of unforeseen events, the business can renegotiate the re-scheduling of the loan. The decision of obtaining long term loans is left to the management, depending on the strategic objectives of the firm. The management should ensure that the long term loans are used for capital expenditure, unless for specified emergencies. The finance office will provide a feedback of the loans status.

Learning Activities

1. Form a group of two or three trainees. You have been asked to complete the form below relating to asset requisitions of Seema Ltd.

Table 24: Departmental Asset Requirements Analysis

ASSET	**USER DEPARTMENTS**			**TOTAL Shs**	**Percentage %**
	Administration Shs	**Warehouse Shs**	**Marketing Shs**		
Motor Vehicles					
Furniture and fittings					
Computers and laptops					
Office Equipment					
Weighing / Packing equipment					
Total					
Report: Analysis of the Results					

a) Discuss and insert the values(yours) of the assets for each department
b) Compute the total asset values
c) Determine the percentage proportion of each asset
d) Analyze the results in a brief report in the space provided.

2. Kola Enterprise's fixed assets were inspected in a physical inventory exercise. The findings revealed that some assets had no tags, others had tags but the old tag number was indicated in the records, some had unreadable tags, and some had handwritten tags. This resulted in high level of discrepancy of assets.

Discuss and write a report on how assets should be maintained with proper tagging system to avoid discrepancies.

Self-Assessment

1. You are in charge of Assets of Maali Enterprises. You have been asked to give a report of the usage of assets in the business. Which areas would you consider in your report?
2. What information would be required about a liabilities in writing a report at the end of the year?
3. What measures would you take to prevent discrepancies in consumable inventories in the stores

Tools, Equipment, Supplies and Materials

- Laptops
- Projector
- Extension cables
- Manila papers
- Printing papers
- Printers
- Template formats

- Documents
- Calculators
- Cameras
- Binder

References

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Lucey T, Costing &th Edition Library Doc 81 pdf

Liberto,D. (2019) Business Assets https://www.investopedia.com/terms/b/business-asset.asp

https://www.freshbooks.com/hub/accounting/assets-and-liabilities

Answers to self-Assessment

1.Report on asset usage

- Current number, type, and value of assets
- Purchases made of assets
- Depreciation rates
- Control of assets
- Stocktaking of assets
- Disposal of assets

1. **Information required for liabilities report**
    a) Types of liabilities
    b) Amounts of liabilities
    c) Interest rates of the liabilities
    d) Repayment period of liabilities
    e) Discrepancies' of liability figures if any
    f) Liabilities rescheduled

2. How to prevent discrepancies in consumable inventories in the stores
    - Keep a record of inventory and where they are located.

- Ensure that similar inventory items are placed together placed in the same location
- Establish procedures to handle inventory.
- Employ properly trained stores.
- Ensure that the record all stock movements is always updated
- Undertake investigation of causes of discrepancies in stock items always

CHAPTER 6: CONTROLLING BUSINESS RISKS

Unit of learning code: BUS/BM/CR/05/5

Related Unit of Competency in Occupational Standard: Control Business Risk

6.1 Introduction to the unit of learning

This unit specifies the competencies required to control business risks. It involves assessing business risks, establishing risk management team, developing risk mitigation plan, monitoring risk management process and preparing business risk management report.

6.2 Summary of Learning Outcomes

1. Assess business risks
2. Establish risk management team
3. Implement risk mitigation plan
4. Monitor and evaluate risk management process
5. Prepare business risk management report

6.2.1 LEARNING OUTCOME 1: ASSESS BUSINESS RISKS

Introduction

Small to medium businesses are exposed to risks all the time. Such risks can directly affect day-to-day operations, decrease revenue or increase expenses. Their impact may be serious enough for the business to fail. Most business managers know instinctively that they should have insurance policies to cover risks to life and property. However, there are many other risks that all businesses face, some of which are overlooked or ignored. Every business is subject to possible losses from unmanaged risks. Sound risk management should reduce the chance that a particular event will take place and, if it does take place, sound risk management should reduce its impact. Sound risk management also protects business wealth. Risk management starts by identifying possible threats and then implementing processes to minimize or negate them.

Risk management is a process in which businesses identify, assess and treat risks that could potentially affect their business operations.

Performance standards

1. Business risks are identified according to the strategic plan, SWOT analysis and PESTEL analysis
2. Risk scenarios are analyzed from crisis reports and publications
3. Risk assessment matrix is prepares according to risk scenarios and organizational procedures

4. Risk perspectives are classified according to type of organization and nature of business

Information Sheet

Definition of terms

Business risks

The term refers to the possibility of a commercial business making inadequate profits (or even losses) due to uncertainties - for example: changes in tastes, changing preferences of consumers, strikes, increased competition, changes in government policy, obsolescence etc.

Risk control

Risk control is the set of methods by which firms evaluate potential losses and take action to reduce or eliminate such threats.

A risk matrix

This is also called a business risk assessment matrix. It is a graph that one would use to plot the probability of certain risks occurring against the impact this would have on a business.

Business risks are identified according to the strategic plan, SWOT analysis and PESTEL analysis

Every business organization faces various risk elements while doing business. Business risk implies uncertainty in profits or danger of loss and the events that could pose a risk due to some unforeseen events in future, which causes business to fail.

For example, a company may face different risks in production, risks due to irregular supply of raw materials, machinery breakdown, labour unrest, etc. In marketing, risks may arise due to fluctuations in market prices, changing trends and fashions, errors in sales forecasting, etc. In addition, there may be loss of assets of the firm due to fire, flood, earthquakes, riots or war and political unrest which may cause unwanted interruptions in the business operations. Thus business risks may take place in different forms depending upon the nature of a company and its production.

SWOT analysis (or **SWOT** matrix) is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning.

Scenarios in which his organization uses SWOT analysis for risk identification and management.

These include the evaluation of business processes, technology interfaces, existing software, proposed solutions, and customer service centers.

The following procedure may be used efficiently in carrying out SWOT analysis for risk identification and management.

1. For the strengths, brainstorm corresponding strength and record them.
2. Analyze and collect suitable strengths.
3. Prioritize strengths in forced rank order or the nominal group method.
4. Follow the same steps (i.e. 1-3) for weaknesses, opportunities, and threats.
5. Define the strategies.

PESTLE Analysis in the Risk Management Framework

PESTLE analysis is a popular business analysis tool that involves identifying and evaluating Political, Economic, Sociocultural, Technological, Legal, and Environmental factors that affect a business. It can be a particularly useful tool in the context of risk management, where it provides a straightforward framework that business analysts can use to identify potential risks.
PESTLE analysis forces a business to consider a wide variety of variables in the greater business environment. By doing so, it allows the business to uncover potential risks in areas that may have otherwise be ignored. To understand this, it's helpful to look at how risks can be found in each of the six PESTLE categories:

- **Political.** Changes in the greater Political environment affect some businesses more so than others. For example, software houses will rarely have to worry about changing Politics; however, if a business is largely dependent on trade or travel (especially where there are unstable connections with other countries), looking at the Political outlook may help to identify new risks.
- **Economic.** Especially on longer time frames, the Economic factors affecting a business may have a lot to say about potential risks. For example, a rising minimum wage or growing competition might both impact a business in a negative way if no protective measures are employed.
- **Sociocultural.** People are the lifeblood of any business, in that they always play the role of the customer in one way or another. As a result, changes in the Socio cultural environment can have a massive impact on businesses. Examples include changes in consumer eating habits, clothing preferences, or hobbies.
- **Technological**. As new technologies are developed, it may make some businesses redundant. Once again, Technological changes tend to happen over a longer timeframe, but they can have huge impacts on a business' bottom line.
- **Legal**. The threat of Legal action is one of the biggest risks any business faces. Whether that refers to Legal proceedings initiated by a customer or fellow competitor, it can still be a serious risk. What adds more risks is the lack of knowledge of the confusing financial terms and legal lingo.
- **Environmental**. With the growing relevance of Environmental issues, businesses also need to look at these factors to identify potential risks. These risks may result from Environmental changes themselves, such as rising sea levels or less predictable weather cycles, or from regulation surrounding these changes.

It's important to note that PESTLE analysis usually takes into account both positive and negative factors affecting a business. However, in the case of risk management,

it's the negative factors which are most interesting. As a result, an analyst using PESTLE analysis for risk management purposes should focus only on negative factors.

Risk scenarios are analyzed from crisis reports and publications

Analyzing Risk Scenario

Business risks can arise due to the influence by two major risks: **internal risks** (risks arising from the events taking place within the organization) and **external risks** (risks arising from the events taking place outside the organization):

- Internal risks arise from factors (endogenous variables, which can be influenced) such as:
  - human factors (talent management, strikes)
  - technological factors (emerging technologies)
  - physical factors (failure of machines, fire or theft)
  - operational factors (access to credit, cost cutting, advertisement)
- External risks arise from factors (exogenous variables, which cannot be controlled) such as:
  - economic factors (market risks, pricing pressure)
  - natural factors (floods, earthquakes)
  - political factors (compliance demands and regulations imposed by governments)

The following graphic is a good frame of reference when it comes to the risk analysis cycle:



Figure 57 risk analaysis cycle

Classifications of Business Risks

Business risk is classified into five different types:

1. **Strategic Risk:** They are the risks associated with the operations of that particular industry. These kind of risks arise from:
   (a) Business Environment: Buyers and sellers interacting to buy and sell goods and services, changes in supply and demand, competitive structures and introduction of new technologies.
   (b) Transaction: Assets relocation of mergers and acquisitions, spin-offs, alliances and joint ventures.
   (c) Investor Relations: Strategy for communicating with individuals who have invested in the business.
2. **Financial Risk:** These are the risks associated with the financial structure and transactions of the particular industry.
3. **Operational Risk:** These are the risks associated with the operational and administrative procedures of the particular industry.
4. **Compliance Risk (Legal Risk):** These are risks associated with the need to comply with the rules and regulations of the government.
5. **Other risks:** There would be different risks like natural disaster (floods) and others depend upon the nature and scale of the industry.

Risk control

It is a technique that utilizes findings from risk assessments, which involve identifying potential risk factors in a company's operations, such as technical and non-technical aspects of the business, financial policies and other issues that may affect the well-being of the firm. It can also be defined as uncertain future events which could influence the achievement of the organization's strategic, operational and financial objectives. Two aspects of risk to note are uncertainty and exposure.

Theories of Risk Management

The normal hypothesis

The transactions which incur higher risk will yield higher returns. Under the normal hypothesis of risk, firms are assumed to take a view that the more risk they take, the more the return. This approach attaches a positive correlation between risk and return such that the profitability of an organization is intricately linked to the risk appetite of the organization. Profit seeking organizations are therefore assumed to be risk takers given the relationship between risk and profit.

Hypothesis of increasing marginal disutility of risk

The relationship between risk and return is not always linear as suggested under the normal hypothesis of risk. Although not necessarily contradictory to the normal hypothesis of risk theory, the marginal disutility of risk approach postulates that a firm can increase its risk taking activities only up to a certain point after which the return will start to decline regardless of how much more risk is assumed. Therefore, the firm will have to take a decision on whether it is necessary to continue assuming more risk when the returns are diminishing. This approach is generally consistent with

economic theory on utility. Risk is therefore primarily concerned with evaluating potential losses. The two concepts used in this regard are Loss frequency and Loss severity. These concepts are particularly useful in helping a firm to rank loss exposures according to their relative importance. In addition, the relative frequency and severity of each loss exposure needs to be estimated so that an appropriate technique or a combination of techniques can be selected to treat the loss exposure. Regardless of the approach used for measuring severity; it must seek to determine the maximum possible loss and the maximum probable loss. The maximum possible loss is the worst loss that could possibly occur to the firm during its lifetime. On the other hand, the maximum probable loss is the worst loss that is likely to happen to a firm.

Risk assessment

A firm should make every attempt to assess its risks within the context of both the external and internal operating environment. This is a useful process as it assists in understanding the key drivers of the risks the firm may face in its every day operations.

Steps in Risk Management Process

Step 1: Identification of organizational risks Frequency and severity
The objective of risk identification is to determine the risks that may affect the firm and document their characteristics. Risk identification may be done through various stakeholders to the firm as well as external experts

Tools & Techniques for Risk Identification:

1. *Documentation reviews***:** This can be done by conducting a structured review of previous documentation and reports of the firm. This is in order to ascertain whether there are any historical issues likely to influence the nature and direction of risks faced by the firm.
2. *Information gathering techniques***:** Several methods of information gathering can be used in risk identification. These include;
(a) Brainstorming: probably the most used risk identification technique. The goal is to compile a comprehensive list of risks that can be addressed later in the risk analysis processes. It usually consists of a multidisciplinary set of experts. Under the leadership of a facilitator, they generate ideas about a firm's risks. The process proceeds without interruption and without any expression of judgment or criticism of ideas and without regard to one's position in the organization. Sources of risk are identified in broad scope and discussed by the whole team. Risks are then categorized by type and their definitions sharpened. Brainstorming can be more effective where participants prepare in advance and the facilitator develops some risks in advance and the meeting is structured by operational activity and risk category.
(b) Delphi Technique: This is a method by which consensus of experts can be reached on risk. Experts are identified but participate anonymously. Delphi technique helps reduce bias and minimizes the influence of any one person on the outcome. A

facilitator uses a questionnaire to solicit ideas about the important risks facing the firm and responses are submitted and put into risk categories. The risks are then circulated for expert review. Consensus on major risks is reached after a few rounds of this process.

3. Information Gathering

i. Interviews: Risks can be identified by interviews with experienced and skilled experts within the firm. The appropriate individuals are selected and briefed. The interviewees identify risks based on their experience in their respective operational areas and any other sources they find useful.

ii. SWOT Analysis**:** ensures examination of risks from each of the SWOT perspectives to increase the scope of risks considered. A scan of the internal and external environments is an important strategic analysis of business risks. Environmental factors that are internal to the firm can be classified as strengths (S), weaknesses (W) and those external to firm are classified as opportunities (O), and Threats (T).Such analysis of the strategic environment is referred to as SWOT analysis. This analysis enables a firm to take a strategic position so as to turn weaknesses into strengths and try to direct threats into opportunities.

iii. Checklist: It is useful for organizations to develop checklists of risks based on information collected from past activities. This could include loss event data etc. The checklist is a quick way of identifying potential risks and should not be considered as complete. It should factor the possibility of other risks emerging and being addressed.

iv. Assumptions Analysis: There is a need to consider the underlying assumptions and scenarios used in the various operational activities of the firm. Assumptions analysis is a technique that explores the accuracy of the assumptions. It identifies risks relating to the firm arising from inaccurate, inconsistent and incomplete assumptions. This is a useful technique given the role of that assumptions play in the planning process of any firm.

v. Diagramming technique Cause and effect diagrams useful for identifying causes of risk: System or process flowcharts show how various elements of a system interrelate and the mechanism of causation. Similarly, influence diagrams provide a graphical representation of a problem showing causal influences, time ordering of events and other relationships among variables and outcomes

vi. PESTEL Analysis: This analysis answers six key questions relating to Political, Economic, Social, Technological, Environmental and Legal aspects that pose as risk to businesses.

- Political: what are the political factors that are likely to affect the business?
- Economical: What are the economic factors that will affect the business?
- Sociological: what are the cultural aspects likely to affect the business?
- Technology: what technological changes may affect the business?

- Environmental: What are the surrounding considerations that affect the business?
- Legal: What current and impending legislation that will affect the business?

Step 2: Analyze the Risk

Once a risk has been identified it needs to be analyzed. The scope of the risk must be determined. It is also important to understand the link between the risk and different factors within the organization. To determine the severity and seriousness of the risk it is necessary to see how many business functions the risk affects. There are risks that can bring the whole business to a standstill if actualized, while there are risks that will only be minor inconveniences in analyzed. In a manual risk management environment, this analysis must be done manually. When a risk management solution is implemented one of the most important basic steps is to map risks to different documents, policies, procedures, and business processes. This means that the system will already have a mapped risk framework that will evaluate risks and let you know the far-reaching effects of each risk.

Step 3: Evaluate or Rank the Risk

Risks need to be ranked and prioritized. Most risk management solutions have different categories of risks, depending on the severity of the risk. A risk that may cause some inconvenience is rated lowly, risks that can result in catastrophic loss are rated the highest. It is important to rank risks because it allows the organization to gain a holistic view of the risk exposure of the whole organization. The business may be vulnerable to several low-level risks, but it may not require upper management intervention. On the other hand, just one of the highest-rated risks is enough to require immediate intervention.

Step 4: Treat the Risk

Every risk needs to be eliminated or contained as much as possible. This is done by connecting with the experts of the field to which the risk belongs to. In a manual environment, this entails contacting each and every stakeholder and then setting up meetings so everyone can talk and discuss the issues. The problem is that the discussion is broken into many different email threads, across different documents and spreadsheets, and many different phone calls. In a risk management solution, all the relevant stakeholders can be sent notifications from within the system. The discussion regarding the risk and its possible solution can take place from within the system. Upper management can also keep a close eye on the solutions being suggested and the progress being made from within the system. Instead of everyone contacting each other to get updates, everyone can get updates directly from within the risk management solution.

Step 5: Monitor and Review the Risk

Not all risks can be eliminated – some risks are always present. Market risks and environmental risks are just two examples of risks that always need to be monitored. Under manual systems monitoring happens through diligent employees. These professionals must make sure that they keep a close watch on all risk factors. Under a

digital environment, the risk management system monitors the entire risk framework of the organization. If any factor or risk changes, it is immediately visible to everyone. Computers are also much better at continuously monitoring risks than people. Monitoring risks also allows your business to ensure continuity.

Risk assessment matrix is prepared according to risk scenarios and organizational procedures

Risk Assessment Matrix

Risk matrix is the explanation of how likely is it that an identified risk will actually happen, and how severely it will affect a business if it does.
The Risk Matrix tool works especially well because of its clear visual nature. By providing a simple visualization of potential risks, one can easily see which ones are high priorities and which ones can be ignored – for now.

Preparing risk assessment matrix

A risk matrix template focuses on two key aspects:
Severity: The impact of a risk and the negative consequences that would result.
Probability: The probability of the risk occurring.

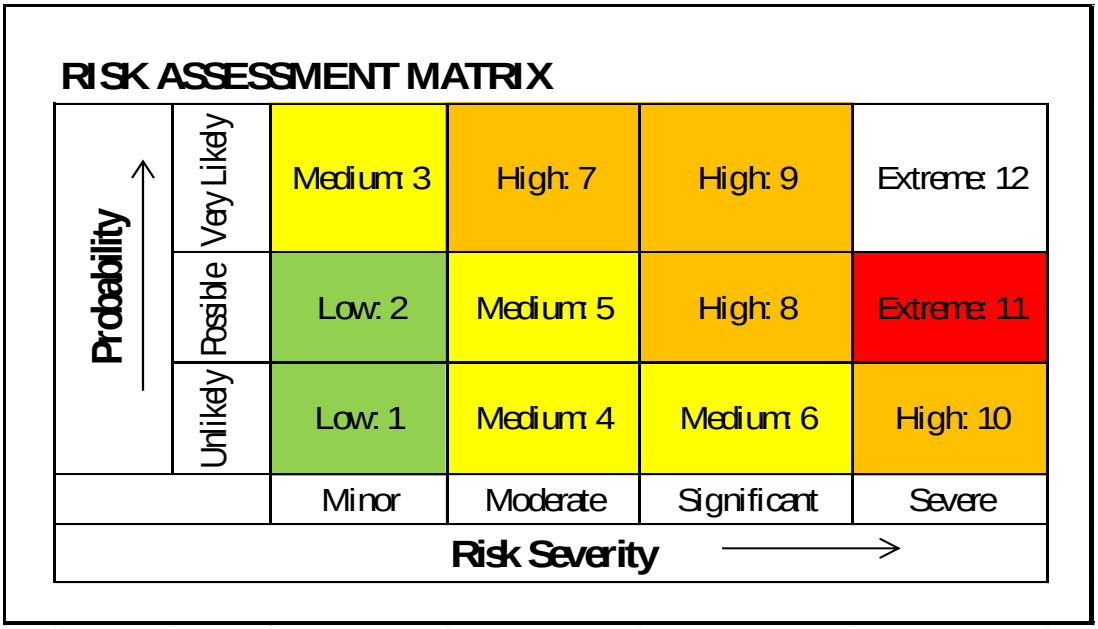


Figure 58: Risk assessment matrix

Firstly you need to decide on the severity rating for each identified risk. On the matrix, move along the x axis until you've reached the appropriate rating: Minor, Moderate, Significant or Severe.

Then, by moving along the y axis, assess at the probability of it happening. Starting from Unlikely: almost no possibility of this happening; then Possible: this has the potential to happen; lastly, highly likely: risks that are bound to happen. Continue in this manner for each risk you've identified.

After you've placed each risk in the template matrix according to their severity and likelihood, you will be able to clearly see which risks require the most attention, based on their color-coded rating of the box they appear in.

- Green = Low: The consequences of the risk are minor, and it is unlikely to occur. These types of risks are generally ignored.
- Yellow = Medium: Somewhat likely to occur, these risks come with slightly more serious consequences. If possible, take steps to prevent medium risks from occurring, but remember that they are not high-priority and should not significantly affect organization or project success.
- Orange = High: These are serious risks that both have significant consequences, and are likely to occur. Prioritize and respond to these risks in the near term.
- Red = Extreme: If any risks appear in the final two red squares labelled 11 or 12, these are catastrophic risks that have severe consequences and are highly likely to occur. Extreme risks are the highest priority and need to be mitigated immediately to ensure survival of the organization or project.

It's important to address those deemed extreme and high risk by making a response plan. Meanwhile, those risks that fall into the medium and low categories can often be monitored, but depending on your teams time and resource limits, these probably don't need to be addressed. However, it is important to keep monitoring your risks until the project is complete.

Reasons/Importance of Risk Management to an organization

Everyone has to manage risk

Every organization faces risks. As most business people know well, sometimes risk is inevitable in order to achieve success.

Risk management makes jobs safer

Health and safety are critical parts of a risk manager's role. They actively seek out problem areas in the organization and look to address them. They use data analysis to identify loss and injury trends and implement strategies to prevent them from reoccurring. This clearly benefits employees in physical work environments, such as construction, but can also help office employees and those in similar positions through methods such as ergonomics. A safer workplace is better for everyone and is dramatically impacted by risk management.

Risk management enables project success

No matter the department, risk managers can help employees succeed with their projects. Just as they assess risks and develop strategies to maximize organizational success, they can do the same for individual projects. Employees can reduce the

likelihood and severity of potential project risks by identifying them early. If something does go wrong, there will already be an action plan in place to handle it. This helps employees prepare for the unexpected and maximize project outcomes.

Risk management reduces unexpected events

Most people don't like surprises, especially when it has an organizational impact. A risk manager's goal is to map out all potential risks and then work to prevent them or best manage them.

Risk management creates financial benefits

The risk department should not be viewed as a cost centre for the organization. In fact, it directly creates value. With trend analysis, risk managers can spot high-frequency events and work to minimize repetitive losses. Incidents will be less likely to occur and have less of an impact when they do, potentially saving the organization thousands if not millions of dollars. Risk managers are also the experts who procure the appropriate levels of insurance to maximize the financial impact of the risk management program.

Risk management saves time and effort

Employees at all levels spend time submitting data into the risk management department when incidents occur. These tasks are often completed in disjointed and inefficient ways. By streamlining these tasks, the risk department is able to alleviate the burden of tedious data submission from employees, allowing them to direct time and energy towards their true roles.

Risk management improves communication

Horizontal and vertical communication are essential for organizational and employee well-being. They promote understanding of internal and external issues and help everyone work together effectively. While many employees know this, it can be difficult to put into practice if some parties don't understand the impact it can have. Risk managers can help. They aid horizontal communication by providing a centralized touch point for all risk data and providing reports and analysis. Risk managers promote vertical communication by setting expectations and relating data to organizational goals. Each additional method of communication benefits employees.

Risk management prevents reputational issues

Many risks involve a reputation factor: something happens that causes the public to negatively view the organization. Reputational issues could impact individual employees as well, even if they weren't actually involved. A formal risk department greatly decreases the likelihood of this fallout. When an incident inevitably occurs, a formal risk management program and processes will quickly contain the event and lower the chance of escalation and widespread negative consequences.

Risk management benefits culture

A strong risk management culture is better for all parties: frontline employees, risk managers, executives, and decision-makers. It creates a mind-set of prevention and safety that permeates the organization and influences the actions of employees. It sets expectations of performance and sends a positive image to the public.

Risk management guides decision-making

Decision-making is a challenging process, especially when making significant choices that will have a large impact on future success. Risk management data and analytics can guide employees in making wise strategic decisions that will help meet and exceed company objectives. They can also advise on the strengths and weaknesses of a decision alternative and provide recommendations on what risks to pursue and which to avoid. The risk department is an excellent source of guidance for employees in all areas.

Principles of Risk Management

There are specific core principles in regards to risk management. When looking to perform an actual risk assessment, the following target areas should be part of the overall risk management procedure (as defined by the International Standards Organization; ISO):

- The process should create value
- It should be an integral part of the organizational process
- It should factor into the overall decision making process
- It must explicitly address uncertainty
- It should be systematic and structured
- It should be based on the best available information
- It should be tailored to the project
- It must take into account human factors
- It should be transparent and all-inclusive
- It should be dynamic and adaptable to change
- It should be continuously monitored and improved upon as the project moves forward

Techniques of Managing Risks

Once risks have been identified and assessed, all techniques to manage the risk fall into one or more of these four major categories:

- Avoidance (eliminate, withdraw from or not become involved)
- Reduction (optimize – mitigate)
- Sharing (transfer – outsource or insure)
- Retention (accept and budget)

Risk avoidance

This includes not performing an activity that could present risk. Refusing to purchase a property or business to avoid legal liability is one such example; avoiding airplane flights for fear of hijacking. Avoidance may seem like the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed. Not entering a business to avoid the risk of loss also avoids the possibility of earning profits. Increasing risk regulation in hospitals has led to avoidance of treating higher risk conditions, in favor of patients presenting with lower risk.

Risk reduction

Risk reduction or "optimization" involves reducing the severity of the loss or the likelihood of the loss from occurring. For example, sprinklers are designed to put out a fire to reduce the risk of loss by fire. This method may cause a greater loss by water damage and therefore may not be suitable. Acknowledging that risks can be positive or negative, optimizing risks means finding a balance between negative risk and the benefit of the operation or activity; and between risk reduction and effort applied. By effectively applying Health, Safety and Environment (HSE) management standards, organizations can achieve tolerable levels of residual risk

Risk Transfer

This may simply mean sharing with another party the burden of loss or the benefit of gain, from a risk, and the measures to reduce a risk. For example, a personal injuries insurance policy does not transfer the risk of a car accident to the insurance company. The risk still lies with the policy holder namely the person who has been in the accident. The insurance policy simply provides that if an accident (the event) occurs involving the policy holder then some compensation may be payable to the policy holder that is commensurate with the suffering/damage.

Risk retention

Risk retention involves accepting the loss, or benefit of gain, from a risk when the incident occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that either they cannot be insured against or the premiums would be infeasible. War is an example since most property and risks are not insured against war, so the loss attributed to war is retained by the insured. Also any amounts of potential loss (risk) over the amount insured are retained risk. This may also be acceptable if the chance of a very large loss is small or if the cost to insure for greater coverage amounts is so great that it would hinder the goals of the organization too much.

Risk mitigation involves development of mitigation plans designed to manage, eliminate, or reduce risk to an acceptable level. Once a plan is implemented, it is continually monitored to assess its efficacy with the intent of revising the course-of-action if needed.

The most appropriate strategy is selected from these mitigation options:

- Risk Avoidance
- Rick Controlling
- Risk Transfer/Sharing
- Risk Assumption

Learning Activities

1. Knowledge	Learning activity	Special instructions
• Identifying business risks • Analyzing risk scenarios • Preparing risk assessment matrix • Classifying risk perspectives	**The trainee to visit a nearby supermarket and identify the business risks there, analyse the risk scenarios and prepare a risk assessment matrix, classifying the risk perspectives**	○ **Prepare assessment tools** ○ **Seek proper authorization** 1. **Present the information in power point identifying all the areas of** Assessing Business Risks

Self-Assessment

In this instance you are provided with a case study for your use. Study the case and answer the questions below.

Lians Complex Ltd runs a supermarket at Marsabit town. The business sells household goods, clothing and motor bike spares. However, the business has been recording marginal profits for the last 3 months. As the business manager you are required to advice the management on the methods to use to gather information during risk assessment for the business.

1) Define Business Risk.
2) What are the five classifications of business risk?
3) What are the two major risks scenarios?
4) Name two theories of risk management?
5) What is a risk assessment matrix?
6) Outline five steps in risk management process?
7) Explain four techniques of managing risk?
8) List any five importance of risk management to an organization.

Tools, Equipment, Supplies and Materials

- Computer
- Tablet
- Internet connectivity
- Stationery
- Format templates

- Case studies

References

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- Miles, D. Anthony (2011). Risk Factors and Business Models: Understanding the Five Forces of Entrepreneurial Risk and the Causes of Business Failure. Dissertation.com. p. 1. ISBN 978-1-59942-388-3.

Proposed Answers for Self-Assessment Questions

Proposed Answers for Case Study Questions

Interviews, SWOT analysis, Checklist, Assumptions Analysis, Diagrammatic review and PESTEL analysis

1. The term business risks refers to the possibility of a commercial business making inadequate profits (or even losses) due to uncertainties - for example: changes in tastes, changing preferences of consumers, strikes, increased competition, changes in government policy, obsolescence etc.
2. Strategic, Financial, Operational, Compliance, others (natural).
3. Internal and External
4. The normal hypothesis, Hypothesis of increasing marginal disutility of risks.
5. A risk matrix or business risk assessment matrix is a graph that you use to plot the probability of certain risks occurring against the impact this would have on your business.
6. Identification of organizational risks Frequency and severity, Analyze the Risk, Evaluate or Rank the Risk, Treat the risk, Monitor and Review the Risk
7. Avoidance (eliminate, withdraw from or not become involved), Reduction (optimize – mitigate), Sharing (transfer – outsource or insure), Retention (accept and budget)
8. Everyone has to manage risk, Risk management makes jobs safer, Risk management enables project success, Risk management reduces unexpected events, Risk management creates financial benefits, Risk management saves time and effort, Risk management improves communication, Risk management prevents reputational issues, Risk management benefits culture, Risk management guides decision-making

6.2.2 LEARNING OUTCOME 2: ESTABLISH RISK MANAGEMENT TEAM

Performance standard

1.1 Risk management team job analysis is carried out based on identified risks and HR policy
1.2 Existing Human Resource is assessed against the job analysis
1.3 Existing Human Resources is deployed as per job specification
1.4 recruitment process for risk management team is conducted in accordance with HR policy and requirements
1.5 Job specification is developed as per job requirements and HR policy
1.6 risk management organization structure is established as per HR regulations and specialization
1.7 Review meetings to report risk control and analyze risk data are conducted

Information sheet

Definition of terms

Risk manager
Risk Manager is an individual responsible for managing an organization's risks and minimizing the adverse impact of losses on the achievement of the organization's objectives.

Job analysis
It is a family of procedures to identify the content of a job in terms of the activities it involves in addition to the attributes or requirements necessary to perform those activities.

Job specification

It is a written statement of educational qualifications, specific qualities, level of experience,, physical, emotional, technical and communication skills required to perform a job.

Introduction
Traditionally, risk managers have focused on event risks, but some organizations have broadened the role to include other types of risk (e.g., operational risks). The risk manager is charged with identifying risks, evaluating risks, selecting the best techniques for treating identified risks, implementing the chosen risk management techniques, and regularly evaluating and monitoring the program. This person is also involved in the managerial processes of planning, organizing, leading, and controlling those activities in a business that deals with various types of risk.
A Risk Manager is held accountable for analyzing, assessing, and handling the risks faced by the organization. They assist the organizations regarding any sort of risks that might affect the profitability of the organization and develop strategies and processes for managing those business risks and ensure successful business

continuity. The job role of Risk Manager is quite essential for successful running of a business.

Establish risk management team

Risk management team (workgroup**)** is a separate and often independent unit within the project management team headed by the risk manager or the chief risk officer. It helps place a value on the project's activities (such as procuring, communicating, controlling quality, staffing etc.).

The team also develops strategies to mitigate identified risks, applies risk management methodologies and risk analysis tools, and integrates insurance policies of treating prioritized threats with the project management team.

The primary responsibility is to ensure that the project is provided with a complete risk management information system that ultimately determines how to control and oversee the project's effectiveness and fulfilment. The team also approves risk management policies and defines their framework.

The workgroup oversees and treats for the execution of the five-step process:

1. Admit and identify
2. Measure and prioritize
3. Implement a strategy
4. Implement risk management plan
5. Review and revise risk management plan

The risk management team's responsibilities include among others reviewing and ensuring adequacy of risk management policies and procedures, reviewing risk exposures, and ensuring that infrastructure, resources and systems are put in place for risk management activities.

When compiling a Risk Management job description, it's important to also display the following skills:

- Analytical skills and an eye for detail
- Commercial awareness
- Numerical skills
- Planning and organizational skills
- Ability to understand broader business issues
- Communication and presentation skills

Carrying out risk management team job analysis

Skills required of a Risk Manager

Being a risk manager, you need to thoroughly understand and work with various departments within the company and develop a good rapport with them.

Skills need to become a risk manager include:

- Should possess ample knowledge of risk assessment models.
- Should possess awareness of statistical tools and auditing and reporting procedures.

- Should possess the ability to execute office automation tools and risk monitoring and testing procedures.
- Should possess attention to minute details.
- Should possess exceptional verbal and communication skills.
- Should possess time management and organizational skills.
- Should possess negotiation and diplomacy skills.

Apart from having these key skills to become a Risk Manager, professionals need to reskill and up skill by taking part in widely-recognized IT Security and Governance courses to gain a competitive edge in the job market and also to have a holistic understanding of enterprise risk management.

Job description of a risk management officer

1. To communicate risk policies and processes for an Organization.
2. They provide hands-on development of risk models involving market
3. Credit and operational risk
4. Assure controls are operating effectively
5. Provide research and analytical support.

Risk management team job analysis

A risk management team

A risk management team (workgroup) is a separate and often independent unit within the project management team headed by the risk manager or the chief risk officer. It helps place a value on the project's activities (such as procuring, communicating, controlling quality, and staffing

Roles of Risk management team

They are responsible for:

1. Identifying project-related risks.
2. Assessing those risks.
3. Preparing strategies to address the risk and getting buy-in for risk management activities as required.
4. Carrying out the risk management activities within the project.
5. Reporting on risk management.
6. Closing down risks that have passed.

Job description of a risk management team

1. Designing and implementing an overall risk management process for the organization, which includes an analysis of the financial impact on the company when risks occur
2. Performing a risk assessment: Analyzing current risks and identifying potential risks that are affecting the company

3. Performing a risk evaluation: Evaluating the company's previous handling of risks, and comparing potential risks with criteria set out by the company such as costs and legal requirements
4. Establishing the level of risk the company are willing to take
5. Preparing risk management and insurance budgets
6. Risk reporting tailored to the relevant audience. (Educating the board of directors about the most significant risks to the business; ensuring business heads understand the risks that might affect their departments; ensuring individuals understand their own accountability for individual risks)

i) Explaining the external risk posed by corporate governance to stakeholders
ii) Creating business continuity plans to limit risks
iii) Implementing health and safety measures, and purchasing insurance
iv) Conducting policy and compliance audits, which will include liaising with internal and external auditors
v) Maintaining records of insurance policies and claims
vi) Reviewing any new major contracts or internal business proposals
vii) Building risk awareness amongst staff by providing support and training within the company

Assessing existing Human Resource

Human resource departments typically conduct assessments to evaluate an employee's skills and knowledge, identify an employee's competency, determine employee satisfaction or discover training needs. Managers use the results of assessments to ensure they get the right personnel with the right skills and knowledge to help the company achieve its strategic goals. These tests include:

Personality tests

Competency

Satisfaction

Organizational

Deploying existing Human Resources

Deployment is defined as the movement of staff from ones' current assignment to another to meet operational needs.

Staff deployment is a personnel activity to ensure that the labor of the organization would be continuously in an optimal relation to the jobs and organizational structure. It has both qualitative and quantitative side - i.e. the aim is to match both, the number, qualification and personality structure of human resources to current organizational structure and current needs of the organization. In contrast, that the current operations of the organization and its structure optimally reflect the state of its human resources.

Conducting recruitment process for risk management team and developing job specification

A recruitment process basically consists of three distinct phases. They include the activities before posting an advertisement for the vacant position, the selection process and finally choosing the right candidate.

Recruitment Planning

Recruitment planning is the first step of the recruitment process, where the vacant positions are analysed and described. It includes job specifications and its nature, experience, qualifications and skills required for the job, etc.

A structured recruitment plan is mandatory to attract potential candidates from a pool of candidates. The potential candidates should be qualified, experienced with a capability to take the responsibilities required to achieve the objectives of the organization.

Figure 59: planning



Identifying Vacancy

The first and foremost process of recruitment plan is identifying the vacancy. This process begins with receiving the requisition for recruitments from different department of the organization to the HR Department, which contains −

- Number of posts to be filled
- Number of positions
- Duties and responsibilities to be performed
- Qualification and experience required

When a vacancy is identified, it is the responsibility of the sourcing manager to ascertain whether the position is required or not, permanent or temporary, full-time or part-time, etc. These parameters should be evaluated before commencing

recruitment. Proper identifying, planning and evaluating leads to hiring of the right human resource for the team and the organization.

Job Analysis

Job analysis is a process of identifying, analyzing, and determining the duties, responsibilities, skills, abilities, and work environment of a specific job. These factors help in identifying what a job demands and what an employee must possess in performing a job productively.

Job analysis helps in understanding what tasks are important and how to perform them. Its purpose is to establish and document the job relatedness of employment procedures such as selection, training, compensation, and performance appraisal.

The following steps are important in analyzing a job −

- Recording and collecting job information
- Accuracy in checking the job information
- Generating job description based on the information
- Determining the skills, knowledge and skills, which are required for the job

The immediate products of job analysis are **job descriptions** and **job specifications**.

Job Description

Job description is an important document, which is descriptive in nature and contains the final statement of the job analysis. This description is very important for a successful recruitment process.

Job description provides information about the scope of job roles, responsibilities and the positioning of the job in the organization. And this data gives the employer and the organization a clear idea of what an employee must do to meet the requirement of his job responsibilities.

Job description is generated for fulfilling the following processes −

- Classification and ranking of jobs
- Placing and orientation of new resources
- Promotions and transfers
- Describing the career path
- Future development of work standards

A job description provides information on the following elements −

- Job Title / Job Identification / Organization Position
- Job Location
- Summary of Job
- Job Duties
- Machines, Materials and Equipment
- Process of Supervision
- Working Conditions

- Health Hazards

Job Specification

Job specification focuses on the specifications of the candidate, whom the HR team is going to hire. The first step in job specification is preparing the list of all jobs in the organization and its locations. The second step is to generate the information of each job.

This information about each job in an organization is as follows −

- Physical specifications
- Mental specifications
- Physical features
- Emotional specifications
- Behavioral specifications

A job specification document provides information on the following elements −

- Qualification
- Experiences
- Training and development
- Skills requirements
- Work responsibilities
- Emotional characteristics
- Planning of career

Job Evaluation

Job evaluation is a comparative process of analyzing, assessing, and determining the relative value/worth of a job in relation to the other jobs in an organization.

The main objective of job evaluation is to analyse and determine which job commands how much pay. There are several methods such as job grading, job classifications, job ranking, etc., which are involved in job evaluation. Job evaluation forms the basis for salary and wage negotiations.

Recruitment Strategy

Recruitment strategy is the second step of the recruitment process, where a strategy is prepared for hiring the resources. After completing the preparation of job descriptions and job specifications, the next step is to decide which strategy to adopt for recruiting the potential candidates for the organization.

While preparing a recruitment strategy, the HR team considers the following points −

- Make or buy employees
- Types of recruitment
- Geographical area
- Recruitment sources

The development of a recruitment strategy is a long process, but having a right strategy is mandatory to attract the right candidates. The steps involved in developing a recruitment strategy include −

- Setting up a board team
- Analyzing HR strategy
- Collection of available data
- Analyzing the collected data
- Setting the recruitment strategy

Searching the Right Candidates

Searching is the process of recruitment where the resources are sourced depending upon the requirement of the job. After the recruitment strategy is done, the searching of candidates will be initialized. This process consists of two steps −

- Source activation − Once the line manager verifies and permits the existence of the vacancy, the search for candidates starts.
- Selling − Here, the organization selects the media through which the communication of vacancies reaches the prospective candidates.

Searching involves attracting the job seekers to the vacancies. The sources are broadly divided into two categories: **Internal Sources** and **External Sources**.



Figure 60: internal sources of recruitment

Internal Sources

Internal sources of recruitment refer to hiring employees within the organization through −

- Promotions
- Transfers
- Former Employees

- Internal Advertisements (Job Posting)
- Employee Referrals
- Previous Applicants

External Sources

External sources of recruitment refer to hiring employees outside the organization through −

- Direct Recruitment
- Employment Exchanges
- Employment Agencies
- Advertisements
- Professional Associations
- Campus Recruitment
- Word of Mouth

Screening / Shortlisting

Screening starts after completion of the process of sourcing the candidates. Screening is the process of filtering the applications of the candidates for further selection process.

Screening is an integral part of recruitment process that helps in removing unqualified or irrelevant candidates, which were received through sourcing. The screening process of recruitment consists of three steps −

Reviewing of Resumes and Cover Letters

Reviewing is the first step of screening candidates. In this process, the resumes of the candidates are reviewed and checked for the candidates' education, work experience, and overall background matching the requirement of the job

While reviewing the resumes, an HR executive must keep the following points in mind, to ensure better screening of the potential candidates −

- Reason for change of job
- Longevity with each organization
- Long gaps in employment
- Job-hopping
- Lack of career progression

Conducting Telephonic or Video Interview

Conducting telephonic or video interviews is the second step of screening candidates. In this process, after the resumes are screened, the candidates are contacted through phone or video by the hiring manager. This screening process has two outcomes −

- It helps in verifying the candidates, whether they are active and available.

- It also helps in giving a quick insight about the candidate's attitude, ability to answer interview questions, and communication skills.

Identifying the top candidates

Identifying the top candidates is the final step of screening the resumes/candidates. In this process, the cream/top layer of resumes is shortlisted, which makes it easy for the hiring manager to take a decision. This process has the following three outcomes –

- Shortlisting 5 to 10 resumes for review by the hiring managers
- Providing insights and recommendations to the hiring manager
- Helps the hiring managers to take a decision in hiring the right candidate

Establishing risk management organization structure

Organizational structure is the framework that holds an organization together and defines the lines of authority within a company, nonprofit organization or governmental agency. A well-defined organizational structure provides a clear path for risk assessment procedures. Before risk assessment teams can begin to work, each member of the team must have a good working understanding of how the company is organized. The organizational structure will show team members who is responsible for each area or operation being evaluated.

Essential Steps for Designing a Suitable Organizational Structure

1. Clearly defined objectives: ...
2. Determining activities: ...
3. Assigning duties: ...
4. Delegating authority: ...
5. Co-coordinating activities: ...
6. Providing physical facilities and right environment: ...
7. Establishing **s**tructural relationships for overall control.

Types of organizational structures

1. Hierarchical organization structure.
2. Functional organization structure.
3. Horizontal organization flat organization structure.
4. Divisiona**l** organization structures (market-based, product-based, geographic)
5. Matrix **or**ganization structure.
6. Team-based organization structure.
7. Network organization structure.

Conducting review meetings to report risk control and analyze risk

Managers in an organization should be tracking project risk on a regular basis. This allows them to log and respond to situations as they arise, to avoid issues before they

happen. Risk reports are a way of communicating project and business risks to the people who need to know.

The Risk assessment meeting is an important part of any project. Projects are launched to take advantage of opportunities and with these opportunities come uncertainty and risk. The project risk management plan addresses the process behind risk management and the risk assessment meeting allows the project team to identify, categorize, prioritize, and mitigate or avoid these risks ahead of time. The team uses this meeting to determine the probability and impact of each risk, determine if the risk can/should be avoided by making changes to the project, plan an appropriate response, and catalog risks and responses in the Risk Register.

The risk assessment meeting should be a formal meeting conducted during the project's planning process. It is imperative that the project manager sends a meeting invitation and agenda to all attendees well ahead of time. This allows the meeting participants time to review what will be discussed and note any risks they may have already identified. At a minimum, the following should be invited to the risk assessment meeting:

Read more: https://www.projectmanagementdocs.com/blog/how-to-conduct-a-risk-assessment-meeting/#ixzz6hGBQAyv5

Learning Activities

Knowledge	Learning activity	Special instructions
• Carrying out risk management team job analysis • Establishing risk management organization structure	Identify a small business within the locality and conduct a risk management team job risk analysis	○ Prepare and administer the data collection tools ○ Prepare a job analysis
• Assessing existing Human Resource • Deploying existing Human Resources • Developing job specification	Visit the same business and carry out an assessment of the existing and required human resources	○ Data collection tools ○ Prepare a report
• Conducting recruitment process for risk management team	Using the same business, prepare a recruitment plan for the required human resources in the identified gaps	○ Steps in the recruitment process

Conducting review meetings to report risk control and analyze risk data	Role play on conducting review meeting	○ Conduct of a formal meeting ○ Prepare minutes/report

Self-Assessment

Case study

XYZ limited is a small medium size enterprise dealing clearing and forwarding of used motor vehicles imported from Japan. The management is planning establish risk management team. Being a risk manager with level 5 qualification, the management is soon approaching for expert advice. Your role is to carry out risk management team job analysis for presentation to the top management.

i) Who is a risk manager?
ii) What are the five skills that a risk manager should possess?
iii) Define what a risk management team is all about.
iv) What are the roles of risk management team?

Tools, Equipment, Supplies and Materials

- Computer
- Tablet
- Internet connectivity
- Stationery
- Format templates
- Case studies

References

- http://bloomberry.ph/file-manager/files/ERM/BRC%20ERM.pdf
- The MITRE Institute, September 1, 2007, MITRE Systems Engineering (SE) Competency Model, Version 1, pp. 10, 40-41.

Proposed Answers for Self-Assessment Questions

i) Risk Manager is an individual responsible for managing an organization's risks and minimizing the adverse impact of losses on the achievement of the organization's objectives.
ii) Should possess ample knowledge of risk assessment models, Should possess awareness of statistical tools and auditing and reporting procedures, Should possess the ability to execute office automation tools and risk monitoring and testing procedures, Should possess attention to minute details, Should possess exceptional verbal and communication skills, Should possess time management and organizational skills. Should possess negotiation and diplomacy skills.
iii) A risk management team (workgroup) is a separate and often independent unit within the project management team headed by the risk manager or the chief risk officer. It helps place a value on the project's activities (such as procuring, communicating, controlling quality, and staffing
iv) **They are responsible for:** Identifying project-related risks, Assessing those risks, Preparing strategies to address the risk and getting buy-in for risk management activities as required, Carrying out the risk management activities within the project, Reporting on risk management, Closing down risks that have passed.

6.2.3 LEARNING OUTCOME 3: IMPLEMENT RISK MITIGATION PLAN

Introduction to the learning outcome

Risk mitigation planning is the process of developing options and actions to enhance opportunities and reduce threats to project objectives. Risk mitigation implementation is the process of executing risk mitigation actions. Risk mitigation progress monitoring includes tracking identified risks, identifying new risks, and evaluating risk process effectiveness throughout the project. The risk mitigation step involves development of mitigation plans designed to manage, eliminate, or reduce risk to an acceptable level. Once a plan is implemented, it is continually monitored to assess its efficacy with the intent of revising the course-of-action if needed.

Performance Standard

- Evaluating risk impact
- Developing risk mitigation measures
- Carrying out risk mitigation plans
- Carrying out internal control
- Monitoring compliance with legal and regulatory requirements
- Determining and carrying out risks mitigation responses
- Preparing and sharing risk mitigation report

Information Sheet

Risk mitigation handling options include:

- Assume/Accept: Acknowledge the existence of a particular risk, and make a deliberate decision to accept it without engaging in special efforts to control it. Approval of project or program leaders is required.
- Avoid: Adjust program requirements or constraints to eliminate or reduce the risk. This adjustment could be accommodated by a change in funding, schedule, or technical requirements.
- Control: Implement actions to minimize the impact or likelihood of the risk.
- Transfer: Reassign organizational accountability, responsibility, and authority to another stakeholder willing to accept the risk.
- Watch/Monitor: Monitor the environment for changes that affect the nature and/or the impact of the risk.

Each of these options requires developing a plan that is implemented and monitored for effectiveness.

- Determining Mitigation Plans
    - Understand the users and their needs. The users/operational decision makers will be the decision authority for accepting and avoiding risks. Maintain a close relationship with the user community throughout the

system engineering life cycle. Realize that mission accomplishment is paramount to the user community and acceptance of residual risk should be firmly rooted in a mission decision.

- Seek out the experts and use them. Seek out the experts within and outside the organization's technical centres exist to provide support in their specialty areas. They understand what's feasible, what's worked and been implemented, what's easy, and what's hard. They have the knowledge and experience essential to risk assessment in their area of expertise. Know our internal canters of excellence, cultivate relationships with them, and know when and how to use them.
- Recognize risks that recur. Identify and maintain awareness of the risks that are "always there" — interfaces, dependencies, changes in needs, environment and requirements, information security, and gaps or holes in contractor and program office skill sets. Help create an acceptance by the government that these risks will occur and recur and that plans for mitigation are needed up front. Recommend various mitigation approaches — including adoption of an evolution strategy, prototyping, experimentation, engagement with broader stakeholder community, and the like.
- Encourage risk taking. Given all that has been said in this article and its companions, this may appear to be an odd piece of advice. The point is that there are consequences of not taking risks, some of which may be negative. Help the customer and users understand that reality and the potential consequences of being overly timid and not taking certain risks in your program. An example of a negative consequence for not taking a risk when delivering a full capability is that an adversary might realize a gain against our operational users. Risks are not defeats, but simply bump in the road that needs to be anticipated and dealt with.
- Recognize opportunities. Help the government understand and see opportunities that may arise from a risk. When considering alternatives for managing a particular risk, be sure to assess whether they provide an opportunistic advantage by improving performance, capacity, flexibility, or desirable attributes in other areas not directly associated with the risk.
- Encourage deliberate consideration of mitigation options. This piece of advice is good anytime, but particularly when supporting a fast-paced, quick reaction government program that is juggling many competing priorities. Carefully analyse mitigation options and encourage thorough discussion by the program team. This is the form of the wisdom "go slow to go fast."
- Not all risks require mitigation plans. Risk events assessed as medium or high criticality should go into risk mitigation planning and implementation. On the other hand, consider whether some low criticality risks might just be tracked and monitored on a watch list. Husband your risk-related resources.

- Mitigation Plan Content
  - Determine the appropriate risk manager. The risk manager is responsible for identifying and implementing the risk mitigation plan. He or she must have the knowledge, authority, and resources to

implement the plan. Risk mitigation activities will not be effective without an engaged risk manager. It may be necessary to engage higher levels in the customer organization to ensure the need for the risk manager is addressed. This can be difficult and usually involves engaging more senior levels of the MITRE team as well.

- Develop a high-level mitigation strategy. This is an overall approach to reduce the risk impact severity and/or probability of occurrence. It could affect a number of risks and include, for example, increasing staffing or reducing scope.
- Identify actions and steps needed to implement the mitigation strategy. Ask these key questions:

- What actions are needed?
  - Make sure you have the right exit criteria for each. For example, appropriate decisions, agreements, and actions resulting from a meeting would be required for exit, not merely the fact that the meeting was held.
  - Look for evaluation, proof, and validation of met criteria. Consider, for example, metrics or test events.
  - Include only and all stakeholders relevant to the step, action, or decisions.
- When must actions be completed?
  - Backward Planning: Evaluate the risk impact and schedule of need for the successful completion of the program and evaluate test events, design considerations, and more.
  - Forward Planning: Determine the time needed to complete each action step and when the expected completion date should be.
  - Evaluate key decision points and determine when a move to a contingency plan should be taken.
- Who is the responsible action owner?
- What resources are required? Consider, for example, additional funding or collaboration.
- How will this action reduce the probability or severity of impact?

- Develop a contingency plan ("fall back, plan B") for any high risk.
  - Are cues and triggers identified to activate contingency plans and risk reviews?
  - Include decision point dates to move to fall back plans. The date to move must allow time to execute the contingency plan.
- Evaluate the status of each action. Determine when each action is expected to be completed successfully.

Risk mitigation planning includes: the specifics of what should be done, when it should be accomplished, who is responsible, and the funding required to implement the risk mitigation plan. The most appropriate program approach is selected from the mitigation options listed above and documented in a risk mitigation plan

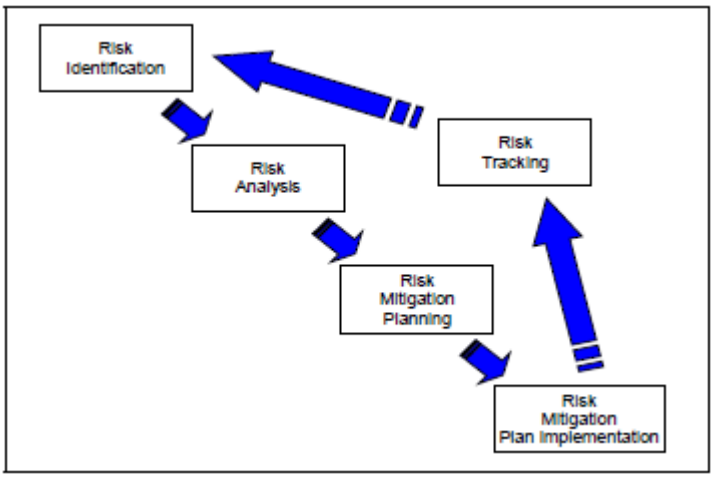


Figure 61: Risk mitigation planning

Learning Activities

Schedule a visit to a nearby learning institution and with the assistance of this learning outcome; develop steps

Knowledge	Learning activity	Special instructions
Develop risk mitigation process.	Visit a nearby learning institution	○ Seek proper authorization ○ Prepare data collection tools

Self-Assessment

i) Risk mitigation handling options include, Assume/Accept, _____, _____, _____, Avoid, _____, _____, and_____.
ii) What are the contents of risk mitigation plan?
iii) What are the six ideal aspects for determining risk mitigation plans?

Tools, Equipment, Supplies and Materials

- Computer
- Tablet
- Internet connectivity
- Stationery
- Format templates
- Case studies

References

- Garvey, P.R., 2008, *Analytical Methods for Risk Management: A Systems Engineering Perspective*, Chapman-Hall/CRC-Press, Taylor & Francis Group (UK), Boca Raton, London, New York, ISBN: 1584886374.

- Kossiakoff, A. and W.N. Sweet, 2003*, Systems Engineering Principles and Practice,* John Wiley and Sons, Inc., pp. 98-106
- Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK Guide),* Fourth Edition, ANSI/PMI 99-001-2008, pp. 273-312.

- The MITRE Institute, September 1, 2007, MITRE Systems Engineering (SE) Competency Model, Version 1, pp. 10, 40-41.

Proposed Answers for Self-Assessment Questions

i) Control, transfer, monitor
ii) Determine the appropriate risk manager , Develop a high-level mitigation strategy, Identify actions and steps needed to implement the mitigation strategy, Develop a contingency plan ("fall back, plan B") for any high risk, Evaluate the status of each action
iii) Understand the users and their needs, Seek out the experts and use them., Recognize risks that recur, Encourage risk taking, Recognize opportunities, consider whether some low criticality risks might just be tracked and monitored on a watch list. Husband your risk-related resources.

6.2.4 LEARNING OUTCOME 4: MONITOR AND EVALUATE RISK MANAGEMENT PROCESS

Introduction to the learning outcome

Monitoring and evaluation are integral parts of the risk management decision-making process. Risk management is only as good as its weakest link – every step from risk characterization to monitoring and evaluation is important.

Objective: To evaluate the progress and impact of the risk management options and determine whether adaptive action is required.

Suggested outcomes: An evaluation of the risk management effectiveness as measured against the baseline situation and in light of the risk reduction goal. Also determine whether the current options should be continued, and if not, recommendations for adaptations. Any results from monitoring and evaluation should be communicated to stakeholders as part of a public accountability process.

Monitoring

Monitoring is the continuous assessment of the risk management actions. It takes place at all levels of management and uses both formal reporting and informal communications.

Monitoring of risk management actions involves collecting information that will help you answer questions about the effectiveness of your project. It is important that this information is collected and reported in a planned, organized and routine way.

Monitoring information is collected daily, monthly or quarterly. Monitoring can answer questions such as:

- How well are we doing? (Performance)
- Are we doing the right things? (Any deviation)
- What difference are we making? (Impact)

Monitoring is an ongoing process which reviews:

- Whether resources are being mobilized and utilized;
- Whether activities are being undertaken; and
- Whether the intended outputs and outcomes are being achieved.

This process may apply both to particular risk management projects or programs and to government-wide sector strategies or multi-sector strategies. It includes both day-to-day and less frequent progress reviews.

<u>Monitor and evaluate risk management process</u>

Monitoring and review should be a planned part of the risk management process and involve regular checking or surveillance. The results should be recorded and reported

externally and internally, as appropriate. The results should also be an input to the review and continuous improvement of the firm's risk management framework.

Responsibilities for monitoring and review should be clearly defined. The firm's monitoring and review processes should encompass all aspects of the risk management process for the purposes of:

- Ensuring that controls are effective and efficient in both design and operation
- Obtaining further information to improve risk assessment
- Analyzing and learning lessons from risk events, including near-misses, changes, trends, successes and failures
- Detecting changes in the external and internal context, including changes to risk criteria and to the risks, which may require revision of risk treatments and priorities
- Identifying emerging risks.

1.2.4.4 Performance Standard

- Identifying new risk areas
- Preparing risk monitoring and evaluation plans
- Modifying risk impact and likelihood
- Carrying out risk management training for all staff
- Integrating risk management

1.2.4.5 Information Sheet

Monitoring Risk

- Include risk monitoring as part of the program review and manage continuously. Monitoring risks should be a standard part of program reviews. At the same time, risks should be managed continuously rather than just before a program review. Routinely review plans in management meetings.
- Review and track risk mitigation actions for progress. Determine when each action is expected to be completed successfully.
- Refine and redefine strategies and action steps as needed.
- Revisit risk analysis as plans and actions are successfully completed. Are the risks burning down? Evaluate impact to program critical path.
- Routinely reassess the program's risk exposure. Evaluate the current environment for new risks or modification to existing risks.

What is an Evaluation?

While monitoring is routine and ongoing, evaluation is a systematic and objective assessment of the design, implementation and outcome of an on-going or completed intervention.

The two main purposes of evaluation are:

- improve future RM policy and interventions through feedback of lessons learned

- provide a basis for accountability

Types of Evaluations

Different types of evaluations include:

- project evaluations
- program evaluations
- sectoral evaluations
- thematic evaluations
- policy and management evaluations
- audits and
- Reviews.

Project evaluation is the most common evaluation type. II the project design is well done, the evaluator can base his or her work on fixed, clearly defined objectives with relevant and measurable indicators. As the eventual project may finish up looking very different from its original design, the monitoring data and records of the changing circumstances leading to changes in project design becomes crucially important for effective evaluation.

Program evaluation becomes more common with the planned shift away from individual project towards program approach.

Policy evaluations look at issues relating to policy and management of various steps in POPs life cycle.

Thematic evaluations focus on issues such as participation, gender or cost effectiveness.

Management evaluation assesses organizational structure and behavior necessary to be able to propose improvements in the performance of organizations, and to judge whether the financing of their operations is justified.

Other related assessments include **audits**, which assess the conformity of the intervention to procedures, norms and criteria established in advance by the financiers.

Reviews are mid-way between monitoring and evaluation, as they involve a fresh look at the objectives, design and performance of a project. Compared to evaluations, reviews are more limited in scope, time and focus with less emphasis on lessons learned or accountability.

Benefits of Monitoring and Evaluation

Monitoring and evaluation helps quantify the attainment of program goals and sub-goals:

- whether the actions were implemented as planned – as conducted in Step 3;
- whether assumptions made during identification of the problem and its context (Step 1) were correct;
- whether the actions have resulted in risk reductions; and

- whether new information has emerged that requires a strengthening and/or modification to the risk management plan.

Monitoring and Evaluation also prompts fresh thinking within organizations and their contacts with external stakeholders.

Key Issues to address in an Evaluation

Defining issues to be addressed is essential in all evaluation work. The following are the basic groups of questions to be asked:

- **Relevance** - whether the results, purpose and overall objectives of the project are in line with the needs, priorities and aspirations of the beneficiaries, and with the policy.
- **Impact** - Whether there has been a change towards the achievement of the overall goals as a consequence of the achievement of the RM action - intended and unintended impacts
- **Efficiency** - how economically have the various inputs been converted into outputs and results?
- **Effectiveness** - how far have the programme's impacts contributed to achieving its specific and general objectives?
- **Utility** - how do the programme's impacts compare with the needs of the target population(s)?
- **Sustainability** - to what extent can the positive changes be expected to last after the programme has been terminated?

Monitor and evaluate risk management process

Monitoring and review should be a planned part of the risk management process and involve regular checking or surveillance. The results should be recorded and reported externally and internally, as appropriate. The results should also be an input to the review and continuous improvement of the firm's risk management framework.

Responsibilities for monitoring and review should be clearly defined. The firm's monitoring and review processes should encompass all aspects of the risk management process for the purposes of:

- Ensuring that controls are effective and efficient in both design and operation
- Obtaining further information to improve risk assessment
- Analyzing and learning lessons from risk events, including near-misses, changes, trends, successes and failures
- Detecting changes in the external and internal context, including changes to risk criteria and to the risks, which may require revision of risk treatments and priorities
- Identifying emerging risks.

1.2.4.6 Learning Activities

Knowledge	Learning activity	Special instructions
• Identifying new risk areas • Preparing risk monitoring and evaluation plans • Modifying risk impact and likelihood • Carrying out risk management training for all staff Integrating risk management	A field trip to a business of choice and identify new risk areas, prepare monitoring and evaluation plans, modify risk impact and likelihood, carryout risk training for all staff and integrate risk management	• Seek proper authorization • Prepare a checklist • Prepare the necessary data collection tools

1.2.4.7 Self-Assessment

(i) The objective of risk monitoring and evaluation is to _____.
(ii) Monitoring is an on-going process which reviews _____, _____ and _____.
(iii) What is risk evaluation
(iv) What are the different types of risk evaluations?
(v) What are the benefits of monitoring and evaluation?
(vi) What are the key issues to address in an evaluation of risk?

1.2.4.8 Tools, Equipment, Supplies and Materials

- Computer
- Tablet
- Internet connectivity
- Stationery
- Format templates
- Case studies

1.2.4.9 References

- Performance Monitoring Indicators - A handbook for task managers) *Operations Policy Department, World Bank, 1996*
- http://www.popstoolkit.com/riskmanagement/module/step5/evaluationkeyissues.aspx

1.2.4.10 Proposed Answers for Self-Assessment Questions

i) To evaluate the progress and impact of the risk management options and determine whether adaptive action is required.
ii) Monitoring is an on-going process which reviews Whether resources are being mobilized and utilized; Whether activities are being undertaken and Whether the intended outputs and outcomes are being achieved

iii) Risk evaluation is a systematic and objective assessment of the design, implementation and outcome of an on-going or completed intervention.
iv) Project evaluations, program evaluations, sectoral evaluations, thematic evaluations, policy and management evaluations, audits and Reviews
v) Monitoring and evaluation helps quantify the attainment of program goals and sub-goals: whether the actions were implemented as planned – as conducted in Step 3; whether assumptions made during identification of the problem and its context (Step 1) were correct; whether the actions have resulted in risk reductions; and whether new information has emerged that requires a strengthening and/or modification to the risk management plan.

vi) **Relevance** - whether the results, purpose and overall objectives of the project are in line with the needs, priorities and aspirations of the beneficiaries, and with the policy. **Impact** - Whether there has been a change towards the achievement of the overall goals as a consequence of the achievement of the RM action - intended and unintended impacts **Efficiency** - how economically have the various inputs been converted into outputs and results? **Effectiveness** - how far have the programme's impacts contributed to achieving its specific and general objectives? **Utility** - how do the programme's impacts compare with the needs of the target population(s)? **Sustainability** - to what extent can the positive changes be expected to last after the programme has been terminated?

6.2.5 LEARNING OUTCOME 5: PREPARE BUSINESS RISK MANAGEMENT REPORT

Introduction to the learning outcome

Enterprise Risk Management (ERM) has been in the limelight for some years now; but entrepreneurs have started perceiving ERM seriously only after the blighting economic crisis. Decision making has never been easy for organization boards. If anything goes wrong, they take the full wrath of the public and stakeholders. That is why top-level executives begin to rely on ERM. Evidence-based decision making has helped them confront many hurdles and interrogations. From the massive amounts of accumulated risk data, smart Risk Managers filter the right ERM information for their reports so as to make clear and definite choices.

As a senior manager, or Board member you need to ask yourself, does the Risk Management team check on the quality of risk reports? Are the risk management approaches (identify, assess, mitigate and monitor risks) functioning appropriately? Are the resulting decisions aligned with the organization's objectives? Do ERM reports aid you in improving business performance? Have the reports helped you in mitigating risks or did they fail you? These are questions you need to ask before depending on your ERM reports completely.

1.2.5.1 Performance Standard

- Identifying major changes in risks
- Reporting changes in risk impact and likelihood
- Implementing risk management recommendations
- Preparing and sharing business risk management report

1.2.5.2 Information Sheet

What is a risk report?

Risk reports are a way of communicating project and business risks to the people who need to know. Below, we explain four different types of risk reporting that enable teams to communicate risk to the right people at the right time.

What are the key elements of risk?

Risk consists of three parts: an uncertain situation, the likelihood of occurrence of the situation, and the effect (positive or negative) that the occurrence would have on project success."

How to Create a Constructive Enterprise Risk Management Report

Here are some key tips that will help create constructive ERM reports:
1. Communicate using the 'risk' language A common risk language should be used across the organization to avoid any sort of miscommunication, misinterpretation or misunderstanding. Every entity of an organization should understand risks and risk terminologies. This can be achieved by conducting enterprise-wide Risk Awareness training courses and programs.

2. Data quality Data quality is a matter of serious importance for every organization. It determines how informed a strategic decision you can make. Among the major challenges of enterprises is data inaccuracy and inadequacy. They can invite immense perils, leading to immense losses. It is painful for organizations to lose information in spite of investing in high-cost IT systems, just because data inaccuracy could not be addressed. Inferior data quality is also one of the factors that pushed companies into the recent financial crisis. Getting your data right is important even if you have to invest in expensive technology. That said, accurate data is just not enough. It has to be integrated well all across the organization to deliver consolidated reports. Risks can be inter-linked, such that if one risk occurs in one area of the business, it can trigger other risks across the organization.

3. Clear and holistic presentation When managers look into the ERM report, they should get a clear picture of risks and threats at first glance. The name, subject and purpose of the report must be stated clearly. Title the fields of the report precisely, define the field titles if required, and specify the technique used to carry out un-automated calculations and actions. The mantra is – keep it simple.

4. Focus towards critical aspects of the reports Managers may not have the same knowledge about risks as the report author. Managers are always on the move and short of time. Highlight key information and key risk areas to grab attention, even from those who might just skim the report.

5. Produce reports relevant to decision making often, the effort and resources spent on generating reports are simply wasted, as they are not relevant for decision making. The object of a report is to provide key risk data to the management and to generate remedial action where required.

6. Compile the quantitative and qualitative data into one report relevant risk data involves quantitative and qualitative content. Both the data forms have to be combined and integrated when creating reports.
7. On-time delivery of reports Timing matters a lot! Late reports cripple the effectiveness of decision making. Report analysis is done differently in every organization. Some look into daily reports, some do it on a weekly basis and most of them carry out a monthly or quarterly review of the reports. Depending on the schedule, reports should be produced in real-time for the best results.

8. Constant review of the reporting system and report structure Organizations are continuously evolving. Report delivery and structure should also be developed with respect to the changes in the organization. Conduct regular checks on risk taxonomy, risk indicators, performance indicators, risk profiles and control measures, as they are susceptible to change, and reflect the changes on risk reports. Increasing the length of the risk report doesn't matter, it is crisp and precise content that makes the difference.

9. Transparency in risk ownership every risk must have a risk owner who is responsible for securing data integrity of the risk report. At the same time, an effective

risk report serves the interests and obligations of risk owners. So it is advisable to have clear designations for them. Remember, a constructive ERM report has a powerful influence on business decisions and acts as the true essence of risk management.

Implementing risk management recommendations

Implementing of the risk management plan consists of first getting set up to carry out the plan, and then actually implementing the various elements of the plan:

- Organizationally committing to the plan
- Assigning responsibility for the plan
- Providing adequate authority and resources to carry out the plan, and
- Gathering and distributing information

Impacts of Poor risk Management

1. Poor User Adoption

User adoption refers to the process of getting your team members to actually follow a process, use the tools you have mandated and stick to the methodology. If they don't do this, you'll have poor results because your colleagues are not working to a standard, best practice way of managing risk.

When you don't 'right-size' your approach to risk management, one of the biggest challenges you'll face is user adoption. This happens because:

The process is too bureaucratic to be efficient, so users shortcut the prescribed process and do their own thing, just to keep work moving along

- The process is not robust enough, so project managers have to implement their own workarounds to ensure adequate control is maintained in a changing environment
- The process is too complicated, so project teams streamline what is required and do what they think is best.
- All of these scenarios lead to sub-optimal processes, lack of standardization across the business and more work for your teams.

What To Do: Any change to the way people work requires change management. Talk to the people involved about how they work. Make sure the process reflects your organizational culture and is workable.

2. Unrealized Benefits

Risks can kill a project's benefits overnight, or they could be slowly eaten away through inefficient management practices. When your team isn't working efficiently, every additional admin task adds cost and time to your project, which in turn has an impact on how quickly your benefits can be delivered – if they are delivered at all.

What to Do: Make sure your risk management efforts are the right size for your company. Tailor the best practice advice to seamlessly fit your office culture so that your team isn't bogged down in bureaucracy, eating up all the benefits in unnecessary admin.

3. Late-running Projects

Unforeseen risks can significantly slow down a project because it takes time to understand them, analyse them and prepare management plans to monitor, act on and track them.

Delays can also happen when risk management activities take longer than you expected and they push out other activities on the project schedule.

What to Do: As the delays tend to happen when you are hit by a risk you didn't see coming, early identification is important. Schedule risk workshops throughout the project to prompt the team to spend time reviewing and identifying new risks. Work with your project managers to ensure that they are scheduling enough time for risk management activities and including a buffer of time on highly risky projects, according to your methodology.

4. Overspent Budgets

Risk management costs money. However, the cost of dealing with poor risk management if a risk materializes and becomes a real issue for your business, is normally far, far more. Budget overruns happen when risks and the associated actions related to managing them effectively aren't budgeted for. Overspends are also common when a risk isn't identified at all – and then the project team has to find money from somewhere to do something about it before the project falters.

What to Do: Calculate budgets include an element that relates directly to the perceived riskiness of the project. Cover any mitigation or management activities in this contingency fund, and then call off against it. This will help keep your project budget on track and not used for ad hoc spending on risk management activities.

5. Unhappy Clients

Clients don't want to be involved in something that is perceived to be high risk. They need to know what you are doing to mitigate any potential threats and that you've got a sensible Plan B in place.

What to Do: Involve your clients in your risk management so that they know what professional steps you are taking to protect them and their investment. Regularly report on risks and what you are doing to monitor and manage them.

6. Reputational Damage

You don't want to be known as the company that always gets caught out by something. Your clients need to have confidence that you are effective at handling

risk. This leads on from the point above: dissatisfied customers are a huge risk to your organization's reputation. One bad review can have far-reaching implications for future work.

What to Do: Good risk identification processes will help you spot anything on the horizon that has the potential to undermine your company's good name.

7. Project Failure

Ultimately, the worst case scenario for failing to adequately manage risk is that your project fails. It never completes or never delivers anything of value. The objectives in the business case aren't reached and you waste all that investment in time and effort that has gone into your project to date.

What to Do: Incorporate risk management in your project controls so that you have early warning of when a risk could potentially cause a project to collapse. Implement robust escalation processes so that project teams know what to do when a serious risk is identified and who should be making the decisions about what to do next.

Risk management doesn't have to be difficult. When you right-size your processes, and have the support of your team, it's easy to see how a risk management approach fits right in to your existing business. It gives you an underlying support framework that heads off the impacts above, and provides a secure foundation for all of your project work.

Prepare business risk management report

To make Risk Management become a part of the organization's culture and philosophy, the organization must collect and document experience and knowledge through a consistent monitoring and review of events, treatment plans, results and all relevant records. This information, however, will be pertinent to information risks. Technical details concerning operational issues of the underlying technology have to be filtered out.

Each stage of the Risk Management process must be recorded appropriately. Assumptions, methods, data sources, results and reasons for decisions must be included in the recorded material.

Besides being an extremely valuable information asset for the organization, the records of such processes are an important aspect of good corporate governance provided of course that they are in line with:

- The legal, regulatory and business needs for records,
- The cost of creating and maintaining such records,
- The benefits of re-using information.

Risk management records along with all relevant documentation contain extremely critical and confidential information that should be treated with the appropriate classification level requirements

Every report should include information on potential impact of a risk in the following areas:

- Financial
- Operational
- Strategic
- Reputational

The report should explore how the compliance program is trying to address the risk in question. For example, state whether the company's existing policies and controls are producing desired results; or what weaknesses exist in controls meant to govern the risk. The discussion should also include a timeline for action to resolve any control weaknesses you have, identify the owner of the risk, and ask for any guidance from the board or management if that's necessary.

The risk report should be easy to read and digest. That means an executive summary of the risks and why they're included in the report, followed by in-depth discussions of each risk and your supporting data. The length of the summary can vary, but as a rule of thumb, any summary that goes above 10 pages is edging toward too long.

After that executive summary, you can dive into the details—which might be voluminous. This is where you can include supporting data (the more you use charts or graphics from data visualization tools, the better), audit reports, case histories, cost projections, and so forth. In electronic format, you can even structure your risk report with links to let the reader skip back and forth from the summary to in-depth discussion.

An effective report also clearly ties each risk to a stated business objective. After all, most people who read the risk report will hail from business operations or management functions, without much background in compliance or risk management. Connecting the risk to a business objective tells the reader why the risk matters, and is worth his or her attention.

Lastly, an effective report maps out a plan of action or poses questions that the board or senior management needs to answer. An effective report *involves the reader*, either by reassuring him or her that a plan exists to bring risk under control, or soliciting guidance about what to do next. A risk report captures the state of a company's risk management challenges at the moment and charts potential ways forward.

What a risk report *isn't* is an exercise unto itself. It is not a check-the-box exercise to show that the compliance function has done its job. It's a tool to help senior leaders do *their* job of governing the company—and the more expertly you handle that tool, the more successful your compliance program will be.

Every report should have the following sections:

- ✓ Title page
- ✓ Table of content

- ✓ Executive summary
- ✓ Introduction
- ✓ Discussion
- ✓ Conclusion
- ✓ Recommendations
- ✓ References
- ✓ Appendices

Learning Activities

Schedule a visit to enterprise within your reach and find out how they report their risks. From them, draft your own sample report.

Self-Assessment

i) What is a risk report?
ii) What are the key elements of risk?
iii) What are the nine key tips on how to create a constructive Enterprise Risk Management Report?
iv) What are the steps for implementing risk management recommendations
v) What are the seven impacts of poor risk management?

Tools, Equipment, Supplies and Materials

- Computer
- Tablet
- Internet connectivity
- Stationery
- Format templates
- Case studies

References

- https://www.nap.edu/read/22665/chapter/11
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- Kaye, D. (2004). Risk Management, London: Chartered Insurance Institute.

Proposed Answers for Self-Assessment Questions

i) Risk reports are a way of communicating project and business risks to the people who need to know.
ii) Clear and holistic presentation, Data quality, Communicate using the 'risk' language, Focus towards critical aspects of the reports, Produce reports

relevant to decision making, On-time delivery of reports ,Constant review of the reporting system and report structure Transparency in risk ownership,

iii) What are the nine key tips on how to create a constructive Enterprise Risk Management Report?

iv) Organizationally committing to the plan, Assigning responsibility for the plan, Providing adequate authority and resources to carry out the plan, and Gathering and distributing information

v) Poor user adoption, Unrealized benefits, late-running projects, Overspent budget, Unhappy clients, Reputational damage, Project failure

CHAPTER 7: COORDINATING INFORMATION COMMUNICATIONS

Unit of learning code: BUS/BM/CR/06/5

Related Unit of Competency in Occupational Standard:

7.1 Introduction to the unit of learning

This unit specifies the competencies required to coordinate ICT functions. It involves developing organizations ICT policy, procuring ICT services, supervising ICT installation and maintenance, integrating ICT in operations, conducting ICT user training, promoting ICT innovation, coordinating virtual platforms and analyzing and interpreting user reports and prepare ICT report

7.2 Summary of Learning Outcomes

1. Develop organizations ICT policy
2. Procure ICT services
3. Supervise ICT installation and maintenance
4. Integrate ICT in operations
5. Conduct ICT user training
6. Promote ICT innovation
7. Coordinate virtual platforms
8. Analyze and interpret user reports
9. Prepare ICT report

7.2.1 Learning Outcome 1: Develop Organizations ICT Policy

Introduction to the learning outcome

This learning outcome is on developing organization ICT policy. It involves the following activities: Carrying out ICT needs assessment, forming technical team, developing ICT draft policy, reviewing and generating ICT draft policy, undertaking amendments on draft ICT policy, developing ICT policy and sharing ICT policy

Performance Standard

1. ICT needs assessment is carried out according to organizations business operations
2. Technical team is formed in accordance with organization policy
3. ICT draft policy is developed in accordance with the strategic plan
4. ICT draft policy is reviewed and a report generated according to organization standard operating procedures
5. Amendments on the draft ICT policy is undertaken based on review report
6. ICT policy is developed in accordance with the ICT objectives in the strategic plan
7. ICT policy is shared among organization departments according to organization policy

Information sheet

Definition of terms

Information

This refers to facts provided or earned about something or someone. It is what is conveyed or represented by a particular arrangement or sequence of things.

Information technology

It is the use of computers to store, retrieve, transmit and manipulate data or information.

Policy

It is a deliberate system of principles to guide decisions and achieve rational outcomes. It is a statement of intent, and is implemented as a procedure or protocol.

Strategic plan

It is a written document that points the way forward for a business. It lays out the company's goals and explains why they are important.

Objectives

These are specific, actionable targets that need to be achieved within a smaller time frame. They describe the actions or activities involved in achieving a goal.

An ICT policy

It is a road map with specific actions and best practices towards adoption, use and maintenance and value extraction at reasonable cost from ICT resources.

Need assessment

It is a systematic process for determining and addressing needs or gaps between current conditions and desired conditions.

ICT needs assessment is carried out according to organizations business operations

Without an ICT policy, in an organization, there will be no roadmap on how and why an organization should adopt ICTs. At the bare minimum, an ICT policy document for an organization should include the below:

1. Scope and objectives of the policy document: This defines the reason why the document exists, its target audience and what the document covers.
2. Technology adoption roadmap: This gives a clear definition of where the organization is and where it wants to go in the short and long term as far as ICT is concerned. For example; is the organization moving from an in-house data center to the cloud? It must be in the ICT policy. Is the organization trying to change the ICT department from being a cost center into a revenue generator? It must be in the ICT policy.
3. ICT best practices in relation to the organizations objectives: These define the dos and don'ts for the organization as a whole (and not the individual ICT user in that organization). For example; is the organization outsourcing its sensitive data analysis to a third party? This must be specified in the ICT policy. Is the

organization allowing personal devices such as phones (BYOD) to connect to the office Wi-Fi? This must be specified in the ICT policy.

4. Precautions and disciplinary measures: This section details the rights and obligations of ICT users with punitive or damage preventive measures for failure to follow the laid down ICT policies by a member of staff. The severity of the punishment should commensurate with the risk or exposure the company suffers as a result of the failure to follow the laid down

Needs assessment

Needs assessment is defined as a powerful tool for addressing the needs between current as well as desired wants in ICT. It is used by organizations for strategic planning to allocate resources, make improvements, and determine priorities. A needs assessment is described as a process to collect information about an implied or expressed need that can be easily met by conducting training.

It is a desire to rectify a deficiency or improve current performance by developing a plan of action. You have to measure the discrepancy between both current and desired conditions to do so.

The aim of conducting a needs assessment is

- To gather the necessary information for minimizing the difference between desired and current wants
- Streamlining to improve the performance of a company about established goals
- Setting up the necessary criteria for training
- Identifying an apt solution for a complex issue

The characteristics that define a good needs assessment process are as follows-

- Focus is on obtaining the results and not on means to acquire them
- Helps in decision making
- Offers viable contribution towards common goals
- Establishes priorities by involving every stakeholder
- The main characteristic that defines needs assessment is that it integrates within the strategic planning efficiently

The perspectives on need in a need assessment are as follows-

- Perceived needs – These are defined in terms of what a person thinks about his needs
- Relative needs – It is related to equity and has to take into account differences in social pathology and population.
- Expressed needs – It is expressed by the number of people who seeks help. It has put its onus on circumstances and assumes that people with needs seek help.

Steps in conducting a needs assessment

i. Identification. The needs of the organization need to be identified first.
ii. Analysis. Needs between the current and desired results are analyzed
iii. Utilization. The analyzed data is used for creating an action plan
iv. Evaluation. An evaluation plan helps an organization to inch successfully towards its goal.

Benefits of needs assessment

The numerous advantages of the needs assessment are-

1. Needs assessment helps to enhance the performance of an organization
2. It enables the gathering of important information and data that you can analyze and utilize for your benefit
3. Helps to find business needs that should be addressed for better results
4. Develops training strategies to ensure the success of a project
5. Builds credibility with the stakeholders for the development process
6. A needs assessment is all about expert assistance and innovative approach
7. Implements viable solutions for the benefit of the organization
8. Identifies needs and wants and tries to offer solutions for existing discrepancies
9. Evaluates current performance to enhance the future ones
10. Is useful for complex issues
11. Is able to explore unexpected problems and find solutions for them

Limitations of needs assessment

A needs assessment is considered a time-consuming process

Sometimes it becomes very difficult to analyse because of complex issues

- It is only effective if it offers concrete evidence to determine which solution is the best for achieving the desired results.

Technical team is formed in accordance with organization policy

Information and communications technology (ICT) professionals conduct research, plan, design, write, test, provide advice and improve information technology systems, hardware, software and related concepts for specific applications. Therefore they play a key role in policy development.

The function of a technical working group is to ensure the proposed updates to the policy are usable and align with the policies in the Master Plan of an organization. The group serves to identify issues in draft documents and to brainstorm **t**echnical solutions.

How to set up a technical team

1. Define the problem.
2. Identify existing groups and networks.
3. Identify members.

4. Define roles and processes.
5. Define the scope.
6. Invite people to join.
7. Revisit the draft roles, processes and scope.
8. Develop an actionable agenda for every meeting.
9. Empower the leadership.
10. Document and communicate progress.

The role of the technical team is designed to bring together individuals possessing the relevant knowledge and skills who will act either individually or collectively to undertake assigned tasks and activities in order to achieve the set objectives of preparing an ICT policy document.

ICT draft policy is developed in accordance with the strategic plan

Policies and procedures guide daily workplace activities by promoting compliance with laws and regulations, providing strategic perspective for decision making, and simplifying processes

Figure 62: Policy creation workflow

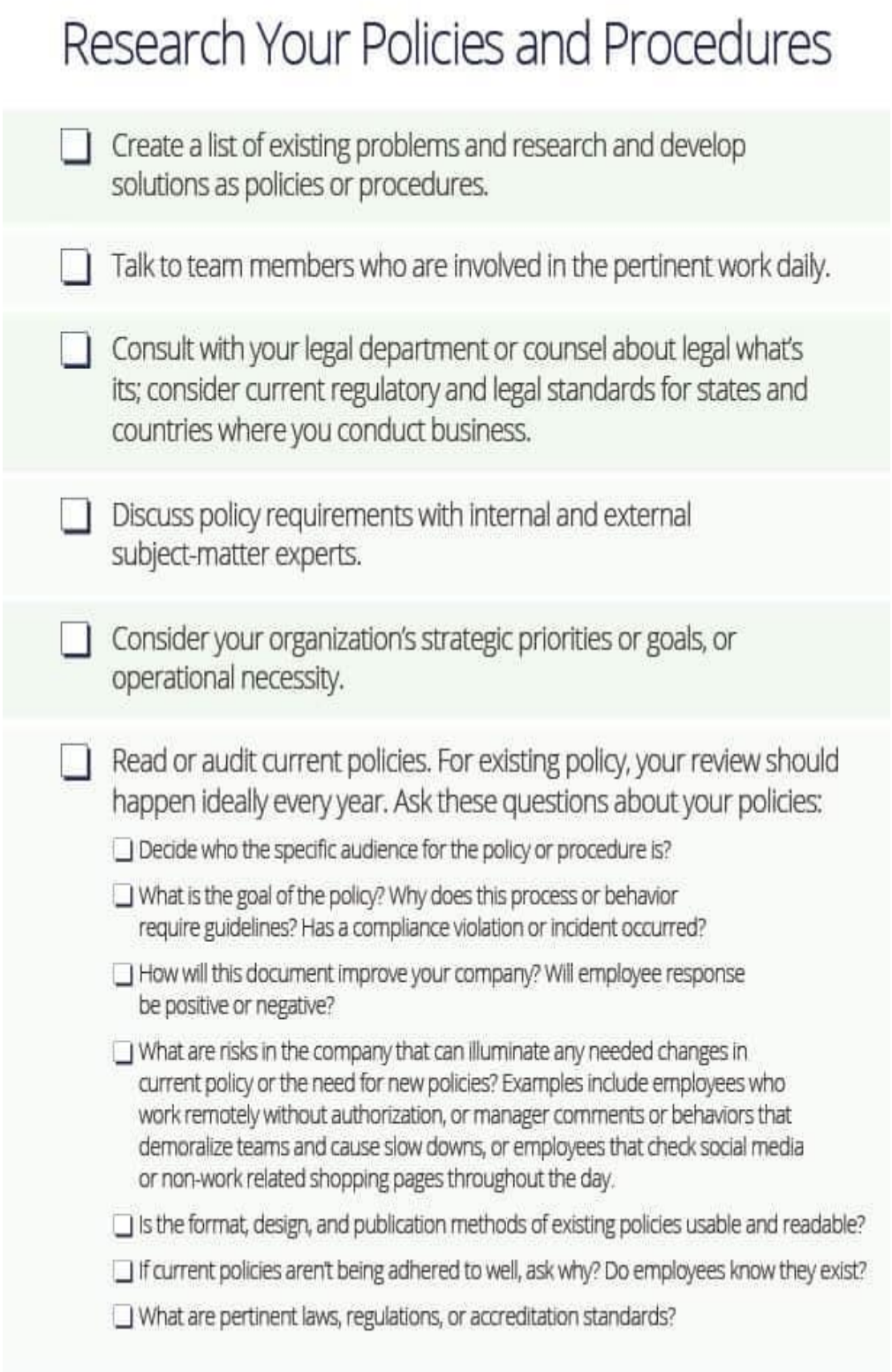


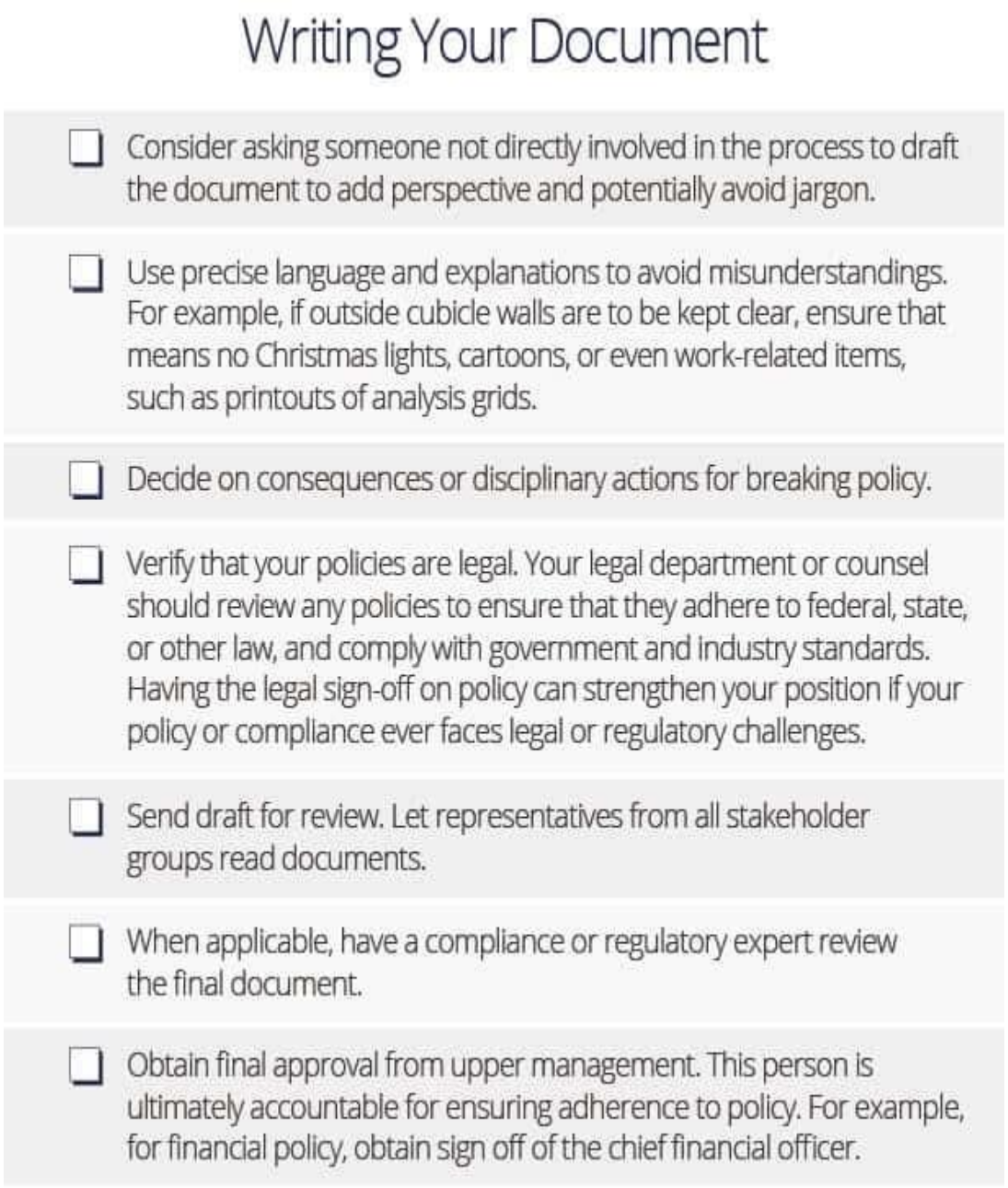
Figure 62: Policy creation workflow



Figure 63: Policy and procedure pre-writing checklist

Figure 64: researching policy procedure





- Figure 65: writing a policy document

- Figure 66: reviewing policies and procedures

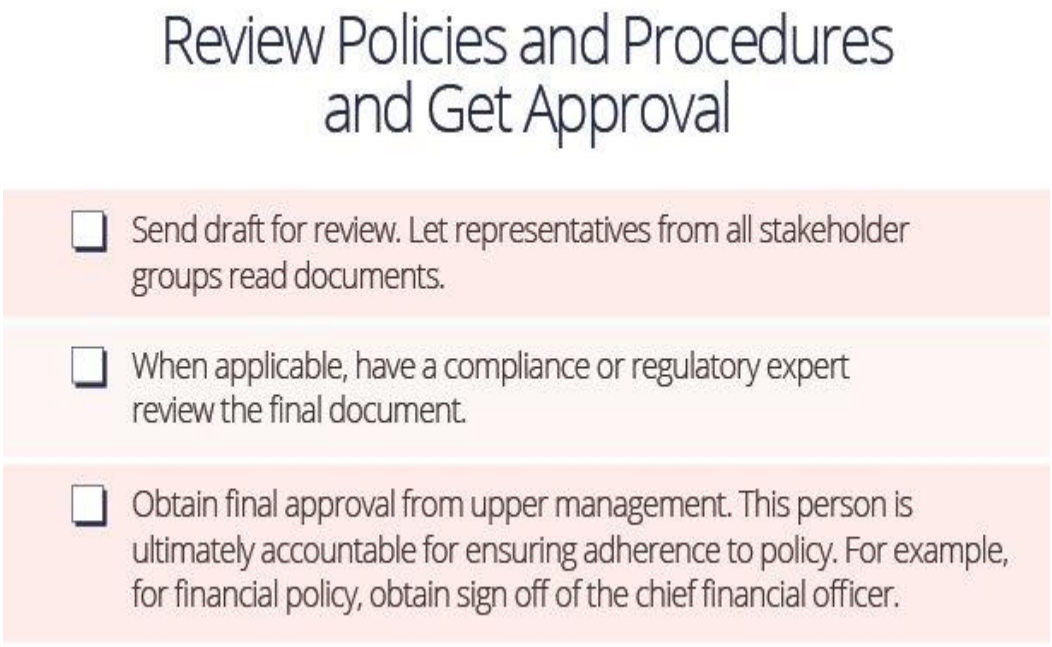
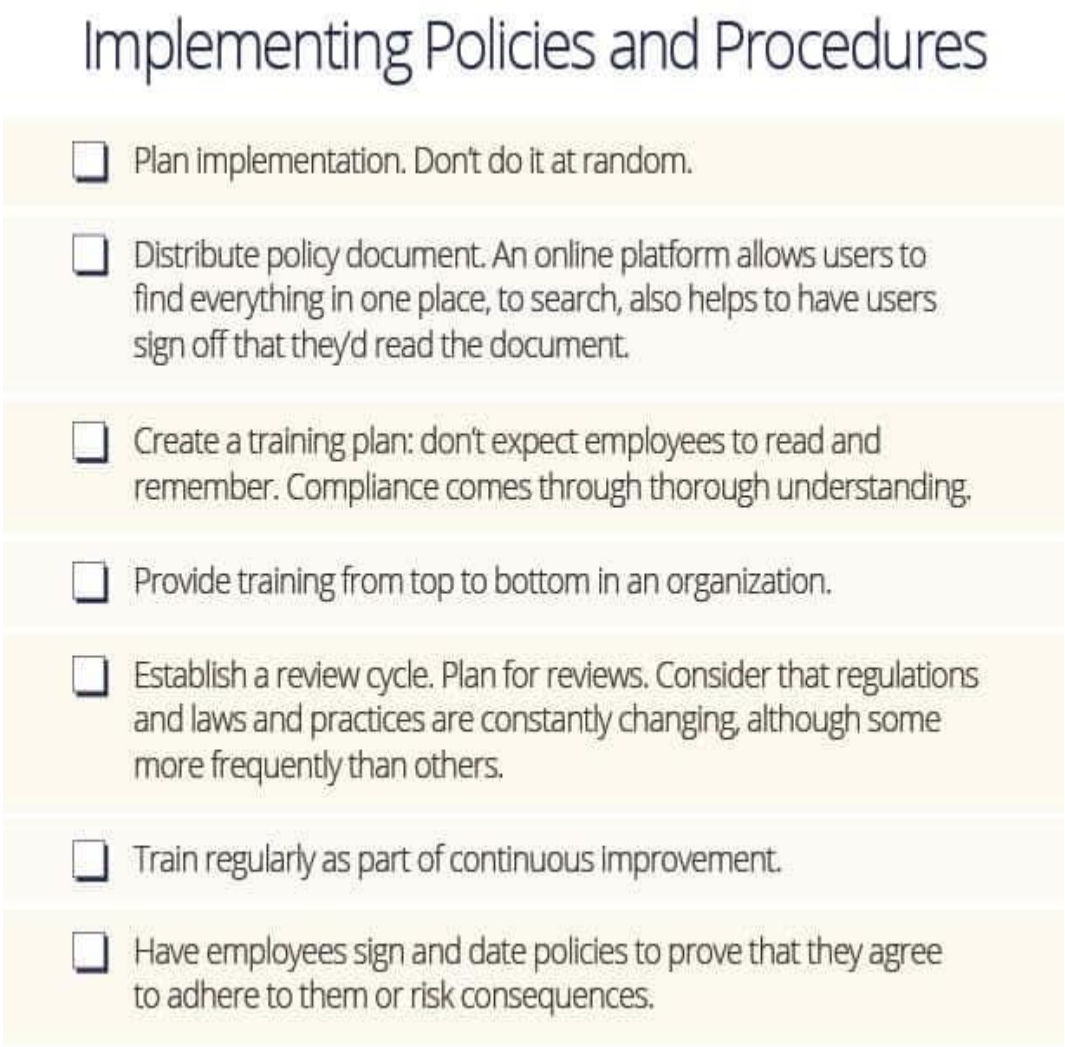


Figure 67: implementing policies and procedures



Here is why policies and procedures are crucial to your organization:

- Policies and procedures help employees maintain compliance and mitigate or even eliminate risks.
- In a regulated industry, they demonstrate legal and regulatory compliance.
- Policies provide a means to change your company culture.
- Creating policies and procedures requires spending in dollars and work hours, but what is the cost of a process failure, an injury, or damaged property?

Good policy documents provide the following:

- Ensure compliance:
- Increase accountability, training, and responsibility.
- Streamline internal processes

- Help organizations avoid errors and maneuver through incidents and problems

Common Elements of Policies and Procedures

Although it is important to customize any documents for a particular situation, policy documents tend to include core elements that help identify the document and provide the information necessary:

- **Clear Title:** Use as few words as possible and ensure that users at any reading level can understand.
- **Brief Description of the Policy:** A description or introduction orients users to the scope and purpose of the policy.
- **A Filing Number:** A filing or tracking number may be unique to your organization. No matter what your numbering system, ensure that your title describes the content of the document.
- **Key Dates:** Dates include the approval date of the original document, the annual review date, and the latest version date. Dates are important for tracking versions around legislative and other updates.
- **Policy Purpose:** The purpose describes why the policy exists. This includes such concerns as legal and regulatory needs and problems or conflicts a policy aims to avoid.
- **Policy Statement:** The core of the document and usually the lengthiest part. The policy statements specify the main audience for the policy, conditions and restrictions for applying the policy, expectations, and exclusions.
- **Scope:** This concerns which roles or departments the policy covers.
- **Responsibilities or Responsible Party:** Indicate what role, department, or group must maintain the policy. Alternatively, for some policies governed by regulations, this section lists roles responsible for executing the policy.
- **Definitions:** Describe key terms, jargon, or ambiguous terms. Always explain key terms in a separate definitions section or at first mention in the text of your policy or procedure to ensure that everyone has the same understanding of terms. Definitions are particularly important for terms that may have multiple meanings.
- **History:** Knowing the history is useful for understanding changes.
- **Related Documents:** Attach other policies, procedures, regulatory documents, forms, and guidelines for reference.
- **Search Functionality:** For web-based documents, this is a policy search feature.
- **Keywords:** For online documents, choose keywords that relate to how a user might search for your policy.

Policy Language and Tone Tips

Review these tips before you begin to write. Then, when you have finished your document, compare your work to the checklist.

- Write to the reading level of the document users. If necessary, use only numbers, graphics, and photographs.
- Use short sentences with familiar English words and with one thought or concept per sentence. Use must or will if something is mandatory.

- Avoid ambiguous words such as may or shall.
- Use plain words that are commonly understood rather than jargon. If you must use specialist terms, explain them in the text and in your glossary section.
- Use terms consistently throughout your documents. Write the full name for acronyms when you first use them.
- Remove extra words. For example, use to instead of in order to.
- Use positive and inclusive language. Their, not he or she (gender-neutral), worker not workman (gender-inclusive).
- Use active voice rather than passive voice. For example, you must wash the dishes. (Active). The dishes must be washed. (Passive) Use present tense. When you finish your shift, you lock the cabinets.
- Use headings that clearly identify the content of each section.

https://www.smartsheet.com/about

ICT draft policy is reviewed and a report generated according to organization standard operating procedures

"Drafting" refers to any process of generating preliminary versions of a written work.

Writers can be doing any or all of the following during phases of drafting:

- developing cohesion
- organizing their thinking in relation to text produced so far
- experimenting with phrasing
- explaining or linking examples/ideas
- generating transitions
- discovering a central argument/point
- elaborating on key ideas

Reviewing a draft policy ensures that the wording and length or complexity of the policy are appropriate to those who will be expected to implement it.

Amendments on the draft ICT policy is undertaken based on review report

Consult with appropriate stakeholders

Policies are most effective if those affected are consulted are supportive and have the opportunity to consider and discuss the potential implications of the policy. Depending on whether you are developing policies to govern the internal working of the organization or external policy positions, you may wish to consult, for example:

- Supporters;
- Staff and volunteers;

- Management Committee members; and
- Service users or beneficiaries

ICT policy is developed in accordance with the ICT objectives in the strategic plan

Who will approve the policy? Is this a strategic issue that should be approved by the Management Committee or is the Committee confident that this can be dealt with effectively by staff? Bear in mind that, ultimately, the Management Committee is responsible for all policies and procedures within the organization.

ICT policy is shared among organization departments according to organization

It is important to answer some questions which will give guidance on how policies will be shared: How will the policy be communicated and to whom? Is training required to support the implementation among staff and volunteers? Should the organization produce a press release (for external policy positions)?

How policies are shared depends on what and to which audience, but the following are methods that may be used to share policies:

- ✓ Organization's Intranet
- ✓ Newsletters (organizational or departmental)
- ✓ Emails from the CEO
- ✓ Posters or displays in public areas
- ✓ Senior management information cascade
- ✓ Departmental communication relays (key points from management meetings are relayed to the departmental teams and the key points from team meetings are relayed back to management)
- ✓ Global meetings or directorate/departmental conferences
- ✓ Open days or "cafe chats" (open house drop-in forums)

Nothing really out of the ordinary there; the key is in the "who?" and the "why?" and then selecting the best mix of the above to achieve your aims.

Monitor, review and revise

As an organization it is important to answer the following questions: What monitoring and reporting systems are in place to ensure that the policy is implemented and to assess usage and responses? On what basis and when will the policy be reviewed and revised (if necessary)?

Learning Activities

Knowledge	Learning activity	Special instructions
• Carrying out ICT Needs assessment • Reviewing and generating ICT draft policy	• Carry out an ICT needs assessment in the institution	Prepare the necessary tools to collect the information, analyze the information and prepare a report

• Undertaking amendments on draft ICT policy • Developing ICT policy is developed • Sharing ICT policy is shared		
• Forming Technical team • Developing ICT draft policy	Role play by forming a technical team	Prepare their job description

- Practical activities related to the Performance Criteria statements
- Knowledge in relation to Performance Criteria given as content in the curriculum
- Special instructions related to learning activities

1.2.1.1 Self-Assessment

1. Which are the optimal benefits of ICT integration in an organization?
2. Which are the technological challenges an organization is likely to face from the adoption of technology in its operations
3. What are the characteristics of good ICT policies
4. How would an organization avoid information overload in systems design
5. Why would an organization upgrade its computer system

1.2.1.2 Tools, Equipment, Supplies and Materials

Computer
Internet connectivity
Stationery
Phones
Remotes
Software
Tablets
Network cables
Printers

References

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Responses answers

1 The optimal benefits of ICT integration in an organization.

- ✓ Flexibility in business activities to meet the clients' needs
- ✓ Strengthen the relationship with suppliers/distributors
- ✓ Allows for cost competitiveness of a business in the market
- ✓ Shorter order cycles
- ✓ Flexibility of response to clients

2 The technological challenges an organization is likely to face from the adoption of technology in its operations

- ✓ Lack of appropriate hardware.
- ✓ Costly to implement and maintain
- ✓ Technology gets outdated very quickly, which makes it very expensive for the organization to keep on adapting to the latest
- ✓ Power outages/low voltage of power supply affect utilization of technology
- ✓ Delayed or lack of maintenance affects the efficiency of the machines
- ✓ Requires constant training of employees which is expensive

3 Characteristics of good ICT policies

- ✓ Should be flexible
- ✓ Should be clear and simple
- ✓ Should have clear objectives
- ✓ Should be based on reliable information
- ✓ Should be fair
- ✓ Should be reasonable
- ✓ Should be consistent
- ✓ Should be reliable

4 Ways an organization would avoid information overload in systems design

- ✓ Keep things simple
- ✓ Keep it relevant
- ✓ Keep it clear
- ✓ Provide supporting information
- ✓ Provide balanced information
- ✓ Make it clear what is to be done with the information
- ✓ Make it easy for users to take action

5 Reasons why would an organization upgrade its computer system

- ✓ To prevent latest security vulnerabilities

- ✓ To improve stability
- ✓ To make the software more trustworthy
- ✓ To fully utilize latest functional tools
- ✓ To enjoy new features
- ✓ Benefits of pricing
- ✓ To keep the hardware healthy
- ✓ Enhanced user interface
- ✓ Go speed
- ✓ Support

7.2.2 LEARNING OUTCOME 2: PROCURE ICT SERVICES

Introduction to the learning outcome

This learning outcome is on the procurement of ICT services. The following activities are undertaken when carrying out these services. They include: receiving requisitions from user departments, undertaking invitation to tender or quotation, sourcing of ICT services, undertaking verification of procured ICT services and distributing procured ICT services

Performance Standard

1. Requisitions are received from user departments according to ICT policy
2. Invitation to tender or quotation is undertaken according to the budget and the mode according to the procurement procedure and regulations
3. Sourcing of ICT services is done in accordance with the procurement procedure and regulations.
4. Verification of procured ICT services is undertaken according to the procurement policy
5. Procured ICT services are distributed to respective departments based on organization policy

Information Sheet

Definitions of terms

Procurement

It refers to techniques, structured methods and means used to streamline an organization's procurement process and achieve desired goals while saving cost, reducing time and building win-win supplier relationship.

Purchasing

It is the act of buying the goods and services that a company needs to operate and/or manufacture products.

Purchasing procedures

These are "the series of activities designed to obtain products of the right quality and quantity at the right price and time and from the right source.

Tendering

Tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request for tender.

Sourcing

It is the process of selecting suppliers to provide the goods and services needed to run a business

Requisitions are received from user departments according to ICT policy

Purchasing procedures and policies vary widely from one organization to another. The stages that almost any purchasing transaction will have to progress through are:-

1. Recognition of the need
2. Description of the need

3. Investigation and selection of potential suppliers
4. Preparation and issue of the purchase order
5. Follow-up of the order
6. Processing discrepancies and rejections
7. Auditing the transaction
8. Closing the transaction
9. Maintenance of files and records

Recognition and Description of the need

Before any purchasing transaction occurs, someone must notice that something is needed. E.g. user department or storekeeper. At this stage, the concerned department issues a requisition. Requisition is forwarded to stores or purchasing as appropriate the requisition/bill of materials issued must contain details/specification of the required material. Purchasing does not act on the description without inquiry of past purchases and without involvement of user department for clarification if unclear or to suggest alternatives that offer better quality/lower price (neither should purchasing accept requisition without question)

Invitation to tender or quotation is undertaken according to the budget and the mode according to the procurement procedure and regulations
The purchaser narrows down suppliers from the large list following appropriate procedure. If the item is standard/routine, the procedure is simple. For a non-standard item, proper investigation is required to establish price & availability. They then solicit for quotations and engage in negotiations.

Tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request for tender. Organizations will seek other businesses to respond to a particular need, such as the supply of goods and services, and will select an offer or tender that meets their needs and provides the best value for money. Tender request documents; also referred to as invitations to tender, Requests for Tender (RTF), Requests for Proposal (RFP) etc outline what is required, that is, what the requesting organization's needs are. These documents also outline the particular requirements, criteria, and instructions that are to be followed. Future tenders are generally widely advertised to offer opportunities to a number of suppliers encourage competition and provide a greater pool of offers to select from

Interested suppliers will then prepare a tender; the documents that outline

- The offer that they are making, and
- Will include pricing,
- Schedules as well as
- Their eligibility for the procurement.
- Advantage over competitors;
- Provide information on qualifications, competencies and experience.
- Demonstrate how their bid offers the best value for money.

The submitted tenders are then evaluated with regard to defined criteria. In a normal tendering situation, this process should be conducted fairly and honestly, and in a

manner that is free from bias or favour. The offer that best meets all of the requirements outlined in the request, and provides value for money should win the contract. The tendering process is generally utilised for procurements or contracts involving substantial amounts of money.

The core principle in business tendering and procurement is achieving value for money. This does not just refer to offering the lowest price or best offer. Value for money can also be assessed by looking at factors including:

- The relative risk of the proposal
- Fitness for purpose
- The performance history of the supplier
- All direct and indirect financial costs and benefits over the life of the procurement
- The flexibility of the proposal to adapt to possible change
- The anticipated price that could be obtained, or cost incurred, at the time of disposal.
- maximizing competition,
- providing an opportunity for a much larger pool of suppliers to make an offer
- having a greater choice in selecting a supplier that offers value for money

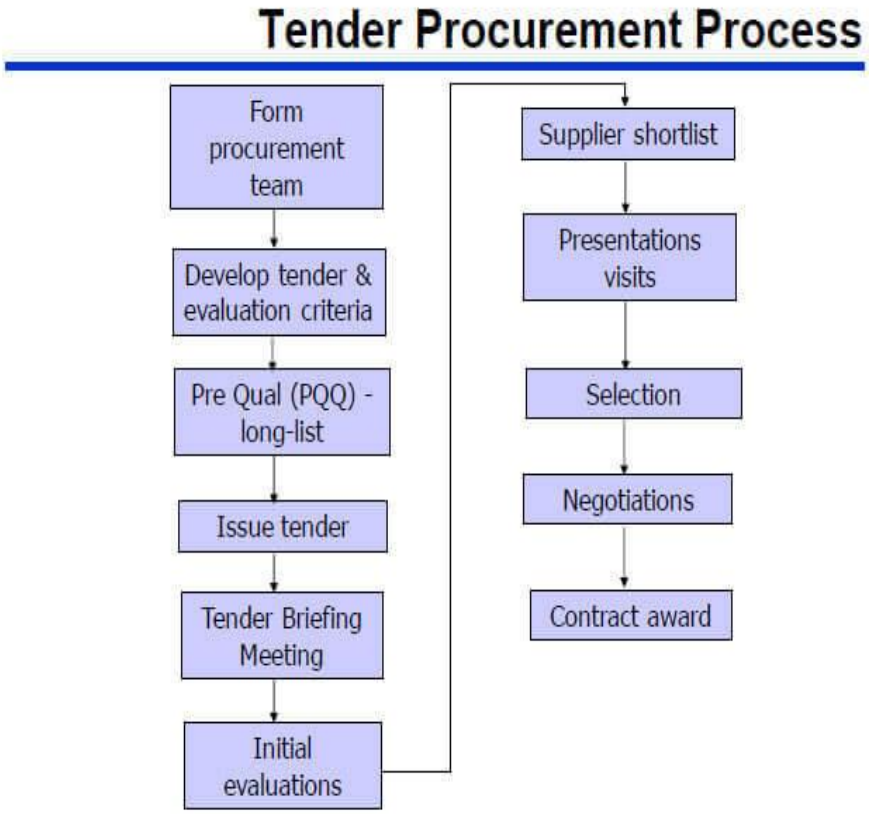


Figure 68: tender procurement process

The procurement team will typically involve:

- Procurement
- The budget holder
- Others involved in managing the contract
- Possibly representatives from health and safety, human resources, quality management and ICT.

The procurement team then agrees what the tender will involve:

- Specification or general requirement
- Supplier requirements and mandatory requirements (eg ISO standards)
- Questions
- Tender rules or instructions
- Evaluation criteria (how it will be scored e.g. 60% quality / 40% price)
- Contract (e.g. one-off, term or framework)
- The tender procurement process (e.g. PQQ or not)

Pre-Qualification Questionnaire (PQQ) or Tender Long-List

This is an initial selection process to help sift potential suppliers for suitability. It is used to draw a long-list of bidders to be invited to tender. This stage of the tender process might be by invitation or open to everyone.

The qualification stage might take the form of an approved supplier list, an initial screening interview or a formal PQQ (questionnaire to assess against minimum requirements). Some tenders incorporate aspects of the PQQ within the tender therefore eliminating this stage.

The invitation to tender (ITT) is issued to the long-list of selected bidders. The ITT can involve a set of questions to answer along with a pricing matrix. Alternatively it could be less formal – simply asking the bidder to submit a proposal and a price.

E-tenders are now the most common way of tendering.

Tender Briefing Meeting: It is not uncommon for the tender procurement panel to Hold supplier briefing meetings (pre-tender meetings). They help clarify the tender and answer any bidders' questions.

Initial Evaluation: The tender panel marks each bid against the agreed evaluation matrix. This results in a league table of the highest and lowest bidders' scores.

Tender Short-list: The evaluation is used to select a short-list of potential suppliers. The number of bidders in a short-list will depend on the nature of the contract. For example, a framework agreement has several suppliers. Another tender might only have one winner.

Presentations, Interviews & Visits: Short-listed bidders are sometimes subject to further evaluation. This can be a tender short-list presentation or a question and answer session, and possibly a visit to supplier's premises and/or meeting some of their customers.

Again, the tender panel will assess this against their pre-determined evaluation criteria.

Selection: Whatever the tender procurement process, the tender panel will arrive at its final scores. These are used to select the best performers and award contract(s).

Negotiations: The limit of tender negotiations depends on the nature of each individual tender procurement process. A formal tender may not offer any scope for negotiation. Others will allow small negotiations. This can include: (a) Some aspects of price (e.g. additional items) (b) Contract wording and specification (e.g. items that don't affect the overall service). It is unlikely that there will be opportunity for any major negotiation and certainly not on the overall price.

There are five different types of procurement. These include open tendering, restricted tendering, direct procurement, request for proposals and request for quotations. Open tendering offers a fair and competitive type of procurement and is the most preferred method.

Sourcing of ICT services is done in accordance with the procurement procedure and regulations

Scope and Development of ICT specifications

The specifications need to be prepared in a clear and unambiguous manner covering hardware, software and/or services as the case may be. They should also cover supporting services such as delivery, installation, testing, commissioning, training and service responsiveness required of a supplier where necessary. These specifications need to take into account the most appropriate and latest technology

For PEs with ICT Departments a cross-functional team should be constituted to develop the specifications for ICT needs. The team should consist of the Procurement Unit, user departments and ICT Department which should coordinate the exercise. For complex ICT purchases, the team may consult the Government Information Technology Services department (GITS) located in Treasury, Nairobi, E-Government Secretariat (www.e-government.go.ke) located in the Office of the President, Nairobi and/ or the ICT Board (www.ict.go.ke) as appropriate.

For a PE that may not have an in-house ICT sections or where these sections are remotely located, advice may be obtained from other PEs through benchmarking, other organizations that have in-house ICT capacity or recognized ICT experts or consultants and service providers in their region.

It is not advisable for PEs to procure ICT needs without proper specifications and support services developed by a competent person as this may lead to purchase of inappropriate equipment and services which may not be supported.

It is the responsibility of the PU to ensure that the specifications developed are clear and complete to enable a competitive response from potential bidders.

Technical specifications

Technical specifications will generally include a combination of the following:

a) Physical characteristics (processor size, speed, Random Access Memory etc);

b) Scalability – Able to grow with the enterprise through: i) Establishing volume of data transactions in the short, medium and long term and ensure that the equipment, software and services procured would suffice; 24 ii) Considering the number of users requiring the ICT services during the projected duration of live of the ICT system or services and ensuring licenses required are sufficient; iii) Giving consideration for value data fields which are dynamic as the business/ economy grows by using variable field lengths as opposed to fixed lengths; and iv) Considering in-build features that allow for future expansion e.g. additional unused disk expansion slots where disks can be plugged in, and allowing for hardware or spare data fields which can be used to define customized data elements.

c) Upgradeability – Capable of being upgraded with change in technology: i) Establish that the supplier has proactive arrangements in place for future upgrades e.g. in-house research and development centre; and ii) Consider any additional costs for upgrades e.g. licenses, disks, memory etc. iii) Problem of reading old data which may be on old media or in old formats must be considered when upgrading hardware or systems and appropriate provisions made to transfer the data to new formats or media.

d) Portability – Capable of running on separate platforms: i) In the case of software, establish the number of operating systems that it supports; ii) In case of hardware, consider the location and its mode of use as this will determine the required physical size. Mobile users may require laptops while office users may require desktops.

e) Capacity/ Storage Requirements;

f) Compatibility – with existing hardware or software;

g) Interoperability – provide interface feature with other ICT products by considering any existing ICT products that would need to interface with the new products and ensure that features are available for this.

h) Support and Maintenance requirements:

i) Assess the after sales support available for the products purchased; ii) Establish contractual obligations of the supplier and the client. Develop service level

agreements clearly indicating penalties for failure to meet obligations; iii) Plan to sign a support and maintenance contract once procurement is complete. 25 i) Skill Requirements; i) Consider the availability of internal and external skills required to implement and use the ICT equipment, software or services; ii) Consider the training required for the effective and efficient use of the ICT equipment, software or service; iii) Assess the supplier's training and development capability.

j) Carry out cost benefit analysis i) Develop a business case that shows the cost benefit analysis; ii) Ensure that the benefits of the hardware/ software are more that the costs.

k) Cost Performance Effectiveness; i) Compare the features provided by the solution offered with the features required by the enterprise; ii) If the solution provided meets most of the requirements, then find out if the missing features can be easily customized.

l) Business Fitness – provides real solutions to the running of the enterprise; i) For hardware ensure that the technology is current and support for it is available into the foreseeable future; ii) Obtain references from other enterprises using similar hardware; iii) Wherever possible talk to the hardware manufacturers or read their brochures; iv) For software, ensure it can run on current state of art hardware.

m) Technology Fitness – Provides and supports current state of art technology;

n) User Friendliness – easy to learn and use;

o) Cost of Migration;

p) Operational requirements

Physical, virtual characteristics

These types of specifications are often used to design site and disaster recovery requirements. Examples include space, capacity and backup requirements.

Service specifications

Service level Agreements must be specified with corresponding penalties for failure to meet set service levels. Example: The time taken to respond and resolve to a service request e.g. when an ICT equipment or system fails.

Specifying testing and inspection

In addition to specifying performance it may be in some cases prudent to specify testing and inspection requirements in order to derive confidence in the delivered product

The following options of testing and inspection approaches can be used:

a) Review and or approval at the design stage including quality assurance documentation
b) In-process inspection
c) Pre-shipment inspection
d) d) Acceptance testing at the time of receipt, installation and /or commissioning.

In each case the procuring entity must specify the testing method and procedures to be used. The specific criteria with which to evaluate the result of the test and the party responsible for the costs of testing should be stated too

Standardization of hardware may be resorted to by a PE where it is established that it would be cost effective to do so without restricting competition.

Specifying Software

Pre-loaded Software: The PEs should specify pre-loaded software instead of leaving it to for the supplier to decide.

Load software via a disk image For large purchases and subject to a cost benefit analysis done, it may be beneficial to purchase "bare hardware" and load software via a disk image.

Sourcing involves the following:

- Finding quality sources of goods and services
- Negotiating contracts
- Establishing payment terms
- Market research
- Testing for quality
- Considering outsourcing for goods
- Establishing standards

Different Types of Sourcing

Depending on the goods you are trying to procure, you may choose to work directly with manufacturers, source from distributors, or use wholesalers. Here are sourcing examples of how these relationships might work:

- Working directly with manufacturers cuts out the middleman and may allow you to get products at the most affordable price. Not every manufacturer will work with every vendor directly, however, or they may have MOQs that exceed your abilities.
- Working with a wholesaler may allow you to get products from multiple vendors. That way in case a particular manufacturer is unable to provide you with what you need, they can still fulfill your order switching to another vendor. You will pay a mark-up on goods to work through a wholesaler, but you'll also get better pricing than through the open market – unless you can buy direct.

- Some manufacturers only sell through distributors. If that's the case, ask the manufacturer for a list of recommended distributors to make sure you can trust the

Qualification of the Suppliers

For a supplier to qualify for selection to provide specified goods or services the following evidence should be provided:

i. Evidence that the supplier has substantial involvement and experience of ICT;
ii. Experience in provision of the ICT goods or services of similar nature and value and brief information about such contracts, contracts underway or contractually committed; and names and addresses of clients who may be contacted for further information on those contracts
iii. Reports on financial standing of the bidder, such as profit and loss statements and auditor's report for the past three years' performance
v. Evidence of adequacy of working capital for the contract (access to credit and availability of other financial resources)
vi. Authority to the Procuring Entity to seek references from the bidder's banks
vii. Information regarding litigation history, in which the bidder is involved in, the parties concerned and the nature of the disputes at hand
viii. Any proposal for sub-contracting components of the services and the percentage of the value of the contract (where the scope if the procurement may warrant engagement of subcontractors)
ix. The value of other contracts currently being managed.

<u>Verification of procured ICT services is undertaken according to the procurement policy</u>

Procured ICT services include: data processing, telecommunication, office systems technology, professional services, hosting services, software licensing, hardware, training, maintenance

The essence of verification is to confirm that the hardware, software and the associated services are delivered by the ICT suppliers in accordance with the specifications and all the other terms and conditions of the contract. It is important to ensure that the Inspection and Acceptance Committee has members who have adequate knowledge and experience to comprehend and check the conformance and suitability of the products delivered. If such experts are not within the organization, they should be contracted from elsewhere similarly to those to assist in defining ICT needs specifications.

<u>Procured ICT services are distributed to respective departments based on organization policy</u>

Once services have been procured, they are distributed to the departments based on the needs assessment and the organization policy.

Disposal of ICT Equipment

Disposal of stores and equipment that have been rendered unserviceable, obsolete and surplus is to be carried out in accordance with the provisions of 44 Part X of the Public Procurement and Disposal Act 2005 and the Regulation 92 and 93 of the Public Procurement and Disposal Regulations 2006.

b) An employee in charge of unserviceable, obsolete or surplus ICT equipment shall bring the matter to attention of the Disposal Committee as stipulated in section 129 (1) of the PPD Act. Reasons for disposal may arise from multiplicity of reasons such as change in technology, lack of scalability to cater for expanded usage or being uneconomical to maintain or any other justifiable technical reasons.

c) Computers have components such as the battery and parts of the monitor which can be hazardous if not properly and safely disposed. The disposal methods used must therefore be in accordance with the NEMA guidelines for disposal of obsolete ICT equipment so as not to harm the environment. The PE should visit the NEMA website for more details (www.nema.go.ke). d) Where ICT equipment is transferred to other users, care should be taken to remove any sensitive information. Software licenses may not be transferred to other users.

- Provides additional information sources related to the learning outcome e.g. books, web links

1.2.2.1 Learning Activities

Knowledge	Learning activity	Special instructions
• Receiving requisitions from user departments • Undertaking invitation to tender or quotation	Attend a tender committee meeting in the institution	Prepare a questionnaire
• Sourcing of ICT services	Visit a supplier in the locality	Prepare an observation checklist
• Undertaking verification of procured ICT services	Visit the ICT department/lab to familiarize with these services	**P**repare a checklist
• Distributing procured ICT services	Visit the institutions stores when receiving procured items	Wear appropriate PPEs

Self-Assessment

1. In what areas would purchasing interface with ICT services design

2. How does the ICT department service other departments in an organization
3. How would an organization benefit from single sourcing while procuring ICT services
4. Purchased items are inspected on delivery according to a specified accepted quality level. In what ways would rejected items be dealt with

Tools, Equipment, Supplies and Materials

Computer
Internet connectivity
Stationery
Phones
Remotes
Software
Tablets
Network cables
Printers

References

1. Saleemi N A, Systems Theory and Management Information Systems Simplified, 2nd Edition, Nairobi Savanis Book centre (2000)
2. Nagpal D P, Computer Fundamentals, S Chand publishing (1999)
3. Luehrmann arthur, Computer Literacy, McGraw-Hill, (1983)
4. Stallings William, Data and Computer Communications, 10th Edition, Pearsons, (2013)
5. The Chartered Institute of Purchasing and Supply, Purchasing and Supply Chain Management, Pearson Education.

Sample answers for self-assessment items

1. Areas that purchasing would interface with ICT services design
   - ✓ Preparation of specifications for purchased materials and components
   - ✓ Quality assurance
   - ✓ Value engineering and value analysis
   - ✓ Information to design departments regarding availability of materials, suppliers and costs
   - ✓ Agreement of alternative when specified materials are not available
   - ✓ Issues arising from the increasing importance of buying rather than making
   - ✓ Importance of buying complete systems rather than individual components
   - ✓ Evaluation of cheaper alternative materials
   - ✓ Building co-makership
   - ✓ Creation of library of books, catalogues, journals and specifications for joint use by the design and purchasing department

2. Ways in which ICT department services other departments

- ✓ Function of communication
- ✓ Function of data management
- ✓ Function of marketing
- ✓ Function of process improvement
- ✓ Function of enterprise resource planning

3. How would an organization benefit from single sourcing while procuring ICT services
    - ✓ Lower pricing due to consolidation of all requirements with one supplier
    - ✓ More consistent quality
    - ✓ Lower purchasing workload due to communication with fewer suppliers
    - ✓ Easier to manage supplier performance because of tracking fewer suppliers
    - ✓ Easier to track source of problem
4. Purchased items are inspected on delivery according to a specified accepted quality level. In what ways would rejected items be dealt with
    - ✓ Returned to the supplier at their expense for correction or replacement
    - ✓ Parts may be corrected by the purchaser and the supplier charged with the cost
    - ✓ Where rejected items are usable, although not strictly in accordance with the specification, the buyer may negotiate a price reduction

7.2.3 LEARNING OUTCOME 3: SUPERVISE ICT INSTALLATION AND MAINTENANCE

Introduction to the learning outcome

This learning outcome is to equip a trainee with skills to supervise ICT installation and maintenance. The activities include: Providing requirements of the **ICT system** installation, conducting installation process of ICT services, maintaining ICT system and reviewing ICT system.

Performance Standard

1. Requirements of the ICT system installation are provided in accordance with the nature of the service and service providers policy guidelines
2. Installation process are conducted in accordance with the ICT service provider policy and contract between the organization and the service provider
3. ICT system is maintained as per the ICT policy requirements
4. The ICT system is reviewed in accordance with the feedback gathered from the users

Information Sheet

Definition of terms

System

It is a set of organized components which interact in a given environment and within a specified boundary to achieve collective goals and objectives that are emergent.

Information system

It is an arrangement of people, data processes and information that work together to support and improve the day-to-day operations in a business and the decision making process

Requirements of the ICT system installation are provided in accordance with the nature of the service and service provider's policy guidelines

A system can be describes as being either soft or hard

Characteristics of a system

All systems have some common characteristics which include:

1. Holistic thinking
2. Subsystems
3. Boundary and environment
4. Purpose
5. Process
6. System entropy
7. Inputs and outputs

A system can either be open or closed.

The main purposes of an information system in an organization are:

- Supporting information processing by enhancing tasks such as data collection, processing and communication.
- Helping in decision making by collecting operational data, analyzing it and generating reports.
- Enable sharing of information.

The need for developing information systems is brought about by the following circumstances:

i. New opportunities
ii. Problems
iii. Directives

Stages of system development

1. Problem recognition and definition
2. Information gathering
3. Requirements specification
4. System design
5. System construction (coding)
6. System implementation
7. System review and maintenance

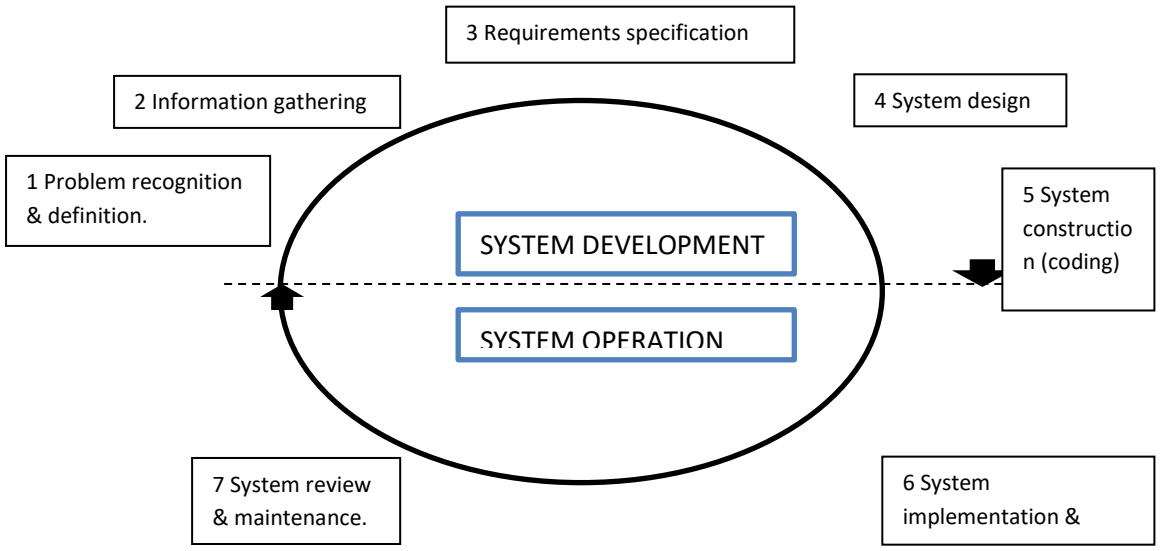


Figure 69: The system development lifecycle

Requirements specification

The system analyst must come up with the detailed requirements for a new system. The hardware and software used to develop the system mainly depends on input, output and file requirements. The following requirement specifications are considered:

1.2 Output specification: the target audience, the frequency of report generation, quality and format.

1.3 Input specification: input needed to obtain the relevant information from the system. The user interface is designed by designing data entry forms or screens.

1.4 File/data stores: number and structure of files, attributes of the records in a file. The following factors should be considered when designing a file: key attribute, type of data, length of each field and backup and recovery strategies

1.5 Hardware and software requirements. Consider factors like: price and acquisition methods, reliability, upgradability, compatibility, and user friendliness.

Installation process are conducted in accordance with the ICT service provider policy and contract between the organization and the service provider

System implantation is the process of delivering the system for use in day to day operating environment for users to start using it. The areas to be addressed during system implementation include file conversion, staff training and changeover strategies.

1. File conversion. A new system may require a change in file format for example from manual to computerize. The factors to consider are
    - Whether the new system requires a new operating system and hardware
    - Whether there is need to install new application software
    - Whether there is need to create new database files for the new system.
2. Staff training. Availability of appropriate user manuals goes a long way to make staff training easy, quick and effective.
3. Changeover strategies. Some of the changeover strategies include:
    - Straight changeover
    - Parallel changeover
    - Phased changeover

Security control measures

A lot of careful planning has to be done in order to have an inbuilt security system. This is because information is under constant threat of being illegally accessed or disclosed to unauthorized parties. System implementers must make sure that the security features built in the system are properly configured during the implementation stage.

ICT system is maintained as per the ICT policy requirements

System maintenance is the adjustment and enhancement of requirements or correction of errors after the system has been implemented. Regardless of how well the system is constructed and tested, errors may be detected when the system is in use.
System review is a formal process of going through the specifications and testing the system after implementation to find out whether it still meets the original objectives. This is also called review and audit. If the system does not meet the stated objectives, system development might start all over again.

The ICT system is reviewed in accordance with the feedback gathered from the users
MIS AUDITS An **MIS audit** is an examination of the controls within an Information technology (IT) infrastructure. The evaluation of obtained evidence determines if the information systems are safeguarding assets, maintaining data integrity, and operating effectively to achieve the organization's goals or objectives
lso known as an information systems audit, a system audit is the thorough and careful evaluation and review of the information systems present in an organization. The main aim of the audit is to check for vulnerabilities and loopholes in the system and how the productivity, efficiency, and efficacy of the system can be improved.
System audits are carried out by IT professionals who are well-versed with different information systems of a firm and how they can be used to prevent the abuse of organizational resources. IT systems play a direct role in the value of an organization's business; therefore, improving them is a must. It involves evaluating the hardware, software, data, and the users. Here are the vital steps of performing a system audit.

1. **Review**

In this phase, the system auditor tries to comprehend the management practices and various functions used at multiple levels of the IT hierarchy. This step determines whether or not the auditor will proceed with the rest of the rest.
Tasks such as observing installation procedures, interviewing installation staff, and going through installation documentation take place. Additional reviewing is carried out for the management and application controls; crucial weaknesses are identified in the management controls. Auditors also try to determine if the measures implemented in the installation controls are sufficient to bring down losses to an acceptable level.

2. **System Vulnerability is assessed**

In the next step of the audit, different applications are individually assessed to find out the most vulnerable ones. Computer systems and applications that are the most vulnerable are also the ones used for abuse. Hence, the type of application and the control of quality protocols are reviewed.

3. **Threats are identified**

Information systems are threatened by external and internal users such as programmers, system analysts, regular users, cyber security specialists, data entry operators, software services, data vendors, etc. All such people are identified by system auditors.
In the same way, events, points, and occasions are found out when the IT infrastructure was breached earlier. It can be when a transaction was carried out that might have been deleted, added or altered. There's also the possibility of risky behavior when data or programs are edited or when their operation is at fault.

4. Internal Controls are analysed

In this step, system auditors determine the efficacy of the information system's internal controls and whether or not they are working the way they should. They also check any missing internal controls within the system.

5. Final Evaluation

In the last step of the system audit, different tests are carried out for the various components of the internal control systems of the organization. The main purpose of this phase is to calculate the probability of any future losses in assets. These tests include identifying erroneous processing, assessing the data quality, finding out inaccurate data, comparing physical counts of data, and confirming data with external sources.

How to conduct a system audit [ctrl+click] to follow link.

1.2.3.1 Learning Activities

Knowledge	Learning activity	Special instructions
• Providing requirements of the **ICT system** installation • Conducting installation process of ICT services • Maintaining ICT system	Carry out a field trip to a large manufacturing firm and analyse the firm's ICT system, installation process and maintenance	• Seek proper authorisation • Prepare a checklist
Reviewing ICT system	Visit a learning institution and carry out a review of their information system in meeting the needs of the institution	• Seek proper authorisation • Prepare a checklist • Prepare a report on the findings

Self-Assessment

1. Why is preventive maintenance a better alternative to reactive maintenance
2. What are the components of an ICT system
3. There are a number of programming techniques that can be used to construct a designed system. Which ones are these

Tools, Equipment, Supplies and Materials

- Computer
- Internet connectivity
- Stationery
- Phones
- Remotes

- Software
- Tablets
- Network cables
- Printers

References

1. Saleemi N A, Systems Theory and Management Information Systems Simplified, 2nd Edition, Nairobi Savanis Book centre (2000)
2. Nagpal D P, Computer Fundamentals, S Chand publishing (1999)
3. Luehrmann arthur, Computer Literacy, McGraw-Hill, (1983)
4. Stallings William, Data and Computer Communications, 10th Edition, Pearsons, (2013)

Sample answers for self-assessment items

1 Why preventive maintenance a better alternative to reactive maintenance
   - ✓ Cost saving on the repairs
   - ✓ Improved safety in the use of equipment
   - ✓ Increased equipment efficiency
   - ✓ Decreased downtime of machines in case of breakdown
   - ✓ Improved reliability
   - ✓ Conservation of assets

2 Components of an ICT system
   - ✓ people
   - ✓ data
   - ✓ information
   - ✓ hardware
   - ✓ software
   - ✓ procedures

3 Programming techniques that can be used to construct a designed system
   - ✓ Using the high-level structured language such as Pascal COBOL
   - ✓ Using fourth generation languages
   - ✓ Customizing the standard packages
   - ✓

7.2.4 LEARNING OUTCOME 4: INTEGRATE ICT IN OPERATIONS

Introduction to the learning outcome

The learning outcome on integrating ICT operations involves the following activities: undertaking systems networking, developing Systems of sharing information, establishing enterprise resource planning (ERP), reporting challenges in the system and upgrading or downgrading ICT system

Performance Standard

1. Systems networking in the organization is undertaken according organization structure
2. Systems of sharing information is developed and implemented in accordance with the organization requirements
3. Enterprise resource planning (ERP) is established according to organization policy
4. Challenges in the system are reported according to the standard operating procedures
5. ICT system is upgraded or downgraded in accordance with the ICT policy

Information Sheet

Definition of terms

Computer networking

This refers to linking multiple devices so that they can readily share information and software resources.

Data communication

It is the process of transmitting data signal from one point to another through the network

Data signal

It is a voltage level in the circuit which represents the flow of data.

Signal modulation and demodulation

This is the process of converting data signals to and from a form that is suitable for transmission over a transmission medium.

Multiplexing

It is the process of sending multiple data signals over the same medium, for example, a wire conductor can be made to carry several data signals either simultaneously or at different times.

Bandwidth

It is the maximum amount of data that a transmission medium can carry at any one time.

Baseband signal

It is a digital signal that is generated and applied to the transmission medium directly without modulation.

Broadband transmission

In broadband transmission, an analog signal is sent over the transmission medium using a particular frequency.

Attenuation

This is the decrease in magnitude and energy as a signal progressively moves along a transmission medium.

Protocols

These are rules and technical procedures that govern communication between different computers.

Modes of data communication: are three, namely, simplex, half duplex and full duplex.

Types of computer networks

1. Local area network (LAN)
2. Metropolitan area network (MAN)
3. Wide area network (WAN)

Benefits of networking:

- Resource sharing
- Remote communication
- Distributed processing facilities
- Saving of organizations costs through efficient use scarce resources
- Allows reliability in communication

Limitations of networking

- Security issues
- High initial cost
- Moral and cultural effects
- Spread of terrorism and drug/child trafficking
- Over-reliance on networks

Elements of networking

1. Data communication media: bounded media and unbound media.
    (a) Bounded media: Two wire open lines cable, twisted pair cables, coaxial cable and fibre optic cables
    (b) Unbound media: Microwaves, satellite, radio waves, blue tooth technology, and infrared transmission.
2. Communication devices
    (a) Network interface cards
    (b) Modems and codes
    (c) Hubs
    (d) Bridges
    (e) Repeaters
    (f) Routers
    (g) Gateways
    (h) Switches
    (i) Wireless communication devices include: Access points, wireless antennae and personal computer memory card international association (PCMCIA)cards

3. Network software: Network operating systems and Network protocols
   (a) Network operating systems
      - Provides access to network resources
      - Enables nodes on the network to communicate with each other more efficiently
      - Supports inter-process communication
      - Responds to requests from application programs running on the network
      - Supporting network services like network and drivers and protocols
      - Implementing network security features

      In most cases they are designed as multiuser operating systems that run the network server program. Once installed on the right hardware platform and configures as a server, the operating system will provide network management tools to network administrators who can use the tool to do the following

      ✓ Secure the network against unauthorized access.
      ✓ Track network usage and keep log of all the people who have used the network.
      ✓ Ensure inter-operatability between various systems on the network.
      ✓ Perform monitoring to ensure maximum output on the network.

   (b) Protocols. The data transmission process over the network has to be broken down into discrete systematic steps. At each step, certain action takes place. Each step has its own rules and procedures as defined by the network protocols. Protocols are coordinated through layering to avoid conflict or incomplete operations. Network protocols are designed after the open systems interconnection (OSI) model.

	Layer	Function
7	Application layer	User applications run here and generate reuses for data transmission or open received information
6	Presentation layer	Adds formatting, displays and encryption information to the data being sent
5	Session layer	Sets up data transmission sessions between two communicating devices
4	Transport layer	Manages data transfer over the network to ensure reliability
3	Network layer	Address information is added to the packet and routing to destination
2	Data link layer	Adds error checking information and prepares data for going onto the physical connection
1	Physical layer	The data packets are finally transmitted via the network card through the

		transmission media in form of bits

Table 25: OSI Model

Application protocols work at the highest layer of the OSI model. Examples of application protocols include: e-mail program, simple mail transfer protocol, file transfer protocol, apple talk and apple share.

Transport protocols ensure data is passed between computers more reliably and include: transmission control protocol, sequential packet exchange, NetBEUI, Apple transaction protocol

Network protocols provide link services. They handle addressing and routing information, error checking and retransmission of requests. They include: Internet protocol, Internetwork packets exchange and NerBEUI.

4. Data signal: All messages that are sent and received through the network must be represented using a data signal. Metallic media would require an electrical signal; wireless media need electromagnetic signals while fiber optic cables need light signals. A signal can either be analog or digital.

Network topologies

This is the way in which computers and other devices have been arranged or how data is passed from one computer to another in the network. It can be viewed in two ways i.e. logical and physical topology.

(a) Logical topology: include Ethernet and token ring
(b) Physical topology: include star, bus, ring, mesh and tree/hierarchical topology.

- Definitions of terms, Methods, Processes/ procedures/ guidelines, Illustrations (photographs, pictures, videos, charts, plans, digital content links, simulations links) and case studies
- Provides additional information sources related to the learning outcome e.g. books, web links

Systems of sharing information is developed and implemented in accordance with the organization requirements

- An information system (IS) can be defined technically as a set of interrelated components that collect, process, store, and distribute information to support decision making and control in an organization.
- Information systems are combinations of hardware, software, and telecommunications networks that people build and use to collect, create, and distribute useful data, typically in organizational settings.

- Information systems are interrelated components working together to collect, process, store, and disseminate information to support decision making, coordination, control, analysis, and visualization in an organization.

Information systems can be viewed as having five major components: hardware, software, data, people, and processes.

These components collect, store, organize, and distribute data throughout the organization.

Information should be accurate, complete, cost effective, user-focused, relevant, authoritative and timely.

Systems development is systematic process which includes phases such as planning, analysis, design, deployment, and maintenance.

System Analysis and Design - Overview

Systems development is systematic process which includes phases such as planning, analysis, design, deployment, and maintenance. In systems development the primarily focus is on −

- Systems analysis
- Systems design

Systems Analysis

It is a process of collecting and interpreting facts, identifying the problems, and decomposition of a system into its components.

System analysis is conducted for the purpose of studying a system or its parts in order to identify its objectives. It is a problem solving technique that improves the system and ensures that all the components of the system work efficiently to accomplish their purpose.

Analysis specifies *what the system should do*.

Systems Design

It is a process of planning a new business system or replacing an existing system by defining its components or modules to satisfy the specific requirements. Before planning, you need to understand the old system thoroughly and determine how computers can best be used in order to operate efficiently.

System Design focuses on *how to accomplish the objective of the system.*

System Analysis and Design (SAD) mainly focuses on −

- Systems
- Processes
- Technology

What is a System?

The word System is derived from Greek word Systema, which means an organized relationship between any set of components to achieve some common cause or objective.

A system is "an orderly grouping of interdependent components linked together according to a plan to achieve a specific goal."

Constraints of a System

A system must have three basic constraints −

- A system must have some structure and behavior which is designed to achieve a predefined objective.
- Interconnectivity and interdependence must exist among the system components.
- The objectives of the organization have a higher priority than the objectives of its subsystems.

For example, traffic management system, payroll system, automatic library system, human resources information system.

Properties of a System

A system has the following properties −

Organization

Organization implies structure and order. It is the arrangement of components that helps to achieve predetermined objectives.

Interaction

It is defined by the manner in which the components operate with each other.

For example, in an organization, purchasing department must interact with production department and payroll with personnel department.

Interdependence

Interdependence means how the components of a system depend on one another. For proper functioning, the components are coordinated and linked together according to a specified plan. The output of one subsystem is the required by other subsystem as input.

Integration

Integration is concerned with how system components are connected together. It means that the parts of the system work together within the system even if each part performs a unique function.

Central Objective

The objective of system must be central. It may be real or stated. It is not uncommon for an organization to state an objective and operate to achieve another.

The users must know the main objective of a computer application early in the analysis for a successful design and conversion.

Elements of a System

The following diagram shows the elements of a system −

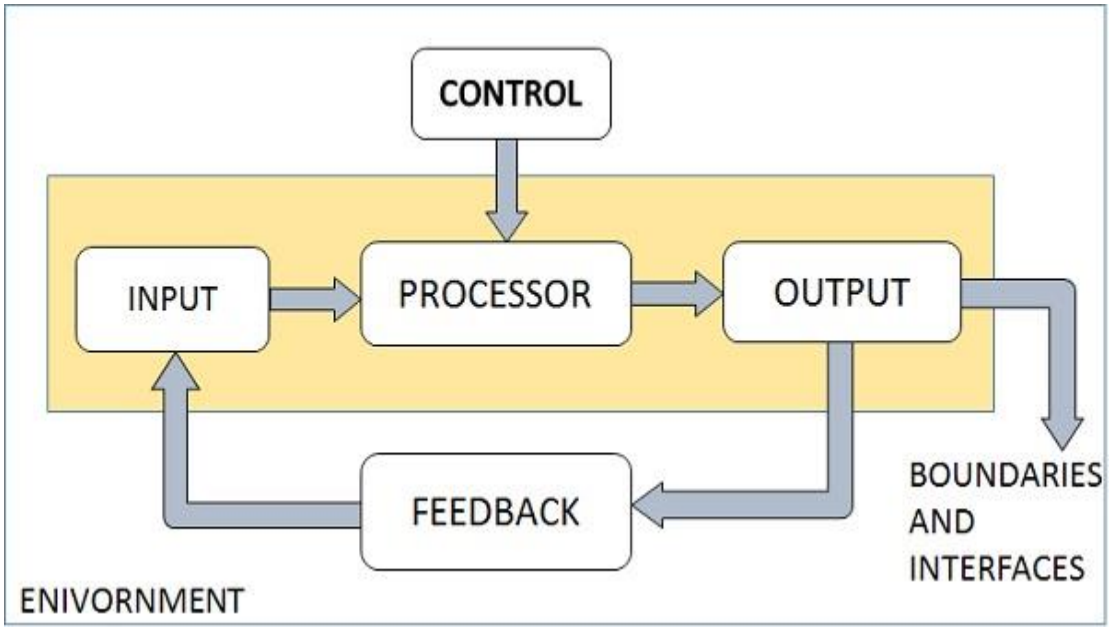


Figure 70: Elements of a system

Outputs and Inputs

- The main aim of a system is to produce an output which is useful for its user.
- Inputs are the information that enters into the system for processing.
- Output is the outcome of processing.

Processor(s)

- The processor is the element of a system that involves the actual transformation of input into output.
- It is the operational component of a system. Processors may modify the input either totally or partially, depending on the output specification.
- As the output specifications change, so does the processing. In some cases, input is also modified to enable the processor for handling the transformation.

Control

- The control element guides the system.
- It is the decision–making subsystem that controls the pattern of activities governing input, processing, and output.
- The behavior of a computer System is controlled by the Operating System and software. In order to keep system in balance, what and how much input is needed is determined by Output Specifications.

Feedback

- Feedback provides the control in a dynamic system.
- Positive feedback is routine in nature that encourages the performance of the system.

- Negative feedback is informational in nature that provides the controller with information for action.

Environment

- The environment is the “supersystem” within which an organization operates.
- It is the source of external elements that strike on the system.
- It determines how a system must function. For example, vendors and competitors of organization’s environment may provide constraints that affect the actual performance of the business.

Boundaries and Interface

- A system should be defined by its boundaries. Boundaries are the limits that identify its components, processes, and interrelationship when it interfaces with another system.
- Each system has boundaries that determine its sphere of influence and control.
- The knowledge of the boundaries of a given system is crucial in determining the nature of its interface with other systems for successful design.

Types of Systems

The systems can be divided into the following types −

Physical or Abstract Systems

- Physical systems are tangible entities. We can touch and feel them.
- Physical System may be static or dynamic in nature. For example, desks and chairs are the physical parts of computer center which are static. A programmed computer is a dynamic system in which programs, data, and applications can change according to the user's needs.
- Abstract systems are non-physical entities or conceptual that may be formulas, representation or model of a real system.

Open or Closed Systems

- An open system must interact with its environment. It receives inputs from and delivers outputs to the outside of the system. For example, an information system which must adapt to the changing environmental conditions.
- A closed system does not interact with its environment. It is isolated from environmental influences. A completely closed system is rare in reality.

Adaptive and Non Adaptive System

- Adaptive System responds to the change in the environment in a way to improve their performance and to survive. For example, human beings, animals.
- Non Adaptive System is the system which does not respond to the environment. For example, machines.

Permanent or Temporary System

- Permanent System persists for long time. For example, business policies.
- Temporary System is made for specified time and after that they are demolished. For example, A DJ system is set up for a program and it is dissembled after the program.

Natural and Manufactured System

- Natural systems are created by the nature. For example, Solar system, seasonal system.
- Manufactured System is the man-made system. For example, Rockets, dams, trains.

Deterministic or Probabilistic System

- Deterministic system operates in a predictable manner and the interaction between system components is known with certainty. For example, two molecules of hydrogen and one molecule of oxygen make water.
- Probabilistic System shows uncertain behavior. The exact output is not known. For example, Weather forecasting, mail delivery.

Social, Human-Machine, Machine System

- Social System is made up of people. For example, social clubs, societies.
- In Human-Machine System, both human and machines are involved to perform a particular task. For example, Computer programming.
- Machine System is where human interference is neglected. All the tasks are performed by the machine. For example, an autonomous robot.

Man–Made Information Systems

- It is an interconnected set of information resources to manage data for particular organization, under Direct Management Control (DMC).
- This system includes hardware, software, communication, data, and application for producing information according to the need of an organization.

  Man-made information systems are divided into three types −

  a) Formal Information System − It is based on the flow of information in the form of memos, instructions, etc., from top level to lower levels of management.

  b) Informal Information System − this is employee based system which solves the day to day work related problems.

  c) Computer Based System − this system is directly dependent on the computer for managing business applications. For example, automatic library system, railway reservation system, a banking system, etc.

Systems Models

Schematic Models

- A schematic model is a 2-D chart that shows system elements and their linkages.
- Different arrows are used to show information flow, material flow, and information feedback.

Flow System Models

- A flow system model shows the orderly flow of the material, energy, and information that hold the system together.
- Program Evaluation and Review Technique (PERT), for example, is used to abstract a real world system in model form.

Static System Models

- They represent one pair of relationships such as *activity–time* or *cost–quantity*.
- The Gantt chart, for example, gives a static picture of an activity-time relationship.

Dynamic System Models

- Business organizations are dynamic systems. A dynamic model approximates the type of organization or application that analysts deal with.
- It shows an ongoing, constantly changing status of the system. It consists of −
    - Inputs that enter the system
    - The processor through which transformation takes place
    - The program(s) required for processing
    - The output(s) that result from processing.

Categories of Information

There are three categories of information related to managerial levels and the decision managers make.

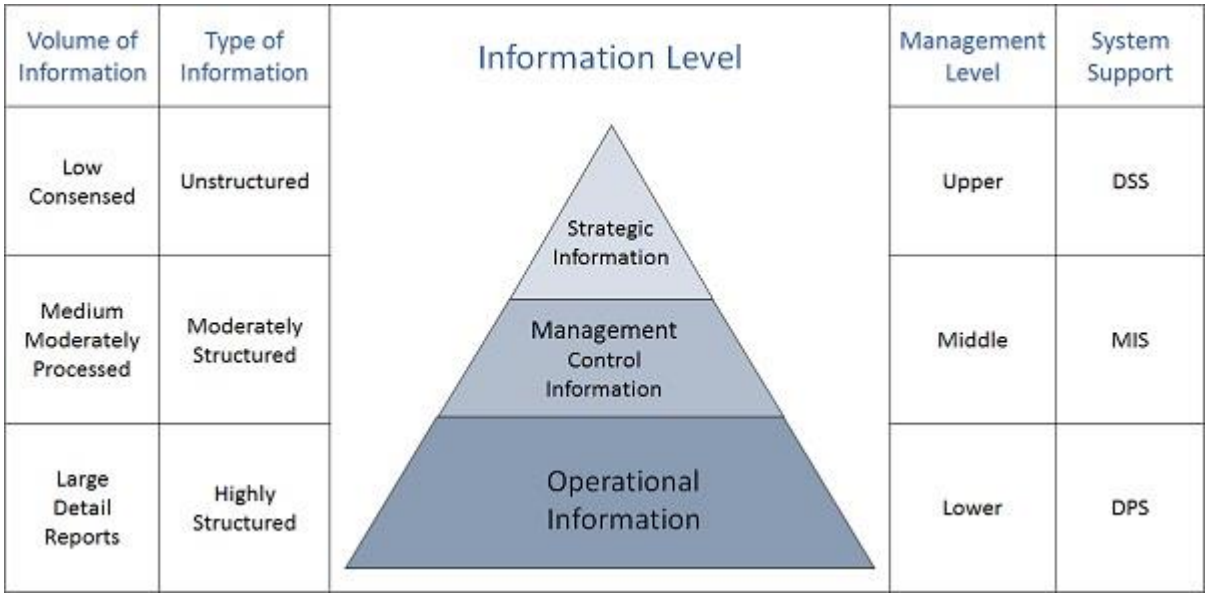


Figure 71: Categories of information in a system

Strategic information

This information is required by topmost management for long range planning policies for next few years. For example, trends in revenues, financial investment, and human resources, and population growth**.**

This type of information is achieved with the aid of decision support system (DSS).

Managerial information

This type of information is required by middle management for short and intermediate range planning which is in terms of months. For example, sales analysis, cash flow projection, and annual financial statements.

It is achieved with the aid of management information systems **(MIS).**

Operational information

- This type of information is required by low management for daily and short term planning to enforce day-to-day operational activities. For example, keeping employee attendance records, overdue purchase orders, and current stocks available.
- It is achieved with the aid of Data Processing Systems (DPS).

Enterprise resource planning (ERP) is established according to organization policy

Enterprise resource planning (**ERP**) is the integrated management of main business processes, often in real time and mediated by software and technology.

ERP is usually referred to as a category of business management software typically a suite of integrated applications—that an organization can use to collect, store, manage, and interpret data from many business activities.

ERP provides an integrated and continuously updated view of core business processes using common databases maintained by a database management system. ERP systems track business resources—cash, raw materials, production capacity—and the status of business commitments: orders, purchase orders, and payroll. The applications that make up the system share data across various departments (manufacturing, purchasing, sales, accounting, etc.) that provide the data. ERP facilitates information flow between all business functions and manages connections to outside stakeholders.

Characteristics

ERP systems typically include the following characteristics:

- An integrated system
- Operates in (or near) real time
- A common database that supports all the applications
- A consistent look and feel across modules
- Installation of the system with elaborate application/data integration by the Information Technology (IT) department, provided the implementation is not done in small steps
- Deployment options include: on-premises, cloud hosted, or SaaS

Functional areas

An ERP system covers the following common functional areas. In many ERP systems, these are called and grouped together as ERP modules:

- Financial accounting:
- Management accounting
- Human resources
- Manufacturing:
- Order processing:
- Supply chain management:
- Project management
- Customer relationship management (CRM)
- Data services:

Connectivity

ERP systems connect to real–time data and transaction data in a variety of ways. These systems are typically configured by systems integrators, who bring unique knowledge on process, equipment, and vendor solutions.

Direct integration—ERP systems have connectivity (communications to plant floor equipment) as part of their product offering. This requires that the vendors offer specific support for the plant floor equipment their customers operate.

Database integration—ERP systems connect to plant floor data sources through staging tables in a database. Plant floor systems deposit the necessary information into the database. The ERP system reads the information in the table. The benefit of staging is that ERP vendors do not need to master the complexities of equipment integration. Connectivity becomes the responsibility of the systems integrator.

Enterprise appliance transaction modules (EATM)—these devices communicate directly with plant floor equipment and with the ERP system via methods supported by the ERP system. EATM can employ a staging table, web services, or system–specific program interfaces (APIs). An EATM offers the benefit of being an off–the–shelf solution.

Custom–integration solutions—many system integrators offer custom solutions. These systems tend to have the highest level of initial integration cost, and can have a higher long term maintenance and reliability costs. Long term costs can be minimized through careful system testing and thorough documentation. Custom–integrated solutions typically run on workstation or server-class computers.

Implementation

ERP's scope usually implies significant changes to staff work processes and practices. Generally, three types of services are available to help implement such changes—consulting, customization, and support.[1] Implementation time depends on business size, number of modules, customization, the scope of process changes, and the readiness of the customer to take ownership for the project. Modular ERP systems can be implemented in stages. Customization can substantially increase implementation times.

Process preparation

Implementing ERP typically requires changes in existing business processes. Poor understanding of needed process changes prior to starting implementation is a main reason for project failure. The difficulties could be related to the system, business process, infrastructure, training, or lack of motivation.

It is therefore crucial that organizations thoroughly analyze business processes before they implement ERP software. Analysis can identify opportunities for process modernization. It also enables an assessment of the alignment of current processes with those provided by the ERP system. Research indicates that risk of business process mismatch is decreased by:

- Linking current processes to the organization's strategy
- Analyzing the effectiveness of each process
- Understanding existing automated solutions

ERP implementation is considerably more difficult (and politically charged) in decentralized organizations, because they often have different processes, business rules, data semantics, authorization hierarchies, and decision centers. This may require migrating some business units before others, delaying implementation to work through the necessary changes for each unit, possibly reducing integration (e.g., linking via Master Data management) or customizing the system to meet specific needs.

A potential disadvantage is that adopting "standard" processes can lead to a loss of competitive advantage. While this has happened, losses in one area are often offset by gains in other areas, increasing overall competitive advantage.

Configuration

Configuring an ERP system is largely a matter of balancing the way the organization wants the system to work with the way it was designed to work. ERP systems typically include many settings that modify system operations. For example, an organization can select the type of inventory accounting—FIFO or LIFO—to use; whether to recognize revenue by geographical unit, product line, or distribution channel; and whether to pay for shipping costs on customer returns.

Two-tier enterprise resource planning

Two-tier ERP software and hardware lets companies run the equivalent of two ERP systems at once: one at the corporate level and one at the division or subsidiary level. For example, a manufacturing company could use an ERP system to manage across the organization using independent global or regional distribution, production or sales centers, and service providers to support the main company's customers. Each independent center (or) subsidiary may have its own business models, workflows, and business processes.

Given the realities of globalization, enterprises continuously evaluate how to optimize their regional, divisional, and product or manufacturing strategies to support strategic goals and reduce time-to-market while increasing profitability and delivering value. With two-tier ERP, the regional distribution, production, or sales centers and service providers continue operating under their own business model—separate from the main company, using their own ERP systems. Since these smaller companies' processes and workflows are not tied to main company's processes and workflows, they can respond to local business requirements in multiple locations.

Factors that affect enterprises' adoption of two-tier ERP systems include:

- Manufacturing globalization, the economics of sourcing in emerging economies
- Potential for quicker, less costly ERP implementations at subsidiaries, based on selecting software more suited to smaller companies
- Extra effort, (often involving the use of Enterprise application integration) is required where data must pass between two ERP systems Two-tier ERP strategies give enterprises agility in responding to market demands and in aligning IT systems at a corporate level while inevitably resulting in more systems as compared to one ERP system used throughout the organization.

Customization

ERP systems are theoretically based on industry best practices, and their makers intend that organizations deploy them "as is". ERP vendors do offer customers configuration options that let organizations incorporate their own business rules, but gaps in features often remain even after configuration is complete.

ERP customers have several options to reconcile feature gaps, each with their own pros/cons. Technical solutions include rewriting part of the delivered software, writing a homegrown module to work within the ERP system, or interfacing to an external system. These three options constitute varying degrees of system customization—with the first being the most invasive and costly to maintain. Alternatively, there are non-technical options such as changing business practices or organizational policies to better match the delivered ERP feature set. Key differences between customization and configuration include:

- Customization is always optional, whereas the software must always be configured before use (e.g., setting up cost/profit center structures, organizational trees, purchase approval rules, etc.).
- The software is designed to handle various configurations and behaves predictably in any allowed configuration.
- The effect of configuration changes on system behavior and performance is predictable and is the responsibility of the ERP vendor. The effect of customization is less predictable. It is the customer's responsibility, and increases testing activities.
- Configuration changes survive upgrades to new software versions. Some customizations (e.g., code that uses pre–defined "hooks" that are called before/after displaying data screens) survive upgrades, though they require retesting. Other customizations (e.g., those involving changes to fundamental data structures) are overwritten during upgrades and must be re-implemented.

Customization advantages include that it:

- Improves user acceptance
- Offers the potential to obtain competitive advantage vis-à-vis companies using only standard features

Customization disadvantages include that it may:

- Increase time and resources required to implement and maintain
- Hinder seamless interfacing/integration between suppliers and customers due to the differences between systems
- Limit the company's ability to upgrade the ERP software in the future
- Create overreliance on customization, undermining the principles of ERP as a standardizing software platform

Extensions

ERP systems can be extended with third–party software, often via vendor-supplied interfaces. Extensions offer features such as:

- product data management
- product life cycle management
- customer relations management
- data mining
- e-procurement

Data migration

Data migration is the process of moving, copying, and restructuring data from an existing system to the ERP system. Migration is critical to implementation success and requires significant planning. Unfortunately, since migration is one of the final activities before the production phase, it often receives insufficient attention. The following steps can structure migration planning:

- Identify the data to be migrated.
- Determine the migration timing.
- Generate data migration templates for key data components

- Freeze the toolset.
- Decide on the migration-related setup of key business accounts.
- Define data archiving policies and procedures.

Often, data migration is incomplete because some of the data in the existing system is either incompatible or not needed in the new system. As such, the existing system may need to be kept as an archived database to refer back to once the new ERP system is in place.

Benefits

- ERP creates a more agile company that adapts better to change. It also makes a company more flexible and less rigidly structured so organization components operate more cohesively, enhancing the business—internally and externally.
- ERP can improve data security in a closed environment. A common control system, such as the kind offered by ERP systems, allows organizations the ability to more easily ensure key company data is not compromised. This changes, however, with a more open environment, requiring further scrutiny of ERP security features and internal company policies regarding security.
- ERP provides increased opportunities for collaboration. Data takes many forms in the modern enterprise, including documents, files, forms, audio and video, and emails. Often, each data medium has its own mechanism for allowing collaboration. ERP provides a collaborative platform that lets employees spend more time collaborating on content rather than mastering the learning curve of communicating in various formats across distributed systems.
- ERP offers many benefits such as standardization of common processes, one integrated system, standardized reporting, improved key performance indicators (KPI), and access to common data. One of the key benefits of ERP; the concept of integrated system, is often misinterpreted by the business. ERP is a centralized system that provides tight integration with all major enterprise functions be it HR, planning, procurement, sales, customer relations, finance or analytics, as well to other connected application functions. In that sense ERP could be described as "Centralized Integrated Enterprise System (CIES)

Disadvantages

- Customization can be problematic. Compared to the best-of-breed approach, ERP can be seen as meeting an organization's lowest common denominator needs, forcing the organization to find workarounds to meet unique demands.
- Re-engineering business processes to fit the ERP system may damage competitiveness or divert focus from other critical activities.
- ERP can cost more than less integrated or less comprehensive solutions.
- High ERP switching costs can increase the ERP vendor's negotiating power, which can increase support, maintenance, and upgrade expenses.
- Overcoming resistance to sharing sensitive information between departments can divert management attention.
- Integration of truly independent businesses can create unnecessary dependencies.
- Extensive training requirements take resources from daily operations.
- Harmonization of ERP systems can be a mammoth task (especially for big companies) and requires a lot of time, planning, and money.

- Critical challenges include disbanding the project team very quickly after implementation, interface issues, lack of proper testing, time zone limitations, stress, offshoring, people's resistance to change, a short hyper-care period, and data cleansing.

Challenges in the system are reported according to the standard operating procedures

MIS - The factors of Success and Failure

Many organizations use MIS successfully, others do not. Though the hardware and the software is the latest and has appropriate technology, its use is more for the collection and storage of data and its elementary processing. There are some factors which make the MIS a success and some others, which make it a failure. These factors can be summarized as follows:

Factors Contributing to Success

If a MIS is to be success then it should have all the features listed as follows

i. The MIS is integrated into the managerial functions. It sets clear objectives to ensure that the MIS focuses on the major issues of the business
ii. An appropriate information processing technology required to meet the data processing and analysis needs of the users of the MIS is selected.
iii. The MIS is oriented, defined and designed in terms of the user's requirements and its operational viability is ensured
iv. The MIS is kept under continuous surveillance, so that its open system design is modified according to the changing information needs
v. MIS focuses on the results and goals, and highlights the factors and reasons for non-achievement
vi. MIS is not allowed to end up into an information generation mill avoiding the noise in the information and the communication system.
vii. The MIS recognizes that a manager is a human being and therefore, the systems must consider all the human behavioral factors in the process of the management.
viii. The MIS recognizes that the different information needs for different objectives must be met with. The globalization of information in isolation from the different objectives leads to too much information and information and its non-use.
ix. The MIS is easy to operate and, therefore, the design of the MIS has such features which make up a user-friendly design.
x. MIS recognizes that the information needs become obsolete and new needs emerge. The MIS design, therefore, has a basic potential capability to quickly meet new needs of information.
xi. The MIS concentrates on developing the information support to manager critical success factors. It concentrates on the mission critical applications serving the needs of the top management.

Factors Contributing to Failures

Many a times MIS is a failures. The common factors which are responsible for this are listed as follows:

i. The MIS is conceived as a data processing and not as an information processing system.
ii. The MIS does not provide that information which is needed by the managers but it tends to provide the information generally the function calls for. The MIS then becomes an impersonal system.
iii. Underestimating the complexity in the business systems and not recognizing it in the MIS design leads to problems in the successful implementation.
iv. Adequate attention is not given to the quality control aspects of the inputs, the process and the outputs leading to insufficient checks and controls in the MIS.
v. The MIS is developed without streamlining the transaction processing systems in the organization.
vi. Lack of training and appreciation that the users of the information and the generators of the data are different, and they have to play an important responsible role in the MIS.
vii. The MIS does not meet certain critical and key factors of its users such as a response to the query on the database, an inability to get the processing done in a particular manner, lack of user-friendly system and the dependence on the system personnel.
viii. A belief that the computerized MIS can solve all the management problems of planning and control of the business.
ix. Lack of administrative discipline in following the standardized systems and procedures, wrong coding and deviating from the system specifications result in incomplete and incorrect information.
x. The MIS does not give perfect information to all the users in the organization.

Every report should have the following sections:

- ✓ Title page
- ✓ Table of content
- ✓ Executive summary
- ✓ Introduction
- ✓ Discussion
- ✓ Conclusion
- ✓ Recommendations
- ✓ References
- ✓ Appendices

<u>ICT system is upgraded or downgraded in accordance with the ICT policy</u>

In computing, downgrading refers to reverting software (or hardware) back to an older version; downgrade is the opposite of upgrade. Often, complex programs may need to be downgraded to remove unused or bugged features, and to increase speed and/or ease of use. The same can occur with machinery.

Users wanting to return to, or downgrade to (with some even calling it an "upgrade") because performance and familiarity issues.

Another reason could be that the user's applications do not support their new OS and they want to revert to an older version.

Upgrading is the process of replacing a product with a newer version of the same product. In computing and consumer electronics an upgrade is generally a replacement of hardware, software or firmware with a newer or better version, in order to bring the system up to date or to improve its characteristics.

Examples of common hardware upgrades include installing additional memory (RAM), adding larger hard disks, replacing microprocessor cards or graphics cards, and installing new versions of software. Many other upgrades are possible as well.

Common software upgrades include changing the version of an operating system, of an office suite, of an anti-virus program, or of various other tools.

Common firmware upgrades include the updating of the iPod control menus, the Xbox 360 dashboard, or the non-volatile flash memory that contains the embedded operating system for a consumer electronics device.

Users can often download software and firmware upgrades from the Internet. Often the download is a patch—it does not contain the new version of the software in its entirety, just the changes that need to be made. Software patches usually aim to improve functionality or solve problems with security. Rushed patches can cause more harm than good and are therefore sometimes regarded with skepticism for a short time after release. Patches are generally free.

A software or firmware upgrade can be major or minor and the release version code-number increases accordingly. A major upgrade will change the version number, whereas a minor update will often append a ".01", ".02", ".03", etc. For example, "version 10.03" might designate the third minor upgrade of version 10. In commercial software, the minor upgrades (or updates) are generally free, but the major versions must be purchased.

Companies usually make software upgrades for the following reasons:

1.) To support industry regulatory requirements

2.) To access emerging technologies with new features, and tools

3.) To meet the demands of changing markets

4.) To continue to receive comprehensive product sup

Learning Activities

Knowledge	Learning activity	Special instructions
• Undertaking	1. Undertake a field trip	○ Seek proper

systems networking • Developing Systems of sharing information • Reporting challenges in the system Upgrading or downgrade	to a business organization and assess the systems networks, information sharing system, upgrade and down grade 2. Assess and report on the challenges being experienced	authorization o Prepare assessment tools o Prepare a checklist
Establishing enterprise resource planning (ERP	Role play on preparing a presentation on establishing an enterprise resource planning and make a power point presentation to the management	o Gather the necessary information o Follow the right procedures used o Good power point slides, logical, good use of grammar and neat presentation

Self-Assessment

1. Distinguish between system software and application software.
2. Which are the factors that would determine the type of network topology a firm is to adopt?
3. Which are the benefits of using fibre optic cables
4. What are the characteristics of a system
5. How can validation checks be carried out on data during data input
6. What factors would be considered before purchasing any DTP software

Tools, Equipment, Supplies and Materials

- Computer
- Internet connectivity
- Stationery
- Phones
- Remotes
- Software
- Tablets
- Network cables
- Printers

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Sample answers to the self-assessment questions

1 Distinctions between a system software and an application software

- ✓ System software are designed to manage the operations of a compute and avail computer resources to the user. Application software are designed to enable the user accomplish a specific task.
- ✓ Examples of system software are Operating systems, Firmware, Networking software and Utility software
- ✓ Examples of application software are Word processor, Spreadsheets, Desktop Publishing (DTP), Databases and Computer Aided Design (CAD)
- factors that would determine the type of network topology a firm is to adopt

2 Factors that would determine the type of network topology a firm is to adopt

- ✓ Installation cost
- ✓ Number of terminals to be connected
- ✓ Expandability of the topology
- ✓ Cabling

3. Benefits of using fibre optic cables

- ✓ It is more economical choice when transmitting data over long distances
- ✓ Secure
- ✓ It is immune to electromagnetic and electrical interference which introduces noise to the signal
- ✓ Suffers low attenuation
- ✓ It has a larger band width
- ✓ Enables fast transmission of data
- ✓ They use light signal in data transmission and hence they do not emit electrical signals and hence can be used in highly flammable areas

4. Characteristics of a system
   - ✓ Holistic thinking

- ✓ Subsystems
- ✓ Process
- ✓ Open and closed system
- ✓ System entropy
- ✓ Purpose
- ✓ Inputs and outputs
- ✓ control

5. How validation checks be carried out on data during data input
   - ✓ Range check
   - ✓ Type check
   - ✓ Length check
   - ✓ Spelling/grammar check
   - ✓ Data consistency
   - ✓ Presence check
   - ✓ Reasonableness
6. Factors that would be considered before purchasing any DTP software
   - ✓ Cost of the software
   - ✓ The available features
   - ✓ User-friendliness
   - ✓ Availability in the market
   - ✓ After sales support
   - ✓ Compatibility with the existing software
   - ✓ Memory capacity it occupies on the machine

7.2.5 LEARNING OUTCOME 5: CONDUCT ICT USER TRAINING

Introduction to the learning outcome

This learning outcome is conducting ICT user training. The activities involved include: Carrying out training needs assessment, setting training objectives, preparing training programmes preparing training budget, obtaining training resources, carrying out ICT training, carrying out evaluation of training, preparing and sharing training report

Performance Standard

1. Training needs assessment is carried out in accordance with HR training procedures
2. Training objectives are set based on training needs
3. ICT Training programmes is prepared as per HR procedures
4. ICT Training budget is prepared according to organization finance procedures and policy
5. ICT Training resources are obtained in accordance with budget
6. ICT training is carried out as per training programme and budget
7. Evaluation of training is carried out as per training needs and objectives set
8. Training report is prepared and shared according to organization procedures

Information Sheet

Definition of terms

Training

It is the act of increasing the knowledge and skills of an employee for performing the job assigned to him. Training has been defined by different scholars of management. Some important definitions of training are as under.

Introduction

Training is an activity leading to skilled behavior, the process of teaching employees the basic skills they need to perform their jobs. The heart of a continuous effort designed to improve employee competency and organizational performance.

Training typically focuses on providing employees with specific skills or helping those correct deficiencies in their performance.

It is a short-term learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules, or changing of attitudes and behaviors to enhance the performance of employees.

So, Training is a social and continuous process of increasing skills, knowledge, attitudes and efficiency of employees for getting better performance in the

Definition of Training

According to Garry Dessler, “Training is the process of teaching new employees the basic skills they need to perform their jobs”.

According to Jack Halloran, “Training is the process of transmitting and receiving information related to problem-solving”.

Objectives of Training program

The chief aim of formal education for the manager is to increase his ability to learn from experience. The second aim is to increase his ability to help his subordinates to learn from experience.

According to McGregor, there are three different purposes for training.

1. Acquiring Intellectual Knowledge.
2. Acquiring Manual Skills.
3. Acquiring Problem Solving Skills.

Steps in Training Process/Phases of Training

1. Decide If Training is needed.
2. Determine What Type of Training is needed.
3. Identifying Goals and Objectives.
4. Implementing Training.
5. Evaluation of the Training Program.

Step 1: Decide If Training is needed

In order to compete effectively, firms must keep their employees well trained. The first step in the training process is a basic one, to determine whether a problem can be solved by training.

The first step in the Training process is to determine Training needs. The overall purpose of the assessment phase is to determine if training is needed and, if so, to provide the information required designing the training program.

Training is conducted for one or more of these reasons:

- Required legally or by order or regulation,
- To improve job skills or move into a different position,

- To make an organization to remain competitive and profitable.

  If employees are not performing their jobs properly, it is often assumed that training will bring them up to standard. This may not always be the case. Ideally, training should be provided before problems or accidents occur and should be maintained as part of quality control.

  The assessment consists of three levels of analysis: organizational, task, and person.

  1. **Organizational Analysis:** It is an examination of the kinds of problems that an organization is experiencing and where they are located within an organization.

  2. Organizational Analysis**:** It is an examination of the kinds of problems that an organization is experiencing and where they are located within an organization.

  3. Task/Operational Analysis: An operational analysis identifies the kinds of the skills and behaviors required of the incumbents for a given job and the standards of performance that must be met.

  4. Personnel Analysis**:** The objective of the personnel analysis is to examine how well individual employees are performing their jobs. Training should be given to those who need it. Assigning all employees to a training program, regardless of their skill levels, is a waste of organizational resources and create an unpleasant situation for employees who do not need training. The objectives of training must be clarified, related to the areas identified in the task analysis, and should be challenging, precise, achievable, and understood by all.

Step 2: Determine What Type of Training is needed

The employees themselves can provide valuable information on the training they need. They know what they need/want to make them better at their jobs. Just ask them!

Also, regulatory considerations may require certain training in certain industries and/or job classifications.

Once the kind of training that is needed has been determined, it is equally important to determine what kind of training is not needed.

Training should focus on those steps on which improved performance is needed. This avoids unnecessary time lost and focuses the training to meet the needs of the employees.

Step 3: Identifying Goals and Objectives

Once the employees' training needs have been identified, employers can then prepare for the training.

Clearly stated training objectives will help employers communicate what they want their employees to do, to do better, or to stop doing!

Learning objectives do not necessarily have to be written, but in order for the training to be as successful as possible, they should be clear and thought-out before the training begins.

Step 4: Implementing Training

Training should be conducted by professionals with knowledge and experts.

Training should be conducted by professionals with knowledge and expertise in the given subject area.

Nothing is worse than being in a classroom with an instructor who has no knowledge of what they are supposed to be teaching! Use in-house, experienced talent or an outside professional best option.

The training should be presented so that its organization and meaning are clear to employees. An effective training program allows employees to participate in the training process and to practice their skills and/or knowledge.

Employees should be encouraged to become involved in the training process by participating in discussions, asking questions, contributing their knowledge and expertise, learning through hands-on experiences, and even through role-playing exercises.

Actually for making the training program effective the targeted group employee and the using of methods such as On-the-job or Off-the-job training should select first. The capacity and knowledge of trainers and their acceptance by the participants are of secondary importance.

1. **On the job:** Training is administered at the actual work site using the actual work equipment

2. **Off the job:** Training is administered away from the actual work site. It may be any prominent hall room or auditorium but the required training environment equipment and materials should be available or arranged there.

The training program that results from the assessment should be a direct response to an organizational problem or need. Approaches vary by location, presentation, and type.

Step 5: Evaluation of the Training Program

One way to make sure that the training program is accomplishing its goals is by using an evaluation of the training by both the trainees and the instructors Training should have, as one of its critical components, a method of measuring the effectiveness of the training.

*Evaluations of the training program will help employers or supervisor***s** determine the amount of learning achieved and whether or not an employee's performance has improved on the job as a result.

Assess the program's success or failures. The credibility of training is greatly enhanced when it can be shown that the organization has benefited tangibly from such programs.

Organizations have taken several approaches in attempting to determine the worth of specific programs.

In this phase, the effectiveness of the training is assessed.

Effectiveness can be measured in monetary or non-monetary terms. It is important that the training is assessed on how well it addresses the needs it was designed to address.

- **Participants Opinions:** Evaluating a training program by asking the participants' opinions of it is an inexpensive approach that provides immediate response and suggestions for improvements. The basic problem with this type of evaluation is that it is based on opinion rather than fact. In reality, the trainee may have learned nothing, but perceived that learning experiences have occurred.

- **The extent of Learning:** Some organizations administer tests to determine what the participants in the training program have learned. The pretest, posttest, control group design is one evaluation procedure that may be used.

- **Behavioral Change:** Tests may indicate fairly accurately what has been learned, but they give little insight into desired behavioral changes.

- **The accomplishment of Training Objectives:** Still another approach to evaluating training programs involves determining the extent to which stated objectives have been achieved.

- **Benchmarking:** Benchmarking utilizes exemplary practices of other organizations to evaluate and improve training programs. It is estimated that up to 70 percent of American and recently European and Indian firms engage in some sort of benchmarking.

- **A Case for Simplicity:** Value is the measure of impact and positive change elicited by the training.

Advantages of Training Program

Training brings about benefit/ advantages both to the organization and employees. Let us have a look at these:

Advantages to the Organization

Goldstein and Gilliam also outlined six reasons why companies believe that investments in training can help them gain a competitive advantage.

1. **Increased efficiency of employees:** An effective training program can make the employees of the company work in an effective manner. With training, people gain confidence and this confidence is seen in the output and results.

2. **Reduced supervision:** An employee needs to be supervised when he works. When the employee has got sufficient training the amount of supervision required is less as mistakes are less. This reduces the workload of the supervisor.

3. **Less amount of wastage:** The amount of wastage by an employee reduces a lot due to training and therefore if we take an account of the amount of wastage we find that the company has saved a lot of money.

4. **Reduced turnover:** Proper training improves the chances of obtaining promotions and employees are happy because they have better opportunities. This will be lowering employee turnover intention and hence labor turnover in the company

5. **Helps in better functioning of the organization:** Training always benefits employees, whether old or new. In the case of new employees, training helps them a lot. This is because new employees may not be aware of the functioning of the organization and training helps them to gain knowledge and insight into the working of the company.

6. **Better labor-management relations:** Labor-management relations are very essential for any organization. When companies introduce training programs and prepare employees for future jobs and promotions they send out a message to the unions that they are interested in employee welfare. Due to this the unions also adopt a positive attitude and labor-management relations improve.

Advantages to the Employee

Contributing to the debate on the general benefits of employee training and development, McNamara (2008) stated numerous benefits.

A training program has the following advantages. Advantages to the Organization are:

1. **Self-confidence:** Training leads to an increase in employee self-confidence. The person is able to adjust to his work environment and doesn't feel humiliated in front of his seniors. This confidence leads to chances of better efforts in the future of the employees.

2. **Increased motivation levels:** Training brings a positive attitude among employees and increases the motivation levels of the employees in the organization, thereby improving the results of the organization.

3. **High rewards:** An effective training program helps an employee to take the benefit of the reward systems and incentives available in the company. Thus the employee is able to get these rewards, which in turn increases his motivation levels.

4. **Group efforts:** An effective training program not only teaches an employee how to do his work but also trains him to work as a part of the group. Thus training program improves group efforts.

5. **Promotion:** Effective training program increase performance and increase the chances of obtaining promotions. Many employees even opt for a certain program so that they can help the employee improve his chances of promotions and obtaining higher positions in the organization.

Principles of Training

The training must be a continuous process; must be planned systematically in order to accomplish the desired results efficiently; must result in benefits both to the organization as well as employee

According to Littlefield, C. I. and Rachel, R., in order for the training program to be effective, the following principles must form the basis for training programs:

1. Training is most effective when the learning experience occurs under conditions that are identical to the actual conditions that occur on the job.

2. Training is most effective if the supervisor, who is training the employees, is made responsible for the progress of the candidate and overall results of the training program.

3. Training is most effective if the learner is given helpful, friendly and personal attention and instruction. This would create self-confidence in the employee and the desire to do better.

Identifying the Training Needs

Training needs analysis seeks to answer the questions, who if any, need training?

And what training do they need?

The questions may be very simple ones, but getting good answers to these questions constitute one of the most difficult steps in the total training process.

A training need exists when an individual lacks the knowledge or skills required for the execution of an assigned task satisfactorily.

The purpose of a training needs identification exercise, therefore, is to identify the gap between required and the actual competencies so as to determine the kinds of training that would help bridge the gap.

It is important to assess whether there is a need for training.

Two elements need consideration in carrying out a training needs analysis such as the job requirements and the person requirements.

At the same time, Robbins and Decenzo suggest that management can determine the training needs of an employee by answering four questions:

1. What are the organization's goals?

2. What tasks must be completed to achieve these goals?

3. What behaviors are necessary for each job incumbent to complete his assigned tasks?

4. What deficiencies, if any, do incumbents have in the skills, knowledge or attitudes needed to perform the necessary behaviors?

These questions demonstrate the close link between human resources planning and determination of training needs. Based on the determination of the organization's needs, the type of work that is to be done, and the type of skills and knowledge necessary to complete the work, a training program should be followed naturally.

Need for Training Policy

To ensure consistency in training and development function, the HR department of each organization develops a suitable training policy, defining the scope, objective, philosophy, and techniques. Such a training policy serves the following purposes:

1. It defines what the organization intends to accomplish through training;

2. It indicates the type of persons to be responsible for training functions;

3. It identifies the formal and informal nature of training;

4. It spells out the duration, time and place of training;

5. It indicates the need for engaging outside institutions for training;

6. It embraces and includes training in relation to the labor policies of the organization.

Methods for Determining Training Needs

HRM experts have identified the different methods for the identification of training needs.

These methods are briefly discussed below:

1. Observation and analysis of job performance;
2. Management recommendations;
3. Staff conferences and recommendations;
4. Analysis of job requirements;
5. Consideration of current and projected changes;
6. Surveys, reports, and inventories;

Once it has been determined that training is necessary, training goals must be established. Management should state what changes or results are sought for each employee.

These goals should be tangible, measurable and verifiable. Goals should be clear to both, management and employee. Both should know what is expected from the training effort.

What is a Training Budget

There is no real need to go into lengthy explanations about the training budget definition, but it's good to have a general idea of what it is and what it isn't**.** Think of it as all direct and indirect costs associated with courses and materials needed to analyze, design, develop, implement, evaluate, and maintain employee training or retraining.
In some sectors, there is an ongoing requirement for maintaining certifications to adhere to local, state and professional regulations related to their jobs. This can create substantial expense for small and medium companies.

Creating a training budget plan is not just necessary from a regulatory point of view, but it does make sense financially**.** It is one way to ensure your personnel has the skills and competencies required to complete tasks up to the required standard of quality.
The question becomes how to prepare training budgets without breaking the bank? Let's look at a few ways to maximize the return on your training cost.

How much do companies spend on training

Many medium and large organizations invest anywhere from 2 to 5% of salary budgets back into training**.** While that may not be realistic for a small business, it's important to find a training budget per employee your company can absorb. For this purpose, you can go on a 'needs' basis. For example, outside trainers can seem attractive, but they are not absolutely necessary.

Sometimes, senior employees under management supervision can do just as good a job as external training providers, and they'll cost you next to nothing. Of course, it all depends on the type of training you're interested in, as some professional and industry-specific subjects can't be handled internally.

Before you begin planning your budget, start by assessing the training needs of your business**.** You may need to focus on researching which skill deficit is affecting productivity and performanc**e**. This way, your program can identify and focus on the real issues and actual needs of the business and its employees, and your training budget can be put to good use.

How to manage training expenses

Budgeting for your company's training needs does not mean using surplus money when you have it. Ideally, you need to build a separate line item for training into your annual budget. A training budget should factor in the following costs:

· Initial briefing about the training program
· Training delivery (e.g. classes, video tutorials, eLearning, course fees)
· Training materials (workbooks, videos)
· Staff time (including replacement time)
· Instructor fee (if applicable)
· Travel, lodging or meal expenses required to participate (if applicable)
· Ongoing training (upkeep)
· Contingencies

Upon approval, your training budget needs to be carefully managed if you want to stay on track**.** This responsibility lies with the HR department. Naturally, every now and then there will be extra costs due to unforeseen events, such as employees quitting or temporarily leaving the company (maternity leave, sick days, vacations, etc.).

Bear in mind that training costs increase if you need to rely on external resources. As your company and staff grow, your training cost per employee will increase as well.

Keep in mind that the most important item in effective cost management is to understand the cost-revenue structure of your business**.** When you take a strategic view of your training program, you can accurately determine what your company needs and how to go about delivery in the most cost-efficient way possible.

Prioritize and develop a clear understanding of how the learning and development activities can be factored into your organization's strategy**.** This will allow you to achieve the desired results without going over the budget.

Optimizing training structure and minimizing costs

Once you have prioritized the training needs of your employees and drafted an initial training budget, you can look at ways to maximize its cost efficiency. Once you look at the cumulative expenses of training cost per employee, you can consider several ways of reducing them:

Internally

There are a lot of options for employers who can't afford to bring outside help and they can produce adequate results in training your employees. These include:

- Group training**:** earn volume discounts by training multiple employees at once.
- Find Trainers within your company**:** focus on training one employee with strong communication and interaction skills and have them train the rest. You can expand their job description to include training their colleagues.
- Hosting Weekly or Monthly events**:** These don't have to be formal and are a great way for team members to get involved, educated and motivated. Select a topic of discussion in advance and cover all questions and concerns they may have. Listen to the information they're sharing and synthesize it in follow-up e-mails or memos for quick access.
- Cross-training employees**:** This is common practice in businesses that rely on an agile workforce. Give your employees new roles or responsibilities and have them sit with someone who is comfortable performing the tasks you want them to learn. Change roles frequently to keep your employees motivated and continuously learning.
- Starting a Mentorship Program**:** Expanding on cross-training employees, a mentorship program benefits new and inexperienced workers without having you actually pay for their training. Have a senior worker act as a mentor and ease their transition into your corporate environment. The added benefit of a mentorship program is increased accountability.

Externally

External training resources don't have to break the bank and throw your training budget out of order**.** If you're smart about how you distribute resources and take advantage of industry-specific offers, there are ways to optimize your training costs:

- Re-using materials**:** most training materials such as videos have a long shelf life and may be used repeatedly. A lot of offices don't want to have anything lying around that's not constantly in use, but text books, CDs, and DVDs can be stored and used for new employees, so don't be quick to throw them away just yet.
- ELearnin**g:** electronic options are more affordable than traditional training. ELearning is usually associated with decreased material costs as all or most of the training information is available online. It allows for flexibility and reduces travel costs too, as employees can access courses remotely. The eLearning model supports the learner's development in real-time and offers a certain degree of personalizatio**n** and synchronization.
- Associations or Trade Groups**:** some industry associations offer discounted or free training program**s** for members at annual events, online, and through seminars.
- Turning to your Vendors and Clients**:** you can negotiate free or reduced-cost training from your vendors for specific projects or products. Clients are motivated to invest in training if it means they will receive better service.

You can use these techniques individually or try a combination based on your business needs. Ultimately, having the right training program in place will save you money in the long run.

Supporting Company Goals through Efficient Training Budgets

Ultimately, efficient training cost management comes down to employee commitment**.** If you want to be successful you need to factor in this component. This means setting specific goals for employees that you expect them to achieve.
Of course, they shouldn't feel pressured that their jobs depend on it, but holding them accountable is part of the dynamic of your working relationship.

Many employers use training courses as part of employee annual performance reviews to address competency gaps, as well as employees' desired areas of improvement. This includes setting specific training goals for each employee and letting them know they are monitored.
It's a good idea to assess the impact training has had on their overall skills and performance on a monthly and annual basis as well.

If you are paying for outside classes to improve their knowledge on a specific subject, get employees to commit to working for you for a specified period of time after completing the training**.** You can have your HR department include a reimbursement clause in their employment contract if they aren't able to fulfill the agreement.
Ultimately, you want to have the full support for training efforts from your senior staff and HR employees**.** If they understand the long-term value of employee development and training budget allocation, they will be able to assist you in every way possible.

What is a Training Report?

Generally, a training report will evaluate the positive and negative aspects of a training program after the event has occurred. As such, you'll start by defining the training program with a cover page that includes the name, location and date of the training. Include the date of the report, the author's name and contact information in a second block of information on the cover page. Depending on the duration of the training, some reports are necessarily longer than others. An annual review of a multi-city weekly training program is longer than a report concerning a two-hour training program, for example. Long reports incorporate a table of contents so readers can easily navigate the data.

Describe the Background and Objectives

Depending on the length of the report, training program background and objectives might be written as separate sections. Short reports often combine these components. The background component describes a training summary and how information for the report was gathered. Reports might include feedback from trainers and attendee reviews or surveys. Define why the training occurred and what leadership sought to accomplish by appropriating resources for the program. If the program doesn't define why the training occurred, it isn't possible to properly evaluate whether the objectives were met.

Describe the Training Methods and Activities

Include an explanation for how the training was conducted. Describe the presentation content as well as participant workshop exercises and the duration of

each. Detail how learning aids were used in the course of the training program. Also, discuss any field trips that occurred in the course of the training.

Break this section into subsections if the training was extensive, conducted over extended periods of time and across geographic areas, or had many different types of activities. For example, a three-day sales-training workshop could have guest speakers, a sales manager breakout session and a ropes course for team building. Each of the speakers, sessions and the ropes course are explained in different subsections.

List Your Key Findings and Recommendations

Since the objectives and methods were previously defined, this section highlights the key takeaways. Review key feedback common in surveys. Be specific but don't get bogged down in too many details. The conclusions discuss potential implications to the organization based on the key findings. Make recommendations a separate section. Avoid combining recommendations with conclusions. There may be some overlap with the ideas discussed in key findings. However, keeping recommendations separate allows readers to succinctly find information to help the organization move forward productively.

Attach Supporting Documentation

Include supporting documents such as copies of training materials, slide presentations or agendas. This information is supplemental but helps future training program planner's review exactly where new changes can be implemented during training.

Parts of a Training report

- Introduction and background
- Rationale for the **t**raining.
- Broad and specific objective of the training
- Training method(s)
- List of materials distributed
- Planning activities
- Participant's evaluation and feedback.

Conclusion

In the age of globalization, knowledge is becoming a reliable source of sustained competitive advantage. It is becoming a basic capital and the trigger of development.

Modern organizations therefore use their non-HR resources (money, time, energy, information, etc.) for permanent training and development of their human resources.

Since the organizational knowledge is largely located inside the human mind, i.e. the head of employees, as carriers of knowledge and activities, human resources are becoming the key factor of business success.

Organizational development is always conditioned by human knowledge and skills. This is why; contemporary organizations pay more and more attention to the development of their employees.

Thus, employee education and training are becoming an optimal answer to complex business challenges, and the management of the human resource is taking a central role in modern management.

Employees are hired based on their current knowledge. New employees may not be able to perform their assigned job satisfactorily. As time goes on knowledge becomes obsolete.

Often they must be trained to the duties they are expected to do. Even the experienced employees in a new job need the training to improve their performance.

Through the process of employee training and development, the management of human resources provides constant knowledge innovation, creates conditions for mutual knowledge and experience exchange, and proactive behavior- in this way contributing to competitive advantage and satisfaction of all participants in business procedures.

Training is not a luxury; it is a necessity if companies are to participate in the global electronic marketplaces by offering high- quality products and services.

Training is the process of providing required skills to the employee for doing the job effectively, skillfully and qualitatively. Training of employees is not continuous, but it is periodical and given in specified time. Generally, training is given by an expert or professional in the related field or job.

Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mold him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has'& what the job demands.

Training is required at every stage of work and for every person at work. To keep one updated with the fast-changing technologies, concepts, values, and environment, training plays a vital role.

Training programs are also necessary for any organization for improving the quality of the work of the employees at all levels. It is also required when a person is moved from one assignment to another of a different nature.

Taking into account this context, this chapter aims at providing insight into the concept, need and methods of training, also areas of evaluation of training, retraining, and dimensions of organizational learning.

Learning Activities

Knowledge	Learning activity	Special instructions
• Carrying out training needs assessment	Visit a large	• Wear

• Setting training objectives • Preparing training programs • Preparing training budget • Obtaining training resources	organization within your locality and carry out an ICT training needs assessment, set the objectives, prepare a budget and identify the resources required	appropriate PPEs • Seek proper authorization • Prepare a checklist
• Carrying out ICT training	Role play on conducting the ICT training	Role play with appropriate participants, materials, venue.
• Carrying out evaluation of training Preparing and sharing training report	Prepare a power point presentation how you would carry out the evaluation and a training report	Properly prepared slides

Self-Assessment

1. How does an organization benefit from training its employees
2. Which are the ways of evaluating a training program
3. Which are the on job training methods that can be used in an organization
4. How would the training needs of employees be identified
5. Why is it important to set training objectives

Tools, Equipment, Supplies and Materials

- Compuer
- Internet connectivity
- Stationery
- Phones
- Remotes
- Software
- Tablets
- Network cables
- Printers

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Sample answers for self-assessment items

1 How an organization benefits from training its employees

- ✓ Employees learn standard methods of performance
- ✓ Helps to reduce staff turnover
- ✓ Helps reduce production cost
- ✓ Gives employees fresh interest in work
- ✓ To keep abreast with changing technology

2 Ways of evaluating the effectiveness of a training program

- ✓ Self-assessment questionnaires
- ✓ Informal feedback from peers and managers
- ✓ Focus groups
- ✓ On-the-job observation
- ✓ Actual job performance key performance indicators

3 On job training methods that can be used in an organization

- ✓ Coaching
- ✓ Delegation
- ✓ Secondment
- ✓ Guided projects

4 How the training needs of employees would be identified

- ✓ Views of line managers
- ✓ Performance appraisal
- ✓ Company and departmental plans
- ✓ Quality and quantity of employees out put

5 Why it is important to set training objectives

- ✓ Spell out the employees targeted
- ✓ Defines the content of learning
- ✓ Helps determine the methods to be used
- ✓ Aids in determining financial allocations
- ✓ Helps in carrying out evaluation

7.2.6 LEARNING OUTCOME 6: PROMOTE ICT INNOVATION

Introduction to the learning outcome

This learning outcome is on promoting ICT innovation. The activities involved include: evaluating current technologies in ICT, identifying and conducting training needs on ICT, adopting and managing ICT new technologies and conducting impact assessment on new ICT technology uptake

Making recommendation on ICT uptake

Performance Standard

1. Current technologies in ICT are identified and evaluated according to the organizational needs
2. Training needs on ICT are identified and conducted according to the needs and approved budget
3. ICT new technologies are adopted and managed as per ICT guidelines
4. Impact assessment on new ICT technology uptake is conducted according to the organization policy
5. Recommendation on ICT uptake is made

Information Sheet

Definition of terms

Current technologies in ICT are identified and evaluated according to the organizational needs

Steps to determine if technology is right for you

1. Define the business need and goal
2. Determine if the goal could be achieved without technology
3. Conduct a simple return on investment (ROI) analysis
4. Cost
5. Return
6. Compare at least three vendors.

Evaluation criteria

Once you have heard or read about a great new technology promising a better development experience, cost-saving potential or any other benefit. Before adopting new technology it is important to consider different evaluation criteria and questions before making any investment decision.

For effective technology management, the factors to consider are:

i. **Development Cost:** Estimate the cost of integrating this technology into the organization. Development time costs money. Think of it this way: What is the cost of hiring the developers who know this technology compared to the cost of current developers.

ii. **Threat:** Estimate the risk of implementing the new technology in terms of security, financial aspect, and business viability. If you don't know what the technology will look like in the future, chances are you'll suffer from it.
iii. **Capability:** Evaluate new capabilities that this technology brings compared to what there is now. Unless the technology opens up important capabilities, chances are it isn't worth it.
iv. **Usability:** Assess if usability improves to address user's problems, for example with an app design. Do you think this new technology will address the existing usability problems?
v. **Interoperability:** Measure the level of interoperability between the technologies that support this trend and existing technologies and systems.
vi. **Integration**: Measure the ease of integration of the technology into the existing IT systems. If the integration into the existing systems is quick and easy, it gives an opportunity to realize make value using the technology faster.
vii. **Application:** Analyze the existing pilot projects or proof of concepts leveraging the technology. Try to analyze if the technology's ecosystem is expanding or shrinking.
viii. **Legal Compliance:** Scan the regulatory and compliance requirements linked to this technology implementation.
ix. **Security and Privacy:** Measure the security risks and privacy concerns coming from this technology. If the technology isn't secure, it is better not to be used for anything that needs secure technologies.
x. **Social and Cultural:** Forecast the response of the society in regard to this technology adoption.

Investing in new technology is usually a long-term decision causing wide-ranging consequences. Make sure to dedicate enough time to specify and prioritize the factors for evaluation to end up with robust decisions.

<u>Training needs on ICT are identified and conducted according to the needs and approved budget</u>

How to Conduct an Effective Training Needs Analysis

1. Step 1: Determine the Desired Business Outcomes. The information can be gathered from:

    - Conversations with managers and team leads
    - Company documentation (manuals, job aids, lists of job duties, etc.)
    - Evaluations of high performers currently performing the task

2. Step 2: Link Desired Business Outcomes with Employee Behavior. This will be determined by the gaps in the employees which can be identified from:

        - Observing learners on the job
        - Interviewing supervisors and managers
        - Analyzing company metrics
        - Analyzing performance reports

3. Step 3: Identify Trainable Competencies

   Determine the Cause of the Performance Gap, and Offer Solutions

   Now that you know the specific performance gap, you'll need to identify the cause, before you can identify the right solution. To do so, you should investigate all the possible factors that could affect performance, including:

   - Feedback
   - Knowledge and skills (past training)
   - Motivation
   - Capacity
   - Tools and equipment

4. Step 4: Evaluate Competencies

5. Step 5: Determine Performance Gaps
6. Step 6: Prioritize Training Needs
7. Step 7: Determine How to Train
8. Step 8: Conduct a Cost Benefit Analysis

   ICT new technologies are adopted and managed as per ICT guidelines
   a list of useful change management tools that you can use to adapt to new changes in your organization seamlessly.

   - Flowcharts/ Process Maps
   - ADKAR Analysis
   - Culture Mapping
   - Force Field Analysis
   - Stakeholder Analysis
   - Kotter's 8 Step Change Model
   - Lewin's Change Model
   - Gantt Charts

   Essential steps to ensure change initiative are successful.

   1. Identify what will be improved: Since most change occurs to improve a process, a product, or an outcome, it is critical to identify the focus and to clarify goals. This also involves identifying the resources and individuals that will facilitate the process and lead the endeavor. Most change systems acknowledge that knowing what to improve creates a solid foundation for clarity, ease, and successful implementation.

   2. Present a Solid Business Case to Stakeholders: There are several layers of stakeholders that include upper management who both direct and finance the endeavor, champions of the process, and those who are directly charged with instituting the new normal. All have different expectations and

experiences and there must be a high level of "buy-in" from across the spectrum. The process of onboarding the different constituents vary with each change framework, but all provide plans that call for the time, patience, and communication.

3. Plan for the Change: This is the "roadmap" that identifies the beginning, the route to be taken, and the destination. You will also integrate resources to be leveraged, the scope or objective, and costs into the plan. A critical element of planning is providing a multi-step process rather than sudden, unplanned "sweeping" changes. This involves outlining the project with clear steps with measurable targets, incentives, measurements, and analysis. For example, a well-planed and controlled change management process for IT services will dramatically reduce the impact of IT infrastructure changes on the business. There is also a universal caution to practice patience throughout this process and avoid shortcuts.

4. Provide Resources and Use Data for Evaluation: As part of the planning process, resource identification and funding are crucial elements. These can include infrastructure, equipment, and software systems. Also consider the tools needed for re-education, retraining, and rethinking priorities and practices. Many models identify data gathering and analysis as an underutilized element. The clarity of clear reporting on progress allows for better communication, proper and timely distribution of incentives, and measuring successes and milestones.

5. Communication: This is the "golden thread" that runs through the entire practice of change management. Identifying, planning, onboarding, and executing a good change management plan is dependent on good communication. There are psychological and sociological realities inherent in group cultures. Those already involved have established skill sets, knowledge, and experiences. But they also have pecking orders, territory, and corporate customs that need to be addressed. Providing clear and open lines of communication throughout the process is a critical element in all change modalities. The methods advocate transparency and two-way communication structures that provide avenues to vent frustrations applaud what is working, and seamlessly change what doesn't work.

6. Monitor and Manage Resistance, Dependencies, and Budgeting Risks: Resistance is a very normal part of change management, but it can threaten the success of a project. Most resistance occurs due to a fear of the unknown. It also occurs because there is a fair amount of risk associated with change – the risk of impacting dependencies, return on investment risks, and risks associated with allocating budget to something new. Anticipating and preparing for resistance by arming leadership with tools to manage it will aid in a smooth change lifecycle.

7. Celebrate Success: Recognizing milestone achievements is an essential part of any project. When managing a change through its lifecycle, it’s important to recognize the success of teams and individuals involved. This will help in the adoption of both your change management process as well as

adoption of the change itself.

8. Review, Revise and Continuously Improve: As much as change is difficult and even painful, it is also an ongoing process. Even change management strategies are commonly adjusted throughout a project. Like communication, this should be woven through all steps to identify and remove roadblocks. And, like the need for resources and data, this process is only as good as the commitment to measurement and analysis.

Impact assessment on new ICT technology uptake is conducted according to the organization policy

Technological Impact Assessment

Technology Assessment is the systematic identification, analysis and evaluation of the potential secondary consequences (whether beneficial or detrimental) of technology in terms of its impacts on social, cultural, political, economic and environmental systems and processes. The following steps maybe followed:

1. Planning of the IA
2. Carrying out the impact analysis
3. Consultation of affected stakeholders and the general public
4. Coordination with affected departments
5. Summary and presentation of findings in a report
6. Forwarding findings to decision makers
7. Publication of the IA report

Throughout the impact assessment process, methods can be used for support. Depending on usage, impact assessment methods can be classified as methods for:

1. Scoping (e.g., checklists)
2. For qualitative analysis (e.g. focus groups)
3. For quantitative analysis (e.g., life-cycle assessment, material flow accounting, modelling)
4. Aggregation and comparison of options (e.g., cost–benefit analysis)
5. Analyzing coherence (e.g., Gender IA)
6. Supporting participation and involvement (e.g., internet consultation)
7. Data presentation and involvement (e.g., GIS)
8. Monitoring and evaluation (e.g., indicators)

In carrying out the impact assessment it is important to:

- Define the extent of the change proposed
- Determine key differences in the changed state (proposed) from a point of reference or the original state
- Focus on the possible effects of the key differences from 2 above
- Sort and prioritize the possible effects from 3 above, from the key differences based on risk and possibility
- Make a decision using the results

Adelle, Camilla; Weiland, Sabine (2012). "Policy assessment: the state of the art". *Impact Assessment and Project Appraisal*. **30** (1): 25–33.

Recommendation on ICT uptake is made

Impact evaluation and recommendations will be on:

A. Relevance
B. Effectiveness
C. Efficiency
D. Impact
E. Sustainability

Characteristics of effective recommendations:

- Constructive. Try to offer solutions, not just identify problems.
- Specific. Include examples of what you recommend.
- Measurable. Suggest ways that the instructor will know a recommendation has been implemented
- Sensitive
- Balanced

Learning Activities

Knowledge	Learning activity	Special instructions
• Evaluating current technologies in ICT • Identifying and conducting training needs on ICT • Adopting and managing ICT new technologies • Conducting impact assessment on new ICT technology uptake Making recommendation on ICT uptake	Carry out a project in an organization of your choice: where you • Evaluating current technologies in ICT • Identifying and conducting training needs on ICT • Adopting and managing ICT new technologies • Conducting impact assessment on new ICT technology uptake Making recommendation on ICT	○ Seek proper authorization ○ Prepare assessment tools ○ Prepare a checklist ○ Follow the proper guidelines

Self-Assessment

1. What are the advantages of digital over analog data
2. Which are the ways in which ICT has improved communication
3. Which are the factors that determine the cost of a computer

4. What are the factors to consider when choosing an Internet Service Provider (ISP)
5. How does an organization benefit from conducting a training needs assessment
6. How do you conduct an impact change assessment

Tools, Equipment, Supplies and Materials

- Computer
- Internet connectivity
- Stationery
- Phones
- Remotes
- Software
- Tablets
- Network cables
- Printers

References

1. Adelle, Camilla; Weiland, Sabine (2012). "Policy assessment: the state of the art". *Impact Assessment and Project Appraisal*. **30** (1): 25–33.
2. Saleemi N A, Systems Theory and Management Information Systems Simplified, 2nd Edition, Nairobi Savanis Book centre (2000)
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5. Stallings William, Data and Computer Communications, 10th Edition, Pearsons, (2013)

Sample answers to self-assessment questions

1 Advantages of digital over analog data

✓ Digital data occupy less storage space than analog
✓ Digital data has higher accuracy than analog
✓ Digital data is transmitted faster than analog
✓ Digital data produces clearer output than analog

2 Ways in which ICT has improved communication

✓ Introduced mobile phones enabling people even in remote areas to enjoy telephone facilities
✓ Enable people to communicate through the internet and telephoning services
✓ Enable people to send and receive facsimile messages using a fax machine
✓ People can communicate through email

- ✓ It is possible to have real time chats through chat rooms and social web sites
- ✓ People are able to regularly receive current news items

3 Factors that determine the cost of a computer

- ✓ Processor speed and type
- ✓ Random Access Memory capacity
- ✓ Hard disk capacity
- ✓ If it is a branded computer or a clone
- ✓ Whether it is a laptop or a desktop
- ✓ Technology used to make the monitor and size

4 Factors to consider when choosing an Internet Service Provider (ISP)

- ✓ Initial connection cost
- ✓ Cost of running the service
- ✓ The after-connection support available
- ✓ The bandwidth available
- ✓ Experience in the field
- ✓ Authenticity
- ✓ Additional value services for example, free email account, web hosting and firewalls
- ✓ Existence of trial
- ✓ The ISPs privacy policies

5 Ways in which an organization benefits from conducting a training needs assessment

- ✓ Identifying knowledge gaps before they become a problem
- ✓ Helps in planning
- ✓ Highlights training that may not have been considered
- ✓ Ensures training is focusing on the right areas
- ✓ Helps decide who should attend which training sessions

6 How to conduct an impact change assessment

- ✓ Define the extent of proposed change
- ✓ Evaluate the difference between current and proposed future states
- ✓ Determine transition requirements
- ✓ Sort transition requirements based on impact and priority ratings
- ✓ Make design decisions based on requirements specified

7.2.7 LEARNING OUTCOME 7: COORDINATE VIRTUAL PLATFORMS

Introduction to the learning outcome

Coordinating virtue platforms involves the following activities: identifying virtual platforms, training personnel on the use of virtual platforms, customizing virtual platforms, developing online services for the business, monitoring and reviewing system feedback and providing systems security.

Performance Standard

1. Virtual platforms are identified according to organization needs
2. Personnel are trained on virtual platforms according to organizational policy
3. Virtual platform is customized in accordance with organizations needs
4. Online services for the business are developed in accordance with ICT Policy
5. System feedback is monitored and reviewed as per ICT policy
6. Systems security is provided in accordance with ICT policy

- **Information Sheet**

Virtual platforms are identified according to organization needs

Virtual Platform is a software based system that can fully mirror the functionality of a target System-on-Chip or board. A Virtual Platform provides full visibility: at any time, a user can get information regarding any part of the system (processor core, buses, peripherals, or environment models).

Here is how teams collaborate

1. Use Regular Meetings
2. Share Documents
3. Work "Side By Side"
4. Message Away

Every business has its own needs and abilities. Still, there are a few general characteristics that can be utilized by any organization that wants to work with other organizations and clients remotely. These include:

- **General collaboration**. Working together through virtual sharing tools is a must for partners who can't be physically together. Finding an easy way to share data, files, and project information is a community decision that should be made early on in the collaboration process.

- **Virtual partners**. Although a team may not be able to meet in person, each member must be able to provide input while being an active part of the project. For many companies with remote workers and international offices, this can only get accomplished by using highly reliable web-based tools.

Although in-person meetings might be the preferred method of collaboration, especially for more established organizations, successful companies that are adept at working in today's technological society know the best employees might not be geographically close to the main office.

Using online collaboration tools enables your organization to cast a broader net when it comes to finding the best employees for a project since you'll be able to provide a stable virtual environment where all employees can work together.

- Tech-based. None of the tools we mention below will be useful if you don't have reliable information technology (IT) staff to help you implement them. Any modern corporation that's looking to make their mark on today's international audience needs to have a trustworthy and knowledgeable team that can help bridge technological divides in an easy-to-understand manner.

Anyone can install or upgrade software, but having a patient and forward-thinking staff can be the difference between just squeaking by on standard technology and setting the pace for the future of your corporation. It's also crucial that your staff feels comfortable and trusts your IT staff's capabilities. Team members must be able to reach tech support at any time, and they must have confidence that their tech needs will be addressed promptly.

Types of Virtual Collaboration

A sampling of the different kinds of online collaboration tools includes:

- **Computer-mediated**. This type of communication is defined as the ability to use text and data to work on projects remotely through the use of email, text messaging, online project management software and linked databases. Most organizations use this system even if all of their employees are in one office.

- **Asynchronous collaboration**. This work environment allows staff members to react to, and collaborate with, each other's projects, even when these responses can't be instantaneous. Discussion groups or bulletin board-style software programs accomplish this, while also keeping a detailed record of recent changes and feedback. The downside is that this feedback can pile up, and there's often no easy-to-use mechanism for sorting through the messages. This can make collaboration difficult for the project manager.

- **Synchronous collaboration**. Working together from multiple remote job sites in a real-time environment is the goal of synchronous collaboration. Using apps and software that help team members see what the other people in their group are currently working on is one method, while scheduling meetings in an audio conference or a web-based conference room is another.

Tools and apps that make virtual collaboration possible and easy for most corporations include:

Microsoft teams, Slack, Yammer, Zoom, Jira, Microsoft office, Proof hub, WebEx, Google suite, Dropbox, Asana, Basecamp, Trello

Best Virtual Meeting Platforms

Skype, Slack, Google Hangouts, Zoom meeting, GoToMeeting, Microsoft Teams, Facetime, Google Meet, Free Conference Call, Intermedia, Adobe Connect,

Amazon Chime, Join. Me, Lifesize, RingCentral Meetings, HighFive, ON24, BigBlueButton, Zoho meeting, Intrado, Pexip, Cisco WebEx Meeting Center, Digitell, Infinite Conferencing, ezTalks, Cloud Meeting, LiveWebinar.

Personnel are trained on virtual platforms according to organizational policy

Types of Training

- Technical or Technology Training. Depending on the type of job, technical training will be required
- Quality Training. In a production-focused business, quality training is extremely important. ...
- Skills Training
- Soft Skills Training
- Professional Training and Legal Training
- Team Training
- Managerial Training
- Safety Training

The best types of employee training methods for your workforce may include:

1. Instructor-led training
2. eLearning
3. Simulation employee training
4. Hands-on training
5. Coaching or mentoring
6. Lectures
7. Group discussion and activities
8. Role-playing
9. Management-specific activities
10. Case studies or other required reading

Virtual platform is customized in accordance with organizations needs

Steps for Preparing for Virtualization

Assess Your Current Environment: While certain automation systems can scan and determine what you have in your environment, here are some questions you should ask as you take on a full server room clean-up.

- Do you truly know what's there?
- Do you have a full network inventory?
- Do you have a full server inventory?
- Do you know exactly what role/function each server plays?
- Do you have servers that have been decommissioned but are still either online, powered on, or powered off but just taking up space?
- Do you know the utilizations of each server? (OS, CPU, Memory, HDD/Storage)
- Do you have centralized storage or is it all local to each server?

- Do you have a team of resources or are you a one-man shop?
- Do you currently utilize any virtualization software/technologies?

It will help when determining if you have equipment you can reuse, what can be migrated, what can be removed and how equipment could be used in the future.

When you are collecting your data, here are a few tips to help make the process go more smoothly.

- ✓ Make sure that you have 100% full backups of any critical servers.
- ✓ Record what you have using Excel, Asset Tracking Software, or a Word document list.
- ✓ Document each server make, model, serial number, hardware specs, software specs, version numbers for Windows and Apps, purpose/roles, as well as technical roles specifically (DHCP server, Application Servicer – CRM XYZ Company, etc.).
- ✓ Have someone else audit your work (a second set of eyes is crucial) or use an automated network scanning tool.

Plan for Virtualization

1. **Select Virtualization Hypervisor Platform**
2. **Determine Server Environment Needs**
3. **Identify Reasons for Virtualizing**

Map Out and Create Timelines

1. Address Concerns about Virtualization
2. Combat Arguments that Virtualization is too costly
3. Roll out Virtualization without Disruptions

Online services for the business are developed in accordance with ICT Policy

Developing an Internet Strategy and Plan

- Define Your Goals and Objectives
- Define Your Target Online Market
- Define Your Online Competitive Market
- Define your Value Proposition
- Develop an Incentive
- Define Benefits
- Develop an Internet Strategy
- Develop an Internet Plan

How to create an online service

1. Find a need and fill it.
2. Write copy that sells.
3. Design and build an easy-to-use website.
4. Use search engines to drive traffic to your site.
5. Establish an expert reputation for yourself.

6. Follow up with your customers and subscribers with email.
7. Increase your income through back-end sales and upselling.

System feedback is monitored and reviewed as per ICT policy

Tips to improve effective customer feedback analysis and drive online sales:

1. Analyze all feedback
2. Categorize (and sub-categorize) feedback
3. Use negative and positive feedback
4. Look at root causes
5. Understand the value of the customer
6. Look for trends
7. Don't compare unrelated data
8. Consolidate results and determine a plan of action
9. Alert the right teams and individuals within your organization
10. Use automated tools to reduce your workload

Systems security is provided in accordance with ICT policy

System's security. The objective of system security is the protection of information and property from theft, corruption and other types of damage, while allowing the information and property to remain accessible and productive. System security includes the development and implementation of security countermeasures. There are a number of different approaches to computer system security, including the use of a firewall, data encryption, passwords and biometrics.

1. The security precautions related to computer information and access address four major threats: (1) theft of data, such as that of military secrets from government computers;
2. Vandalism, including the destruction of data by a computer virus;
3. Fraud, such as employees at a bank channelling funds into their own accounts; and
4. Invasion of privacy, such as the illegal accessing of protected personal financial or medical data from a large database

Physical security

The security precautions related to computer information and access address four major threats: (1) theft of data, such as that of military secrets from government computers;
(2) Vandalism, including the destruction of data by a computer virus;

(3) Fraud, such as employees at a bank channeling funds into their own accounts;
(4) Invasion of privacy, such as the illegal accessing of protected personal financial or medical data from a large database

1.2.1.6 Learning Activities

Knowledge	Learning activity	Special instructions
• Identifying virtual platforms • Training personnel on the use of virtual platforms • Customizing virtual platforms • Monitoring and reviewing system feedback • Providing systems security	i. Visit a business organization within your locality, carry a needs assessment of the appropriate virtual platforms to use, assess the training needs of the employees ii. Advise on how to customize the virtual platforms	○ Seek proper authorization ○ Wear appropriate PPEs ○ Prepare a checklist ○
• Developing online services for the business	Develop an online service for mama mboga in your locality , monitor and review the system and install security measures	

1.2.1.4 Self-Assessment

1. How can data be input into a computer system
2. Which are the components needed for internet connection
3. Which are the activities that can be carried out on an active webpage
4. What are the benefits of training staff using multimedia training packages instead of face-to-face
5. Why do businesses use virtual meetings
6. How can a business build a better social media presence

1.2.1.5 Tools, Equipment, Supplies and Materials

Computer
Internet connectivity
Stationery
Phones
Remotes
Software
Tablets
Network cables

Printers

1.2.1.6 References

1. Saleemi N A, Systems Theory and Management Information Systems Simplified, 2nd Edition, Nairobi Savanis Book centre (2000)
2. Nagpal D P, Computer Fundamentals, S Chand publishing (1999)
3. Luehrmann Arthur, Computer Literacy, McGraw-Hill, (1983)
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Sample answers to the self-assessment questions

1 How data can be input into a computer system

- ✓ Using a keying-in device such as a keyboard
- ✓ Using pointing devices such as a mouse
- ✓ Using data capture devices such as scanners, digital camera
- ✓ Using voice recognition/speech input devices such as a microphone

2. Components needed for internet connection
   - ✓ Data Terminal Equipment (DTE)
   - ✓ ISP (Internet Service Provider)
   - ✓ Internet software
   - ✓ Transmission media such as satellites
3. Activities that can be carried out on an active webpage
   - ✓ View the content
   - ✓ Refresh the page
   - ✓ Print the page
   - ✓ Download the items
   - ✓ Select an item
   - ✓ Copy and paste items
   - ✓ Navigate the page
   - ✓ Close the page
   - ✓ Follow links to other pages

4. Benefits of training staff using multimedia training packages instead of face-to-face
    - ✓ Multimedia presentations are more consistent than a human trainer
    - ✓ They have more impact because they simulate the real situation
    - ✓ They can involve many professionals to prepare and therefore will be of high standards
    - ✓ They can be delivered anywhere with no need for a trainer to travel

5. Why businesses use virtual meetings
    - ✓ Convenience
    - ✓ Reduced expense
    - ✓ Inclusivity
6. How a business build a better social media presence
    - ✓ Set SMART goals
    - ✓ Identify the audience
    - ✓ Be human
    - ✓ Seek relationships not just followers
    - ✓ Create an editorial calendar
    - ✓ Automate the right way
    - ✓ Focus on helping over selling
    - ✓ Optimize the accounts for engagement
    - ✓ When in doubt, get visual
    - ✓ Make your presence known
    - ✓ Stay active
    - ✓ Piggyback in what is trending
    - ✓ Do not be afraid to pay
    - ✓ Use tools to monitor the activities

Learning Outcome 8: Analyze and Interpret Reports

Introduction to the learning outcome

The learning outcome on analyzing and interpreting reports involves the following activities: developing information analysis system, obtaining departmental user reports, conducting analysis and interpretation of reports, disseminating analysed departmental reports and undertaking periodic review of ICT system

Performance Standard

1. Information analysis system is developed as per the organization policy
2. Departmental user reports are obtained according to the organization policy
3. Analysis and interpretation of reports is conducted according to the ICT policy.
4. Analyzed departmental user reports are disseminated according to organization procedure
5. Periodic review of ICT system is undertaken in accordance with ICT policy and procedures/SOPs

Information Sheet

Definition of terms

System analysis

It is the process of studying a procedure or business in order to identify its goals and purposes and create systems and procedures that will achieve them in an efficient way.

Analysis

It is the process of breaking a complex topic or substance into smaller parts in order to gain a better understanding of it.

Information

Knowledge obtained from investigation, study or instruction.

Information analysis system is developed as per the organization policy

An information system is an arrangement of people, data, processes and information that work together to support and improve the day to day operations in a business and decision making process.

Systems Analysis

It is a process of collecting and interpreting facts, identifying the problems, and decomposition of a system into its components. It is a problem solving technique that improves the system and ensures that all the components of the system work efficiently to accomplish their purpose.

Objective of System Analysis are:

- It helps to design systems where subsystems may have conflicting objectives.
- System analysis helps to achieve inter compatibility and unity of the sub systems
- It helps in understanding of complex structures.
- System analysis gives an advantage of understanding and comparing the subsystems functions with complete system.

Some benefits of System Analysis are as below:

- Reduced costs
- Efficiency & Flexibility
- Risks
- Better Management
- Better Quality
- Reduced Costs
- Proper system analysis makes the clear path for web application development by minimizing the future IT requirements.

- Gathering of a clear set of requirement for any system will give an advantage of the precise planning of the resources for development, this will bring the final product at low cost.
- Efficiency & Flexibility
- System analysis will not only reduce the costs, and also helps to gain flexibility & flexibility in the system development. Also, it gives clear development targets for each version by defining the set of requirements
- The greater flexibility of SA is to cater almost every future requirements of business by mitigating the IT requirement

Tools and techniques are as below:

- Grid Charts
- System flow chart
- Decision Tree

Systems Analysis Activities

- Gather Detailed Information
- Define Requirements
- Prioritize Requirements
- Develop User-Interface Dialogs
- Evaluate Requirements with Users

Definition of 'Systems Design'

Definition: Systems design is the process of defining elements of a system like modules, architecture, components and their interfaces and data for a system based on the specified requirements. It is the process of defining, developing and designing systems which satisfies the specific needs and requirements of a business or organization.

Description**:** A systemic approach is required for a coherent and well-running system. Bottom-Up or Top-Down approach is required to take into account all related variables of the system. A designer uses the modelling languages to express the information and knowledge in a structure of system that is defined by a consistent set of rules and definitions. The designs can be defined in graphical or textual modelling languages.

Some of the examples of graphical modelling languages are

a. Unified Modelling Language (UML): To describe software both structurally and behaviourally with graphical notation.

b. Flowchart : A schematic or stepwise representation of an algorithm.

c. Business Process Modelling Notation (BPMN): Used for Process Modelling language.

d. Systems Modelling Language (SysML): Used for systems engineering.

Design methods:

1) Architectural design: To describes the views, models, behaviour, and structure of the system.

2) Logical design: To represent the data flow, inputs and outputs of the system. Example: ER Diagrams (Entity Relationship Diagrams).

3) Physical design: Defined as a) How users add information to the system and how the system represents information back to the user. b) How the data is modelled and stored within the system. c) How data moves through the system, how data is validated, secured and/or transformed as it flows through and out of the system.

Departmental user reports are obtained according to the organization policy

Why needs Data Collection?

Data collection takes place constantly throughout the systems development process. The selection committee gathers facts on which to base its decision regarding whether or not to pursue suggestions further. The feasibility team gathers data in determining a workable solution to a business problem. The system analyst needs data to design the system outlined in the feasibility study. Data associated with system studies usually are obtained in answer to these questions: What is the problem? What is the company currently doing about it? What tools are available to help solve the problem? What other areas in the company are affected by the problem? What opinions is available concerning a solution to the problem?

Data Collection Methods:

Interviews

A purpose of the interview is to find out what is in the person's mind that may not have been written down. The higher the person is in the organization, the more important this activity becomes because we get more into philosophy and policy. The interviewer must take care in handling disagreements; apply proper humility, postponement of an interview, appreciation of the other's opinion, proper stimulation of questions, definition of the cause and termination of the interview.

There are a number of alternative methods available for systems analyst. Those include observation, work measurement, sampling, and questionnaires.

Analysis and interpretation of reports is conducted according to the ICT policy.

Why needs Data Analysis?

Data analysis naturally follows data collection in a system development. In most systems studies, more data are gathered than can be handled conveniently. Moreover, the systems analyst usually is under time pressure to complete the data analysis phase of system development and begin designing the new system. This type of pressure must be resisted. Defining problems precisely requires patience. Analyzing what is wrong and determining the best solution is a unique skill which requires coordinated effort. When analysis is done properly, the actual detailed systems design follows easily.

Data analysis begins with a review of the facts gathered concerning a project. It is important not to look for solutions until all the facts have been gathered and the problems accurately defined. Data analysis also consists of asking questions until the problem is understood, then developing alternative solutions until the best one is obvious. Typical analysis questions are:

How important is this system? What must it really accomplish? What type of people does it require? How does it relate to other systems in the organization? What are the system's goals?

Systems analysts have a variety of techniques available for data analysis. These techniques, however, are no substitute for an analytical mind that can see through symptoms and address significant problems.

Creative Thinking

It is difficult for systems analysts people to develop creative solutions to problems, in many environments, because companies place many restrictions on what systems analysts can do. The people with whom systems analysts work often inhibit creative thought, and systems analysts frequently narrow their own thinking with self-imposed constraints. Systems analyst are often on the track of a truly creative solution to a problem only to be set back with a statement like "It has never been tried before," "Management will not like it," or "What we are doing now is good enough." It is difficult of deal with these types of thinking.

Brainstorming

Brainstorming is one technique for increasing creativity in problem solving. Brainstorming is a free exchange of ideas among people. In a brainstorming session, people offer solutions to problems as if there were no restrictions. Ideas are presented as they come to mind. This allows a person's imagination to develop ideas often suggest other ideas. One person builds on the other's suggestion and may come upon a solution that otherwise would not have surfaced.

After the session is completed, the proposed solutions must be evaluated realistically. Frequently, a solution that never would have been proposed in routine analytical sessions meets the real world tests and provides a feasible solution to a problem.

One area in which systems people are often restricted in their thinking is in determining a starting point for analyzing a problem. Most systems analysts examine the existing system trying to determine what is wrong and what can be done to improve matters. This immediately imposes constraints, as the systems analyst is strongly influenced by the way things were done previously.

One way to free a systems analyst's thinking is to begin analyzing a problem by totally disregarding what is currently being done, and concentrating on the objectives for the proposed system. The analyst's thoughts are centered on what the organization needs, and what is the best way it can be accomplished. The analyst brainstorms on ways to meet the objectives, temporarily disregarding all the reasons why the ideas will not work. Only when the best alternatives to meet the systems objectives have been formulated will the systems analyst start to consider the limitations of the working environment. With more clear thinking and planning, the best proposed plan will survive the test.

Structured Approach: Top-Down Approaches

One of the most significant advances in systems analysis during the last decade has been the introduction and growing use of so-called **structured top-down approaches** to analyzing and designing information systems. Although, these approaches were initially introduced as computer program design and coding aids, they have increasingly been adapted for use in systems analysis and design. These approaches are based on the ideology of:

- It is important to identify a system's structure before attempting to define or describe the system's processes.
- One should first describe the system's structure in a very general or overview fashion and then break its structural components into smaller, more detailed components *(hence the name top-down)*.
- Upon completing a structural taxonomy of the system, one should describe the system's processes, again employing a top-down approach.

The top-down, that is, from the general to the specific approaches, has improved the orderliness and quality of systems development. These approaches have also improved the quality of documentation and thus facilitated communications among project team members and communications with others. Finally, as result of a module can be added, deleted, or changed without disturbing the rest of the program, these approached have been an effective means for dividing or modularizing very large systems into smaller, more manageable subsystems without sacrificing future opportunities for integrating subsystem components into a single, comprehensive entity.

However, what structured analysis does best is to allow people to see problems more easily. This not only aids the analytical process, but leads to clearer communication among analyst, users, and management.

Top-down approach VS other structured methods of data analysing

Several new charting techniques have been developed specifically to support the goals of the structured approach: the HIPO techniques, data flow diagrams, N-S charts, flowcharts, and decision tables

The HIPO technique

The hierarchy plus input-process-output (HIPO) technique is a structured tool with broad applicability throughout the systems development life cycle. This technique uses two different types of charts. The first type, called a *VTOC diagrams*, is used to develop a top-down hierarchical structure through which systems functions and their relationships can be observed, discussed, and better understood. The second type is frequently called an *IPO diagram*, because it describes the input, output, and process components for a given function.

The VTOC diagram can be of major utility of the analyst. First, it is extremely easy to draw and thus can be used experimentally and accurately. Second, the diagram lends itself to group construction and thus is a valuable aid when several people must participate as a team.

Third, the diagram is also important in structuring and documenting that participation. Even when the "group" is composed of only the analyst and one other person, the analyst may want to use the diagram to structure the interview. Fourth, the diagram is potentially useful for making presentations at various levels of detail, depending on the intended audience because it can clearly illustrate the hierarchical relationships among various functions and subfunctions. Finally, the VTOC diagram can provide a basis for continuous and evolving documentation and contribute greatly to overall project control.

The advantage of IPO is that it permits a more extended description of processes in ordinary English than a VTOC diagram does. Thus, the processing steps may be briefly described in the process box and more fully explained in the extended description notes at the bottom of the HIPO form. The symbols that describe inputs and outputs resemble standard flowcharting symbols. There are, however, potential disadvantages in this reliance on verbal description and flowchart-like drawings; in particular, the documentation time required to describe all the functions may be very high. This drawback has led some analysts to employ a mix of diagramming techniques together with the VTOC aspect of HIPO. These analysts use IPO diagramming only when its extended-description advantages are judged to be worth the added documentation effort.

The data flow diagram

The data flow diagram is also an alternative of structured technique. Data flow diagrams are easy to draw and require the knowledge of only a few symbols. However, care must be taken to avoid making them overly detailed. Because data flow diagrams are not linear (straight line), analysts must take care not to describe too much detail on a single diagram, or it may become overly difficult to follow. Beginning with an overview and working to individual, more detailed levels of data flow is strongly recommended.

Nassi-Shneiderman charts

The N-S charts have been primarily used to design structured programs. However, they should prove helpful to the analyst in clearly describing complex problems in

systems logic. Although N-S charts are not extensively used in all aspects of systems analysis today, expanded uses will probably be found for them in the future - particularly when the analyst is looking for a better way of clearly describing to others some of the more complex logical problems involved in analysis and design.

Systems flowcharts

Systems flowcharts provide a concise diagram of a complete system or process. Thus, they can be useful in problem organization, problem solving, problem presentation, and problem review. There are two major kinds of standard flowcharts; *the system flowchart and the program flowchart*. In most instances the real difference between them is the level of detail being illustrated. However, both kinds of flowcharts are systems tools. It is simply a question of determining which level of detail is required and for which audience. To construct a lengthily and detailed program flowchart for presentation to corporate top management would probably obscure rather than clarify the problem for them. On the other hand, a general systems flowchart, by itself, does not contain the level of detail required for computer programming.

Decision tables

Decision tables represent human or machine decision alternatives in tabular form. They are most effective when the problem is a complex decision with many different conditions and possible results. In a sense, decision tables are most effective when the problem is one of selecting a single decision alternative or set of alternatives out of many possibilities.

As a systems analysis tool, decision tables work best in those instances which are both specific and detailed. Similarity, the systems analyst can provide decision tables to computer programmers as a basis from which coded routines can be developed. Such an approach eliminates much of the guess work from programming and can particularly assist the less accomplished programmer to do better programming work. Moreover, decision tables are also a beneficial to systems documentation. By including decision tables in the formal documentation, the analyst can quickly review some of the complex decision making processes without wading through computer program listings or lengthy, written statements and procedures.

Analyzed departmental user reports are disseminated according to organization procedure

MIS stands for Management Information system. In the simplest terms, an MIS report can be described as a system that provides important information for the management of your company. MIS collaborates with people, technology, and business processes within an organization. It also describes how the relationship with other organizations and people affect your company.

An MIS report is used to highlight the day to day business activities, which enables you to monitor your organization’s progress. These reports provide critical insights during decision making. It serves as a reference point to monitor your business and

communication. In this new era of emerging technologies, management information systems have become a vital part of successfully running a company.

How do MIS Reports Work

MIS reports is prepared periodically (which is either monthly or quarterly in most cases). These reports are prepared by various departments in your organization and presented to the company's management team.

MIS reports focusing on raw data, trends, patterns in that data and comparisons with relevant past data. MIS reports are also an effective tool for managers to track business operations across various departments. Furthermore, they provide clarity and enhance communication. They also help the company managers and the management team to make informed decisions, pinpoints and avoid problems, and capitalize on the current market trends.

For Example, if a decision about a new product launch has to be made, the MIS report will have current market trends and employee information. The data points in the MIS reports will help you make better decisions and improve the company's performance in both the short-term and long-term.

Importance of MIS Reports

MIS reports are crucial for the smooth functioning and growth of a company.

MIS reports are used to collect data from various sources. These include employees, management, documents, executives as well as the raw numbers for business sales. All of these are beneficial for identifying and solving problems within a company. They can help in making important decisions.

The data collected from the above-mentioned sources is then visualized. This includes presenting the data in the form of bars, graphs, and charts. This provides ease of analysis and helps to gain faster insights from the available data.

An MIS report also helps to track a company's financial growth and financial health. It is often used to track, analyze, and report business income.

An MIS report also serves as an effective tool for communication between employees and their employers, or between employees.

Types of MIS Reports

There are different types of MIS reports in every company. These reports range from company to company. Management Information system reports process data in its raw form. This raw data is generated by the people, business processes, and transactions that are collided to create understandable data points.

Different types of MIS reports aggregate different data points and present them in a format that provides clear insights and conclusions. The various departments in an organization present MIS reports which outline their department's specific functions. There can be different types of MIS reports based on which data is being analyzed and what it is being used for. The following is a summary of the most common types of MIS reports which you will find in an organization.

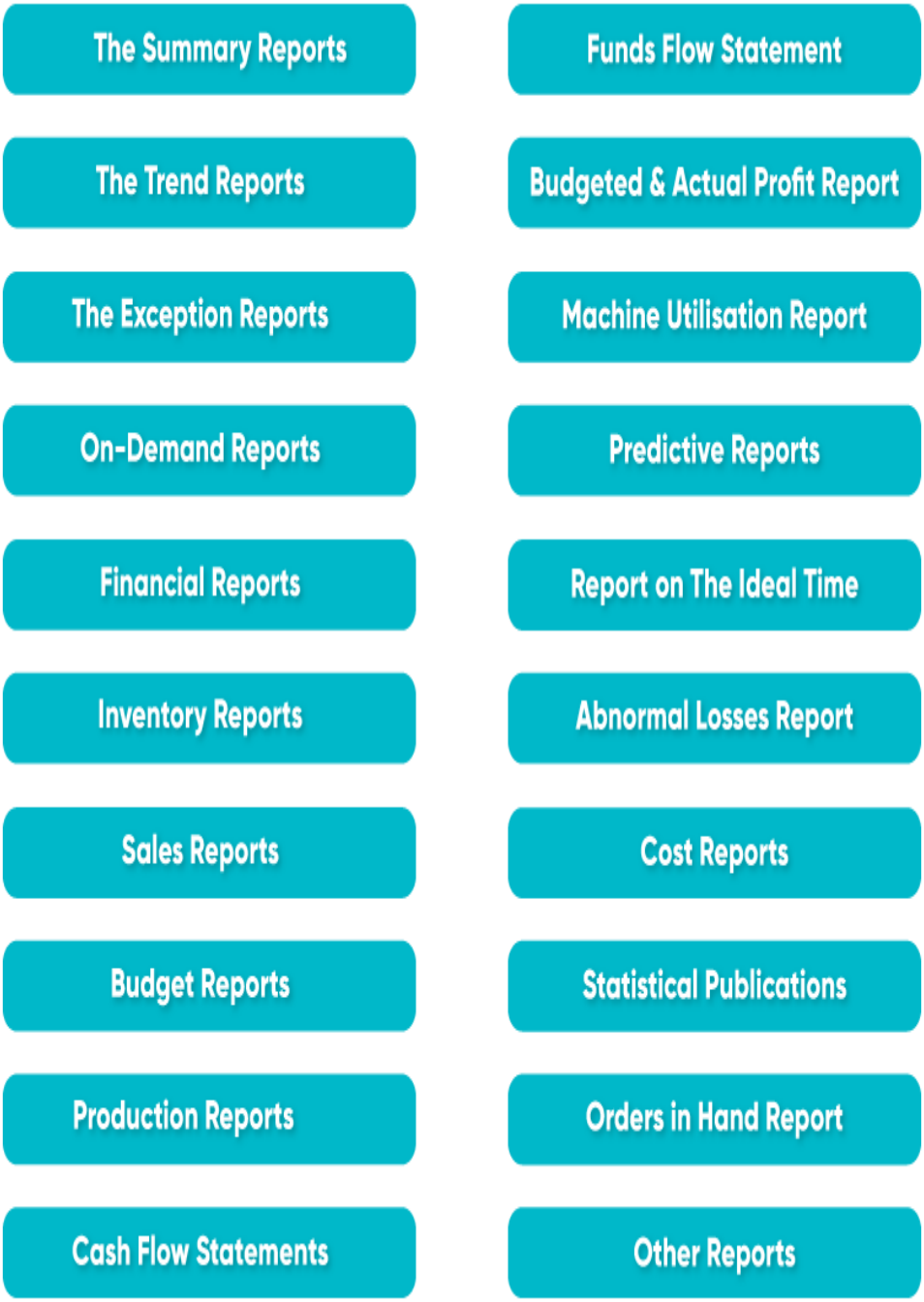


Figure 72: examples of MIS reports

Components of MIS Reports

An MIS report is not a stand-alone entity. It includes several components, which interact with each other in a meaningful way. The major components on an MIS report are as follows:

1. People

These include the people (a.k.a the users) of an information management system. Users of an MIS system include the company employees, managers, executives, and people who indirectly interact with your organization (for example, people who supply raw materials for your manufacturing process).

2. Data

This includes data collected from varied sources within an organization. This data is used for making critical business decisions, marketing analysis and target predictions.

3. Business Procedures

Business procedures specify how the data is collected, analyzed and stored within your organization. These procedures are used to outline the implementation of your company policies in a step-by-step manner. Examples include your company's hiring and onboarding process, manufacturing procedures, and procedures for day-to-day operations.

4. Hardware

These include all the hardware components that are used within your organization. Examples include the servers and workstations which store data, network routers and equipment, printers, Xerox machines etc.

5. Software

The software components include the programs which are used to process and handle the data in your organization. These may include spreadsheets, database management systems (eg. SQL and NoSQL), and data visualization tools (**example**. Tableau and Power BI). The software usage may vary in your organization, depending upon the tasks to be achieved.

Conclusion

A management information system provides data to identify non-performing areas and leverage trends and patterns. Not having an effective, functional MIS system can leave managers guessing in the dark. A management information system will help your company reach a higher level of efficiency, enable you to make more rational business decisions, improve communication between people in your company, and leverage your strengths.

An MIS system is essential for any business owner who is serious about improving their company's performance.

Without an MIS system, managers have to make decisions based on trial-and-error, rather than relying on data. Most companies have leveraged the power of an MIS system. Various types' software are also available to help companies speed up the process of data collection and visualization in the MIS reports.

Periodic review of ICT system is undertaken in accordance with ICT policy and procedures/SOPs

OBJECTIVE

The focus of the review is to analyze and improve the ICT function in the organization. The recommendations will propose improvements, which meet the needs of the organization and ensure that best value is provided to save money and increase productivity.

The review is a diagnostic tool - it is expected to identify strengths, problems/weaknesses and make practical recommendations including recommending alternative systems if required.

The review will critically examine the current ICT environment and ICT service provision to ensure that ICT systems and services are efficient, effective and aligned to the needs of the business. The review should result in a roadmap, detailing the necessary steps for improvement

SPECIFIC OBJECTIVES

The specific objectives include;

- Carry out a high-level technology and information systems review to assess fitness for purpose.
- Carry out a review of existing procedures and identify gaps and capacity weaknesses
- Reviewing compliance with administrative regulations and policies
- Identify areas where ICT Unit can add value and recommend innovative ways of operations to achieve Efficiency, Effectiveness and Turn-around Times.
- Provide recommendation on ICT equipment backup requirements
- Analyzing existing systems and identify areas of software improvement
- Drawing up specific proposals for modified or replacement systems with limited resources.
- Check whether current network connectivity and bandwidth meets the requirement or need changes.
- Review the reasons for existing problems and advise on how to address them.
- Review the measures against security threats such as hackers' attacks.
- Identify current costs and recommend ways for reducing the operational cost.
- Review the configuration of router & firewall to ensure security of the internal networks & comparison with ICT standards.
- Review the configuration of Servers & compare it with ICT standards.

- Review of incident handling, procedure and records.
- Assess the capacity/IT skills of users and IT staff and identify gaps as well as make recommendations for appropriate capacity building.
- Advice on the extent and number Internet service providers required, to continually support the organization, in the event of limited connections.
- Review existing system and assess whether they are under-used, miss-used or advise on how they can be put to better use (Internal organization staff compliance)
-

METHODOLOGY

- Interview with staff to assess the level of internal customer satisfaction with the existing service compared to the quality and level of service expected.
- Consult internal IT Officer and MIS Officer for their views on how ICT services could be made more effective.
- Compare current processes and methods against ICT industry and best practice standards
- Review of hardware, software, server room operations, internal networks (intranet) and back up arrangements etc.

Learning Activities

Knowledge	Learning activity	Special instructions
• Developing information analysis system • Obtaining departmental user reports • Conducting analysis and interpretation of reports • Disseminating analysed departmental reports Undertaking periodic review of ICT system	Conduct a project in an organization of your choice. Where by you undertake the following activities: develop an information analysis system, obtain departmental user reports, conduct analysis and interpretation of reports, disseminate analysed reports and undertake periodic review of the system e.g. once a month	• Seek proper authorization • Prepare a checklist • Prepare a report and share it

Self-Assessment

1. Which are the items that should come with an authentic software
2. Which are the functions of an operating system
3. What are the application areas of spreadsheets
4. How can a primary field be used in a database
5. Why is it important to carry out an audit trail in an information system
6. Which are the causes of data loss or program corruption in a computer system

Tools, Equipment, Supplies and Materials

- Computer
- Internet connectivity
- Stationery
- Phones
- Remotes
- Software
- Tablets
- Network cables
- Printers

References

1. Saleemi N A, Systems Theory and Management Information Systems Simplified, 2nd Edition, (2000), Nairobi Savanis Book centre
2. Nagpal D P, Computer Fundamentals, (1999), S Chand publishing
3. Luehrmann Arthur, Computer Literacy, (1983) McGraw-Hill,
4. Stallings William, Data and Computer Communications, 10th Edition, (2013) Pearsons,

Self-assessment sample answers

1 Items that should come with authentic software

- ✓ Installation guide
- ✓ User manual
- ✓ Reference guide
- ✓ License
- ✓ Quick reference guide

2 Functions of an operating system

- ✓ Job scheduling
- ✓ Resource control and management
- ✓ Memory management
- ✓ Error handling
- ✓ Interrupt handling
- ✓ Input/output handling

3 Application areas of spreadsheets

- ✓ Statistics analysis
- ✓ Accounting
- ✓ Data management
- ✓ Forecasting
- ✓ Scientific application

4 How a primary field be used in a database

- ✓ Maintain data integrity
- ✓ Index records in a database

- ✓ Control redundancy
- ✓ Sort records in a database

5 Why it is important to carry out an audit trail in an information system

- ✓ For detection of illegal alteration
- ✓ For detection of illegal access to the system
- ✓ To monitor the usage of the system
- ✓ Enable recovery of lost information
- ✓ Identify weak access points in the system

6 Causes of data loss or program corruption in a computer system

- ✓ Computer virus
- ✓ Unauthorized access
- ✓ Computer errors
- ✓ Accidental erasures
- ✓ Vandalism
- ✓ Crashing of hard disk
- ✓ Power failure

7.2.9 LEARNING OUTCOME 9: PREPARE ICT REPORT

Introduction to the learning outcome

This learning outcome covers the competency on preparing ICT reports. The activities involved include: preparing and sharing organization ICT report, identifying ICT areas of concern and implementing ICT recommendations

Performance Standard

1. Organization ICT report is prepared and shared in accordance with SOPs
2. ICT Areas of concern are identified based on targets and ICT procedures
3. ICT recommendations are implemented as per ICT policy

Information Sheet

Control in a dynamic system is achieved by feedback. Feedback measures output against a standard in some form of cybernetic procedure that includes communication and control. Output information is fed back to the input and / or to management (Controller) for deliberation. After the output is compared against performance standards, changes can result in the input or processing and consequently, the output. Feedback may be positive or negative, routing or informational. Positive feedback reinforces the performance of the system. It is routine in nature. Negative feedback generally provides the controller with information for action. In systems analysis, feedback is important in different ways. During analysis, the user may be told that the problems in a given application verify the initial concerns and justify the need for change. Another form of feedback comes after the system is implemented. The user informs the analyst about the performance of the new installation. This feedback often results in enhancements to meet the user's requirements.

A compute**r** performance evaluation is defined as the process by which a computer system's resources and outputs are assessed to determine whether the **s**ystem is performing at an optimal level. It is similar to a voltmeter that a handyman may use to check the voltage across a circuit.

Once the new system has been implemented and is in full use, the system should be evaluated (this means that we take a long, critical look at it).

The purpose of an evaluation is to assess the system to see if it does what it was supposed to do, that it is working well, and that everyone is happy with it.

Evaluation

What Does an Evaluation Look For?

When the systems analyst evaluates the new system, the following questions will be asked:

- Is the system efficient?
- Does it operate quickly, smoothly and with minimal waste?
- Is the system saving time, and resources?
- Easy to use?

- Are all of the system's users able to use the system easily and effectively?
- Can new staff understand and use the system with minimal training?
- Appropriate
- Is the system suitable for the particular business / organization?
- Does the system actually meet the needs of the business / organization?

But how can we find the answers to these questions?
How is a System Evaluated?
The systems analyst will use a number of techniques to evaluate the system...

- Check against the Requirements Specification

This list was called the Requirements Specification.

The systems analyst will use this document to check the new system. Going through the requirements one-by-one the analyst will check if they have been met.

- Check the Users' Responses

It is essential to get feedback from the users of the system...
Do they like it?
Does it make their work easier?
What, if anything, could be improved?
The systems analyst can get this feedback in the same way they collected information about the original system...
Questionnaires
Interviews
Observations

What Happens Next?
The outcome of the evaluation will be to identify any limitations or problems with the new system.

The system analyst will then need to begin the task of system analysis from the beginning, but this time analysing the new system, and then designing, testing and implementing improvements.

Thus the whole process repeats...
The fact that the process of Systems Analysis is often repeated over and over (constantly building upon and improving systems) means that it is often referred to as a cyclic (repeating) process.
After evaluation has been carried out, a report is prepared with recommendations.
Every report should have the following sections:

- ✓ Title page

- ✓ Table of content
- ✓ Executive summary
- ✓ Introduction
- ✓ Discussion
- ✓ Conclusion
- ✓ Recommendations
- ✓ References
- ✓ Appendices

Learning Activities

Knowledge	Learning activity	Special instructions
preparing and sharing organization ICT report, identifying ICT areas of concern and implementing ICT recommendations	Visit a learning institution within your locality and prepare a report on areas of concern in ICT after carrying out an evaluation	• Seek authorisation • Prepare a checklist • Prepare a report

Self-Assessment

1. What are the functions of an antivirus software
2. Which are the errors that can occur during data collection stage
3. What methods can be used to gather data during system development
4. What is the role of computer system auditor
5. How does the function of report preparation and sharing benefit an organization

Tools, Equipment, Supplies and Materials

- Computer
- Internet connectivity
- Stationery
- Phones
- Remotes
- Software
- Tablets
- Network cables
- Printers

References

1. Saleemi N A, Systems Theory and Management Information Systems Simplified, 2nd Edition, Nairobi Savanis Book centre (2000)
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5. Dessler Gary, Human Resource Management, 12th Edition (2011), Pearson
6. Dessler Gary, The Strategic Human Resource Management, 10th edition (2005) Prentice Hall Inc.
7. Goldstein Irwin, Human Resource Management, volume 5 (2015), Wiley Encyclopedia of Management

Sample answers for self-assessment items

1 Functions of antivirus software

- ✓ Provide real-time protection against viruses
- ✓ Identify viruses
- ✓ Provide tools for eliminating viruses
- ✓ Alert the user when a program behaves like a virus
- ✓ Quarantine files with viruses that cannot be removed

2 Errors that can occur during data collection stage

- ✓ Transcription error
- ✓ Machine hardware faults
- ✓ Program faults
- ✓ Inappropriate data on the source document
- ✓ Transposition error

3 Methods can be used to gather data during system development

- ✓ Interview
- ✓ Questionnaire
- ✓ Observation
- ✓ Automation method

4 The role of computer system auditor

- ✓ Analyses the information processing systems to assess their completeness, accuracy, validity and efficiency
- ✓ Participates in new system design to ensure efficient, effective and well controlled systems
- ✓ Checks and reports on the usage of computing facilities

5 How does the function of report preparation and sharing benefit an organization

- ✓ Reports help in tracking progress
- ✓ Helps in decision making and planning
- ✓ Keep a record for future reference
- ✓ Fulfil legal obligations

- ✓ Analyse and solve problems
- ✓ Monitor and control activities