# Organization Redesign Process as ODI on Organizational Factors and Human Dynamics

Nandy Lynn Chief Operating Officer Yatnarpone Teleport Public Company Limited Yangon, Republic of Union of Myanmar

Lee Hsing Lu , Ph.D. Lecturer and Program Director,PhDOD Graduate School of Business Assumption University, Thailand

#### Abstract

This paper demonstrated the importance of organization redesigning in the face of drastic socio-economical, political changes as well as internal and external (with and without anticipated) challenges; the impacts of effective design on organizational components; and the approach and process on how to redesign organizational factors for better results on human dynamics. It was based on in-depth, real-time, and action research at a public Internet service providing company in Myanmar conducted from January 2015 to end February 2016. Based on theoretical and conceptual frameworks, results had shown the significant cause and effect relationship between specific organizational factors and human dynamics.

*Keywords:* organization redesign, attitude to change, structure, helpful mechanism, relationship, organization development interventions, AI, coaching and mentoring, Weisbord's six box model, Mckinsey's 7 S, Organizational Diagnoses Questionnaire (ODQ)

#### Introduction

This study aimed at exploring redesign process and its impacts on a publicly held Myanmar ISP company. Since after opening up to the world in late 2011, Myanmar is nurturing favorable business and investment climate by relaxing its economical and political constrictions by promulgation of new laws, rules and regulations while discarding old, obsolete ones. In-depth, real-time, an action research was conducted at a public Internet service providing company in Myanmar. The whole intervention process took place from July 2015 to end February 2016 exclusive of two months pre-diagnoses period. The main contribution of the study is to emphasize how organizational components linked and performed for betterment of organization's performance. The development of theoretical and conceptual frameworks was based mainly on Lawrence and Lorsch's differentiation and integration in addition to Mckinsey's 7S and Weisbord's six-box models. Results from analyses showed manifestly the relationship between variables and their impacts on organizational performances.

#### Potential Challenges for Change

Back in Myanmar, telecommunications industry was monopolized by government-agency Myanmar Post and Telecommunication (MPT) under the Ministry of Communications, Post, and Telegraphs (MCPT), which now named as the Ministry of Communication and Information Technology (MCIT). In February 2014, after promulgation of new Telecom Law, liberalization of telecommunication sector with the foreign entrants as well as releasing monopolized market activities in addition to higher demand on quality services with changing in lifestyles ignites Myanmar Telecom market more competitive. The traditional organizational structure and strategies no longer are satisfying its internal as well as external customers. Thus call for redesigning organization in accordance with the changing contexts of political, social and economical becomes an issue lately especially in the case of AAA.

#### Myanmar Internet Services

The first Internet connection was established in Myanmar since 2000. There were two service providers; MPT and Bagan Cyber Tech. However, prior to 2011, the government controlled Internet accessibility however, in September 2011, Internet censorship levels were extensively lowered. Both because of government restrictions due to security concern in early days and lack of investment on infrastructure and facilities, Myanmar has low internet penetration rate even compared to ASEAN countries. According to World Internet statistics, as of June 2012 just before liberatization of Telecom Industry, only 1% of Myanmar population, (about 540,000 Internet users) widespread in 42 townships even inclusive of major cities Yangon, Mandalay and Naypyitaw had access to Internet services by different technologies.

#### **Global ISP business**

The global Internet Service business remains one of the fastest emergent industries in the global economy. Volatile progress has been thrust by technological advancements, supportive infrastructures and demand for services particularly in developing economies where Internet penetration remains low. The Global Internet Service Providers industry is expanding rapidly because it has been able to maintain double-digit growth in the number of Internet subscribers. Worldwide demand for broadband Internet access has been a key driver of this expansion. The global fixed broadband market continues its growth phase as around the world the appetite for bandwidth continues to grow - led by the emerging markets of Asia, Africa and the Middle East. By end of 2014, ITU reported, "40% of the global population (about 2.9 billion peoples) was online" and "with that growth rate, by 2017, half of world's population will be online". Increasingly technological advancement along with changes in regulations over the world in addition to changing customers' preferences with higher bargaining power due to rising competition has been witnessed. Market forces together with external environment are driving telecom and ISP industry to be flexible enough in adoption of relevant business model and to keep abreast of advancements, industry players are striving towards maintaining its positions in the market by aligning its business model, strategies as well as reengineering organizational architecture.

# Background History of AAA

Originally, incorporation of AAA embarked in 2001 in the name of XXX Company Ltd as a leading private Internet service provider in Myanmar. The company had struggled since late 2004 when its former owner was incarcerated due to political conflicts. The company was then detained under the control of Military Corp. until early September 2005. Again, it was handed over to Government. In 2009, it was re-registered as a public Company limited in the name of AAA, under the Special Company Act, offering 43% of Ministry's shares to private investors, only keeping 57%. Soon after liberalization of telecommunication sector in late 2013, Ministry released its management control over AAA. Effective 1<sup>st</sup> April 2014, old management team including chairman, vice-chairman and the CEO had been replaced with new team of private shareholders.

Based on personal interviews with managers and self-observation, although organization structure was defined, line of authority was unclear due to lack of standard operation procedures and employees did not have clear job descriptions. Organizational structure did not reflect AAA's goals and line of business. Each department existed in silo and poor intercompany communication and coordination was recognized with poor information flow. By 2014 end, CEO acquired a professional for AAA's transformational process. To maintain the market leader position in ISP business as a pioneer, new CEO and the Board of Directors realized that management and operational practices, processes and structure of AAA were unhealthy. In AAA's context, there were several addressable issues for successful implementation of future business plan in line with new strategies.

# **Research Objectives**

The main focus in this study was the action research process to uphold AAA's performance to maintain its market leading position while responding its recent challenges such as deregulation of government, political changes, technology advancement and heightened competitions. The research objectives are:

1) To diagnose the current situation of AAA using SWOT, STAR analyses to find out the issues and challenges that AAA comes across and Force field analysis to

examine possibility of change by comparing propelling and attracting forces of AAA

- 2) To design organization development interventions (ODI) for tackling existing issues and challenges
- 3) To undertake ODI on organization structure and Rewardsss together with organizational members
- 4) To verify the impacts of ODI on organization structure and Rewardsss
- 5) To examine the impacts of ODI on associated dependent variables (helpful mechanism, relationship, attitude towards change and role ambiguity) by comparing the results before and after interventions

# **Research Questions**

The research questions of this study are:

- 1. What are the current issues of AAA in terms of leadership, purpose, structure, helpful mechanism, relationship, attitude towards change and role ambiguity?
- 2. What are the appropriate OD interventions to satisfy those issues?
- 3. How to deliver ODI on redesigning organization structure and Rewards system?
- 4. How do ODI impact on Structure and Rewards?
- 5. How do ODI impact on attitude towards change, helpful mechanism, relationship, and role ambiguity?

# **Research Hypotheses**

Research hypotheses were formulated as follows;

- H1o: ODI has no impact on Structure
- H1a: ODI has impact on Structure
- H2o: ODI has no impact on Rewards
- H2a: ODI has impact on Rewards

H3o: Structure has no impact on Helpful mechanism Relationship within the organization, Attitude towards change and role ambiguity

H3a: Structure has impact on Helpful mechanism, Relationship within the organization, Attitude towards change and role ambiguity

H4o: Rewards has no impact on Relationship within the organization and Attitude towards change

H4a: Rewards has impact on Relationship within the organization and Attitude towards change

H5o: Organization Structure redesign does not enhance relationship within the organization

H5a: Organization Structure redesign enhances relationship within the organization

H60 : Organization structure redesign does not eliminate role ambiguity

H6a: Organization structure redesign eliminates role ambiguity

H7o: Organization structure redesign does not foster Helpful mechanism

H7a: Organization structure redesign fosters Helpful mechanism

H8o: Organization structure redesign does not promote attitude towards change

H8a: Organization structure redesign promotes attitude towards change

H9o: Introduction of performance based Rewards does not enhance attitude towards change

H8a: Introduction of performance based Rewards enhances attitude towards change

H10o: Introduction of performance based Rewards has no impact on relationship within organization

H10a: Introduction of performance based Rewards has impact on relationship within organization

# **Scope and Limitations**

This paper aimed at an introduction of new organizational structure with specific job descriptions, delegation of authority and updated HR policies with performance based Rewards in place in order to building up better relationship within an organization,

fostering helpful mechanism by introducing new planning and controlling procedures, lessen role ambiguity, willingness on attitude towards change. It started with diagnosing existing issues of AAA, developing change plans and then conducted the interventions. Afterwards collected the data to examine the impact of ODI. The action research was conducted at AAA totaling 47 respondents. Among respondents, 4 general managers and 3 assistant general managers, the retired army personnel did not speak aloud about the organization during interview session.

# **Research Assumptions**

- 1. Major shareholders supported the organization redesign process
- 2. All respondents were mandated to participate in the whole process

# Literature Review

# Organization Design and attributes

"In good times or in bad times, organization design matters" (Tom Jasinski, 2009). He expressed that if executing design properly it can effectively translate strategy into action and deliver results. Increasingly, organizations have to respond any forms of changes, as organization, more or less is influenced by its environment (Daft, 2007) and those in turn have significant impacts to organization's stakeholders subsequently. Galbraith (1973, 1995) mentioned, "The organization design is like a vehicle that driving towards execution of business strategy and it translates strategy into results." Nadler and Tushman (1997) also commented, "organization design is a tool that leaders manage to achieve competitive advantage in tremendously challenging global environment and market places." Organization design determines organization's structure, work design, human resources and management process guiding all members in the organization towards the common goal (Cummings & Worley 2009). An effective organization design can foster alignment. The organization strategy brings together strategies of both business and people to drive for organizational goals. It also provides systematic workflow in an effective manner in delivering products or services to clients. With an effective design, employees at every level within organization are linked creating synergy to perform the assigned tasks effectively and efficiently.

Based on Bridgespan analysis (January 2009), the principles of effective organizational design revealed that:

 Considering all organizational components (leadership, decision making and structure, people, work processes and systems and culture). A common mistake is just to focus on structure alone as the solution

- Alignment of five components to one another. Even one component doesnot fit can limit performance of whole system.
- Aligning strategy and organization to one another. Organizational strengths and weaknesses influence strategies in turn, organization should evolve with new strategic direction or its purpose.

The Need for Organization Redesign and its Pitfalls

McKinsey Research (2015) on global executives suggested that many organizations these days are in face of organizational challenges. Organizational redesign involves the integration of structure, processes, and people to support the implementation of strategy and therefore goes beyond the traditional tinkering with "lines and boxes." Simply put, redesign becomes the default response to various organizational issues, when an organization evolves to the point at which there are substantial problems with fit between the formal organizational arrangements and other components, consideration of a major redesign takes place. According to the survery, there are several scenario that typically entail redesign.

(1) Strategy shifts that requires significant changes in performance, which inevitably calls for major changes in the formal organization.

(2) As a result of a new strategy, new technology, or a shift in cost, quality, or availability of resources, redefinition of work (redesign in the organization's core work) is necessary.

(3) Cultural or political change requires reshape either informal organization or formal organization.

(4) As organizations grow, in which new tasks and strategies take place, existing process, system may no longer fit the rest of organization.

(5) When new personnel takes charge of an organization, provisions that used to fit the needs, skills, talents, and capacities of previous team may no longer make sense.

(6) Redesign is necessary when an organization witnesses:

- lack of coordination as cross work units are unclear about their responsibilities and some feel isolated and out of step with the rest of organization.
- excessive conflict as relationships among internal groups are in needless friction.
- unclear roles as individuals or groups are uncertain about what is expected of them as functions overlap or work may fall "through the cracks" between units
- improper used resources as specialized unit functions or individual skills may not be fully utilized.

- poor work flow as disruptions and cumbersome processes inhibit effective flow of work throughout process.
- slowed responsiveness to changes responding environment, customers'demand, market needs, etc.
- proliferation of extra-business units as organization depends on task forces, committees, and special project groups in dealing new challenge

A well-planned, thoroughly implemented redesign helped in recovery of organizational deficiencies. However, some fail due to focusing on formal structures and processes while ignoring political, social, and cultural dynamics of an organization (Wynman ,1998) such as ignoring how work actually is done within the organization and the organization's capability or willingness for change while others ignore critical support for new design, which in turn results to failure of redesigning. Besides, focusing too much on personal and social issues as intuitive reactions to immediate personal and political problems, rather than methodical responses to strategic requirements. Thirdly, failure to address underlying organizational issues that directly linked to its strategic objectives. Importanatly, organization design needs to be done both ways designing topdown to implement strategy and establishing organizational framewok and designing from the bottom up to improve work processes and create evocative and motivating jobs for all organizational members.

# **Role Ambiguity**

Role ambiguity is defined as existence of a lack of clarity in the roles an employee is expected to fulfill. Generally, in an organization, each formal position should have clear tasks descriptions and to minimize misunderstanding and increase productivity, but in some structures, task requirements are ambiguous (Hamilton, 2002). Role ambiguity results from inadequate information or knowledge to do a job. This ambiguity may be due to inadequate training, poor communication, or the deliberate withholding or distortion of information by a coworker or supervisor (Luthans, 1989). In short, it is said that clear job descriptions and obvious authority relationships can contribute in solving issues on ambiguity. Once employees know about their assignments and duties, they will be able to take responsibility and better relationship with others.

# McKinsey 7s model

McKinsey 7s model developed in 1980s by McKinsey consultants, identified how well an organization perform with its internal components; structure, strategy, skills, staff, style, systems and shared values of an organization align each other in achieving organizational effectiveness. The main focus is the interconnectedness among seven areas within the organization and changing of one area obliges to change other elements so as for effective operations. The McKinsey model provided an idea for AAA especially in encountering challenges and changes both externally and internally that alignment of all components would bring good answer for organizational excellence. It also highlighted the importance of each and every component that are crucial in overall performance of organization.

#### Weisbord's Six Box model

Among many strategies developed for improvement of organizational performance, one of the strategies is organizational diagnosis to identify most appropriate organization development interventions for its performance improvement. The framework of Weisbord's Six-Box Model (1976) is used for accessing how an organization functions, representing a particular way of looking at organizational structure and design. It gives attention to issues such as planning, incentives and Rewards, role of support functions such as personnel, internal competitions among organizational units, standards for remuneration, partnerships, hierarchies and the delegation of authority, organizational control, accountability and performance assessment. Hamid (2011), in his research paper, commented that utilizing Weisbord's Six Box Model could be useful only if issues are identified and well addressed for improvement.

#### **Theoretical Framework**

Based on literature reviews and theories and derived mainly from Weisbord's Six Box model supported by Mckinsey 7 S model, theoretical framework of this study was highlighting importance of organizational (Internal) components and their interconnectedness in responding external environment and to achieve organizational goals. Finally, to address the issue of unclear role, role ambiguity was also inserted as another factor that relates to structure reflection from personal interviews and selfobservation during pre-diagnoses stage.

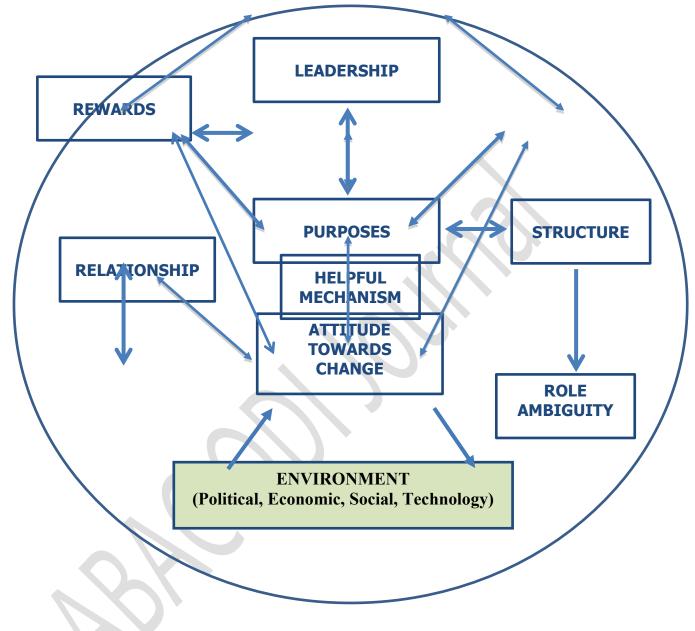


Figure 2 Theoretical Framework designed for this study

# **Conceptual Framework**

Having meticulous discussions with the BOD and CEO, in connection with establishment of new organization Structure, performance based Rewards had to be set. The conceptual framework of this study has been formulated as follows:

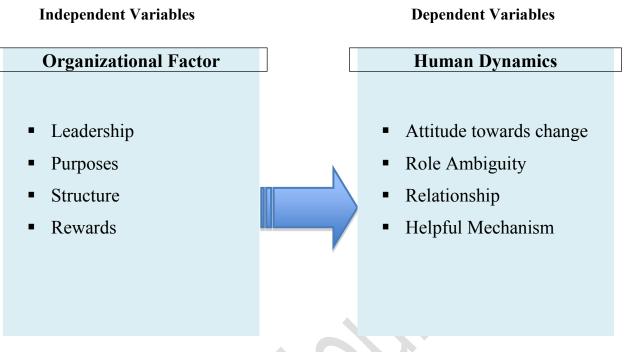


Figure 3. Conceptual Framework

# **Action Research Framework**

Given current situations and background history, AAA is to become a wellperformed organization in responding its challenges, action research framework was designed accordingly.

# Pre ODI

#### ODI

#### Post

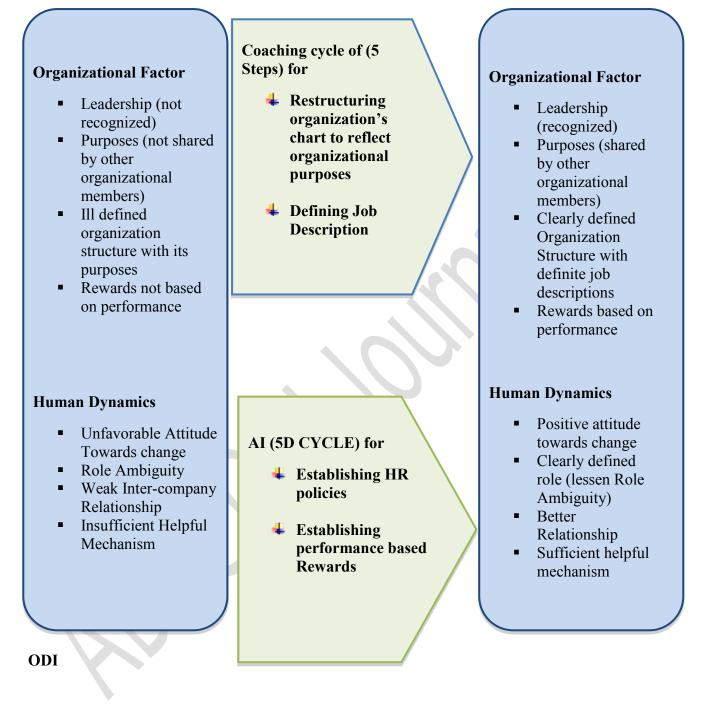


Figure 4. Action Research Framework

# **Research Design And Methodology**

# **Pre ODI Phase**

The current situation of AAA was diagnosed by STAR, SWOT and Force Field analyses through personal interviews, documents, meetings' minutes, circulations, etc. The instrument, Preziosi's ODQ was used to collect quantitative data from all 47 respondents. Moreover, systematic observation and semi-structured interviews focusing on structure of AAA, work process, communication and HR practices were also conducted to collect qualitative data. The total period was about 9 weeks (from May 2015 to July 2015).

# **ODI Phase**

The whole Intervention process took place in 7 months (August'15 to February'16).

# **Coaching Approach:**

The first phase was reestablishing organizational structure reflecting proper line of business, clear delegation of authority. 11 Board of directors, CEO, 6 general managers were formed into a focus group for this session. Ted's (2012) five steps in effective coaching process were applied as in figure 5. The duration was about 8 weeks from mid August 2015 to October first week 2015.

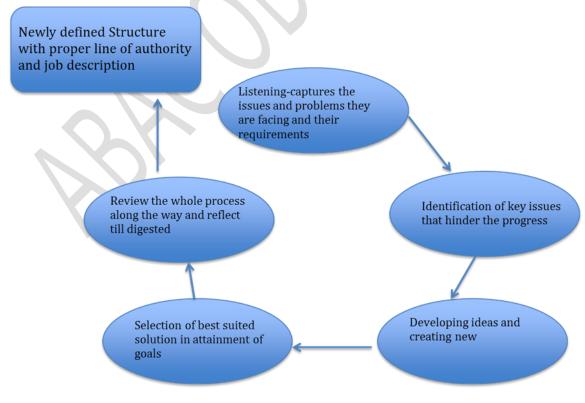


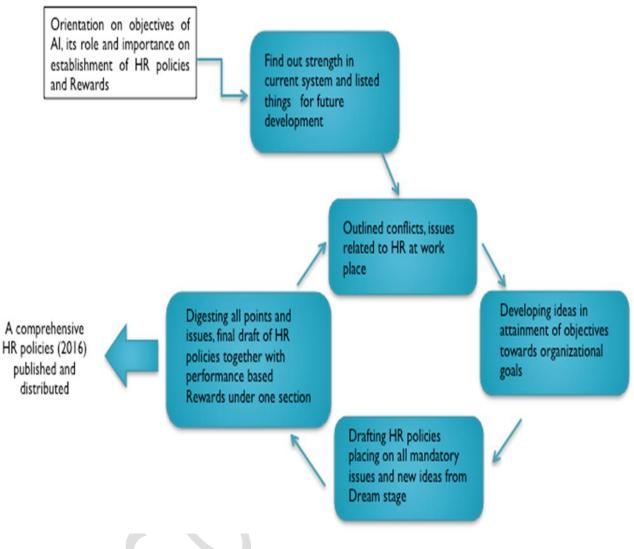
Figure 5. Coaching flow design

The first step involves listening- to capture the issues and problems they are facing and their requirements. The second Saturday began with discussion on previous activities putting their results on the white board. Afterwards theme of session was guided as per "what do we have to change in order to move forward?" Looking at problems and issues, each group developed a structured picture of what future organizational structure might look like. Each group presented new design of structure scrutinized by all participants sharing different ideas. This step was looped for 3 sessions weeks as all did not easily buy one. After eight weeks, one organization structure had been developed to get ready for final approval from board of directors.

The second action was to the job description for each department according to redesigned structure. In this process, target participants were changed including 2 directors, 8 general managers, 14 senior managers who involved in daily operations. They were briefed to follow new organization chart with new line of authority. The first session was briefing and diagnosing problems and issues. Afterwards each participant was to work on their own to design and draw for their departments with participation of employees at every level for their own job descriptions accordingly. Finally, job descriptions were drafted in six weeks after conducting two cycles of coaching process and a complete set of job descriptions at each level of respective department was presented for CEO's approval.

# Appreciative Inquiry Approach to formulate HR policies and performance based Rewards

The second intervention was **"AI approach focusing on the formulating HR policies and Rewards.**" All participants except CEO (46 in total) were invited, which was designed to conduct six consecutive weeks on every Saturday. As discussed with top management (BOD), duration for whole process was reserved for two months, provided there could be unanticipated circumstances. The first introductory as well as briefing session was successfully adjourned, followed by series of questions by participants mostly were negative. Rather answering questions instantly, meaning of AI together with process was comprehensively explained again and let them focusing on objectives of AI to create proper, comprehensive HR manual and performance based Rewards. Total fortysix participants were group into five with one group had ten participants while others had only nine.



#### Figure 6. AI-5D flow design

The first step of AI was the **Inquiry** stage and dialogues were encouraged to find out strength in current system and to list things that are needed future development. The second stage was "**Inspire – Discover**". On second Saturday, all were asked to outline conflicts, issues or problems that they encountered individually at work place related to HR issues for example: leave, promotion, working environment, safety and medical coverage etc. The third week focused on "**Imagination**, **the Dream**" stage where participants in groups outlined ideas for reaching organizational goals and objectives. Being provided basic facts that should be placed mandatorily in HR policies such as social security board membership, insurance, types of leave (notifications and directives by Directorate of Labor Administration). At fourth, **the Design stage**, participants then drafted chapters' outlines and shared among groups for comments. Some added on extra points regarding scholarship and stipend funds, temporary loans and housing subsidiaries. Because of disagreements on outlines of chapters among departments, both groups requested for another session. As agreed by other groups, in fourth week, the process was looped back to discover stage in order to dig out most frequent problems to be addressed. With agreed outlines by collective output of all groups, during fifth and sixth Saturday sessions, they proceeded in designing a comprehensive HR policy covering all subsections. The draft of HR policies was presented to CEO for approval. Carefully analyzed by CEO and consultants, HR policies inclusive of performance based Rewards was finally materialized. Although AI process was planned for 6 weeks, whole process took nine weeks, as there was a loop back from dream stage due to disagreement among participated groups.

Backed by affirmative support from top management, with above interventions (coaching, AI approach), organization redesign process on structure and on Rewards had been conducted in esatlbishing a comprehensive HR policies together with separate chapter of performance based Rewards and punishments. Moreover, departmental job descriptions and responsibilities were clearly established. Besides, in connection with new organization structure, job grade and position were adjusted.

#### **Data collection**

Primary data both quantitative data through ODQ and qualitative data through semi-structured questionnaire were collected. The questionnaire (ODQ) were distributed twice; just after the pre-diagnose period in June 2015 and after ODI. In addition, secondary data such as organizational information, operational and management process were collected from BOD and corporate offices. Those results were used to identify how interventions affected on structure, Rewards, relationship, attitude towards change, role ambiguity and helpful mechanism. Furthermore, additional information to conduct next ODI for further improvement was also provided.

# Research Instruments and Tools

Both qualitative and quantitative methods were applied to prevent possible errors that may occur from misinterpretation of questions or respondent not paying attention in answering etc. All questionnaires were in English language as focused group was from management level. Same set of Organizational Diagnosis Questionnaire, the research instrument, together with self-observation and in-depth interview was also conducted through open-ended, questionnaire.

Result showed that Cronbach's alpha is 0.916 indicating high level of internal consistency and reliability of measures.

#### Tools for Qualitative and Quantitative Analysis

Both qualitative and quantitative data from interview and questionnaires were transformed into digital form, then input and analyzed by SPSS version23.0.

- Paired Sample T test was used to compare results of pre and Post-ODI to determine improvement of each variable after interventions
- Multiple regression analysis was used to verify cause and effect relationship between Variables

# **Data Analyses and Results**

In analyzing variances of variables before and after ODI to test hypothesis  $H_1$  and  $H_2$ , pair sample T test ((2 tailed) at 95% Confidence Interval) was used. Again to test hypotheses in analyzing cause and effect relationship between variables, multiple regressions was used.

Variance of variables (before and after ODI)

Results from "Paired Sample T Test (2 tailed) (at Confidence Interval 95%) of all variables of this study; **Strcuture, Purposes, Leadership, Attitude towards change, Relationship and Helpful Mechanism** showed **.000 which is less than .05,** indicating there is the statistically significant difference between before and after ODI. Based on the results ODI had significant impact on all variables.

Therefore, H<sub>0</sub>1 :ODI has no impact on Structure is rejected.

H1 : ODI has impact on Structure is accepted.

Therefore, H<sub>0</sub>2: ODI has no impact on Rewards is rejected.

H2: ODI has impact on Rewards is accepted.

Analyzing Cause and Effect Relationship between Variables

Structure and Helpful Mechanism, Attitude towards Change, Relationship

The relationship between Structure and its dependent variables was analysed by bivariate regression.

(1) There is statistically significant relationship between Structure (The division of labor of this organization is flexible) and Helpful Mechanism (The organization has adequate mechanisms for binding itself together) in positive B value. Therefore, it was interpreted that when division of labor becomes more flexible, organization would have more adequate mechanism for binding

itself together.

(2) There is statistically significant relationship between Structure (The division of labor in this organization actually helps it to reach its goals) and Relationship (My relationship with members of my work group are friendly as well as professional) in negative B value. Thus it was interpreted that division of labor helps to reach organizational goals, relationship with members of work group professionally and friendly would be lower.

Rewards and Relationship, Helpful Mechanism, Attitude towards change

Based on the analyses, results had shown clearly that

- 1) Significant relationship with positive B value interpreted that if Rewards ("The opportunity of promotion exists in the organization") gets higher the greater chance of Relationship ("I can always talk to someone in the organization if I have work related problems")
- 2) Significant relationship with positive B value interpreted that once Rewards ("My job offers me the opportunity to grow as a person)", better Relationship ("I have established relationships that I need to do my job properly")
- 3) Significant relationship with positive B value interpreted that once (Rewards) more salary received based on job performance, the higher ability of organization to change (Attitude towards change)

Verification of Hypotheses based on Results

(1) Result showed that once division of labor flexibility is higher, there would be more adequate mechanisms within the organization.

Thus, as a result,  $H_07$ : Organization Structure redesign does not foster Helpful Mechanism is void.

H7: Organiation Structure redesign fosters Helpful Mechanism is accepted.

(2) Result showed that higher the degree of division of labor is flexible; organization tends to resist to change. Also the higher degree of each variable of Structure, organization would introduce more new policies and procedures.

Thus, H<sub>0</sub>8: Organization Structure redesign does not promote Attitude towards change is void.

H8: Organization Structure redesign promotes Attitude towards change is

accepted.

(3) Result showed that the higher degree of division of labor helps to reach its goals, the lower the degree of relationship with members of work group friendly as well as professionally).

Thus  $H_05$ : Organization Structure redesign does not enhance relationship within the organization is accepted.

H5: Organization Structure redesign enhances relationship within the organization is rejected.

(4) Based on the results as above,

Thus,  $H_03$ : Structure has no impact on Helpful mechanism, Relationship within the organization, Attitude towards change and role ambiguity is void. H3: Structure has impact on Helpful mechanism, Relationship within the organization, Attitude towards change and role ambiguity is accepted.

(5) Result showed that (Rewards) if the job offers greater opportunity, the relationship with supervisor would be much better. Result also showed that Rewards (the higher the opportunity for promotion) the better the relationship that everybody can talk to others for work related problems.

Also, Rewards (the greater the opportunity to grow), the better to establish relationship in work place.

Therefore,  $H_010$ : Introduction of Rewards has no impact on Relationship within the organization is rejected.

H10: Introduction of Rewards has an impact on Relationship within the organization is accepted.

(6) Result showed that Rewards (tendency of performance based salary is high) the higher the ability of organization to change.

Moreover, once performance based Rewards comes into practice, the greater chance of an organization introduces new policies and procedures (attitude towards change).

Therefore,  $H_09$ : Introduction of performance based Rewards does not enhance attitude towards change is rejected.

H9: Introduction of performance based Rewards enhances the attitude towards change is accepted.

(7) Consequently, based on results,

 $H_04$ : Rewards has no impact on Relationship and Attitude towards change is rejected.

H4: Rewards has impact on Relationship and Attitude towards change is accepted.

Both classical organization theory and role theory deal with role (8) ambiguity. According to classical theory, every position in a formal organizational structure should have a specified set of tasks or position responsibilities. Again, Rizzo, House and Lirtzman (1983) cited on many experimental researches in their paper of "Role conflicts and Ambiguity in Complex organization", role ambiguity is the result from ambiguous definition of task and its role, unclear and inconsistent guidance from supervisor, lack of information on assignment and non existence of proper directives, policies etc. From interviews, it was learnt that assignments were inconsistence and changing over times and departments were not properly designed with logical division of tasks and lack of specific job description. Literatures and many researches showed relationship between organizational structure and role ambiguity, Thus, it was stated that when division of labor within the organization is well designed with clearly defined task and proper line of authority, it helps to eliminate employees for being ambiguous. Pair T Test (2 tailed) witnessed that significant differences before and after ODI. Therefore,

H<sub>0</sub>6 Organization Structure redesign does not eliminate role ambiguity is rejected. H6: Organization Structure redesign eliminates role ambiguity is accepted.

#### Discussion

Based on quantitative analyses, results had clearly expressed that all variables of Structure and Rewards had shown significant improvement after ODI.

Based on results, once organization Structure had been redesigned by introducing well designed work unit with flexible and logical division of labor that to achieve organizational goals, then development of helpful adequate mechanisms and better attitude towards change by introducing new policies and procedures were acknowledged. Moreover, introducing performance based Rewards by offering opportunity to employees to grow as a person, equitable pay scale and benefits, performance based promotion were observed bring up better Relationship among work unit and groups, both in friendly and professional manner and with supervisor harmoniously. Result also expressed that when employees were having performance based rewards, the relationship within work units as well as within the organization became developed as they tend to open their minds to talk with others for work related problems if any. By testing hypotheses, results affirmed that organization redesign process indeed is crucial process in enhancement of organizational components such as relationship, helpful mechanism, rewards, structure as well as attitude towards change and reducing role ambiguity. It was clearly seen that the division of labor that intended to reach its goals with greater flexibility would deliver better relationship within organization and accordingly it helped to introduce new policies and procedures as it allowed the organization has ability to favor change.

#### **Conclusion with 2x2 Model**

Finally, it was summarized that the redesign process on Organization structure and Rewards had significant impact on both organizational factors and human dynamics, positively as well as negatively.

| Clear<br>Division<br>of Labor   | <ul> <li>✓ (Lower) Relationship within<br/>work group</li> <li>✓ Resist to Change</li> <li>✓ (Lower) Role Ambiguity</li> </ul> | <ul> <li>(Adequate)Helpful Mechanism</li> <li>(Better)Attitude towards change</li> </ul> |
|---------------------------------|--|--|
| Unclear<br>Division<br>of Labor | No performance based Rewards   | ✓ (Better) Relationship Performance based Rewards  |
|                                 | No performance based Rewards   | Pertormance based Rewards  |

*Figure 8* 2x2 Model derived from results reflecting cause and effect relationship between variables

Above 2x2 model revealed that positioning of organizational components provided the idea of alignment of those in achieving organization's excellence. In AAA context, based on this study, it is clearly seen that when Structure was unclear, Role Ambiguity heightened and decreased in Relationship. Rewards also fostered Relationship as well as on Attitude towards change. Structure should be redesigned and proper Rewards should be planned correspondingly ensuring each dependent variable (Helpful Mechanism, Relationship and Attitude towards change) is well compensated to create effective helpful mechanism establishing planning and control measures, better cooperation and coordination within work units and organization and to promote attitude towards change by developing ability to change as well as introducing new policies and procedures.

#### Recommendation

Taking the findings of this study into consideration, additional information flow both formal and informal should also be established to encourage cooperation and coordination within AAA. The continuous evaluation process and feedback from employees should be embarked to monitor its pros and cons and to refurbish in accordance with upcoming challenges of both internal (inclusive of purposes, management team) and external factors (such as industry, markets and competitors, government regulations). It is also required to evaluate and reengineer existing organizational structure, business process and system on a continuing process in responding incessantly challenging market and environmental forces and modification of strategies of AAA time by time.

Undeniably purposes and leadership had significant relationship with all other organizational components according to this study as well as previous researches and literatures. Thus, it would also be beneficial for top management to examine impact of purposes on AAA's performance, which also is critical to revise time from time. In addition, it was discovered that importance of organizational culture that administrates in managing and conducting daily operations. It would be an interesting subject to focus on AAA's culture and its impact on employees' engagement towards organizational performance. Finally, establishment of performance management system is also suggested to attract talent pool, succession plan, career development to employees be engaged in pursuit of departmental objectives as well as organizational goals proficiently in future along its path.

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