

**The Impact of OD Process Consulting on Goal Setting, Performance Feedback,  
Employee Motivation, Teamwork, and Job Performance:  
An Action Research of Small and Medium Enterprise (SME) Manufacturer**

**Vuttichai Voraphani**  
Graduate School of Business  
Assumption University

**Dr. Sming Chungviwatanant**  
Lecturer  
Graduate School of Business  
Assumption University

**Abstract**

This research determines the impact of OD Process Consulting on Goal Setting, Performance Feedback, Employee Motivation, Teamwork, and Job Performance in a Small and Medium Enterprise (SME) Manufacturer. The action research compared the difference of these five variables between pre-ODI and post-ODI of 71 respondents in production department of the company. To improve the level of these five variables, ODI activities were designed and implemented. These ODI activities included setting intermediate goals and official goal, revising personal incentive, creating department own digital-format performance feedback system, skill training on performance data mining and analysis, implementing best performance employee board, fishbone brainstorming, active meeting, relationship building through football activity. The findings showed that ODI was effective to all variables. Goal Setting, Performance Feedback, Employee Motivation, Teamwork, and Job Performance showed statistically significant differences after ODI activities implemented. There was improvement on all variables after the implementation of ODI.

**Keywords:** organization development, organization development intervention (ODI), goal, goal setting, performance feedback, motivation, teamwork, job performance

**Introduction**

In 2014, the Thai textile industry faced low demand of its main customers from US, EU, and Japan because of their slow economic growth, creating fierce global competition. Thai textile manufacturers also faced hostile domestic business environment such as labor scarcity, high level of minimum wage cost, high energy price, political instability, and lack of government support.

TTC Co., Ltd is a knitted fabric supplier for apparel especially for casual wear, children wear, and underwear. In addition to hostile business environment, the company also experienced internal struggle. The company had poor job performance such as delayed delivery, high production cost, and inconsistent production quality. Those problems caused by several factors such as urgent orders, delayed raw material procurement, poor master

<http://www.assumptionjournal.au.edu/index.php/odijournal>

planning, and poor production performance. Among those factors, dyeing production job performance was the most prominent factor. The dyeing production department, the most crucial department of the company, experienced performance struggles with inconsistent and high re-process rate. To boost performance, the company set several performance goals explicitly in ISO system and implicitly in meeting. However, goals were not well aligned, not prioritized, and too high to achieve. While participation in goal setting was lacked, goal was not sold, which lead to low goal commitment. Goal also needs performance feedback, and performance feedback should be timely, relevant, and useful. But company's performance feedback was mainly reported to management, not to responsible persons. The process of collecting performance feedback data and information was time consuming, so feedback was not regular and in time for responsible persons to act. Additionally, staff did not see the value of that feedback information. Additionally, lack of motivation was also found. Although the company had incentive system to motivate production employees, the incentive system did not do the job. And with directive style of management and daily conflict argument of subjective product quality, employee motivation was low. While performance goals couldn't lead individual, they couldn't lead the team either. Teamwork within department was as a working group. Relationship of dyeing production department with other departments did not get along well and dyeing production department did not gain trust from other departments.

From above, improving goal setting, performance feedback, motivation, teamwork, and job performance through organization development implementation would strengthen the company capability to survive in fierce business environment. The focal system for this study included all 71 employees in the dyeing production department of the company. The following research objectives were pursued:

1. To assess and analyze the current situation and functioning of the company's dyeing production department in term of the level of goal setting, performance feedback, motivation, teamwork, and job performance.
2. To design, develop, and implement an appropriate ODI to improve goal setting, performance feedback, motivation, teamwork, and job performance.
3. To determine whether OD intervention improve the company's dyeing production department in term of goal setting, performance feedback, motivation, teamwork, and job performance.

## **Review of Literature**

### **Goal Setting**

Goal is the aim of an action or task that a person consciously desires to achieve or obtain (E. A. Locke & Latham, 2006; E. a Locke & Latham, 2002). Goal setting involves the conscious process of establishing levels of performance in order to obtain desirable

outcomes. Lock and Latham (2002) explained that goals affect performance through four mechanisms, which are that goals serve a directive function, that goals have an energizing function that goals affect persistence, and that goals affect action by leading to the arousal, discovery, and/or use of task-relevant knowledge and strategies. But before a goal can be motivating to an individual, one must accept and commit to the goal. Liccione (2009) proposed that goal commitment is a multiply function of drivers which are measurability (M), performance range (PR), consistency with job responsibilities (C), attainability (A), and concept clarity (CL). In goal setting, Lock and Latham (1990) outline principle of success goal setting, which are 1) clarity 2) challenge 3) commitment 4) feedback and 5) task complexity. Another popular mnemonic in goal setting method is S.M.A.R.T goal setting concept, which S is specific, M is measurable, A is attainable, R is relevant, and T is time bound.

Under context of business corporate, they involve several goals, including department goals, team goals, or individual goals to lead organization. To avoid conflict of goals, Cokins (2010) added another very important characteristic of goal in business environment is Alignment. Also, like goals, business companies usually implement Key Performance Indicators (KPIs). Parmenter (2010) defined KPIs as a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization. Andrej (2004) provided methodology for deriving performance indicators in 8-step interactive closed-loop model, which are 1) Defining production goals and objectives; 2) Identify potential indicators; 3) Select indicators for implementation; 4) Set targets. 5) Implement indicators; 6) Monitor and communicate results; 7) Act on results; 8) Review indicators, policies, and goals.

### Performance Feedback

While only goal itself can increase performances, but over time it needs to feedback those performances to that individual or group. Feedback is information about how one performed in comparison with what was expected (Hale, 2004). Feedback typically consists of information provided to an individual for the purpose of an increase in performance (Kluger & DeNisi, 1996). In the learning process, feedback is a process of sharing observations, concerns, and suggestions with another person, with the intention of helping them to improve the outcome or their performance. The purpose of feedback should be not to judge but to present information (Hyman, 1980). For performance improvement, feedback is information about the past and will effective only when it is informs (Hale, 2004). That information, backed by evidences, should be 1) timely 2) relevant and 3) useful.

In the business environment, performance feedback should be incorporated into organization culture as system. Cummings and Worley (2009) define performance appraisal as a feedback system that involves the direct evaluation of individual or workgroup performance by a supervisor, manager, or peers. They summarized several common elements

of performance appraisal systems under traditional approaches and under high-involvement approaches in Table 1.

Table 1

*Performance Appraisal Elements*

Elements	Traditional Approaches	High-Involvement Approaches
Purpose	Organizational, legal	Fragmented Developmental Integrative
Appraiser	Supervisor, managers	Appraisee, co-workers, and others
Role of appraisee	Passive recipient	Active participant
Measurement	Subjective, Concerned with validity	Objective and subjective
Timing	Periodic, fixed, administratively driven	Dynamic, timely, employee- or work-driven

*Note.* From *Organization Development & Change* (Intl), p. 429, by Cummings, T. G., & Worley, C. G., 2009, Mason, OH: South-Western/Cengage Learning

Motivation

Motivation defined the conditions responsible for variations in the intensity, quality, and direction of ongoing behavior (Cummings & Worley, 2005). There are two broad concepts of motivation theories which are content theories focusing on what motivate people and process theories focusing on how motivation occurs.

There are several prominent theories focusing on what motivate people. Maslow’s Hierarchy of Needs Theory (Maslow, 1943) classified human needs into five levels ranging from lower level need to higher level need, which are physiological need, safety need, belonging need, self-esteem need, self-actualization need. Similarly to Maslow Hierarchy of needs, Alderfer’s ERG Theory (Alderfer, 1969) classified hierarchy of needs into three categories, which are existence needs, relatedness needs, and growth needs. McClelland’s Achievement Need Theory (McClelland, 1961) explained how three basic needs which are achievement, affiliation, and power affect the actions. Herzberg’s Two Factor Theory (Herzberg, 1966) explained that there are two kinds of factors affecting motivation, one leads to satisfaction (Motivators) and another one leads to dissatisfaction (Hygiene factors). On the other ways, several theories focused on how motivation occurs. Vroom’s Expectancy Theory (Vroom, 1964) explained that the motivation is the result of multiplier of expectancy, instrumentality, and valence. Adams’ Equity Theory (Adams, 1963) recognized that individuals are not only value his reward in absolute amount but also comparing his reward to people among him.

In business circumstance, companies always use reward as their main motivator and implement it as a system. Kerr (1996) concluded factors that influence the ability of reward to

<http://www.assumptionjournal.au.edu/index.php/odijournal>

motivate desired behavior. Those factors are 1) availability 2) timeliness 3) performance contingency 4) durability and 5) visibility. And reward system must be designed to be aligned with strategy, structure, employee involvement, and work. Lawler (1999) summarized design features of a reward system which should 1) Consider rewards and incentive is paid based on job task, skill, knowledge, or the result of the task; 2) Consider rewards and incentive is paid equally or similar to other employee who working on similar task in the same organization and to other organization in same labor market; 3) Consider rewards is paid more and in various form of rewards for employee in higher position; 4) consider how variety of rewards forms should be paid; 5) Consider how reward system can make commitment to people and job security; and 6) Consider whether long time employee should be paid more.

Teamwork

Nelson and Quick (2006) defined a team is a group of people with complementary skills who are committed to a common mission, performance goals, and approach for which they hold themselves mutually accountable and teamwork is joint action by a team of people in which individual interests are subordinated to team unity. Matelic (2009) presented the difference of team and workgroup in the aspects of goals, synergy among members, the skills of members, and accountability for processes and outcomes, as shown in Table 2.

Table 1.

*Work Groups and Work Teams Comparison*

Attribute	Work Groups	Work Teams
Goals	Share information	Collective performance
Synergy	Negative or Neutral	Positive
Skills	Random and varied	Complementary
Accountability	Individual	Individual and mutual

*Note.* From "Are Effective Teams Loyal? What Research Can Tell Us About Effective Teams" by Matelic, C. T., 2009, In *The 2008 ALHFAH Conference and Annual Meeting*.

There are several conditions and elements for team effectiveness. Rubin, Plovnick, and Fry (1977) proposed "GRPI Model of Team effectiveness", starting from Goals, Roles, Processes, and Interpersonal Relationships. LaFasto and Larson (2001) proposed five fundamental elements of team effectiveness, which are team member, team relationships, team problem solving, team leadership, and organization environment. Goodwin and Johnson (2000) also expressed key elements of team working to be success are 1) goal definitions; 2) task definition; 3) clear allocation/ acceptance of roles and responsibilities; 4) effective communication skills; 5) successful relationship skills; 6) sustained supportive behavior; 7) flexibility of thought; 8) adaptability of response; 9) overt prioritization of the collective interest over the individual; 10) joint ownership of the central task. On the other way, team can be dysfunctional. Patrick Lencioni (2002) explained five natural pitfalls team usually fall <http://www.assumptionjournal.au.edu/index.php/odijournal>

into and make them fail to achieve performance. Those pitfalls start with absent of trust, fear of conflict, lack of commitment, avoidance of accountability, and inattention of results.

### Job Performance

Job performance can be referred to a scalable action, behavior and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals (Viswesvaran & Ones, 2000) and referred to behaviors or actions that are relevant to the goals of the organization (John P Campbell, 1990). Job performance is multidimensional. Campbell et al (1996) identified eight dimensions of job performance which are 1) job-specific task proficiency; 2) non-job-specific task proficiency; 3) written and oral communication task proficiency; 4) demonstration of effort; 5) maintenance of personal discipline; 6) facilitation of peer and team performance; 7) supervision / leadership; and 8) management / administration. According to Mitchell (1982), Job performance is a multiply function of three variables which are motivation, ability, and environment. In business environment, performance is managed and integrated as a system. Performance Management is an integrated process of defining, assessing, and reinforcing employee work behavior and outcomes. It includes processes of goal setting, performance appraisal, and reward systems (Cummings & Worley, 2005).

### Theoretical Framework

This research was guided by Cummings and Worley's performance management model (Cummings & Worley, 2009) as a base model. For each element, to make goal effective, the ODI through goal setting was mostly conformed to elements mention in Liccione's goal theory (Liccione, 2009) since this theory mentioned different elements from other theories, which are performance range and consistency with job responsibility. These two elements were fit with this company context. Surely, the goal need to be challenge and aligned (Cokins, 2010; Cummings & Worley, 2009; V. Locke & Latham, 1990). The ODI through feedback focused on performance outcome feedback to groups of responsible employees, effective feedback should be timely, relevant, and useful (Hale, 2004). To raise motivation, ODI focused on using goal and reward as motivator. ODI was guided through Kerr's reward factors theory (Kerr S, 1996) which concerns availability, timeliness, performance contingency, durability, and visibility. The ODI also improved employee involvement through teamwork activities whose theory is based on Hackman's Conditions for Team Effectiveness model (Hackman, 2002) and Goodwin and Johnson's key elements of success team working (Goodwin & Johnson, 2000). The aggregated theoretical framework is depicted in Figure 1.

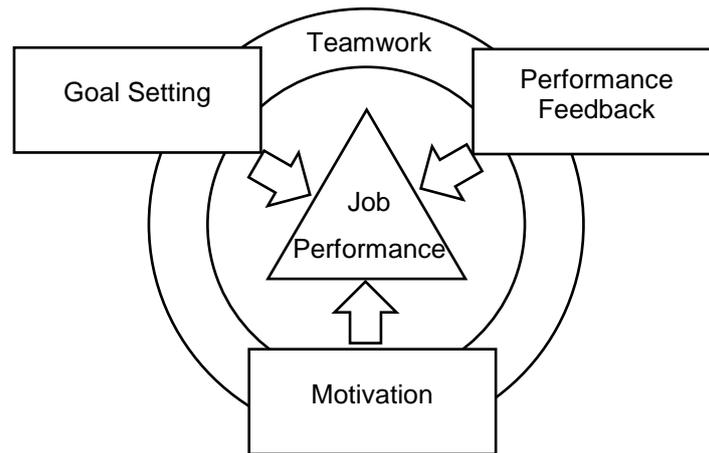


Figure 1 Theoretical Framework

### Conceptual Framework

The conceptual framework of this research consists of two groups of variables, which are the Organization Development Intervention (ODI) as the independent variable and a) Goal Setting; b) Performance Feedback; c) Motivation; d) Teamwork and e) Job Performance as dependent variables. The relationships are illustrated in Figure 2 below.

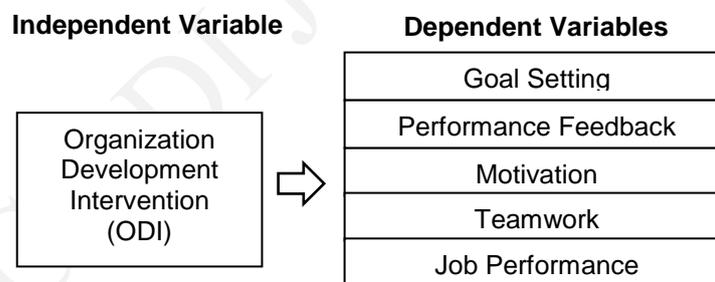
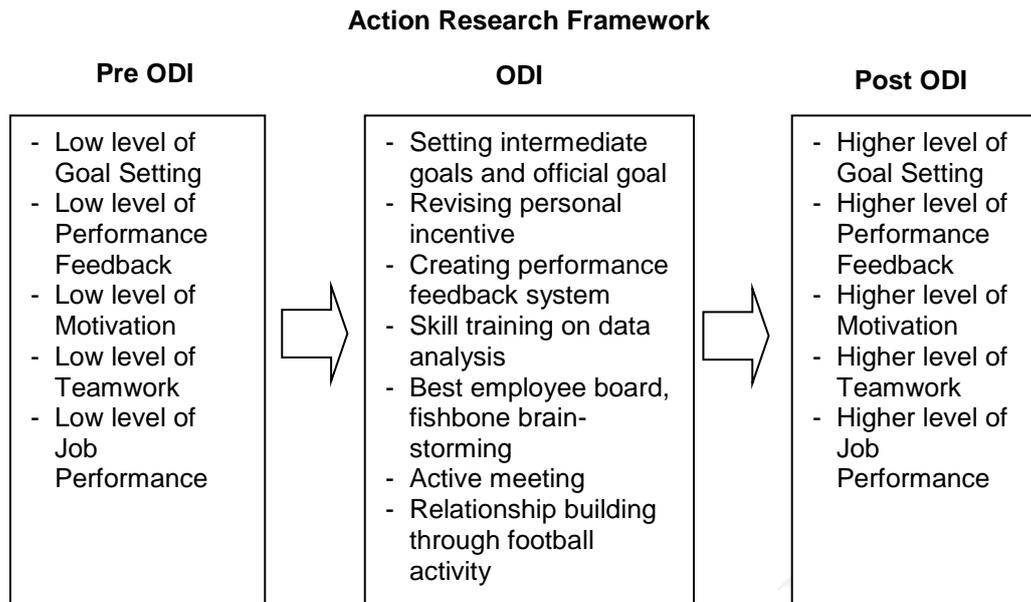


Figure 2 Conceptual Framework

### Action Research Framework

This research conducted OD intervention to see whether the impact of ODI would improve organization in aspects of goal setting, performance feedback, motivation, teamwork, and job performance. The action research framework can be depicted as in Figure 3.



*Figure 3 Action Research Framework*

#### Research Problem

To determine the impact of OD process consulting on goal setting, performance feedback, employee motivation, teamwork, and job performance to improve a small and medium enterprise (SME) manufacturer.

#### Research Questions

1. What is the current situation of the company's dyeing production department in term of goal setting, performance feedback, motivation, teamwork, and job performance?
2. What is the appropriate OD intervention to be implemented to improve the situation of the company in term of goal setting, performance feedback, motivation, teamwork, and job performance?
3. After OD intervention, is there an improvement in term of the following variables?
  - 1) Is there an improvement in term of goal setting after OD intervention?
  - 2) Is there an improvement in term of performance feedback after OD intervention?
  - 3) Is there an improvement in term of employees' motivation after OD intervention?
  - 4) Is there an improvement in term of teamwork after OD intervention?
  - 5) Is there an improvement in term of job performance after OD intervention?

### Research Hypothesis

1. There is a statistical significant difference in the level of goal setting between pre-ODI and post ODI.
2. There is a statistical significant difference in the level of performance feedback between pre-ODI and post ODI.
3. There is a statistical significant difference in the level of motivation between pre-ODI and post ODI.
4. There is a statistical significant difference in the level of teamwork between pre-ODI and post ODI.
5. There is a statistical significant difference in the level of job performance between pre-ODI and post ODI.

### Methodology

According to action research model, the research is divided into 3 phases which are Pre-ODI, ODI, and Post-ODI.

Pre ODI: To determine the current situation of focal system, which were all 71 employees in company's dyeing production departments. Quantitative and qualitative data was collected and analyzed for assessment in aspect of goal setting, performance feedback, motivation, teamwork, and job performance. Then, data was analyzed to get the current picture of these variables.

ODI: The OD Intervention was comprised of series of activities conducted in first half of 2015 to improve the organization. The ODI activities included setting intermediate goals and official goal, revising personal incentive system, creating department own digital-format performance feedback system, skill training on performance data mining and analysis, implementing best performance employee board, fishbone brainstorming, active meeting, relationship building through football activity.

Post ODI: The same assessment used in pre-ODI phase was used to assess again to determine the situation after ODI.

### Data Collection and Analysis Tools

Data source can be divided into primary and secondary data sources. Primary data consisted of quantitative data collected from questionnaire response of all 71 employees in company's dyeing production department and qualitative data collected from interview of 12 randomly selected employees. Secondary data was collected from observation and organization documentation.

Questionnaire was developed in two parts which are 1) demographic of respondents including age, gender, marital status, education, wages, and years of work. 2) six-point Likert's scale questions to gauge respondents' attitude on goal setting, performance feedback, motivation, and teamwork. While job performance was measured through department's percentage of reprocess. The questionnaire was tested its validity and reliability with a pilot group of employees by using Cronbach's alpha for reliability test. The result showed that Cronbach's alpha is 0.9278, which can be considered as high reliability.

The tools used to analyze the data are frequency, percentage, means, and standard deviation calculation as descriptive statistics, and compare means t-test to determine whether there is difference in level of interested variables between Pre-ODI and Post-ODI.

## Findings

### Demographic Finding

As aspect of majority of respondents, 54% of respondents are 30-40 years old. 70% of respondents are male. 65% of respondents are married. 69% of respondents are lower than vocational. 83% of respondents are daily-wage employee. And 69% of respondents worked with the company for 5-15 years.

### ODI Activities

1) Past performance review and gaining support from management. Before making change in organization goal/performance system. All goals and KPIs of the company were in-depth reviewed. Broad expectation was explained to management to gain support for performance goal system change by focusing on improvement than actual outcome figures during the period.

2) Setting intermediate goal at maintaining re-process percentage not higher than 25% for 3 consecutive months. To refocus on main goal which is re-process percentage, researcher acted as mediator between top management and middle-level staff in negotiating new goals and targets. It involved back and forth negotiation with factory manager for intermediate acceptable targets. To gain staff acceptant and commitment, the process also involved selling new goals and portrayed other supporting mechanisms to help them achieve including personal incentive scheme adjustment, real-time performance tracking program, and active meeting.

3) Revise personal incentive scheme. Together with department goal adjustment, personal incentive criteria was also adjusted to motivate frontline staff, to provide supporting mechanism to help middle-level staff lead, and to eliminate out-of-control factors in previous incentive scheme.

4) Create department own performance feedback mechanism and interactive data collection in digital format. Single database and platform was implemented to be able to create near real-time, interactive, and multi-view performance report for the department

5) Skill training on performance data mining and interactive data analysis. To maximize using past performance record, training for middle management staff about what they can do with data to help making better decision was conducted.

6) Best performance dyeing employee board. It was created to acknowledge the best performance staff, to praise them, and to motivate them.

7) Fishbone brainstorming. The brainstorming analysis session was conducted to emphasize the most important goal of the company, to have cross-department mutual analysis of causes of re-process and actions that have impact on re-process performance, and to be the first step of teamwork across departments to contribute to reduce re-process.

8) Active meeting. daily meeting for internal department and weekly meeting for cross departments were conducted to be stage for group communication for problem and solution discussion, wrapping up performance result, providing essential information, and encouraging staff.

9) Dedicated co-operation with other departments. To loosen organization structure silo, dedicated personnel were assigned to be direct window of communication, co-operation, and share decision making with involving departments.

10) Setting official goal and incentive system after achieving intermediate goals. After achieving intermediate goals, new official department performance goals were reviewed and set

11) Interpersonal Relationship Building. Football competition was conducted for all employees to participate to build teamwork and improve relationship among them.

#### Finding on Goal Setting

The response that their performance goal were clear was improved from 4.41 to 4.63 with mean difference of 0.23. The response that their performance goal were challenging was improved from 4.38 to 4.54 with mean difference of 0.15. The response that their performance goals were realistic was improved from 3.90 to 4.42 with mean difference of 0.52. The response that their performance goals were relevant to their job responsibility was improved from 4.21 to 4.39 with mean difference of 0.18. The response that they understood how to measure their performance against the goals was improved from 4.51 to 4.65 with mean difference of 0.14. The response that if they had more than one goal to accomplish;

they knew which were most important and which were least important was improved from 4.45 to 4.54 with mean difference of 0.08. The response that their superiors told them the reasons for giving them the goals they had was improved from 4.00 to 4.07 with mean difference of 0.07. The response that their superiors let them participate in the setting of their goals was improved from 3.41 to 3.61 with mean difference of 0.20. The response that they were strongly committed to pursuing their goals was improved from 3.83 to 4.41 with mean difference of 0.58. The response about goal setting was improved from 4.12 to 4.36 with mean difference of 0.24. After ODI, The most improved aspect of goal setting was that goal was more realistic and staff has more commitment to pursuing the goal. From interview, in Pre-ODI, there was not much participation in goal setting. Goal was too high to achieve, not prioritized, and out of authorization to control. And there was low goal commitment. In Post-ODI, Goal was reachable, more focused, more reasonable. Collective goal brought other department staff to work together. And new goal gained higher commitment.

### Hypothesis Testing

Ho1: There is no statistical significant difference in the level of goal setting between pre-ODI and post ODI.

Ha1: There is a statistical significant difference in the level of goal setting between pre-ODI and post ODI.

Table 3

#### *Compare Mean t-test on Goal Setting*

t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
-2.480	.014	-.23958	.09661

From Table 3, the significant level from t-test with 95% confidence interval was 0.014, which was less than 0.05; therefore, Ho1 was rejected. It could be concluded that there was a statistical significant difference in the level of goal setting between pre-ODI and post ODI and represented that the respondent's opinion in term of goal setting had been improved after the organization development intervention had implemented.

### Finding on Performance Feedback

The response that they knew feedback could help improve their work performance was improved from 4.72 to 4.72 with mean difference of 0.00. The response that they welcomed feedback was improved from 4.94 to 5.10 with mean difference of 0.15. The response that they understood how their performance were measured on their job was improved from 4.55 to 4.59 with mean difference of 0.04. The response that they got regular

feedback indicating how they were performing in relation to their goals was improved from 3.58 to 4.34 with mean difference of 0.76. The response that performance feedback information they receive were valid and reliable was improved from 4.49 to 5.01 with mean difference of 0.52. The response that performance feedback information they receive were clear and link to objective was improved from 4.17 to 4.97 with mean difference of 0.80. The response that in performance feedback sessions, they had clear discussions with their superiors was improved from 4.59 to 4.73 with mean difference of 0.14. The response that in performance feedback sessions, their superiors stressed problem solving rather than criticism was improved from 4.79 to 4.99 with mean difference of 0.20. The response that in performance feedback sessions, they were given plenty of opportunity by their superiors to discuss the reasons for any problems with their work was improved from 4.54 to 4.55 with mean difference of 0.01. The response about performance feedback was improved from 4.49 to 4.78 with mean difference of 0.29. After ODI, The most improved aspect of performance feedback was that feedback was more regular, valid, reliable, and clearer. From interview, in Pre-ODI, it was found that there was not enough regular performance feedback to staffs, performance data collecting process was tedious task, and staff saw not much value of performance feedback information. In Post-ODI, it was found that time spent in processing performance feedback information was reduced, up-to-date performance feedback information provided sense of urgency for all staffs and empowered staff in process preparation and decision making

### Hypothesis Testing

Ho2: There is no statistical significant difference in the level of performance feedback between pre-ODI and post ODI.

Ha2: There is a statistical significant difference in the level of performance feedback between pre-ODI and post ODI.

Table 4

*Compare Mean t-test on Performance Feedback*

t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
-3.768	.000	-.29310	.07779

From Table 4, the significant level from t-test with 95% confidence interval was 0.000, which was less than 0.05; therefore, Ho2 was rejected. It could be concluded that there was a statistical significant difference in the level of performance feedback between pre-ODI and post ODI and represented that the respondent's opinion in term of performance feedback had been improved after the organization development intervention had implemented.

## Finding on Motivation

The response that they were clear with their responsibility was improved from 4.94 to 5.01 with mean difference of 0.07. The response that they were encouraged to create suggestion for improvement here was improved from 3.87 to 4.56 with mean difference of 0.69. The response that they were clear with their job description was declined from 5.10 to 4.97 with mean difference of -0.13. The response that they were clear of the rule and regulation was declined from 5.00 to 4.97 with mean difference of -0.03. The response that their workload were acceptable was improved from 4.34 to 4.37 with mean difference of 0.03. The response that their work hour were reasonable was improved from 4.41 to 4.49 with mean difference of 0.08. The response that the work process assisted them in doing work faster was improved from 4.07 to 4.25 with mean difference of 0.18. The response that they were satisfied with the welfare policy here was improved from 3.48 to 3.52 with mean difference of 0.04. The response that the organization was fair in terms of compensation for their life was improved from 3.85 to 3.89 with mean difference of 0.04. The response that if they reached their goals, they know that their superiors would be pleased was improved from 3.49 to 4.20 with mean difference of 0.70. The response that if they reached their goals, they got credit and recognition was improved from 3.42 to 4.31 with mean difference of 0.89. The response that if they reached their goals, they felt proud was improved from 3.61 to 4.30 with mean difference of 0.69. The response that if they reached their goals, their job security would be improved was improved from 3.45 to 3.69 with mean difference of 0.24. The response that if they reached their goals, their chances for a pay raise were increased was improved from 3.61 to 3.73 with mean difference of 0.13. The response that if they reached their goals, their chances for a promotion were increased was improved from 3.27 to 3.32 with mean difference of 0.06. The response that rewards were visible to the recipient and others was improved from 2.92 to 4.10 with mean difference of 1.18. The response that the company rewards good deeds was improved from 3.68 to 4.31 with mean difference of 0.63. The response that they saw the company intermittently rewards to encourage better performances was improved from 2.82 to 4.34 with mean difference of 1.52. The response that they were satisfied with awards in terms of salary increase and promotion was improved from 3.41 to 3.45 with mean difference of 0.04. The response that they were confident was improved from 3.03 to 3.90 with mean difference of 0.87. The response that they receive the reward individuals for loyalty was improved from 3.10 to 3.38 with mean difference of 0.28. The response that there were better chance here to get promotion was improved from 3.00 to 3.17 with mean difference of 0.17. The response that the opportunity for growth here depends on ability and capability was improved from 3.52 to 3.63 with mean difference of 0.11. The response that they had no doubted with their long-term security was improved from 3.99 to 4.11 with mean difference of 0.13. The response that they had received good and enough training was improved from 3.51 to 3.55 with mean difference of 0.04. The response that their job provided a great deal of opportunity to learn more about the process and increase their skills was improved from 3.85 to 3.87 with mean difference of 0.03. The response about motivation was improved from 3.72 to 4.05 with mean difference of 0.33. After ODI, The most improved aspect of motivation was about intrinsic and extrinsic reward when staff

reached the goal. From interview, in Pre-ODI, it was found that middle level dyeing staff had lower motivation because of too high goal and conflict environment. In Post-ODI, the situation was improved. It was found that reachable goal and incentive system boosted motivation and there was more cooperation and more supportive environment.

Hypothesis Testing

Ho3: There is no statistical significant difference in the level of motivation between pre-ODI and post ODI.

Ha3: There is a statistical significant difference in the level of motivation between pre-ODI and post ODI.

Table 5

*Compare Mean t-test on Motivation*

t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
-4.954	.000	-.33451	.06752

From Table 5, the significant level from t-test with 95% confidence interval was 0.000, which was less than 0.05; therefore, Ho3 was rejected. It could be concluded that there was a statistical significant difference in the level of motivation between pre-ODI and post ODI and represented that the respondent’s opinion in term of motivation had been improved after the organization development intervention had implemented.

Finding on Teamwork

The response that they could achieve more together than they could if they were just working alone as individuals was improved from 4.45 to 4.76 with mean difference of 0.31. The response that teamwork within their department were good was improved from 4.49 to 4.63 with mean difference of 0.14. The response that teamwork within their department were working effectively was improved from 4.37 to 4.45 with mean difference of 0.08. The response that the assignment of tasks in their department were clear was improved from 4.93 to 4.96 with mean difference of 0.03. The response that the team in their department were organized and structured suitably for the tasks it has to perform was improved from 4.55 to 4.73 with mean difference of 0.18. The response that they usually felt that within this team they knew who were doing what, why they were doing it and how they were getting on was improved from 4.85 to 4.86 with mean difference of 0.01. The response that every team member knew what the other team members expect from him or her was improved from 4.58 to 4.76 with mean difference of 0.18. The response that their colleagues gave priority to collective goal over the individual one was improved from 3.80 to 4.37 with mean difference

of 0.56. The response that they had been communicated about information and policy correctly and quickly was improved from 3.59 to 4.44 with mean difference of 0.85. The response that they had good support from their colleagues and superiors was improved from 4.55 to 4.62 with mean difference of 0.07. The response that management paid careful attention to employee suggestions was improved from 3.73 to 4.00 with mean difference of 0.27. The response that team members received the guidance and resources they need from the team manager to do their jobs was improved from 3.80 to 4.24 with mean difference of 0.44. The response that they had received flexibility from their colleagues was improved from 4.41 to 4.72 with mean difference of 0.31. The response that their colleagues accepted their opinions was improved from 4.18 to 4.58 with mean difference of 0.39. The response that they collaborated well with their superior was improved from 4.52 to 4.85 with mean difference of 0.32. The response that during formal and informal meetings with 3 or more team members, they felt free to contribute was improved from 4.25 to 4.48 with mean difference of 0.23. The response that different section cooperated with each other was improved from 3.86 to 4.32 with mean difference of 0.46. The response that heads of each section provided good examples of good cooperation was improved from 3.76 to 4.32 with mean difference of 0.56. The response that conflict between or among team members were handled promptly and effectively was improved from 3.92 to 4.38 with mean difference of 0.46. The response about teamwork was improved from 4.24 to 4.55 with mean difference of 0.31. After ODI, The most improved aspect of teamwork was that there were better communication and cooperation among team member, staff looked more toward collective goal than individual goal, and conflict was handle better. From interview, in Pre-ODI, it was found that teamwork within department was as a working group, there was not much teamwork with other sections, and the department did not gain trust from other departments. In Post-ODI, it was found that there was better teamwork, more trust, and more communication across departments.

Hypothesis Testing

Ho4: There is no statistical significant difference in the level of teamwork between pre-ODI and post ODI.

Ha4: There is a statistical significant difference in the level of teamwork between pre-ODI and post ODI.

Table 6

*Compare Mean t-test on Teamwork*

t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
-5.287	.000	-.30887	.05843

From Table 6, the significant level from t-test with 95% confidence interval was 0.000, which was less than 0.05; therefore, Ho4 was rejected. It could be concluded that there was a statistical significant difference in the level of teamwork between pre-ODI and post ODI and represented that the respondent’s opinion in term of teamwork had been improved after the organization development intervention had implemented.

Finding on Job Performance

In 2014, before ODI, department re-process percentage was average at 39.31% with the maximum re-process percentage at 57.43% and the minimum re-process percentage at 26.1%. This performance was far from target at 10% re-process percentage. After ODI in 2015, department performance was significantly improved. Re-process percentage was reduced 18.81% to the average at 20.49%. The result also showed performance consistency with standard deviation was reduced from 9.6 to 4.0.

Hypothesis Testing

Ho5: There is no statistical significant difference in the level of job performance between pre-ODI and post ODI.

Ha5: There is a statistical significant difference in the level of job performance between pre-ODI and post ODI.

Table 7

*Compare Mean t-test on Job Performance (Reprocess Percentage)*

t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
5.819	.000	18.8083	3.2323

According to t-test for equality of means of re-process percentage from Table 7, the significant level with 95% confidence interval was 0.000, which was less than 0.05; therefore, Ho5 was rejected. It could be concluded that there was a statistically significant difference in the level of job performance between pre-ODI and post-ODI and represented that performance to control re-process had been improved after the organization development intervention had implemented.

**Conclusion**

This action research has achieved its research objectives which are the following: to assess current situation of the company’s dyeing production department, to design the appropriate OD intervention, and to determine the difference of goal setting, performance

feedback, employee motivation, teamwork, and job performance between Pre-ODI and Post-ODI. The results showed that ODI was effective to all variables. Goal Setting, Performance Feedback, Employee Motivation, Teamwork, and Job Performance showed statistically significant differences after ODI activities implemented. It can be concluded that there was improvement on all variables after the implementation of ODI.

#### Recommendation for Further Intervention

- Company-wide goal setting revision or performance management revision. Even this OD intervention was considered to have succeeded to improve dyeing performance which is one of the key success factor of the company, it was not conducted at company-wide scale because of time limitation. The company should extend the success practice to other departments and company-wide scale. Company working units' performance goals and targets should be revised to be aligned and prioritized.
- Performance feedback mechanism revision with help of IT implementation as communication and feedback tool. The company still rely working process on paper report and human. The company should invest in automation, IT system, MRP, etc. to improve work efficiency. IT system not only improves performance feedback system but also can be utilize in all part of operation.
- Performance incentive with other possible departments. In addition to dyeing department that have incentive program, the company can extend the incentive program to other departments that add value to the final product.
- Quality of work life intervention. According to Post-ODI quantitative analysis of motivation, there are several aspects that can be improved. Those aspects involve promotion, pay raise, welfare, compensation, growth, training, learning opportunity. This is providing opportunity for the company to implement intervention about quality of work life.
- Communication and negotiation skill improvement as well as conflict management. Because most fabric quality properties are subjective, there are a lot of conflict in fabric quality approval process. It brings argument and conflict not only between company and customer but also among company departments. The company should conduct the ODI to improve communication and negotiation skill and conflict management so that the conflict between staff will be solved positively and not deter their teamwork and motivation.
- Leadership and managerial skill improvement. From observation, the company middle management including department managers and section heads occupied high operational and technical skill but lack management skill such as leadership skill. So training of these areas will benefit the company in the long run.

### References

- Adams, J. S. (1963). Toward an understanding of inequity. *Journal of Abnormal and Social Psychology*, 67, 422–436.
- Alderfer, C. P. (1969). An Empirical Test of a New Theory of Human Needs; *Organizational Behaviour and Human Performance*, 4(2), 142–175.
- Andrej, R., Sebastjan, Z., & Vladimir, J. (2004). Assesment of production performance by means of KPI. *Control 2004*.
- Campbell, J. P. (1990). Modeling the performance prediction problem in industrial and organizational psychology. In *Handbook of Industrial and Organizational Psychology* (Vol. 1, pp. 687–732).
- Campbell, J. P., Gasser, M. B., & Oswald, F. L. (1996). The substantive nature of job performance variability. In *Individual Differences and Behavior in Organizations* (K. R. Murp, pp. 258–299). San Fran- cisco: Jossey-Bass.
- Cokins, G. (2010). *Performance Management: Integrating Strategy Execution, Methodologies, Risk, and Analytics*. Wiley.
- Cummings, T. G., & Worley, C. G. (2009). *Organization Development & Change* (Intl). Mason, OH: South-Western/Cengage Learning.
- Goodwin, D., & Johnson, S. (2000). Teamwork training – an innovative use of flight simulators. *Industrial and Commercial Training*, 32(4), 132–135.
- Hackman, J. R. (2002). *Leading Teams: Setting the Stage for Great Performances*. Harvard Business School Press.
- Hale, J. (2004). *Performance-Based Management: What Every Manager Should Do to Get Results*. Pfeiffer.
- Herzberg, F. (1966). *Work and the Nature of Man*. Cleveland: World Publishing.
- Hyman, R. (1980). *Improving Discussion Leadership*. Teachers College Press.
- Kerr S. (1996). Risky Business: The New Pay Game. *Fortune*, 134(2), 68–70.
- Kluger, A. N., & DeNisi, A. (1996). The effects of feedback interventions on performance:A historical review, a meta-analysis, and a preliminary feedback intervention theory. *Psychological Bulletin*, 119, 254–284.
- LaFasto, F., & Larson, C. (2001). *When teams work best: 6000 team members and leaders tell*  
<http://www.assumptionjournal.au.edu/index.php/odijournal>

*what it takes to succeed.* Thousand Oaks, CA: Sage.

Lawler, E. E. (1999). *Rewarding Excellence: Pay Strategies for the New Economy.* Wiley.

Lencioni, P. (2002). *The Five Dysfunctions Of A Team: A Leadership Fable.*

Liccione, W. J. (2009). Goal Commitment. *Performance Improvement*, 40(7), 26–30.

Locke, E. A., & Latham, G. P. (2006). New directions in goal-setting theory. *Current Directions in Psychological Science*, 15(5), 265–268.

Locke, E. a, & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *The American Psychologist*, 57(9), 705–717.

Locke, V., & Latham, G. P. (1990). *A Theory of Goal Setting & Task Performance.* Prentice Hall.

Maslow, A. H. (1943). A Theory of Human Motivation. *Psychological Review*, 50(4), 370–396.

Matelic, C. T. (2009). Are Effective Teams Loyal? What Research Can Tell Us About Effective Teams. In *The 2008 ALHFAH Conference and Annual Meeting.*

McClelland, D. C. (1961). *The Achieving Society.* Van Nostrand.

Mitchell, T. R. (1982). Motivation: New Directions for Theory, Research, and Practice. *Academy of Management Review*, 7(1), 80–88.

Nelson, D. L., & Quick, J. C. (2006). *Organizational Behavior: Foundations, Realities, and Challenges.* Thomson/South-Western.

Parmenter, D. (2010). *Key Performance Indicators (KPI): Developing, Implementing, and Using Winning KPIs* (2nd ed.). Hoboken, New Jersey: John Wiley & Sons, Inc.

Rubin, I. M., Plovnick, M. S., & Fry, R. E. (1977). *Task Oriented Team Development.* New York: McGraw-Hill.

Viswesvaran, C., & Ones, D. S. (2000). Perspectives on Models of Job Performance. *International Journal of Selection and Assessment*, 8, 216–226.

Vroom, V. (1964). *Work and Motivation.* New York: Wiley.