

Improving Organizational Effectiveness in Manufacturing

A study of selected manufacturing plant in Durban, South Africa

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Summary

Improving organizational effectiveness in Manufacturing plants has become important constantly going back to the drawing board to observe how to measure effectiveness to manufacturing to achieve results based on organizational goals, is it therefore important to be aware of challenges in organizational effectiveness which employees may face because employees are the heart of the manufacturing plant a product goes from being a raw material to a finished good because of employees, The various departments can always review these measures to help the manufacturing company achieve the organizational objectives it has set out to achieve results that will result in organizational effectiveness. The study is relevant for the selected industry sector as there have some studies. which indicate that some manufacturing plants may not be operating at their, optimum on account of the lack of organizational effectiveness, this study will speak to those needs. Findings from the study will be relevant currently as lessons learnt can be applied immediately.

Keywords: effectiveness, manufacturing, improvement

JEL: O14

A gyártás szervezeti hatékonyságának javítása

Összefoglalás

A szervezeti hatékonyság javítása a gyártó üzemekben fontossá vált, hogy megfigyeljük, hogyan mérhető a gyártás hatékonysága a szervezeti célok elérése érdekében. Fontos-e tisztában lenni a szervezeti hatékonysággal kapcsolatos kihívásokkal, amellyel az alkalmazottak szembesülhetnek. A különböző részlegek bármikor felülvizsgálhatják ezeket az intézkedéseket, hogy segítsenek a vállalat számára elérni a szervezeti célokat, amelyek szervezeti hatékonyságot eredményeznek. Emellett cél, hogy mérjék a szervezeti hatékonyságot úgy, hogy minimális erőforrást, időt és pénzt használják fel a munka lehetőség szerinti elvégzésére. A tanulmány egy kiválasztott iparágra vonatkozik, korábbi tanulmányokon alapszik, amelyek azt jelzik, hogy egyes gyártóüzemek a szervezeti hatékonyság és hatékonyság hiánya miatt nem a saját optimális működésükön működnek. A tanulmány megállapításai jelenleg is relevánsak.

Kulcsszavak: hatékonyság, vállalat, fejlesztés

JEL: O14

Introduction

For the past 30 years, researchers have been interested in organizational success (Cho, 2018; Cshindler, 2017). It refers to how well an organization accomplishes its objectives and missions (Cho, 2018). In Durban, South Africa manufacturing firms use effective manufacturing to make a concerted and deliberate effort to ensure that all the organization's interrelated pieces are strategically aligned to fulfill the mission and goals, Considering the necessity of increasing organizational productivity in practice, a significant amount of research has been conducted, several factors influence organizational effectiveness, including:

- difficulties identifying factors that affect organizational effectiveness
- how management addresses organizational effectiveness to employees
- how employees define organizational effectiveness
- current organizational effectiveness practices

Even though most academics are dedicated to uncovering what aspects may influence organizational effectiveness, there is little research on the effects of improving manufacturing on the effectiveness process. This statements are valid for agriculture, as well (Székács et al., 2020). There is only a rudimentary understanding of how a complex of elements and processes interact to enhance or inhibit organizational effectiveness (Balcsók et al., 2006, Papadimitriou, 2019).

Among the various because organizational effectiveness frequently interferes with individual and organizational performance, it has been recommended as a significant component that impacts organizational success (Barney, 2010).

Organizational effectiveness and performance are two notions that are inextricably related (Papadimitriou, 2019) this is because organizational effectiveness and organizational performance are frequently used interchangeably, one of the most widely used concepts of organizational effectiveness is a perfect match for organizational performance. In other words, organizational effectiveness refers to how well an organization or institution can achieve its aims and objectives; in other words, the two terms typically have same definition and basic concepts, because in Durban, South Africa manufacturing is such a fast-paced industry employees are expected to complete their work duties as quickly as feasible to boost organizational performance and effectiveness. Workplace training and ongoing improvement are now seen as essential for a company's competitiveness (Papadimitriou, 2019), most organizational effectiveness academics agreed that organizational effectiveness is a key factor in manufacturing success.

Theoretical framework

The study will contribute to the body of knowledge on based practices and models that can be used to enhance organizational effectiveness and efficiency in the selected industry sector. Manufacturing plants will be able to use knowledge, from the findings to address effectiveness challenges they may face from time to time. This will help mitigate against losses suffered on account of the lack of effectiveness of the entity, lastly, improved effectiveness will positively impact the triple bottom lines that will, in turn, contribute to the growth of the local GDP (Gross domestic product). The South African manufacturing industry makes a noticeable contribution to the country's economy, the South African manufacturing industry is currently characterized by significant numbers of unskilled and semi-skilled workers (Overview, 2019).

Kwa Zulu-Natal is a province in South Africa it has the country's second-largest economy, it contributes approximately 16% of the country's GDP (Gross Domestic Product), manufacturing, trade, business services, and transportation are the province's major and fastest-growing industries (Overview, 2019).

Manufacturing's plants in Durban Kwa Zulu Natal are evolving quicker than ever been before, due to customer orders that must be met, increased need of unskilled & semi-skilled employees, and management, however, there is room to improve organizational effectiveness in the selected industry sector because of how fast paced to meet demand it is, this can be done by measuring organizational effectiveness in the major departments such as human resources department, purchasing, finance and quality management department, to determine the factors that matter to employees regarding organizational effectiveness.

This paper will be measuring how each department is effective towards improving organizational effectiveness, organizational effectiveness is increasingly being used as a metric for determining a company's performance, the term "organizational effectiveness" refers to how well an organization accomplishes its objectives. organizational effectiveness leaders develop clear objectives for their people and outline strategies for achieving those objectives, at times it may be addressing a strategic issue (Cho, 2018).

Research objectives:

- O1: To identify factors that contribute to organizational effectiveness
- O2: To determine the role of management in organizational effectiveness
- O3: To determine factors that matter to employees regarding organizational effectiveness

Research questions:

- Q1: What are the factors that contribute to organizational effectiveness?
- Q2: What is the role of management in organizational effectiveness?
- Q3: What are the factors that matter to employees regarding organizational effectiveness?

Materials and Methods

This will be an exploratory quantitative study (Papadimitriou, 2019) according to (Papadimitriou, 2019), exploratory research can be used to determine the extent of a problem, this is suitable for this study as it will enable a better understanding of the issue surrounding organizational effectiveness in the selected industry sector.

The quantitative nature will allow the researcher to probe the subject with more depth by use of close ended questions, according to (Cho, 2018) quantitative data is rich and consists of in-depth information presented in the form of numbers, the study will adopt an action research approach as it will be practical in nature, with a view to finding answers to the business problem identified.

According to (Papadimitriou, 2019) action research is hands on and practical (Cshindler, 2017) agree and assert that action research is meant to address complex and practical problems, the sample will be selected using purposive sampling to ensure reasonable representativeness of the different interest groups within the selected industry sector. Purposive sampling is suited for this study as the sample will be small (Daft, 2015).

Research instrument

A semi-structured questionnaire will be administered using interviews with the selected sample (Cshindler, 2017), the participants will be interviewed through social media platforms which is google forms, and WhatsApp chat platform, the population selected are employees in the manufacturing plant and but due to time constraints, responses will be transcribed in readiness for analysis (Cshindler, 2017).

The study is relevant for the selected industry sector as there have some studies which indicate that some manufacturing plants may not be operating at their, optimum on account of the lack of organizational effectiveness. This study will speak to those needs findings from the study will be relevant currently as lessons learnt can be applied immediately, relevance of study participants will be advised that their responses will remain, confidential and that they will be used for purposes of this study only, their feedback will be anonymous and each of them will be informed that they have the liberty to withdraw from study at any time if they wish to do so they will also and be informed in advance of the reasons for the study to give them the opportunity to decline if they so choose.

Elimination of bias

Whilst a central theme of the research focused on how to improve organizational effectiveness, care was taken not to discriminate against management the decision to include management yielded a more borderer input to the research that was conducted, the management was included simply because they work with employees and supervisors' employees.

Furthermore, the research did not make mention of any other criteria such as race, thereby avoiding such bias. the researcher was also bound by practical constraints, thus could not force participants to answer interview questions and therefore had to rely on their cooperation, respondents who provided the data have been asked whether interpretations of the researcher seem to be representative of their beliefs, other reasons of why the researcher obtained this data were considered and alternative explanations were ruled out.

Results and analysis

Based on the feedback received the following pie chart and paragraphs show the results and their analysis (Figure 1.):

Which department are you working under?
42 responses

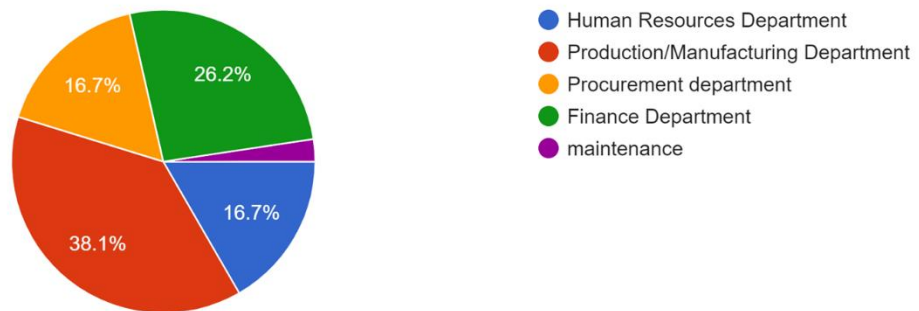


Figure 1: Primary data question from google form

Source: own construction

Based on the pie chart above out of 115 employees only 42 responses from employees were received, this is due to time constraints and availability, 38% of employees are working under the production department, while 26,2% of employees are working in the finance department, and both 16,7% employees are working at the human Resource department and procurement department, this data analysis shows that most employees are employed at the production department, this is interesting due to production department being where the product is manufactured (Figure 2.).

How long have you been working in this organization?
42 responses

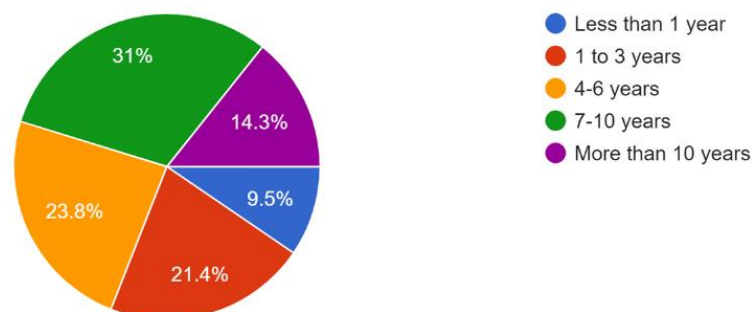


Figure 2: Primary data question from google form

Source: own construction

Based on the feedback on the pie chart above received regarding the question “How long have you been working in this organization?” this is the analysis received.

The workers from Maintenance department have been working in the manufacturing company for over 10 years, followed by the Finance department they have been working at the manufacturing company for 7-10 years, followed by the procurement department they have working at the company for 4-6 years, followed by the production department have been working at the company 1-3 years this is due to the nature of production departments, the workers usually don't work for many years there because of work load and issues which arise and finally, the human resources department has the least amount of percentages of workers who are currently employed under the department at less than a year, this is due to the covid 19 pandemic most of the human resource department employees were released from work.

You as the employee are open to conflict resolution?
42 responses

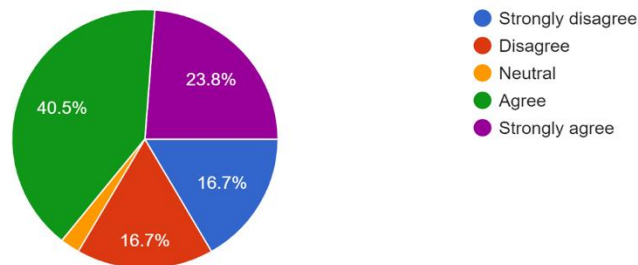


Figure 3: Primary data question from google form

Source: own construction

Based on the feedback on the pie chart above received regarding the question “You as the employee are open to conflict resolution?” this is the analysis received (Figure 3.):

The human resource department 23,8%, strongly disagree with conflict resolution, this is a surprising result because the human resource department in a company is there for the wellbeing of employees, it could also be the department doesn't agree with some management policies put in place, following after the human resource department is the production department they are not of the view of being open to conflict resolution, this could due to the department mostly has most complaints, improving effectiveness and this department is the driving factor for this, the procurement department is neutral to being open to conflict resolution, followed by the finance department agreeing to being open about conflict resolution, and the last one being the maintenance department.

Management Tries to solve issues you have addressed in a timely manner?
42 responses

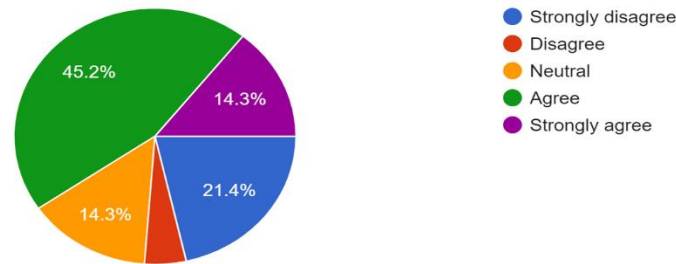


Figure 4: Primary data question from google form

Source: own construction

Based on the feedback on the pie chart above received regarding the question “Management tries to solve issues you have addressed in a timely manner?” this is the analysis received (Figure 4.):

The finance department agrees with the greatest percentage of 45,2% this may be due to the finance department being the most critical department in the company because of the nature of it and the function it plays in the company as a whole, followed by the human resource department 21,4% this may be because the human resource function is to cater for employees wellbeing, and with human resource and trade union working together management may feel some pressure to respond, followed by the procurement & maintenance department with 14,3 % and lastly followed by the production department with 2,4% this may be due to employees in the department being afraid to speak up because of job security.

Conclusions and Recommendations

1. Under the question asked, “How long have you been working in this organization?” this paper recommends employee retention because it isn’t just about limiting the amount of damage that departing employees cause to the organization. employee retention strategies that are successful can boost employee morale, increase connectedness and engagement, and spread pleasant sentiments throughout the organization, and employers have an important role in pushing employees to perform at their best.
2. This paper recommends that managers must know whether their employees are satisfied with their jobs. Managers must ensure that their employees do not feel ignored or underappreciated, employees would be unable to contribute to the organization if this were not the case.
3. This paper recommends that conflict resolution is necessary for improvements in performance, productivity, and motivation more effective management, increased trustworthiness, developing productive working conditions and employee retention, when conflict resolution is solved, there is less stress and absenteeism, communication, teamwork, and performance in the workplace all improve.

4. This paper recommends that the human resources department and the trade union work together and approach management about employees' issues being addressed in a timely manner this can help management find strategies in the management of addressing issues in a timely manner this can help in quickly resolving issues so that employees can work more productively, working productively contributes to effectiveness.

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