



A Study of the Impact of Organization Development Intervention on  
Awareness of Corporate Strategic Direction, and Employee Involvement:  
A Case of Family Dental Company.

By  
Thantira Chantranuwat

A Thesis submitted in partial fulfillment of the requirement for  
the degree of

Master of Management in  
Organization Development & Management

Graduate School of Business  
Assumption University  
Bangkok, Thailand

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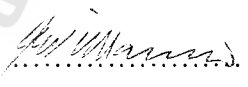

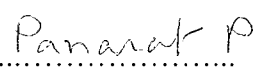
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An Action Research Project Submitted in Partial Fulfillment  
of the Requirements for the Degree of

Master of Management in Organization Development and Management

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## ABSTRACT

The main objective of this study was to determine the impact of organization development intervention or ODI on awareness of corporate strategic direction, and employee involvement at a Family Dental Company.

Family Dental Company is a small family business. The company has operated for almost three decades and employees have been long in service. The company did not have a clear direction which caused employee confusion. In order to lead and manage the company through market rivalry, the company should have strategic direction.

To create a successful strategic direction, strategy and organization capabilities should be aligned. Members in a company should understand the importance of having a strategic direction and realize the company's current situation. Though top management makes final decisions, everybody in the company should be involved in the strategic direction formulation process in order to create alignment. Participation of employees in creating strategic direction process could help them to understand the company's purpose and situation better.

The researcher conducted ODI primarily at Pre – ODI stage to diagnose the company's current situation by using qualitative and quantitative approach to design appropriate ODI activities. Secondly, ODI activities were conducted accordingly to an increased level of awareness on strategic direction, and employee involvement in creating company's strategic direction. Lastly, Post – ODI was diagnosed once again to determine the impact of ODI activities on the organization.

The results after ODI activities were found to be satisfactory. The company has successfully formulated a strategic direction. The statistics showed positive signs that

ODI activities had made an impact on employees' level of awareness on corporate strategic direction, and employee involvement. Employees had a higher level of awareness and understanding about the company's strategic direction. Employees had an opportunity to involve during formulation process which led employees to slightly have positive attitude toward the company.

At last, the researcher provided recommendations for organization to maintain strategic direction and employee involvement, and also gave recommendations more on further study.



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From the very beginning of this thesis study and through the ended, I have benefited greatly from feedback provided by various instructors, friends and family. I would like to offer many thanks to those who devoted their time to give me inspiration, criticism, recommendation, and encouragement.

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## CHAPTER ONE

### Introduction

#### 1.1 Generalities of the Study

Small-Medium Enterprises (SME) in Thailand are mostly based on family businesses. Family businesses have been a foundation, and major factor that drives the economy. It started in a small way with an energetic founder with strong entrepreneurial skill. The family businesses always built up themselves solidly up to a certain point of the company life cycle, whether they will continue the growth to become a corporation with a reputation or they will just be a famous company only in their neighborhood. There are many factors that will make the company different; leadership, innovation, competition, culture in the organization, and many more including both controllable and uncontrollable factors.

Today, the business world has been moving forward at a very rapid pace, it is very important to organizations that the management must be able to identify those controllable ones, able to cope with it, and know those uncontrollable ones in order to grow their business and avoid or act proactively. The management must understand the organization situation and seek to find the best way to manage organization through market rivalry.

Understanding and managing change are dominant themes of management today. Adapting to the ever-changing present is essential for success in the unpredictable future. Many organizations have changed internally in order to increase competitiveness.

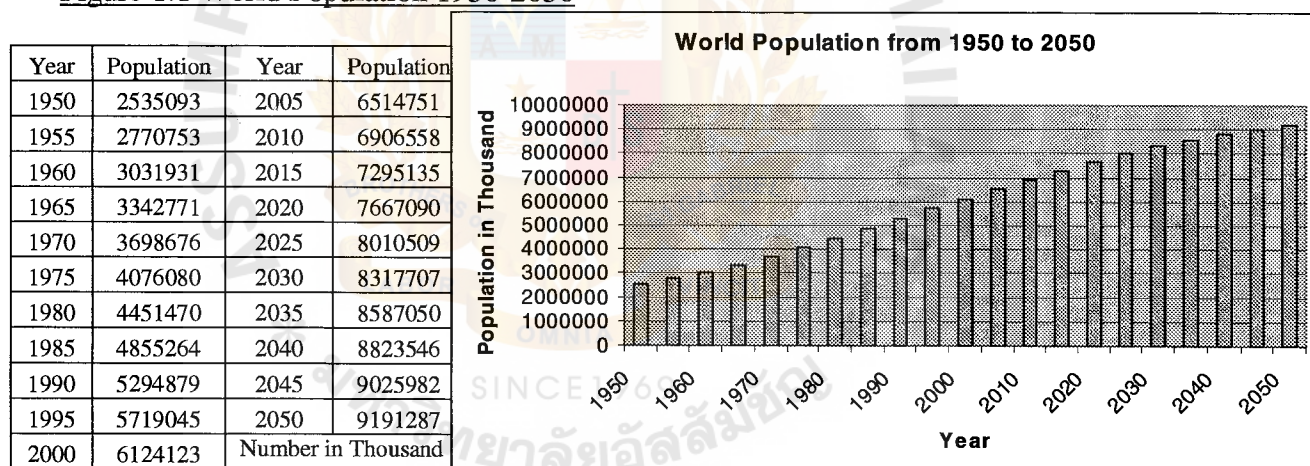
One of the most important factors that drive organization to success is organization strategic direction. A strategically managed organization is one that can both defines where it is, where it wants to be, and manages change through an action

agenda in order to achieve that future. Besides, in order to create a successful strategic direction, strategy and organization capabilities must also be aligned.

### 1.1.1 Global Context.

Globalization had been playing a significant role in business for a long time, and it has continuously been affecting the world with or without consent. The world population has been increasing dramatically, figure 1.1, and it expected to be higher each year. Natural resources have been crazily consumed without control, new kinds of virus or diseases are found each year, and global warming has occurred all over the place. Yet people are more concerned about the quality of their life. Therefore, health consciousness is a major trend nowadays. Health related industries have been a lot more active than before.

**Figure 1.1 World Population 1950-2050**



**Source:** Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2006 Revision and World Urbanization Prospects: The 2005 Revision, <http://esa.un.org/unpp>, Thursday, July 12, 2007.

Furthermore, globalization makes the world connected, it brings customers closer and competitors as well. In medical devices industry, as well as dental devices industry, however, has its way to increase its market size and demand.

### 1.1.2 Asian Context.

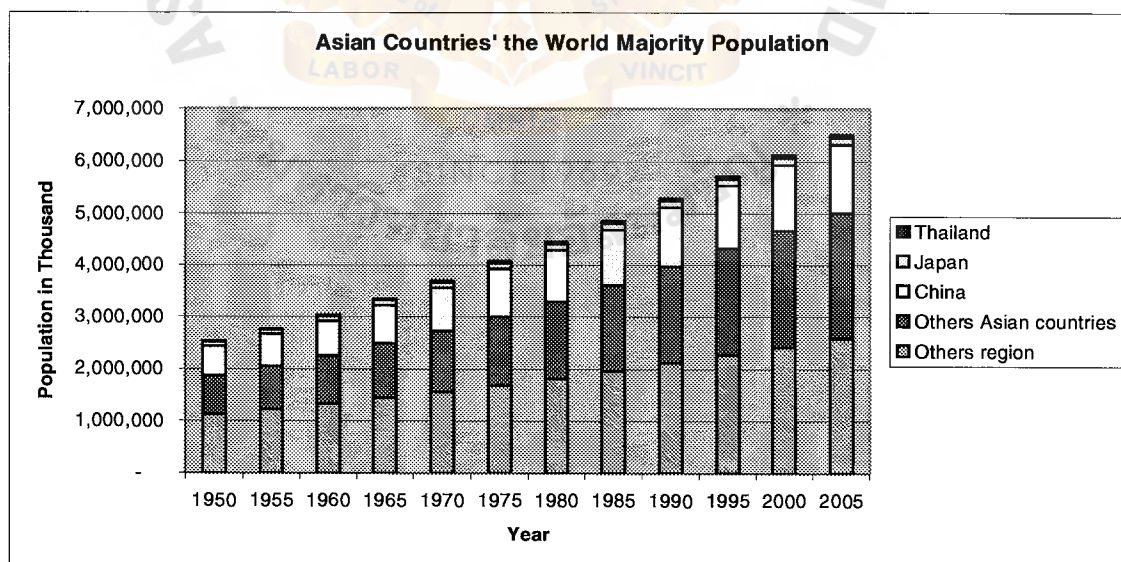
Asian countries are the world majority as seen in table 1.1. In comparison, Asian population has more than fifty percent of total world population.

**Table 1.1 Comparing of Asian Countries Population to World Population between  
Year 1950 to 2005**

Year	Number of Population in Thousand				
	World	Asia	China	Japan	Thailand
Year 1950	2,535,093	1,410,649	554,760	83,625	20,607
Year 1955	2,770,753	1,550,986	609,005	89,815	23,757
Year 1960	3,031,931	1,704,289	657,492	94,096	27,652
Year 1965	3,342,771	1,898,591	729,191	98,881	32,293
Year 1970	3,698,676	2,138,765	830,675	104,331	37,247
Year 1975	4,076,080	2,393,643	927,808	111,524	42,180
Year 1980	4,451,470	2,635,738	998,877	116,807	46,809
Year 1985	4,855,264	2,896,192	1,066,906	120,837	50,820
Year 1990	5,294,879	3,181,211	1,149,069	123,537	54,291
Year 1995	5,719,045	3,451,674	1,213,732	125,472	57,523
Year 2000	6,124,123	3,704,838	1,269,962	127,034	60,666
Year 2005	6,514,751	3,938,020	1,312,979	127,897	63,003

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2006 Revision and World Urbanization Prospects: The 2005 Revision, <http://esa.un.org/unpp>, Thursday, July 12, 2007

**Figure 1.2 Asian Countries' the World Majority Population**





With the effect of globalization, Asian countries have been changing rapidly in every angle; economic, population, politics, technologies and many more. It is now gain a competitive position for those western countries.

For economic aspects, business ventures in China have become increasingly attractive to other nations. In the regional context, replacing Japan, China is emerging as the Asian countries leader. China is one of the world's fast growing markets, and has the fourth largest economy in the world. According to table 1.1 and figure 1.2, China has the world's largest population, therefore China is the world's biggest consumer. In the year 2005, China's Nominal Gross Domestic Product (GDP) reached at 18232.1 billion RMB., the number showed that China has a potential to grow and influence the world economy.

China has high potential of competitiveness and competency such as having plenty of natural resources, low labor costs, large population, and big market that every country, not only in Asian region but also rest of the world, cannot neglect.

#### 1.1.3 National Context.

Currently, Thailand is facing an unstable political situation which, in fact, slowed down the business activities and economic growth of Thailand. There was unclear direction or policy to help guiding private sectors to make their strategic direction. It was obvious that "wait and see" strategy was widely used because everybody was eagerly looking forward to seeing the proved constitution and electing the new cabinet.

Medical industry as well as dental industry has less or almost no direct impact from overall Thailand's political situation, as people still need to take good care of their oral health, and also constantly increase the number of medical professionals each year.

From interviewing with Khun Pornchai Thapanapongpan, the editor of Dental Direct Magazine dated June 13, 2007, he stated that Thailand's medical device market is around three hundred and twenty million US dollars (\$320 million) or 11,200 million baht which picked up slightly in the past few years with the growth rate at ten to twenty percent (10% - 20%) as hospitals and dental clinics planned to replace old devices, and government pushes more policies on healthcare program. In general, health business has less impact from the overall economy of the country. Thailand relied heavily on imported medical devices, and almost all high-tech equipments were imported, medical devices from the United States were very well received. In 2001, the worth of medical devices imported from the United States was fifty six million US dollars (\$56 million) that accounted for about thirty two percent (32%) of the total imports.

Buyers of medical devices and supplies in Thailand normally were public hospitals, private hospital, clinics, and agents. Public hospitals were the major buyers where the majority of their sources of fund came from the Ministry of Public Health, and Social Security fund.

For Thailand's dental device market, according to medical device market, dental device market that includes dental material, products, and equipments, a segment of total medical device market that dental device market also has steady grows with less impact from Thailand currently political situation. The end market for dental products is both dental clinics and dental laboratories.

When comparing to the world dental device market, Thailand dental device market is considered a very small market. In Thailand, dental device market relies heavily on the population, dental professionals, and dental service providers. The number of Thai dental professionals was considered as a small amount,

comparing to the number world dentists. Thai dental professionals were approximately 10,459 persons while the world's dental professionals were approximately 1,809,661 persons, as shown in Table 1.2.

Table 1.2 Number of Dentists

Region	No. of Dentists	Region	No. of Dentists	Region	No. of Dentists
USA	463,663	Italy	33,000	Iraq	11,489
Brazil	190,448	Argentina	28,900	Poland	11,451
China	136,520	Spain	20,005	Thailand	10,459
Japan	90,510	Ukraine	19,354	Others	274,049
Mexico	78,281	Canada	18,265	Total	1,809,661
Germany	64,609	Turkey	17,200		
India	61,424	Republic of Korea	16,033		
UK	58,759	Venezuela	13,680		
Russia	45,972	Iran	13,135		
France	40,904	Greece	12,394		
Colombia	33,951	Syrian Arab Republic	12,206		

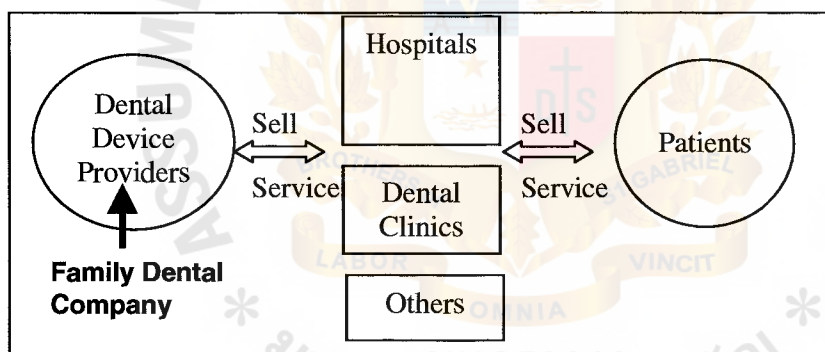
Source: Number of dentists from the World Health Organization database, [www.who.int](http://www.who.int), retrieved on July 20, 2007.

Without large demand on dental device in Thailand, its market relied heavily on imported dental equipment and products. Besides from numbers of end-users, the limitation of qualified researchers, lack of sources of raw material, lack of high technology material, and less support from government, local dental producers have less ability on investing in research and development to produce more sophisticated devices. Therefore, approximately eighty percent (80%) of total dental equipments and products were imported. There were one hundred and forty nine (149) agents that imported dental equipments and products into Thailand (The Medical Device Control Division, 2007)

Regardless of highly sophisticated or technologies devices, some type of dental devices such as dental units, light cure units, and autoclaves, could be produced locally. For this kind of products, innovation was not fast, and functional requirements of the product were relatively simple. However, there were still a small number of local dental producers in Thailand, no more than ten companies, due to limitations as mentioned earlier.

For Family dental Company, the company was one of the dental device providers in Thailand. Dental device providers and includes dental device producers, importers, and distributors that supplied dental products and equipments to hospital, and clinics, figure 1.3, and hospital and clinics would provide service care to patients.

Figure 1.3. Distribution Channel of Thailand Dental Device Providers.



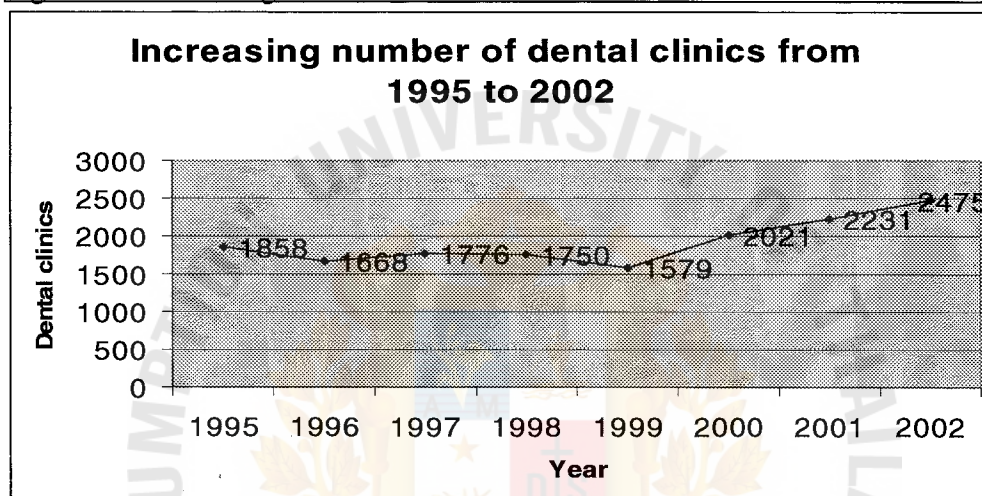
In the past few years, dental market increased around ten to seventeen percent (10% - 17%) as demand for health care service increase. Major buyers of dental devices providers in Thailand were public hospitals, private hospitals, and dental clinics in Thailand. Currently, the amount of public hospitals, private hospitals, and dental clinics were 995, 344, and 2611, respectively (Dental Registration Division, 2007)

Dental device market is expected to increase continuously, as the number of dental practicing licenses increased, and higher number of dental clinics,



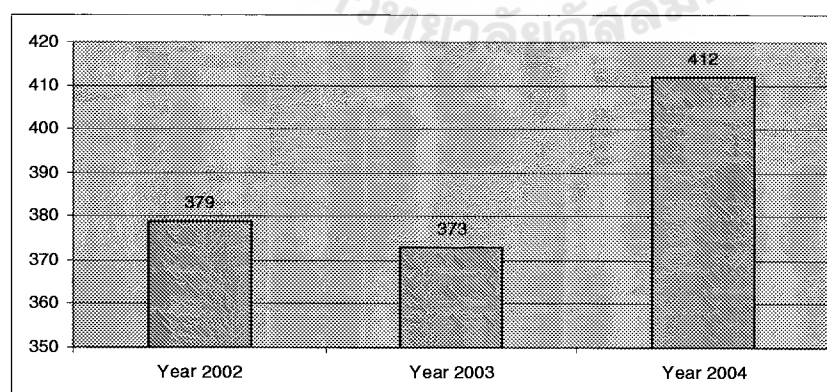
figure 1.4. From year 2002 to 2005, the number of dental practicing licenses issued by Medical Registration Division, the Ministry of Public Health increased from 7,751 to 9,040 licenses. The increasing number of dental practicing licenses related on the number of newly graduated dentists from eight dental schools in Thailand, figure 1.5 (Commission of Higher Education, Ministry of Education, 2007), and higher demand for dental service.

**Figure 1.4 Increasing Number of Dental Clinics in Thailand from 1995 to 2002**



Source : Number of Dental Clinics in Thailand from Bureau of Policy and strategy, Permanent Secretary of Ministry of Public Health, Retrieved on July 12, 2007 from the World Wide Web: [www.203.157.19.191](http://www.203.157.19.191)

**Figure 1.5 Number of Graduated Dentist in Thailand**



Source: Lists of higher education, and Number of graduated in Thailand. Commission of Higher Education, Ministry of Education. Retrieved on July 12, 2007 from the World Wide Web: <http://inter.mua.go.th/>

Nevertheless, the increasing demand for dental service also related to the increasing number of population, and increase in the needs for dental check-ups. At least, each person should visit a dentist 2 times a year for check-ups which usually included scaling and polishing. Better education of the public caused higher health consciousness also increased the number for overall dental visits for preventive check-ups. Moreover, the Social Security Fund, the 30 baht Medicare and Dental Insurance Program were also a major factor that caused a higher number of dental visits. When comparing to the number of dentists to the number of Thai population, it showed that one dentist should serve approximately 7,190 patients. Hence, there was an increasing demand for dental care service and it resulted to higher demand for dental devices.

## 1.2 Company Overview

### 1.2.1 Company Background.

Family Dental Company was established in 1976 by two dentists. The company aimed to invent and produce quality dental products to compete with imported products that had high prices. The company was the first producer of dental equipments in Thailand. Products at the beginning were such as dental unit, dental ultrasonic scaler, and portable dental unit. From past to present, the company operated for almost thirty years, and had high reputation in Thailand dentistry.

### 1.2.2 Products and Services.

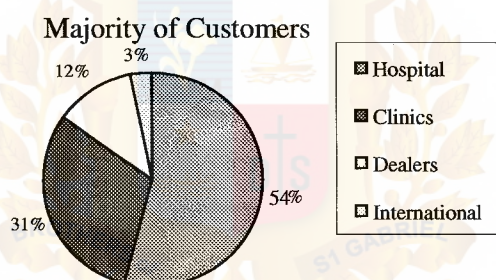
Family dental company offers a wide range of dental products that need in dentistry such as dental unit, scaler, light curing unit, amalgamator, dental suction unit, electro surgery, intra oral camera, welding machine, x-ray dental unit, autoclave, doctor and assistance stools, dental accessories, and much more.

The company has its own brand, and also offers custom-made products according to customers' requirement. Not only the company offers dental products, but they also provide service starting from dental planning advice to product maintenance service.

### 1.2.3 Customers.

The company classified customers into four major groups: hospitals, dental clinics, authorized dealers and international clients. The figure 1.6 showed the percentage of customer group in the year 2005. There were fifty three percent (53%), thirty one percent (31%), twelve percent (12%) and three percent (3%) in hospitals, dental clinics, authorized dealers and international clients, respectively.

Figure 1.6 Majority of Customer Groups



### 1.2.4 Human Capital.

The company's founders are well known in Thailand dentistry for over thirty years. They have high reputation and been dedicated themselves to enhance Thailand dentistry starting from developing and inventing dental equipments, that have highly function, in order to supporting dental equipments for dental practicing in remote areas. Moreover, the co-founder is also a foreknown expert and keynote speaker in many aspects of Thailand dental industry.

The company had small amount of employees, thirty eight (38) employees and four persons in top management level. The company's members

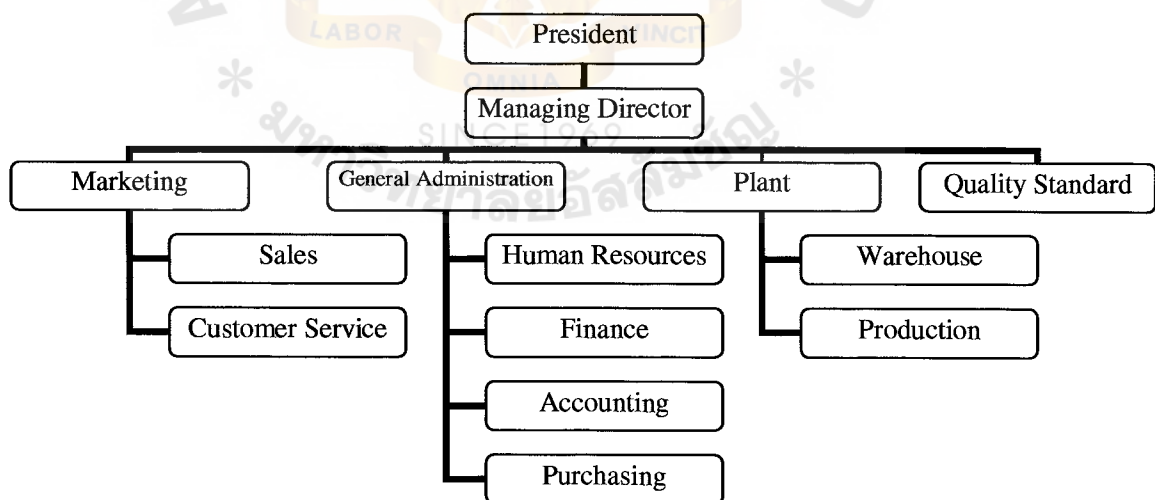
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worked together like one of family members. Employees had high loyalty, and long service years. The company had zero point two percent (0.2%) of turnover rate. For employees' knowledge and skills, employees usually had on the job training, and they received few or no skills from training programs each year. Most of their skill and knowledge came directly from the learning experience.

#### 1.2.5 Organization Structure.

The company had an informal organization, and its organization structure, figure 1.7, was obviously flat with a few levels in its hierarchy based on functional structure. Employees received order directly from top management level, and almost all decision making were taken place by top management. However, the organization structure was not clear as shown in figure 1.7. Furthermore, since the company had small amount of employees, and there were many divisions such as production, quality, marketing and customer service, therefore roles and responsibilities of employees overlap.

Figure 1.7 Organization Structure



#### 1.2.6 Company Current Situation.

Since the company is a small family business, the management treats employees like one of its family members. The company has an informal

organization, has less restrictions and control over company members, and company employees have a long length of service.

For thirty years, the two co – founders are able to prove their abilities to lead the company throughout difficult situations such as Asian’s economic crisis in 1997. Currently, the company is now at maturity stage or at adolescent stage of organization lifecycle (Please see more details of organization lifecycle in Appendix B).

Recently, among the company’s top management level, there were two generations working together, founders and founders’ son and daughter. Therefore, conflicts occurred during the decision making. Vision and mission was kept in executives’ mind individually. Everyone in the company does not share the same vision, and, moreover, they did not aware of the company’s currently position in the market.

Recently, the company started GMP project to improve quality of operation since late year 2006. The company aimed to accomplish GMP standard by the end of year 2008. As the Family Dental Company is a manufacture of dental devices that categorized as a medical device manufacture, the company must be certified GMP standard by Food and Drug Administration in order to supply medical devices for end users in various countries and in Thailand. Procedure of GMP is similar to other type of standard such as ISO, but GMP is a basic standard requirement especially for drug and medical device manufactures that these manufactures must be qualified by Food and Drug Administration based on Ministry of Public Health.

Hence, to earn GMP, all manufacturing and testing equipment of drug and medical device must be qualified as a suitable for use, and operational



methodologies and procedures such as manufacturing, cleaning, and analytical testing. Thus, everyone in the company was focusing on GMP standard certified, and had workload due to GMP required documentation of every aspect of the process, activities, and operations. Therefore, everyone focused on how to achieve GMP project while they are unclear of the company's overall picture. The company members did not aware and understand about organization's direction and current situation. Everybody's work was based on task-oriented in order to finish day by day, and were not aware of the company's current situation.

#### 1.2.7 Company Purpose, Vision and Mission.

The organization had an unclear direction as the company vision, mission and purpose were created based on individual's understanding. The company did not share and communicate the organization's direction throughout the organization. The company's future plan was kept in mind of top management individually.

Moreover, the company did not share and discuss the company direction, therefore its goals and objectives were based only on executives. There was unclear message about where the company is at the moment and what the company wants to be.

Hence, the organizational members are confused about their organization direction. Employees operated passively on a day-to-day basis to meet basic task requirements, and sometime conflicts occurred among them. When problems arrived, employees had difficulty in decision making as they were unclear about the company objectives.

### 1.2.8 Family Dental Company's SWOT Analysis.

The researcher used SWOT Analysis (Strength, Weakness, Opportunity, and Threats) to view organization in macro level.

#### Strengths

- Pioneer in dental mobile unit, dental unit, and dental equipment in Thailand.
- 30 years of experience in dentistry industry and broad background of company human resources
- Strong brand recognition by end user and government institute.
- User friendly, simple to maintain, and easy to fix product
- Local market leader in terms of market share in dental unit and scaler unit.
- Offering complete range of products and services for operating dental practice
- Company offers custom-made products that meet individual customer's satisfaction.
- Continuously developing and improving product quality and features to meet dynamic customer needs through extensive R&D.

#### Weaknesses

- Limited financial and human resources
- Lack of managerial skills
- Unclear organization direction due to direction based on executives individual
- Unclear and overlap roles and responsibilities in the company
- Conservative mindset of workers, which are not compatible to dynamic environment and resistant to changes.
- Long waiting time of customer service due to limitation of company's staffs.
- Long lead time due to custom-made order

- High cost of production, company offer custom-made products. There are lower bargaining power of buying raw materials by comparison with mass producers such as China

#### Opportunities

- Government policies on Social Security Fund, it gives the hospitals more budget to invest in their machines and equipments.
- Growing population of newly graduated dentist will lead to newly opening of dental clinic.
- Rising consumer's health consciousness is increasing dental visit.
- Stable market growth at each year with no impact on unstable economic.

#### Threats

- Government reduced import tax for medical device and less support for Thai Medical Products.
- Globalization helps foreign competitors gain local market share.
- Foreign competitors offering lower price of products especially in China.
- Changing customer needs and tastes.

#### 1.3 Objectives of the Study

1. To describe and analyze the current situation, functioning and performance of the company as human social system or corporate living person.
2. To create corporate strategic direction.
3. To conduct OD intervention on awareness of corporate strategic direction, and employee involvement.
4. To determine impact of OD intervention on awareness of corporate strategic direction, and employee involvement.

#### 1.4 Statement of the Problem

The main purpose of the study was on the impact of organization development intervention on awareness of corporate strategic direction, and employee involvement in the Family Dental Company.

#### 1.5 Research Questions

1. What is the current situation and environment of the organization?
2. What should be the corporate strategic direction?
3. What are the appropriate organization development interventions to create awareness of corporate strategic direction, and employee involvement?
4. Is there a significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction, and employee involvement?

#### 1.6 Research Hypotheses

Ho: There is no significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction and employee involvement.

Ha: There is significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction and employee involvement.

#### 1.7 Definition of Terms

The researcher would like to clarify the meaning of terms used in this research as follows.

- Awareness - A subjective state of being alert or conscious; cognizant of information received from the immediate environment. Knowing that a person

is experiencing something. It is apart from strict behaviorists, most psychologists would call this consciousness (Statt, 2003).

- Business strategy – Competitive and cooperative strategies that emphasize improvement of the competitive position of a corporation's products or services in a specific industry or market segment (Wheelen & Hunger, 2006).
- Corporate life cycle – a fundamental truth that every organization, like living organisms, has a natural life cycle, and it goes through predictable and repetitive patterns of behavior as it grows and develops. It is defined by the interrelationship of flexibility and control, but not defined by a company's chronological age, sales or assets, or number of employees. At each new stage of development, the organization faces a unique set of challenges to management, and transition from one stage to next stage which has a significant impact on the success or failure of that organization (Adizes Institute, 2007).
- Corporate strategy – A strategy that states a company's overall direction in terms of its general attitude toward growth and the management of its various business and product lines (Wheelen & Hunger, 2006).
- Dental device – a part of medical device. Dental devices include products such as materials, tools, and dental instruments for dental care professionals. It does not include consumer products such as toothpastes and toothbrushes, and services given by the dental care professionals.
- Employee involvement – refers to the participation and involvement of employees in their job. It is considered as an early step toward using the full capability of employees in organizations (Statt, 2003).
- Family business - A business that owned, controlled, and operated by one or several of same family members.



- Functional strategy – the strategy for relatively narrow areas of activity that are critical to the success of the organization (Mondy, Noe, & Premeaux, 1999).
- Goals – final purpose or aim that intends to achieve.
- Good Manufacturing Practice (GMP) – It is a term that is recognized worldwide for the control and management of manufacturing and quality control testing of foods and pharmaceutical products. For dental device producers, GMP is also a standard or basic requirement for producing and controlling medical devices manufacturer.
- Key performance indicator (KPI) - financial and non-financial metrics used to quantify objectives to reflect strategic performance of an organization. It is a key part of a measurable objective, which is made up of a direction, KPI, benchmark, target and time frame.
- Medical device – includes instruments and appliances used in medical, surgical, dental or veterinary sciences (including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments), and medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs).
- Mission – A statement of the organization's basic purpose, scope of operations, rang of acivities, character, and uniqueness (Cummings & Worley, 2005). A mission statement is an action-oriented formulation of the organization's reason for existence (Bryson & Alston, 2005).
- Objectives – The end results of planned activity stating what is to be accomplished by when and quantified if possible (Wheelen & Hunger, 2006).
- Organizational climate - People's perceptions and attitudes about the organization whether it is a good or bad place to work, friendly or unfriendly,

hard working or easy-going and so on. These perceptions are relatively easy to change because they are built on employees' reactions to current managerial and organizational practices (French & Bell, 1999).

- Organization Development – A long-range effort and programs aimed at improving and organization's ability to survive by changing its problem-solving and renewal processes (Brown & Harvey, 2006).
- Organization Development Intervention – Sets of structured activities in which selected organizational units, target groups or individuals, engage in a task or a sequence of tasks with the goals of organizational improvement and individual development (French & Bell, 1999).
- Organization life cycle – a model which proposes that over the course of time, organization moves through a fairly predictable sequence of development stages. Based on a biological metaphor, organization resembles living organisms because living organisms demonstrate a regular pattern of developmental process.
- Small and medium size company - its definition is based on the number of salaried workers, and fixed capitals. An enterprise is categorized as an SME when it has employees less than 200 and fixed capital less than baht 200 million, excluding land and properties, appendix A, (Office of Small and Medium Enterprise Promotion, 2003).
- SWOT analysis – A strategic planning tool used to analyze company's strengths, weaknesses, opportunities, and threats (Dessler, 2004).
- Strength - Any resource or ability to which the organization has access to take advantage of opportunities or to fight off threats (Bounds, Dobbins, & Fowler, 1995).

- Weakness - Any deficiency in the organization's resources and processes that make it vulnerable in the marketplace (Bounds, et. al., 1995).
- Opportunity - An occasion to make an improvement or to create new possibilities (Bounds, et. al., 1995).
- Threat - Anything, internally or externally, that might hurt the organization's ability to profitably serve customers (Bounds, et. al., 1995).
- Strategy – A comprehensive plan that states how a corporation will achieve its mission and objectives (Wheelen & Hunger, 2006). It is about decisions, and actions that will contribute business success (Formisano, 2004).
- Strategic direction – The direction that the organization works toward achieving overall strategic goals and objectives. It consists of the analysis, decisions, and actions that an organization has to take.
- Strategy formulation – Searching for a plan that will differentiate the enterprise and give it a competitive advantage (Harvard Business Essential, 2004). It is the development of long-range plans for the effective management of environmental opportunities and threats in light of corporate strengths and weaknesses (SWOT), and includes defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines (Wheelen & Hunger, 2006).
- Strategy implementation – A process by which strategies and policies are put into action through the development of programs, budgets, and procedures (Wheelen & Hunger, 2006).
- Strategic planning – An organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people. It is the determination of overall

organizational purposes and goals and how they are to be achieved (Mondy, Noe, & Premeaux, 1999).

- Vision – A statement of the organization describes what the organization should look like as it successfully implements its strategies and achieves its full potential (Bryson & Alston, 2005).

### 1.8 Significance of the Study

This research was significant to stakeholders of the organization starting from shareholders, customers, suppliers, and employees. Strategic direction could increase organization performance effectively. Clearly organization direction would help organization members work toward the same goal. Employee involvement in strategic planning process could create employees' sense of ownership and unity, and encourage them to work proactively. Furthermore, organization could be able to increase ability to make decision effectively.

This research will also benefit other businesses such as family business, small and medium sized business, new business, as well as individual person such as leaders, managers, planner, employees, and so on. This research provides rich sources of information for others to apply knowledge and techniques in their related field. The researcher hopes that this research could influence and encourage others to be aware and understand the importance of strategic direction.

### 1.9 Scope and Delimitation of the Study

#### 1.9.1 Scope of the Study.

The target respondents of this research composed of four respondents from top management level, and another thirty eight employees at Family Dental Company.

### 1.9.2 Delimitations of the Study.

- The time frame from August to October, 2007, for OD intervention was too short for implementation. Therefore, the expected results after OD intervention would be on achieving company's employees and management perception or awareness level as some changes required long period of time.
- The limitation of budget for conducting OD intervention that the researcher received for ODI activities.
- Confidentiality of company name and some important data that the top management did not allow the researcher to reveal on this research.
- Education background of employees that limited this research. As most employees have basic education background, and few of them have a higher education, some employees had difficulty to understand the objectives and instructions during data gathering and OD intervention.
- The work overload of the company members affected their time and participation in OD intervention. Everyone in the company has multitasks, and some employees have to work on customers' site, therefore the researcher had difficulty in data gathering and implementing OD intervention.



## CHAPTER TWO

### The Review of Related Literature

#### Theoretical and Conceptual Framework

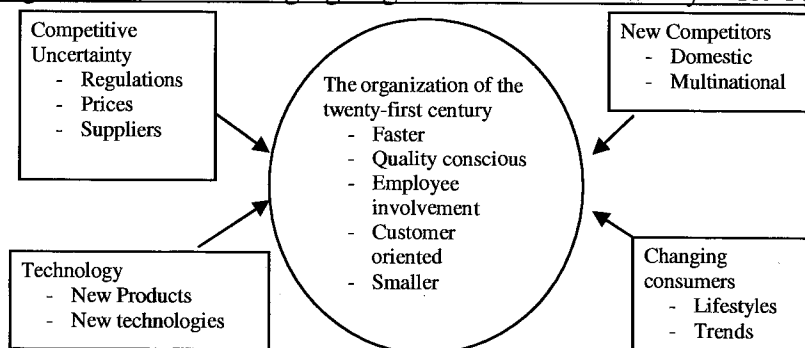
This chapter consists of the review of related literature and conceptual framework that related to the research topic of “Impact of OD Intervention on awareness of corporate strategic direction, and employee involvement: A case study of Family Dental Company.” The flow of this chapter began with the organization development intervention theories, the theories and approaches related to organization strategic direction, awareness and employee involvement in strategic planning.

#### 2.1 Review of Related Literature

##### 2.1.1 Challenge for Organization Change in Twenty-First-Century.

In the twenty-first-century, organization must deal with a changing environment. As seen in figure 2.1.1, organization interacts with both internal and external environment. There are many factors which affect organizations such as competitors, technologies and trends, suppliers, government policy. Managers needs to be able to adapt their mind set that values flexibility, speed, innovation, and challenge for change evolvement, and successful organization will focus on quality, innovation, and flexibility (Brown & Harvey, 2006).

**Figure 2.1.1 The Changing Organization in the Twenty-First Century**



Source: Brown and Harvey (2006), page 9.

Organization designs to accomplish some purpose or function, and continuously operate as long as possible, some may think that the organization does not necessarily have to change but in fact organization always changes from time to time according to the situation and environment.

Change is the most important element for successful business management today. Ignoring or trivializing a changing trend can be costly. Nobody or no organization can escape from change. Heller and Hindle (1998) discussed that specific changes in an organization's internal structure and external markets often derive from wider changes in society, economics, or technology. Therefore, modern leaders and managers need to be flexible and adaptive, as well as able to diagnose problems and implement change programs in organization, (Brown & Harvey, 2006). Leaders and managers should also know how to be one step ahead of rivals, set trends, and lead change in order to survive.

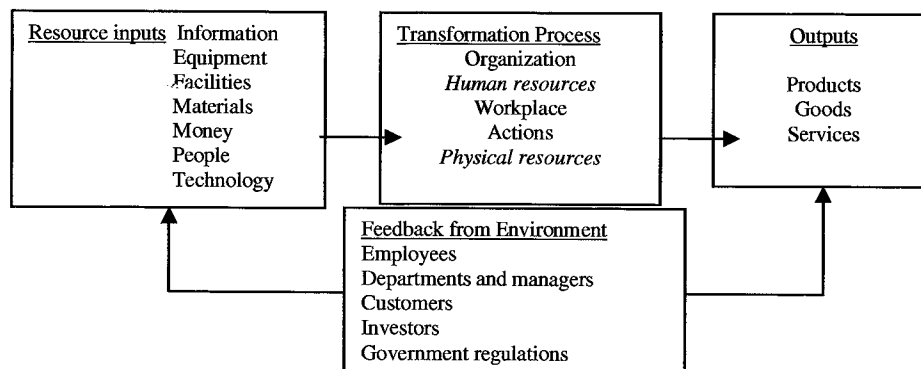
In order to deal with change effectively and remain competitive in increasingly aggressive markets, organizations and individuals in the organizations need to understand the underlying causes, and have to adapt a positive attitude toward change (Heller & Hindle, 1998). Organizations that can stay competitive in market nowadays and become a successful organization should have five common traits, according to figure 2.1.1, which are faster – responsive to innovation and change, quality conscious – quality commitment, employee involvement – human resources value added, customer oriented – niche market creating, smaller – more autonomous units (Brown & Harvey, 2006).

### 2.1.2 Organization as an Open System.

Nowadays, organizations cannot rely only on rational, quantitative approaches, but rather rely more on employee involvement and commitment for organization successful change. Managers can no longer function within the traditional organizational chart, but must integrate all departments to work toward the same organization goals and strategy, and realize of the internal and external environment that effect organization. In order to accomplish this, managers must communicate with every department to view organization as a number of interrelated and interdependent parts. Organization is an opened system that has continuously interaction with its environment result in a dynamic or changing equilibrium (Brown & Harvey, 2006). Organizations as open systems which mean that organization consist of people, technology, structure, and purpose that interact and interrelate in organization's environment.

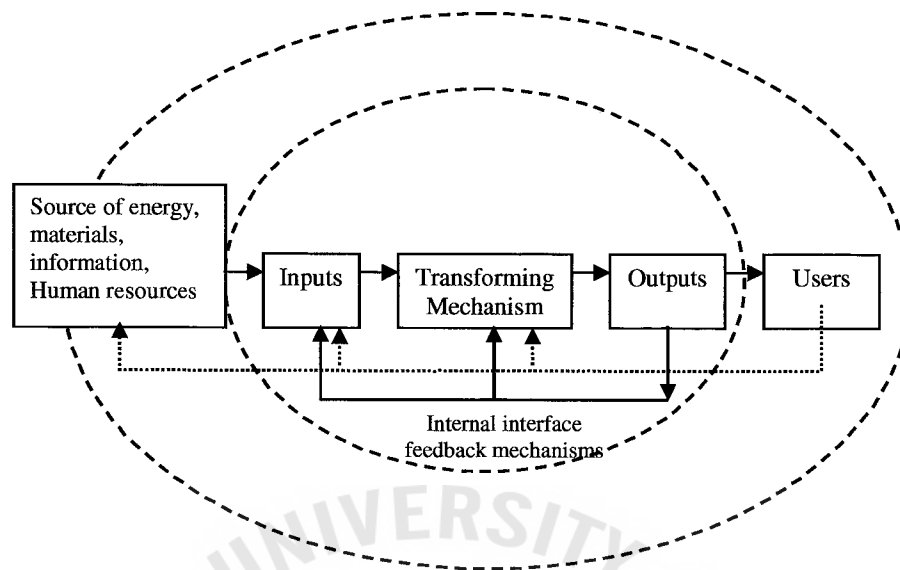
Though there are many theories discussed about the open system of organization, as seen in figure 2.1.2, figure 2.1.3 and figure 2.1.4, all open systems have one common concept that are input-throughput-output mechanisms. Systems take inputs from the environment in form of energy, information, money, people, raw materials, and so on. They do something to the inputs by processes of throughput, conversion, or transformation, and export outputs in the form of products and services.

Figure 2.1.2 The Organization as an Open System



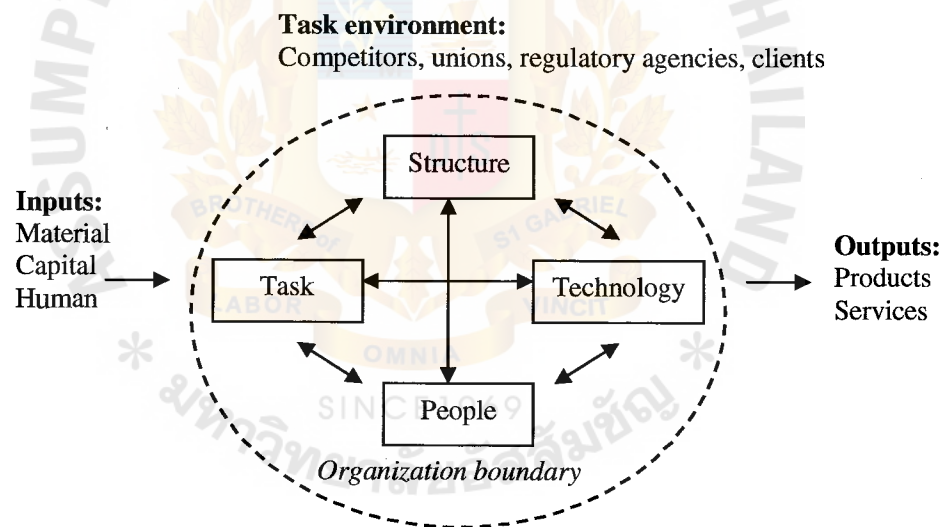
Source: Brown and Harvey (2006), page 40.

Figure 2.1.3 A System in Interaction with Its Environment



Source: French and Bell (1999), page 83.

Figure 2.1.4 An Open System View of Organization



Source: Nelson and Campbell (2006), page 9.

Moreover, organizations are open systems, consist of purposes and goals, and its purpose must align with purposes or needs in the environment. It means that the purpose of organization should reflect outputs and fit environment. If output is not suitable for environment, the organization will be forced to exit (French & Bell, 1999).

### 2.1.3 Learning Organization.

According to Peter Senge, an organization should have open-system thinking in order to create organizational learning (French & Bell, 1999). Learning organization is a critical component of competitiveness in a dynamic environment.

A learning organization is an organization that has skill at creating, acquiring, and transferring knowledge and modifying its behavior to reflect new knowledge and insights. A learning organization will be able to cope with rapidly changing environment effectively. Senge believes that there are five disciplines for creating a learning organization: personal mastery, mental models, building shared vision, team learning, and systems thinking (French & Bell, 1999). In addition, Wheelen and Hunger (2006) noted that in order to become a learning organization, an organization needs to be skilled at four main activities: systematic problem solving, new approaches experimenting, learning experiences, and quickly and efficiently knowledge transferring and sharing throughout organization.

### 2.1.4 Organization Development.

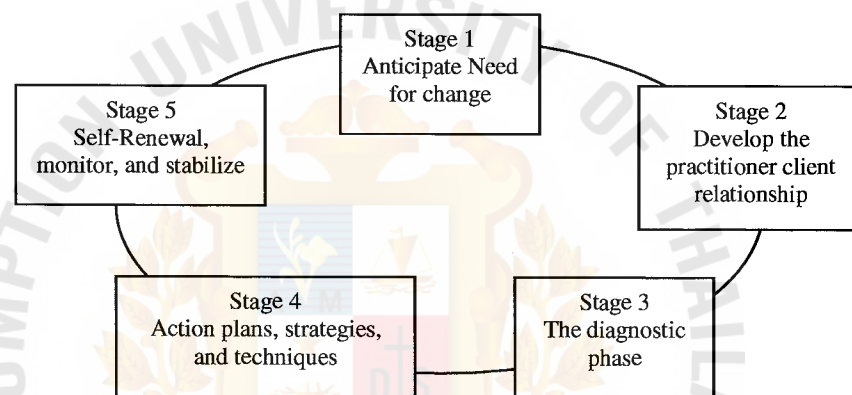
Organization development (OD) is one of the primary approaches for creating adaptive organization. Organization development is a long-rang efforts and programs that focused on improving an organization's ability. Organization development efforts are approaches that plan to change whole organization, and its purpose is to increase organizational potential and effectiveness. By using organization's problem-solving and renewal process, organization will survive and stay competitive in the market (Brown & Harvey, 2006).

In addition, French and Bell (1999) described the definition of organization development that it is an organizational improvement strategy and it needs long-term planning and effort, and a systematic process to apply behavioral



science principles and practices in organizations in order to increase individual and organizational effectiveness. Organizations that deals with people and working system problems such as poor performance, low productivity, unclear or inappropriate goals, inappropriate leadership styles, inadequate alignment among the organization's strategy, structure, cultures and processes, etc. can use organization development as a strategy to improve organization. For model of organizational development, it could be presented into Figure 2.1.5.

Figure 2.1.5 Organization Development's Five Stages



Source: Brown and Harvey (2006), page 15.

#### 2.1.5 Organization Development Intervention.

As organization development (OD) is a complete strategy for change that encompasses theories, practice methods, and values to fit in each organization, interventions are a component of the OD formula. Organization development interventions are sets of structured activities that selected organizational units or target groups or individuals engage in a task or a sequence of tasks to the goals of organizational improvement and individual development. Besides, interventions establish the action thrust of organizational development (French & Bell, 1999).

Nevertheless, many suggested that an OD intervention requires valid information, free choice, and a high degree of ownership by client system of the course of action. OD interventions do different things and they cause different things

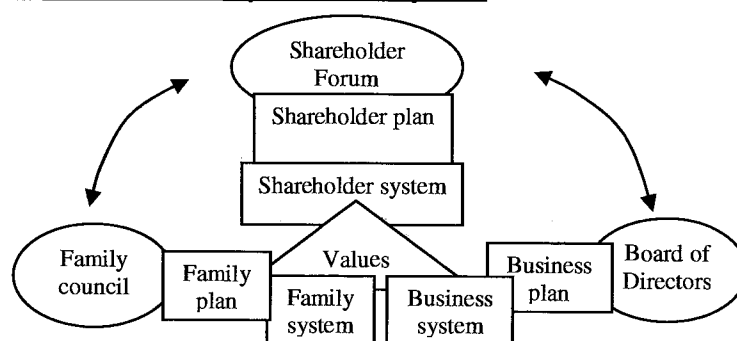
to happen in the organization. Major results of OD interventions are increasing interaction and communication, feedback, accountability, participation, energy and optimism, and education in organization, (French & Bell, 1999).

#### 2.1.6 Family Businesses

Since there are differences between organizations, OD interventions may vary from business to business, and there is no quick or fix rules and solutions for organization development. For this research, it lies directly to OD intervention in a small family business. Therefore, it is important to understand family business systems.

The definition of a family business is an organization where ownership and or management control rests with a family or families. Family firms have several potential competitive advantages that other organizations do not have such as higher employee loyalty, ability to quickly move in and out of market niches due to flexible form of organization, strong interest in their communities, and benefits of being privately owned. On the other hand, family businesses have some potential interface issues, problems and dilemmas. In order to practice OD in a family business, OD practitioner must modify OD intervention plan to be suitable. In figure 2.1.6, it shows system model of a family business to help OD practitioner understand the differences between family firms and more traditional businesses.

Figure 2.1.6 The Family Business System



Source: Cumming and Worley (2005), page 581.

The family business system composes of three different subsystems: the business, the shareholder and the family. Between members of each subsystem in family business are overlaps. Especially in a small family business, there will be complete overlap in the membership of the family, shareholder, and board of directors. So that the family business OD practitioner must continually clarify roles, responsibilities, and boundaries. For a small family business, there will be a complete overlap in the membership of the family, shareholder, and board of directors.

According to figure 2.1.6, at the center of family business system model is a set of core values. Core values represent a key integration point for aligning the three subsystems. To show the differences between family and non-family companies, value is also best illustrated as shown in table 2.1.1.

Table 2.1.1 Family vs. Business System Values

Family	Business
Security	Risk
Equality	Equitability
Inward orientation	Outward orientation
Status quo / equilibrium	Change
Unity & support	Competitive
Relationship based	Results based
Emotion based	Rationally based
Born into	Hired into
Secrecy	Transparency

Source: Cumming and Worley (2005), page 582.

Cumming and Worley (2005) revealed the statistical data about family business generation transitions that most of family businesses struggle from transition from one generation to another generation. Fewer than 30% of first generation family businesses survive to the second generation, and only 12% survive to the third generation.

In order to grow business and family's wealth, it requires careful thought and strategic planning. The company must move from an entrepreneurial

business to a professionally managed firm, develop governance structures, formalize systems and processes, and recruit talent from inside and outside of the family.

According to the four major types of interventions; strategy, system, structure, and process, areas for intervention are different from business to business. For family business, strategic interventions including mission and vision development, capability identification, and goal setting are appropriate intervention to begin work with. As many family business issues stem from a lack of alignment around shared vision and values, members of each subsystem: the business, family, and shareholders, need to dialogue and create a shared view of the future and an appropriate set of goals. However, it is also important to remind that strategic business planning in family business will be appropriate when all of each system have aligned on a set of values, goals, and shared vision.

High involvement of family in business members is almost always needed in the first stages of implementation, where activities typically include establishing goals and milestones, creating a shared vision, establishing boundaries for family and business roles, and facilitating productive communications. Family business lies mostly on emotion, therefore, in the early stages, the OD practitioner should communicate the importance of establishing and keeping to and implementation timetable and meeting regularly to resolve the many family business interface issues (Cumming & Worley, 2005).

#### 2.1.8 Organization Climate.

Normally, concept of organization climate is often associated concept of organization culture. Both Organization culture and climate are related to organizational processes, service quality, client outcomes, and worker attitudes, perceptions, and behaviors (Aarons and Carmazzi, 2005). For this research, the

researcher would like to focus on organization climate to understand how employee's perceptions and emotional responses about their work environment for creating awareness of the importance of corporate strategic direction and employee involvement in strategic direction.

For definition of organization climate, Burke and Litwin (1992) identified organization climate in terms of perceptions that individuals have of (Kangis and Williams, 2000):

How their local work unit is managed and how effectively they and their day – to – day colleagues work together on the job. The level of analysis, therefore, is the group, the work unit. Climate is much more in the foreground of organization al members' perceptions, whereas culture is more in the background and defined by beliefs and values. The level of analysis is the organization. Climate is, of course, affected by culture, and people's perceptions define both, but at different levels (Burke and Litwin, 1992, pp526-527).

It can be simply said that organization climate is people's perceptions and attitudes about the organization whether it is a good or bad place to work, friendly or unfriendly, hard - working or easy – going, and so on (French and Bell, 1999).

While Moran and Volkwein (1992) defined climate as (Kangis and Williams, 2000):

A relatively enduring characteristic of an organization which distinguishes it from other organizations and (a) embodies members' collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness; (b) produced by member interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms and attitudes of the organization's culture; and (e) acts as a source of influence for shaping behavior (p.20).

Organization climate are relatively easy to change because they are built on employees' reactions to current managerial and organizational practices. On the other hand, organization culture is defined as deep – seated assumptions, values, and beliefs that are enduring, often unconscious, and difficult to change. Therefore, changing climate is easier than changing culture (French and Bell, 1999).

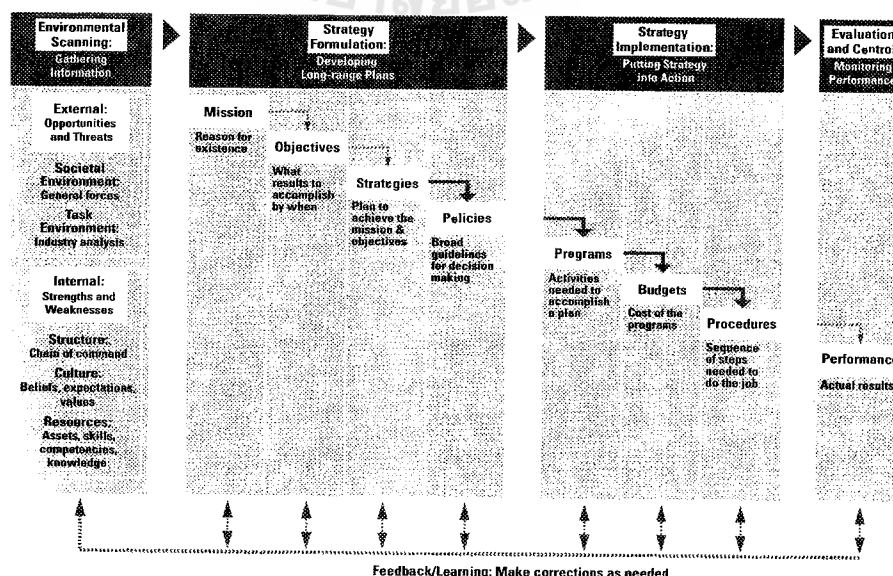


There are many studies which show that organizational climate influences the attitudes, behavior and performance of individuals in organization. Rather than behaviors, climate might also affect on relationships between supervisor and subordinates. A participative climate is characterized by cooperative relationships, individual responsibility, trust, and communication. All of these factors are likely to reduce conflict between supervisor and subordinate, reduce political manipulation of performance ratings, and motivate raters (and ratees to be receptive to) to give accurate and helpful performance feedback. A participative climate might also increase employees' level of commitment to organization (Tziner, Murphy, & Cleveland, 2001).

#### 2.1.9 Strategic Management.

Strategic management defines as a set of managerial decisions and actions that determines the long-run performance of a corporation. It includes environmental scanning – both internal and external environmental scanning, strategy formulation – strategic or long-range planning, strategy implementation, and evaluation and control. The basic model of strategic management is illustrated in figure 2.1.7.

Figure 2.1.7 Strategic Management Model



Source: Wheelen and Hunger (2006), page 11.

For benefits of strategic management, organizations that engage in strategic management have generally outstanding performance than those who does not. The results of the survey about benefits of strategic management in 50 corporations in many countries and industries showed that organizations have a clearer sense of strategic vision, sharper focus on what is strategically important, and improved understanding of rapidly changing environment (Wheelen & Hunger, 2006).

In addition, strategic management can help organizations improve communication, greater productivity, increased understanding, more effective strategies, enhance commitment, higher productivity, allow firms to influence, initiate, and anticipate, and organizations get proactive rather than reactive (Siriwan Serirat, Somchai Hirankitti, Chaowalit Prapavanon, Jirasak Jiyachan, & Latthikarn Krevarom, 1997).

In order to become an effective organization, organization does not always have to create a formal process of strategic management, organizations can begin to answer simple guiding questions: where is the actual organization now?, If there is no change, where will the organization be in one year, two years, five years, and ten years?, and if the answers are not acceptable or applicable, what specific actions should management undertake? and what are the risks and payoffs involved?

In 2003, Bain & Company conducted annual survey in seven hundred and eight (708) companies on five continents to show the most popular management tools used. From the survey, it revealed that there were eighty nine percent (89%) of all firms used strategic planning, and eighty four percent (84%) of them developed mission and vision statement.

Strategic thinking and organization learning are part of future-oriented planning process rather than resulting in written strategic plan. Strategic planning in large or multidivisional corporations can be more complex and time consuming. While small and medium sized businesses may have lower complexity, and plan informally and irregularly. Besides, some studies of small and medium sized business revealed that the more level of planning intensity, the more level of financial performance (Wheelen & Hunger, 2006).

#### 2.1.20 Strategic Planning.

Many theorists defined the meaning of strategic planning. Some theorists defined strategic planning as a process that guides members of an organization to envision its future and develop the necessary procedures and operations to achieve that future (Goodstein, Nolan, & Pfeiffer, 1993). While another group of theorists defined strategic planning as the determination of overall organizational purposes and goals, and how the organization is to be achieved (Mondy, Noe, & Premeaux, 1999).

Therefore, strategic planning is a disciplined effort to produce organization's fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it. Strategic planning is a way of thinking, acting, and learning that usually takes a comprehensive view by focusing on the big picture, and then leads to specific and targeted action. Its visionary is proactive, flexible and practical, and it can guide organization for decision making and resource allocation (Bryson & Alston, 2005).

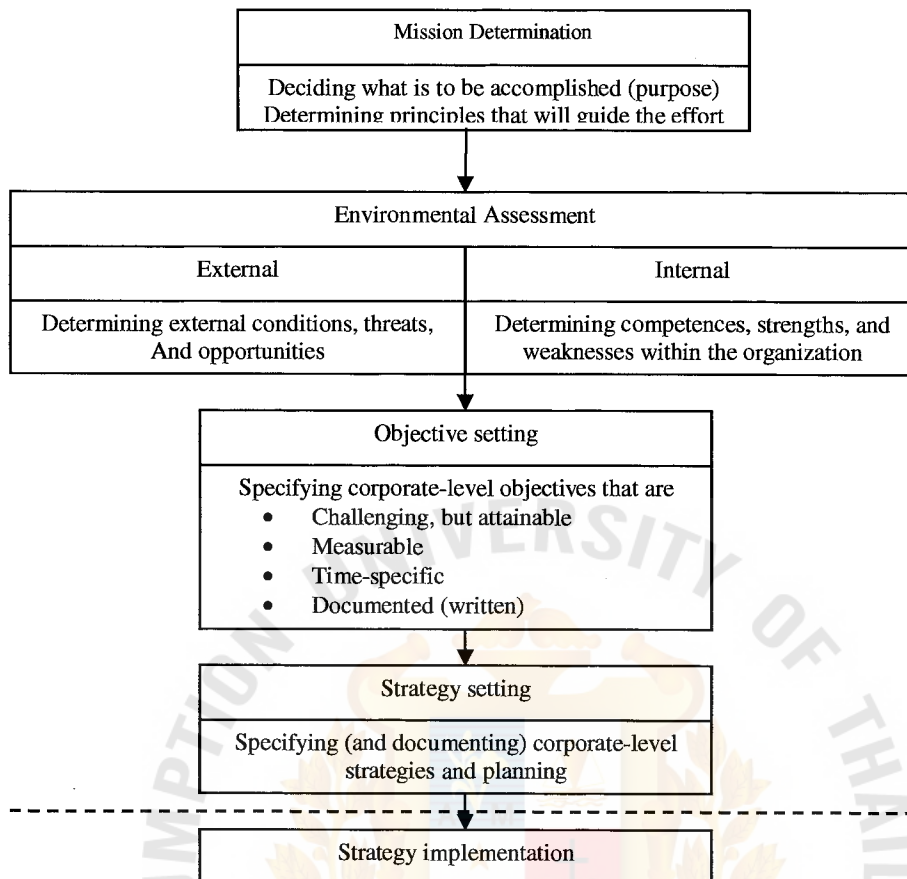
### 2.1.21 Strategic Planning Process.

A successful organization must have a strategic planning process that could envision the future of the organization which is different from a general long-term planning (Goodstein et al., 1993).

For strategic planning process, its process may vary from different theorists, but they associates with basic four questions: where is the organization now?, where does it want to be?, how will it get there?, and how does it measure its progress? Therefore, organization should focus on what works for them (Garner, 2005).

Wheelen and Hunger (2006) pointed out that the basic elements of strategic planning process are environmental scanning, strategy formulation, strategy implementation, and evaluating and control. However, Mondy et. al. (1999) suggested that the strategic planning at all levels of the organization can be divided into four major steps: (1) determination of the organizational mission, (2) assessment of the organization, and its environment, (3) setting of specific objectives or direction, and (4) determination of strategies to accomplish those objectives, see figure 2.1.8.

**Figure 2.1.8 Formulating Strategy and Implementation**



Source: Mondy, Noe, and Premeaux, (1999), page 145.

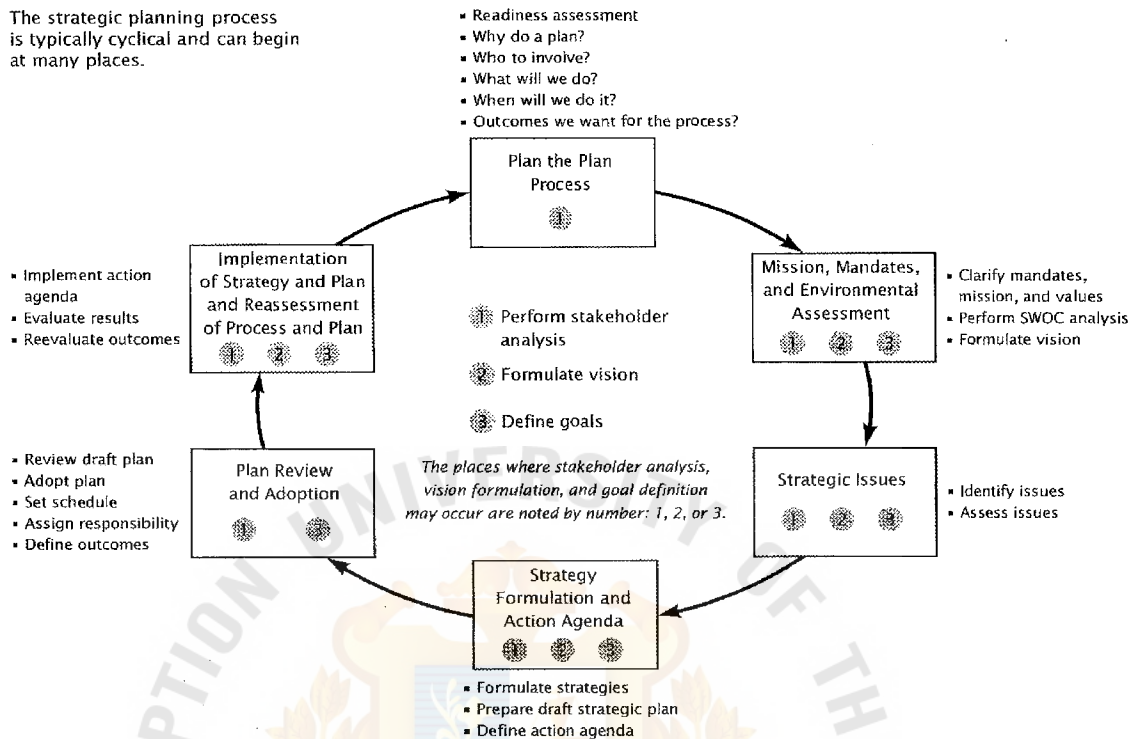
While, Bryson and Alston (2005) illustrated process of strategic planning in following cycle in figure 2.1.9.



### Figure 2.1.9 The Strategic Planning Process Cycle

**Figure 3** ■ The Strategic Planning Process Cycle

The strategic planning process is typically cyclical and can begin at many places.



Source: Bryson and Alston (2005), page 10.

After discussing the strategic planning process so far, it can be said that the processes are varied, but all of them aim to answer the four basic questions as stated before. Hence, planners should only focus on what works best for them. Some organizations may create strategic goals, strategies, objectives and tactics, while some organizations merely identified goal and the objectives to reach it. Some organizations review and update there current mission or vision statement before environmental analysis. Some organizations examine their mission after assessment (Garner, 2005).

#### 2.1.22 Who Involve in Strategic Planning?

Strategy makers cannot be outsourced, it must draw from and contribute to the management capabilities of the company (Scholes, 2005). Human resource has highly involved in the strategic planning process by moving from a micro to a macro view of organization mission (Mondy et al., 1999). All stakeholders

of organizations should be involved and informed in order to make worth strategic planning effort.

There is a study about who directs strategic change in corporations in order to identify who are the most important persons in strategic change. The study showed that leaders or shareholder or top executives play an important role in initiating strategic change in organization, and the middle management play an important role in implementing and succession of strategic change (Westphal & Frederickson, 2001).

Nevertheless, the strategy should align with action, therefore involvement of employees at every level in organization is critical to success in strategic planning and implementation, as everyone involve in generating a company wide perspective to wider range of strategic options (Purser & Cabana, 1997)(Scholes, 2005). The more each manger works in concert with the strategic direction of the company, the more successful the company will be in reaching its goals (Formisano, 2004).

For family business, high involvement of all business members is almost always needed in implementation due to family business lies most on emotion, relationship, unity and support (Cumming & Worley, 2005).

While implementing strategic direction, everyday people have to deal with both strategic questions and implementation issues. There are many ways to make strategic planning fail and create some feeling of discomfort to organization members such as organization that has no board sponsorship, careful and skilled management, adequate resources and timing (Bryson & Alston, 2005), insufficient involvement of organization members, and alignment between strategy and human resource (Goodstein et al., 1993).

### 2.1.23 Employee Involvement.

For a small family business, it is vital that all company members should get on well together. Company members need to know their situation about where they stand and where they are going for. Moreover, in strategic direction process, it is also important to have alignment between strategy and human capital as strategic direction relate to the whole organization (Bryson and Alston, 2005).

Employee involvement such as brainstorming, shared opinion, workshops, seminars, and so on, is considered as an early step toward using the full capability of employees in organization. To further step the capabilities of employees for continuous improvement, and delivery value to customers, employees must be empowered (Wattana Wongkieatrat and Team, 2003).

Furthermore, Thompson (1993) discussed involving and motivating people in strategic planning that if people are to be committed to the organization, and to the achievement of key objectives, they should involve. Employees at the so-called grass roots level are likely to know the details of the business and what really happens better than their superiors and managers. If they are involved and encouraged to contribute their ideas for improvements, the results can be innovation or quality improvement.

The words participation and involvement are related to empowerment, however they are close to each other. Participation means to participate or to play a part and to make suggestions, and involvement means that workers are less a part of the decision-making process or sometimes means only observing, listening, or being in attendance. Participation is behavior that aims to do certain things such as creating an esprit de corps and making people feel like they belong together. But participation

is not the only way to make people feel like belonging and valued. Therefore, participation can be accomplished through empowerment (Sibson, 1994).

For empowerment, it refers to the sharing of power and authority to make and implement decisions with non-managerial employees. By sharing power with employees to operate systems, managers should be free to work on improvement systems and provide more value to customers.

Empowerment is a partner of a flattened organization with few layers of managers. Thus, there is little direct supervision of employees. The organization implementing empowerment also fosters a participative culture that values employees. A flat organization, empowerment, and a participative culture are complementary. For instance, Eastman chemical company described the company's principles, relating to empowerment principles that the company aims to create a culture where people have the knowledge, skills, authority, and desire to decide, act and take responsibility for results of their actions and for their contribution to the success of the company (Stahl & Grigsby, 1997).

Employee involvement (EI) is an increasingly popular topic in the management literature. Many proponents argue that employee involvement can provide a competitive advantage for companies that adopt it, because it produces superior corporate organizational performance.

Lawler, Mohrman, and Ledford (1992) studies about employee involvement practices and results in Fortune 1000 companies. The study shows that those companies choose to implement employee involvement because they expected to improve productivity, quality, employee motivation, and employee morale. The major stimulus for employee involvement activities were from senior management.

Lawler et. al. (1992) pointed out that in order to participate in the business, employees at all levels need power, information, knowledge and rewards that are relevant to business performance. Hence, all four of these features must be moved to the low level of organization, and when the work is done, individuals performing the work can actually see a relationship between their efforts and the success or failure of the organization.

Involvement and participation in planning and setting company direction are impossible without information. The basic of employee involvement is to share information about the business. Without business information, it will be difficult for individuals to understand how the business is doing and to make meaningful when contribute or push effort to the general direction of the business.

Typically, employees in a company that does not share information may not understand how well the business is doing, and they are likely to have little sense of what the company must do to be competitive. Awareness of corporate results is helpful for understanding the larger context, and employees need to understand that they can make a difference and it can relate to their performance results. Information at employee level is needed in order to let them contribute ideas and suggestions, and involved in the business.

Employee involvement also requires interpersonal and group skills, as many employee involvement processes involve meeting, interpersonal interactions, and influencing others. Hence, it is also impossible for individuals to participate in the business and influence its direction without the right skills.

Basing rewards on organization performance is another way to ensure that employees are involved in and care about the performance of the organization. It also helps to ensure that they share and gain the result from any performance



improvement. There are five popular approaches to pay for performance: individual incentives, team incentives, profit sharing, gain sharing, and stock ownership. However, recognition programs are sometimes also used to support employee involvement efforts.

#### 2.1.24 Effect of Strategic Direction to Organization.

For strategic planning, its aim is to enhance an organization's ability to think, act, and learn strategically and proactively. The potential benefits from the process are numerous such as increased organization effectiveness and efficiency, improved understanding and better learning, better decision making, enhanced organizational capabilities, improved communications and public relations, and increased political support (Bryson & Alston, 2005). Though effective strategic planning can help organization success, the organization should realize that the strategic planning do not a forecast of the organization, not a simple application of quantitative approach, not dealing with future decisions, and not eliminating the risk. In fact, the strategic planning provides a framework for the organization action to help organization develop, organize, utilize, and increase capacity and performance (Goodstein et al., 1993).

Many studies have shown positive results of having a strategic direction in an organization. Effective strategic direction can help organization become more competitive and have better performance. For example, in a case study of McCann, Leon-Guerrero, and Haley (2001), it showed that among four strategic goals practice in innovative family businesses which are defender, innovator or prospector, analyzer, and reactor, the firms using prospector strategy has better performance, gain bigger market share, profit margin, and has business growth than others.

### 2.1.25 Reasons Not to Undertake Strategic Planning.

As mentioned earlier, strategic planning is not a forecast of the organization, not a simple application of quantitative approach, not dealing with future decisions, and not eliminating the risk, but in fact, the strategic planning provides a framework for the organization action to help organization develop, organize, utilize, and increase capacity and performance (Goodstein et al., 1993). Hence, one thing that organizations should always remember is that strategic planning may not always be the best way that helps organizations to succeed. Bryson, and Alston (2005) mentioned that there are two main reasons for holding off strategic planning. Firstly, strategic planning may not be the best step to solve when organizations that have financial difficulty, or no key leadership position. Secondly, if the organization lacks of skills or resources or commitment of key decision makers to carry effective strategic planning process and produce a good plan, the effort should not be undertaken. It can be concluded that organization should focus on development those skills, resources, and commitments and strategy itself should meet organization capabilities in order to succeed execution of the strategy (Scholes, 2005).

### 2.1.26 Creating Awareness of Corporate Strategic Direction.

As mentioned earlier, strategic planning can fail if the organization is not aware and clear about it. Moreover, Norton (2005) also pointed out that ninety five percent of causes of fail to execute strategy came from awareness. Typically, it means that workforce does not understand the strategy. Organizations that lack of skills, resources, and commitment will fail in strategic planning. Hence, to create an effective strategic direction, it is vital to make organization members understand about importance and meaning of strategic direction (Dickinson, 1985).

A research by Kaplan and Norton (2001) indicated that less than five percent of the typical workforce understands their organization's strategy. Without understanding vision and strategy, employees cannot adapt their work to contribute to effective strategy implementation. If employees do not understand the vision, they are less likely to understand the strategy intended to realize that vision. Therefore, clearly communication is vital for organization success.

Kaplan and Norton (2001) stated further that at the launch of new strategy or new product introductions, executives should use communication processes. The process start with education by creating strategy awareness, and follow by testing that employees understood the message (strategy mind share), checking that employees believe the strategy is being followed (strategy loyalty), and finally determining who become a strategy teachers or missionary. Companies should authorize spending budgets to communicate and educate their employees. For communication, the researcher will discuss more later on.

In addition, to make organization members aware, Dickinson (1985) suggested that organization can use employee awareness program. Employee programs are premised on the belief that informed and involved workers can make significant contributions to their companies and their communities. If awareness is anything, it is a key designed to utilize and recognize human potential. Employee participation in awareness programs generally takes place in all level of program.

Bruno Bettelheim, the grate Swiss psychologist, once pointed out that everyone has two basic and seemingly contradictory needs: to feel part of the group, and to stand apart from the group and be recognized for one's own individuality. Unless these needs were met, people could not be truly fulfilled or motivated. By holding awareness meetings, companies made people feel part of something: a firm, a

society, and economic system. By providing opportunities for involvement, the programs gave employees a chance to individualize themselves. The antidote for alienation had been found. In addition, from the surveys it was clear that employee awareness programs, when run correctly, could indeed achieve the desired goals of changing attitudes and improving knowledge (Dickinson, 1985).

Moreover, if managers and other employees are to make effective strategic contributions it is important that they feel motivated. Whilst money and position in the organization can motivate, there are other essential factors (Thompson, 1993).

David McClelland (McClelland & Winter, 1971) emphasizes the importance of knowing colleagues and subordinates and understanding what does in fact motivate them. He contends that people have three needs in varying proportions – achievement, power, and affiliation – and individual profiles of the balance between these needs vary. He argues that managers should attempt to understand how much their subordinates desire power, look for opportunities where they can achieve, and want close or friendly working relationships, manifested, say, by not working in isolation. If managers then seek to meet these needs, subordinates can and will be motivated.

#### 2.1.27 Understanding Behavior.

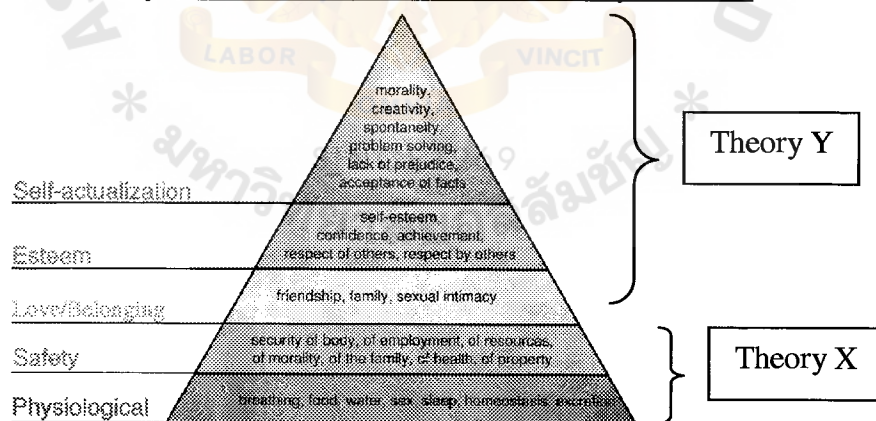
Awareness is a general rising of consciousness and cognitive powers. Hence, to create awareness of people in organizations for strategic direction and get employees involved in strategic formulation, it is important to understand organization behavior as well as individual behavior (Dickinson, 1985). Schultz and Schultz (2002) pointed out that people have five basic personality factors: extraversion (includes characteristics of sociability, talkativeness, ambition,

assertiveness, and high activity level), agreeableness, conscientiousness or the will to achieve (includes characteristics such as being responsible and dependable, able to plan, organized, and achievement-oriented), neuroticism, and openness to experience. Psychological characteristics can influence programs in organization. Many characteristics of the job can the workplace can affect employee performance, and job satisfaction. Personal characteristics include age, gender, race, cognitive ability, job experience, skills, job congruence, organizational justice, personality, and occupational level can also affect directly to performance.

#### 2.1.28 Theories of Motivation.

There are several motivation theories which work on the assumption of how to stimulate and encourage people to work proactively. Maslow's theory of hierarchy of needs is one of the most famous theories. Abraham Maslow introduced a theory of five needs: physiological needs, safety needs, social needs, esteem needs, and self-actualization, as illustrated in as illustrated in pyramid diagram figure 2.1.10.

Figure 2.1.10 Theory X & Y Related to Maslow Hierarchy of Needs



According to Maslow's theory of needs, people have five levels of needs. Maslow's theory was based on a need hierarchy later applied through theory X and theory Y, two sets of assumptions about people at work. In addition, hierarchy of need was reformulated in an ERG theory of motivation using a revised classification scheme for basic human needs (Nelson and Campbell, 2006).



ERG theory is another of theory of motivation. It was developed by Clayton Alderfer. ERG theory based on three types of basic needs related to Maslow's hierarchy of needs: existence needs, relatedness needs, and growth needs.

Existence needs concern with physical survival includes need for food, water, shelter, and physical safety. Organization can satisfy these needs by paying, fringe benefits, a safe working environment, and job security. Whereas, relatedness needs involve interaction with other people and the satisfaction about social relationships in terms of emotional support, respect, recognition, and belonging. Relatedness needs can be satisfied by interactions with co-workers, family and friends. Lastly, growth needs focus on selfness such as need for personal growth and development. These needs can be satisfied by using skill and abilities to fulfill.

ERG needs are not arranged in a hierarchy as all needs can be influenced at the same time. Hence, satisfaction of one set of need does not automatically lead to emergence of higher needs. In order to apply this theory to employee motivation, ERG theory is more directly applicable than Maslow's theory because Maslow suggested that once a need is satisfied, it no longer motivates people, but Alderfer feels vice versa. Alderfer said that satisfying a need may increase people strength.

Besides, to understand people's motivation, Douglas McGregor discussed more on his theory called Theory X and theory Y related to Maslow's need theory. McGregor proposed two alternative sets of assumptions about people at work based on which set of needs were the motivators. McGregor theory X and theory Y assumptions are that people who are in theory X can be motivated by lower order needs, while people who are in theory Y can be motivated by higher order needs (Nelson & Campbell, 2006).

Theory X basically holds the belief that people do not like work, and they need some kind of direct pressure and control to get them to work effectively. These people require a rigidly managed environment, usually requiring threats of disciplinary action as a primary source of motivation. It is also held that employees will only respond to monetary rewards as an incentive to perform above the level of that which is expected.

Whereas theory Y assumes that people are creative and eager to work. It is a more popular view of the relationship found in the work place between managers and workers. Workers tend to desire more responsibility than Theory X workers, and have strong desires to participate in the decision making process. Theory Y workers are comfortable in a working environment which allows creativity and the opportunity to become personally involved in organizational planning (Bittel, 1989).

Another theory which has emerged, and deals with the way in which workers are perceived by managers, as well as how managers are perceived by workers, is William Ouchi's theory Z. Theory Z often referred as the Japanese management style. Theory Z offers the notion of a hybrid management style which is a combination of a strict American management style (Theory A) and a strict Japanese management style (Theory J). This theory speaks of an organizational culture which mirrors the Japanese culture in which workers are more participative, and capable of performing many and varied tasks. Theory Z emphasizes things such as job rotation, broadening of skills, generalization versus specialization, and the need for continuous training of workers.

Much like the McGregor's theories, Ouchi's theory Z makes certain assumptions about workers such as workers tend to want to build co-operative and intimate working relationships with those that they work for and with, as well as the

people that work for them. Also, theory Z's workers have a high need to be supported by the company, and highly value a working environment in which such things as family, cultures and traditions, and social institutions are regarded as equally important as the work itself. These types of workers have a very well developed sense of order, discipline, moral obligation to work hard, and a sense of cohesion with their fellow workers. Moreover, theory Z's workers are assumed to be trusted to do their jobs to their utmost ability, so long as management can be trusted to support them and look out for their well being.

Under Ouchi's theory Z, it is a step farther by implying that not only are assumptions about workers made, but assumptions about managers as well. Managers must be more supportive and trusting of their employees, in order to receive the benefit of increased participation in the decisions of the company (Massie & Douglas, 1992).

It can be concluded that Maslow's hierarchy of needs, McGregor's theory X and Y, and Ouchi's theory Z can be applied to every aspect of life, and the more ambitious and satisfied the personality, the greater the potential contribution to the organization. In addition, the Maslow hierarchy is particularly relevant in the workplace because individuals do not need just money and rewards, but also respect and interaction. Therefore, when design and implement planned change, managers need to understand human behavior and balance needs in order to motivate people to work.

#### 2.1.29 Motivating Employees.

In order to motivate employees, a manager should (1) know staff individually, their strengths and weakness, and what is happening to them, (2) know what interests staff inside and outside work, (3) provide increasingly more

challenging opportunities, delegate more task responsibilities according to their strengths, (4) develop appropriate ways to train people regarding of their weakness area, (5) agree objectives and targets with people, (6) recognize good performance immediately and during appraisal interviews, (6) make sure their efforts are recognized throughout the organization, (7) criticize poor performance immediately in a positive way, (8) ensure appropriate rewards relate to effort and performance, (8) keep employees well informed and wherever involve them in decision making, (9) invite people to discuss how they could improve their job and performance and encourage them to do, and (10) make sure people are aware that they have a personal responsibility to be positive and to look for ways of improving both productivity and quality (Thompson, 1993).

#### 2.1.30 Awareness Program.

Much of the impetus for the expansion of awareness programs come from Japan. As Japanese firms rule by consensus, Japanese firms expect to regard the company as “family” and to immerse themselves in the affairs of their firms. Japanese knew that quality came from individual employees who were determined to produce it, backed by a management determined to get it.

According to Ouchi’s theory Z, Japanese companies usually explain corporate goals, and typically communicate the company’s big picture to all workers constantly. Japanese company use company’s songs to reinforce basic concepts, publications talk about the economics of the business, and executives start the day at factories with pep talks about the firm’s current situation and how to fit the situation. For example, Matsushita, employees will be asked to speak extemporaneously every few months concerning the firm’s values. Altogether, it amounts to an oriental version of employee awareness.

After discussion so far, employee awareness programs are prevalent in many Japanese businesses. Hence, other organizations should adapt and develop better programs that fit to each business in order to increase organization performance (Dickinson, 1985).

#### 2.1.31 Handling with People Avoiding Strategic Planning.

In reality, some people may refuse or avoid strategic planning by giving poor excuses. Therefore, the following table 2.1.2 offers a number of reasons for persons who are not engaging in strategic planning.

Table 2.1.2 Poor Excuses for Avoiding Strategic Planning

Poor Excuses	Reasons offer
We don't have policy board support.	Think strategically about how to gain this board support.
There is no top management support.	Think strategically about how to win management support.
Strategic planning will not lead to perfection.	Of course, it won't.
We are too big or too small for strategic planning.	Both big and smallest organization such as Revenue department, National Navy, smallest nonprofit organization, can benefit from strategic planning.
We have got a union.	Treat the union as another stakeholder.
We have personal policies and individual performance goals to take care of this.	Think strategically about how personal policies, and ask whether the individual performance goals can support desirable organizational strategies.
We don't know where to start.	You can start anywhere.
We have already done it (years ago).	Times change, and recheck of what you have done to see if it is still relevant.
We are perfect already.	Then you really need to be careful as nothing last long.

Source: Bryson and Alston (2005), page 12.

#### 2.1.32 Define Organization Purpose, Vision, and Mission.

The entire strategic planning process may take many forms and follow a variety of paths. At some point in the process, however, the planners have to identify or update the strategic philosophy. Strategic philosophy may include a mission, vision, or value statement or some combination.



Typically, mission statement is a brief description of the intent of the organization, and expression of the organization's unique reason for existence which is usually contained in a formal statement of purpose. A vision statement offers a vivid image of the organization's desired future. It compellingly describes how the organization will or should operate at some point in the future and how customers benefit from organization. A value statement often lists the overall priorities of how the organization will operate. It may focus on moral values such as integrity, honesty, and respect, or operational values such as efficiency or effectiveness. This also includes core values or principles that describe how to conduct and carry out mission (Garner, 2005).

As organization is the rational centre of coordination for the activities of a number of people for the achievement of some common explicit purpose or direction, organization should have clear vision, purpose and direction. The top management needs to convey concept of thinking into organization's vision. Organization's vision is what the organization wants to be in the future. The organizations with good vision will provide the direction or goal and its purpose to the overall employees to follow. Employees should understand and work toward the same direction (Shani & Lau, 2000).

In addition, understanding organization culture is also important when creating an appropriate organization direction. Organization culture can be defined as a general pattern of beliefs, expectations, and values, some conscious and some unconscious, that expect to guide behavior of all members in an organization (Schultz & Schultz, 2002). Organization culture varies according to the type of industry, therefore, during strategic direction formulation process, it is the most important to

concern about organization climate and culture, and internal and external environment of organization.

### 2.1.33 Scanning Organization's Situation and Environment.

As mentioned earlier that organizations are as open systems that have people, technology, structure, and purpose interact with each other in the organization environment. In market rivalry and environmental always change, organizations must concern both internal environment and external environment to stay competitive (Nelson & Quick, 2006). For strategic planning, it always concerns about organization's situation and environment internally and externally, and strategic planning can change from time to time according to situation (Bryson & Alston, 2005). Thus, organizations should be able to adapt and adjust their strategy in order to best fit it.

Furthermore, an organization's internal strengths and weaknesses, and external opportunities and threats help the organization to realize its potential and understand the causes that affect organization positively or negatively (Goodstein et al., 1993). Hence, to understand organization's current performance and its capacity, one of the most effective analysis tools is SWOT analysis.

### 2.1.34 SWOT Analysis.

For an organization that aims to determine where it wants to go in the future, it must assess where it is now. SWOT analysis is the most popular method for examining internal and external information. It is acronym for strengths, weaknesses, opportunities, and threats. SWOT analysis is useful for analyzing situation of organization, understanding current capabilities, and envisioning organization for future movement (Goodstein et al., 1993).

SWOT analysis is the principle input of the strategy development process (Formisano, 2004), or it can be said that the strategic planning process is basically developed from SWOT, strengths, weaknesses, opportunities, and threats, framework accordingly (Mondy et al., 1999).

Strength assessment identifies what the organization tends to do well. For example, it can include a skilled, professional staff and a modern, well-equipped facility. Weaknesses are what the organization may not do well or diminish its effectiveness such as inadequate financial resources. Opportunities reflect what the organization seize upon to do better such as increasing community interactions, and taking advantage of a particular grant. Finally, threats are environmental factors that may hinder performance (Garner, 2005).

The usefulness of SWOT analysis is not limited to profit-seeking organizations. It is widely useful in many organizations, and also for individual. SWOT analysis does not be the only useful technique for strategic planning, but also useful in many aspects such as decision-making, pre-crisis planning and preventive crisis management. For corporate planning, SWOT analysis is a part of development strategies and plans to enable the organization to achieve its objectives. SWOT alongside PEST analysis can be used as a basis for the analysis of business and environmental factors (Armstrong, 2006).

#### 2.1.35 Organization Life Cycle.

Understanding organization life cycle can also help define current position in the industry. As organization goes through different life cycles as well as human life, for example, people go through infancy, child-hood and early-teenage phases that are characterized by lots of rapid growth. Organization goes through

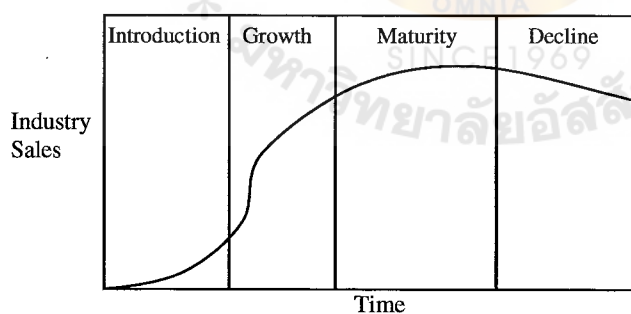
introduction, growth, maturity and decline stage respectively, and industry also goes through its life cycle as well.

The number of life cycle stages are proposed in various studies. Some analysts have ten different stages of an organization life cycle, while others have more flattened stages down to only three stages. However, most models tout the organizational life cycle as a period comprised of four or five stages: start-up or introduction, growth, maturity, decline, and death or revival.

Jawahar and McLaughlin (2001) also mentioned that models of life cycle stages vary widely in a number of features including the actual number of stages. In general, the life cycle of a typical organization consists of five identifiable but overlapping phases of start-up, emerging, growth, maturity, and revival.

Moreover, the stage of life cycle can be varies widely from industry to industry. The most common predictions about how an industry will change over the life cycle and how this should affect strategy illustrated below in figure 2.1.11 (Porter, 1998).

**Figure 2.1.11 Stages of the Life Cycle**



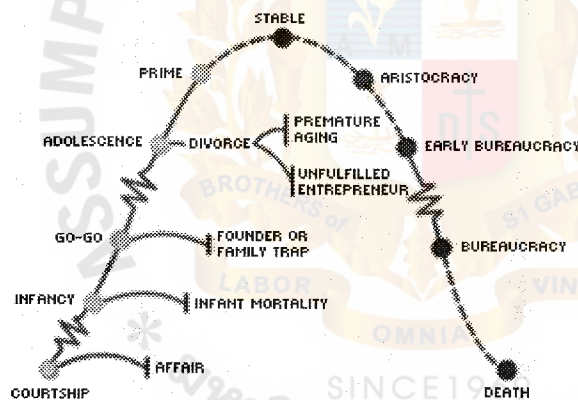
Source: Kotler (1972), pp 432-433; see also Polli and Cook (1969), page. 385-387.

Therefore, organizations should know where the organization is on the corporate lifecycle which can be critical to an organization's success because every organization grows and develops according to a natural lifecycle, facing predictable and unpredictable problems at each stage of life cycle. Many theories and researches

suggested that the pressures, threats, and opportunities in both internal and external environment of an organization vary with organization life cycle stages as different organizations are likely to have different needs in terms of resources, in different stages of organization life cycle. (Jawahar & McLaughlin, 2001).

Dr. Ichak Adizes who is a renowned business guru and theorist, and founder of the Adizes Institute, developed a simple ten-stage of corporate life cycle model; courtship, infancy, go-go, adolescence, prime, stability, aristocracy, recrimination, bureaucracy, and death, to learn and understand the typical life cycle stages that many businesses pass through. Figure 2.1.12 and Table 2.1.3 showed Adizes' corporate life cycle model and definition of each stage.

Figure 2.1.12 Adizes' Corporate Life Cycle Model



Source: Adizes Institute (2007). Retrieved on August 9, 2007 from the World Wide Web <http://www.adizes.com/>



**Table 2.1.3 Definition of Corporate Life Cycle Stage**

Stages	Details
Courtship	The initial development or creation of the proposition, model, business, formation, etc. At this stage, the company has not yet started. The primary goal is to build the founder's enthusiasm and commitment to achieve his/her dream.
Infancy	After launch - start to active trading. At this stage, organization focuses on changing ideas to action.
Go – Go	Go-Go companies are like babies that have just learned to walk. They can move quickly and everything looks interesting. Company has a successful product or service, rapidly growing sales and strong cash flow. Frantic energetic early growth and sometimes chaos
Adolescence	Still developing but more established and defined
Stability	Still effective, popular, can still be very profitable, but beginning to lose leading edge - vulnerability creeping in maybe
Aristocracy	Strong by virtue of market presence and consolidated accumulated successes, but slow and unexciting, definitely losing market share to competitors and new technologies, trends, etc
Recreation	Doubts, problems, threats and internal issues overshadow the original purposes
Bureaucracy	Inward-focused administration, cumbersome, seeking exit or divestment, many operating and marketing challenges
Death	Closure, sell-off, bankruptcy, bought for asset value or customer-base only

**Source:** Businessballs. (2007). Ichak Adizes – corporate life cycle model. Retrieved on August 9, 2007 from the World Wide Web <http://www.businessballs.com/adizeslifecycle.htm>

Adizes' model provides a useful basis for understanding a fundamental perspective of organizational change, and the principle organizational ageing. The model also provides a basis for useful in teaching people about organizational development stages, which is helpful for selling, management, and understanding organizational cultures and systems. However, leading organization through transition of lifecycle is not easy. The same methods use in one stage may create failure in the next stage. Organization should aware of possibilities of both normal and abnormal problems during each stage of lifecycle (See also in Appendix B) (Adizes, 1988).

#### 2.1.36 Formulating Strategy.

According to situation and environment scanning, there are five steps for strategy formulation: (1) looking outside environment of organization to identify opportunities and threats, (2) looking inside at organization's strengths and weaknesses in terms of its resources, capabilities, and practices, (3) considering

strategies for addressing threats and opportunities, (4) building a strategy and supporting activities that fit organization environment, and (5) Create alignment between the organization's people and activities and its strategy by communicating and aligning people's activities with the business's strategic intention (Harvard Business Essential, 2004).

A strategic planning has three levels that include corporate-level strategic planning, business-level strategic planning, and functional-level strategic planning. Corporate-level strategic planning is the process to define overall character and purpose of the organization as a whole. Meanwhile, the business-level strategic planning is the planning process concerned primarily with how to manage the interests and operations of a particular business. Lastly, functional-level strategic planning is the process of determining policies and procedures for relatively narrow areas of activity that are critical to the success of the organization (Mondy et. al., 1999).

#### 2.1.37 Corporate Strategy.

Corporate strategy is primarily about the choice of direction for a firm as a whole and the management of its business or product portfolio. Corporate strategy deals with three key issues facing the corporation as a whole: directional strategy - the firm's overall orientation toward growth, stability, or retrenchment, portfolio strategy - the industries or markets in which the firm competes through its products and business units, and parenting strategy – the building of corporate synergies through resource sharing and development.

Directional Strategy, a corporation's directional strategy is composed of three general orientations or grand strategies (table 2.1.4): growth strategies – expand the company's activities, stability strategies – make no change to the

company's current activities, and retrenchment strategies – reduce the company's level of activities (Wheelen & Hunger, 2006).

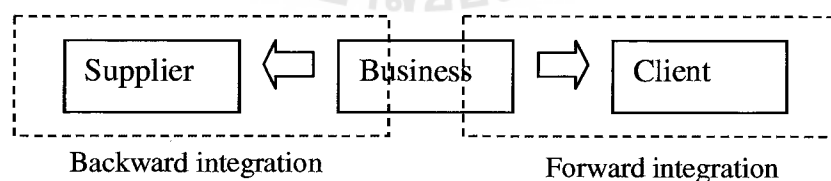
**Table 2.1.4 Corporate Directional Strategies**

Growth	Stability	Retrenchment
<ul style="list-style-type: none"> <li>• Concentration               <ul style="list-style-type: none"> <li>○ Vertical growth (Backward and forward integration)</li> <li>○ Horizontal growth</li> </ul> </li> <li>• Diversification               <ul style="list-style-type: none"> <li>○ Concentric</li> <li>○ Conglomerate</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Pause/ Proceed with caution</li> <li>○ No change</li> <li>○ Profit</li> </ul>	<ul style="list-style-type: none"> <li>○ Turnaround</li> <li>○ Captive company</li> <li>○ Sell-out/ divestment</li> <li>○ Bankruptcy/ liquidation</li> </ul>

Source: Wheelen and Hunger (2006), page 166.

Growth strategies have two basic strategies: concentration on the current product lines in one industry, and diversification into other product lines in other industries. For concentration, there are two basic concentration strategies: vertical growth, and horizontal growth. Vertical growth is a logical strategy for a corporation or business unit with a strong competitive position in a highly attractive industry especially when technology is predictable and markets are growing. To keep competitive position, a company may use backward integration approach to minimize resource acquisition costs and inefficient operations as well as forward integration approach to gain more control over product distribution, figure 2.1.13.

**Figure 2.1.13 Vertical Integration**



Source: Achara Chandrachai (2006), page 55.

For example, a company produces preserved pineapple may use backward integration by having the company's own pineapple farm to serve raw material. Another example, an exporting company may use forward integration by starting up their own logistics company (Achara Chandrachai, 2006).

A firm can achieve horizontal growth by expanding its products into other geographic location and or by increasing the range of products and services it offers to current markets (Wheelen & Hunger, 2006).

Stability Strategies, a company may choose stability over growth by continuing its current activities without any significant change in direction. This strategy is popular with small business owners who have found a niche and are happy with their success and the manageable size of their firms. Stability strategies can be very useful in the short run (Wheelen & Hunger, 2006).

Retrenchment Strategies, retrenchment is downsizing and cost cutting to meet a marketplace with reduced demand for the company's products and services (Stahl & Grigsby, 1997). A company may pursue retrenchment strategies when it has a weak competitive position. These strategies can direct a great deal of pressure to improve performance. In an attempt to eliminate the weaknesses of a company, management may follow one of retrenchment strategies such as turnaround strategy – emphasizes to improve operational efficiency, captive company strategy – given up independence in exchange for security, sell-out or divestment strategy – selling company to another firm or sell off a division with low growth potential, and bankruptcy or liquidation strategy – giving up management of the firms to the courts in return for some settlement of the corporations' obligations or termination of a firm (Wheelen & Hunger, 2006).

#### 2.1.38 Business Strategy.

Business strategy focuses on improving the company's competitiveness. Business strategy is composed of both competitive strategy (battling against all competitors for advantage) and cooperative strategy (working with one or

more companies to gain advantage against other competitors) (Wheelen & Hunger, 2006).

Porter (1998) discussed that there are three types of competitive strategies in business-level strategies: overall cost leadership, differentiation or benefit strategy, and focus strategy according to figure 2.1.14.

Figure 2.1.14 Three Generic Strategies

		Strategic advantage	
		Uniqueness perceived by the customer	Low cost position
Strategic target	Industrywide	Differentiation	Overall cost leadership
	Particular segment only	Focus	

Source: Porter (1998), page 39.

Firstly, overall cost leadership is to gain higher sales by offering products and services at a competitive (lower than competitors or price at customers' willing to pay level) price. Cost leadership requires aggressive construction of efficient-scale facilities, cost reduction from experience, tight cost and overhead control, avoidance of marginal customer accounts, and cost minimization in areas like research and development (R&D), service, sales force, advertising, and so on.

Secondly, differentiation or Benefits Strategy is to gain sales by focusing on quality of products and services in order to meet customers' satisfaction. One of differentiating the products and service offered by the firm will create something unique. Approaches to differentiate can take many forms such as design or brand imager, technology, features, customer service, or other dimensions.

Thirdly, focus strategy is to focus on a particular buyer group, segment of the product line, or geographic arced. It is to gain advantage from making and implementing strategic direction quickly. There are four techniques for



implementing this strategy which are first-to-market, early follower, in step with majority of competitors, and late follower.

#### 2.1.39 Functional Strategies.

Functional strategies must be formulated to support business and corporate strategies; otherwise the company will move in multiple directions and eventually pull itself apart. For a functional strategy to have the best chance of success, it should be built on a capability residing within that functional area. If a corporation does not have a strong capability in a particular functional area, that functional area could be a candidate for outsourcing (Wheelen & Hunger, 2006).

#### 2.1.40 Strategic Planning in Small and Family Businesses.

Small business owners may use stability strategies as they have found a niche and satisfy with the success and manageable size of the company. However, stability strategies can be very useful in the short run, but it maybe dangerous if the company uses stability strategies for too long (Wheelen & Hunger, 2006).

A study case about strategic planning practices in fast growth family firms revealed that, among three types of business-level strategies: overall cost leadership, differentiation or benefit strategy, and time-based strategy, categorized by Porter (1998), the majority of the fast-growth family firms focused on differentiation strategy. The reason was that these firms focused on quality of products and services as they aimed to meet customers' satisfaction. Moreover, these fast-growth family firms had effective long-range business plans which were written in formal plans, tied their plan to actual performance, and communicated throughout the firms (Upton, Teal & Felan, 2001).

Furthermore, a study about strategic goals and practices of innovative family businesses showed that there are four kinds of strategies found in these

businesses: defender - stick on what they do good, innovator or prospector - able to take risk in order to provide new products and services, analyzer - a good follower or copier, and reactor - wait and see then react (McCann, Leon-Guerrero & Haley, 2001).

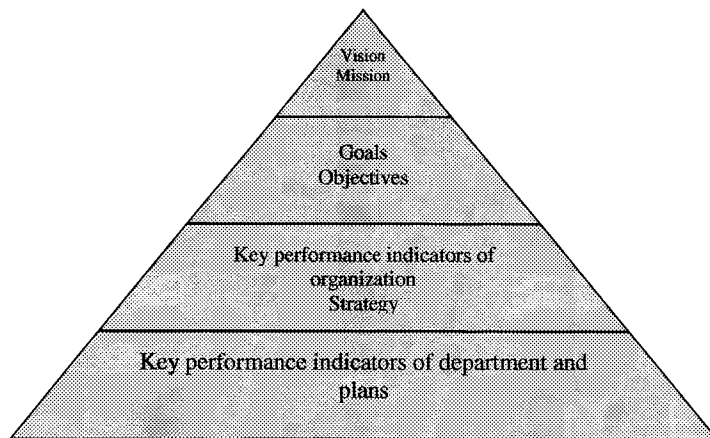
#### 2.1.41 Organization's Strategic Direction.

To move from an assessment of where organization wants to be, organizations must articulate particular strategies and identify strategic goals. When considering goals, each department of organization can use the acronym SMARTER - specific, measurable, acceptable, realistic, timely, extend, and rewarding - to create specific, measurable, acceptable, realistic, and timely goals that extend the capabilities of those working to achieve them while being rewarding for the organization and its members (Garner, 2005).

According concept of SMARTER goals, key performance indicators or KPIs should also be set. As seen in pyramid structure in figure 2.1.15, the pyramid structure shows the concept of organization strategic direction management. It means that once company defined vision, mission, goal, objective and strategy, standard KPIs should be identified as well to measure the effectiveness of business operation and plan.

In addition, employee involvement in the process such as brainstorming, shared opinion, workshop, seminar, and so on, will also help management set appropriate plans and align KPIs with strategic planning (Wattana Wongkieatrat and Team, 2003).

Figure 2.1.15 Organization Direction Management



Source: Wattana Wongkieatrat and Team (2003)

#### 2.1.42 Strategic Decision – Making.

Strategic decision making is not an exclusive domain of large organization, but it is an important activity in all types of organizations – large and small, for profits and non-profit, private and public. Firms of all sizes and all purposes must learn to direct the strategic management process (Stahl & Grigsby, 1997).

In order to make a strategic decision, there are key strategy dilemmas that could influence while strategic decision-making. The key strategic dilemmas such as publication of strategy (visible or hidden strategy), strategic types (Consistent or flexible strategy, and risk or certainty strategy), and process of strategic formulation (top-down or bottom-up approach), are critical issues for the executives to realize while strategic planning is different depending on current and up-coming situation (Parnell, 2003).

However, organizations should carefully design appropriate conventional methods in order to formulate and implement strategic planning, as some of conventional methods have both advantages and disadvantages in some areas such as top-down approach consume too much time and money, and also discourage

commitment for those who are responsible for implementation (Purser & Cabana, 1997).

Ireland, Hitt and Sirmon (2003) mentioned that firms must both be able to identify the potential opportunity and develop a competitive advantage in order to create wealth to shareholders or to the firms. All of the dimensions of strategic entrepreneurship (SE) - entrepreneurial mindset, entrepreneurial culture, and entrepreneurial leadership, strategic management of resources, and applying creativity to develop innovation - also play an important role in the success of the firm. The entrepreneurial mindset, entrepreneurial culture, and entrepreneurial leadership must align and be compatible with the characteristics of the firm such as size, age, goods and service providers. In addition to the importance of the dimension, resources and developing innovative products and services should also be considered and match to the firm's characteristics as well.

#### 2.1.43 Implementation of Strategy.

Once the organization has assessed the environment (SWOT analysis), and arrived at a set of SMARTER goals, organization must place the strategic plan into action. Kaplan and Norton (2001) mentioned that strategy implementation requires all business units, support units, and employees align and link to the strategy. With rapid changes in technology, competition, and regulations, the formulation and implementation of strategy must become a continual and participative process.

Kaplan and Norton (2001) also pointed out the study of two hundred and seventy five portfolio managers that the ability to execute strategy is more important than the quality of the strategy itself. As most of today's organizations operate through decentralized business units and teams that are much closer to the customer than large corporate staff, organizations recognize that competitive

advantages comes more from intangible knowledge, capabilities, and relationships created by employees than in the form of investments in physical assets and access to capital.

The implementation should involve several action plans that are designed to fit with all levels of the organization. Organizations should integrate the strategic planning in everyday management decisions which is the best evidence of the plan's implementation. Organizations should make sure that the persons who will implement have a sense of ownership. The strategic planning team should keep involvement and encouragement during implementation, and the organization should always be concerned about alignment between strategic planning and organization environment.

However, organizations should keep in mind the possible causes for implementation failure, as mentioned earlier. The implementation failure causes from three problem during process of strategic planning, stated by Reid (1989), which are insufficient involvement of organization members, unrelated and no continuously planning process, and inadequately stimulate strategic thinking (Godstein et al.,1993).

In order to implement strategic directions, the organization should inform all stakeholders about organization's strategic direction. Implementation of strategy will succeed when communicating effectively as well as processes and systems. Communication will also help organizations to gain feedback about the strategy. Besides, strategy will succeed especially when strategy becomes everyone's everyday job (Kaplan & Norton, 2001). On how-to communicate effectively, the researcher will discuss later in the following topics.



#### 2.1.44 Creating Strategy – Focused Organization.

Norton (2005) discussed the four main reasons why organizations fail to execute strategy: ninety five percent from lack of awareness and understanding about strategy, eighty five percent from lack of time discussion about strategy, seventy percent from unrelated incentives and strategy, and sixty percent from no link from budget to strategy. Therefore, in order to successfully strategy execution, organization can use strategy-focused organization. There are five principles of strategy-focused organization: mobilize change through executive leadership, translate the strategy to operational terms, align the organization to the strategy, motivate to make the strategy everyone's job, and govern to make strategy a continual process, as illustrated in figure 2.1.16.

Figure 2.1.16 The Principles of a Strategy-Focused Organization



Source: Kaplan and Norton (2001), page 9.

For strategy-focused organization, synergy is overarching goal of organization design. Organization consists of numerous sectors, business units, and specialized departments, each with its own strategy. All employees should understand the strategy and conduct day-to-day business in a way that contributes to the success of that strategy.

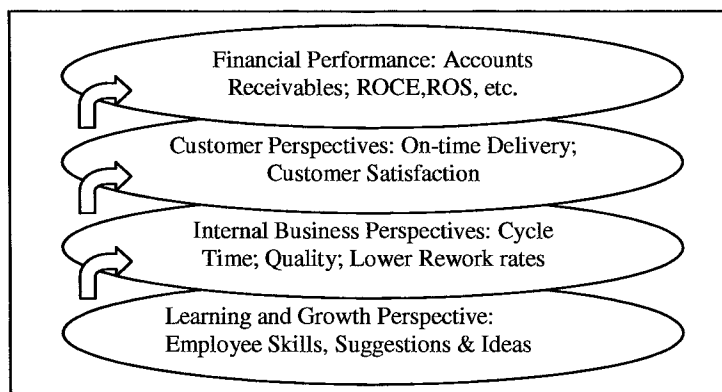
In a strategy-focused organization, executives adapt the balanced scorecard concept to help communicate and educate the organization about the new strategy because the balanced scorecard provides a framework that helps organizations translate strategy into operational objectives that drives both behavior and performance, or a framework to describe and communicate strategy in a consistent and insightful way.

#### 2.1.45 Balanced Scorecard.

Several years ago, balanced scorecard was introduced as a measurement tools which is not related to strategy. Recently, new strategies emerged from the effort to make organizations more customer-driven, and make organizations adopt a new set of cultural values and priorities. Though some organizations may fear that communicating strategy to the entire organization may leak organization's valuable information to competitors, executives use a balanced scorecard to help communicate and educate the organization about the new strategy (Kaplan & Norton, 2001).

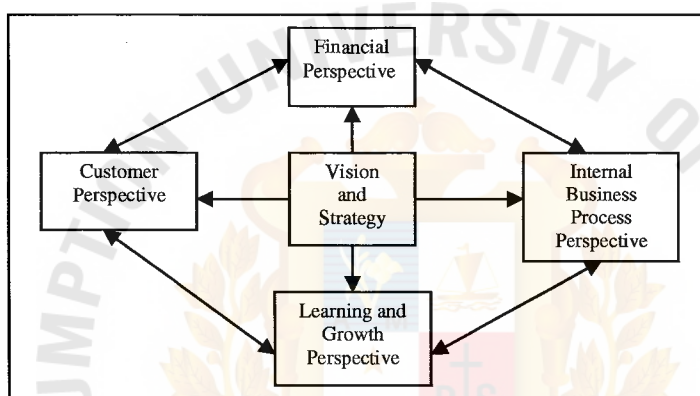
Davig, Elbert, and Brown (2004) suggested that the small organization (number of employees from 20 to 250 persons) should adopt the balanced scorecard approach introduced by Robert Kaplan and David Norton as a key driver for organization's future performance. The balance scorecard includes four perspectives: financial, customer, business process, and learning and growth that link throughout organization (see figure 2.1.17 and 2.1.18).

Figure 2.1.17 The Four Perspectives of the Balanced Scorecard



Source: Davig, Elbert, and Brown (2004), page 19.

Figure 2.1.18 Integrating the Balanced Scorecard with Strategy and Vision.



Source: Davig, Elbert, and Brown (2004), page 20.

From the figure 2.1.18, the balanced scorecard assumes to be a causal chain of competitive performance in the organization. Training and development or learning and growth are the base of its chain which is considered as an organizational investment. The development of human resources (technical, team, and management skills) improves internal organization processes and innovation. The improved of organization processes and innovation will create higher levels of customer satisfaction, and ultimately results in improving financial performance of the organization.

The balanced scorecard can be a performance management tool that links overall vision and strategy into action. By using a set of key performance indicators or metrics (KPIs) according to the four perspectives of balanced scorecard

framework, the management can evaluate the effectiveness of the plan (Achara Chandrachai, 2006).

#### 2.1.46 Implementing Change.

To get a change program off to a good start, communication is vital. Leaders must make sure that all aspects of a change project are communicated as soon as possible to everyone affected. Anything short of total communication will leave some people unhappily in the dark, at least for a time, and may create a divide between those who know and those who do not. Letting people learn of a major change plan from outsiders (for instance, suppliers or the media) is the worst possible introduction to the project, since it creates an atmosphere of distrust and anxiety.

Always give people the total picture. If people were informed only what they need to know in order to fulfill their own particular role in a change plan, they may not see the wider significance of their tasks or feel commitment to the plan as a whole. If people know and understand the reasons for change, and how and why the change plan has been formed, they are likely to play their part with greater enthusiasm and a sense of direction.

#### 2.1.47 Communication.

As initial agreement is one of the most important steps in the whole strategic planning process. Effective communication is required to make organization aware and understand strategic planning.

Communication is the glue that holds organizations together.

Communication assists organizational members to accomplish both individual and organizational goals, implement, and respond to organizational change, coordinated organization activities and engage in virtually all organizationally relevant behaviors.

Communication is unavoidable, it can be in the form of verbal and non-verbal

communication. Effective communication is the result of a common understanding between the communicator and the receiver (Ivancevich & Matteson, 2002).

Good communication is the lifeblood of organizations. It takes many forms, such as speaking, writing, and listening, though its purpose is always to convey a message to recipients. Communication is always a two-way process. In management, communication is the way to get things done, pass on and obtain information, reach decisions, achieve joint understanding, and develop relationships. There are three rules to achieve clarity or make good communication: clear about what to communicate, deliver message succinctly, and ensure message has been clearly and correctly understood.

There are different ways to communicate change, as described below in table 2.1.6, which each of method can combine together to make effective communication (Heller & Hindle, 1998).

Table 2.1.6 Ways to Communicate Change

Methods	When to use each method
Media: Pieces in magazines and newspapers, on website, and on video.	To create awareness and provide information as that people can keep up to date and think about the change program.
Presentations: Presentation to large and small groups, supplemented by media as described above	To sell a large scale of change program and stimulate understanding, support, and involvement from all affected.
Training: Training session, ranging from management workshops to shopfloor-skills training.	To prepare those affected and back up a forthcoming change program while simultaneously building committed support.
Team meetings: Full meetings at which people discuss issues, air problems, and suggest solutions	To advance the change program by involving everyone, allowing them to voice opinions and discuss progress.

Source: Heller and Hindle (1998), page 736.

Furthermore, to choose methods for communication, there are five main types of methods, table 2.1.7: written word, spoken (and heard) word, symbolic gesture, visual image, and a combination of these. The first four methods work well individually, and multimedia method allows better communication.



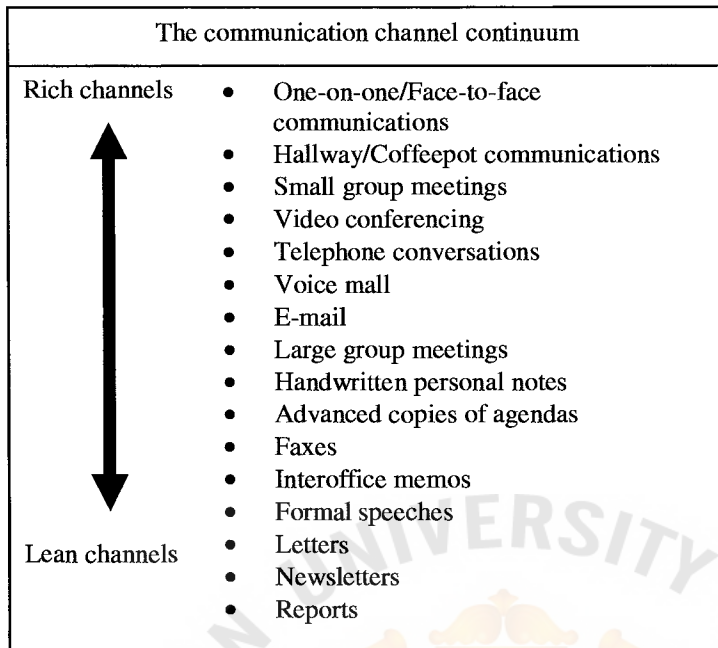
Table 2.1.7 Choosing Methods for Communication

Type of communication	Examples	Usefulness
Written word: In any language and in various media, the written word is basic to literate societies.	Letters, memos, reports, proposals, notes, contracts, summaries, agendas, notices, regulations, minutes, plans, discussion documents.	The written word is the basis of organizational communication, and is used because it is relatively permanent and accessible.
Spoken word: Communication that is effective only when it is heard by the right people.	Conversations, interviews, meetings, phone calls, debates, requests, debriefings, announcements, speeches.	Verbal exchanges in person and by phone are used because of their immediacy; they are the chief means by which organizations work on a day-to-day basis.
Symbolic gestures: Any positive or negative behavior that can be seen or heard by the intended target.	Gestures, facial expressions, actions deeds, tone of voice, silence, stance, posture, movement, immobility, presence, absence.	Actions and body language profoundly but unconsciously affect people – propaganda depends on the manipulation of positive and negative signs.
Visual images: Images that can be perceived by a target group.	Photographs (slides and prints), paintings, drawings, illustrations, graphics, cartoons, charts, videos, logos, film, doodles, collages, color schemes	Visual images are used because they convey powerful conscious and unconscious messages.
Multimedia: A combination of the different methods above, often involving IT.	Television, newspapers, magazines, leaflets, booklets, flyers, posters, internet, intranet, WWW, video, radio, cassettes, CD-ROMs.	Media are especially useful when they can be participative. The more professional the use of multimedia, the more effective and productive they are likely to be.

Source: Heller and Hindle (1998), page 21.

Kaplan and Norton (2001) also suggested using multiple media to communicate new strategies as shown in figure 2.1.19.

Figure 2.1.19 Using Multiple Media to Communicate the New Strategies



Source: Kaplan and Norton (2001), page 219.

Communicators should avoid pitfalls, and keep in mind that the communicator should be careful not to create false impression whether positive or negative, be realistic and do not gloss over any less positive facts, cannot predict how people react and always seek feedback to make sure that the plan has been correctly interpreted (Heller & Hindle, 1998).

#### 2.1.48 Conflict Management.

During the strategic planning process, there must be potential of conflict, the researcher would like to point out how to manage and reduce conflict. In fact, organizations always face greater potential of conflict, therefore conflict management skills are another major key to management success.

However, not all conflict is bad. In fact, some types of conflict encourage new solutions to problems, and enhance creativity in the organization. The key to conflict management is to stimulate functional conflict – a healthy, constructive disagreement between two or more people, and prevent or resolve

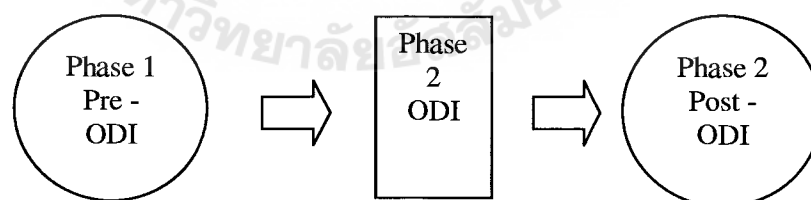
dysfunctional conflict – an unhealthy, destructive disagreement between two or more people.

In order to manage organization effectively, managers should understand the many sources of conflict that can be classified into two main categories: structural factors, and personal factors. Structural factors are from the nature of organization and the way in which work is organized. Personal factors arise from differences among individuals. The causes of conflict that related to organization's structure include specialization, interdependence, common resources, goal differences, authority relationships, status inconsistencies, and jurisdictional ambiguities. While the causes of conflict from individual or personal differences include differences in skills and abilities, personalities, perceptions, or values and ethics, emotions, communication barrier, and cultural differences, also leads to conflict (Nelson & Campbell, 2006).

## 2.2 Conceptual Framework.

The conceptual framework of this action research consisted of three phases: pre-ODI phase, ODI phase, and post-ODI, as showed in figure 2.2.1.

Figure 2.2.1 Action Research Model



The framework of this action research model applied in the Family Dental Company to understand ODI's concepts and implementation process step by step. Each step of ODI was important for change management learning and real data collection as well as to set up effective action plans.

Phase one: Pre-OD Intervention stage included the following steps

- Get approval from executives for OD intervention
- Data gathering and diagnosis by the researcher
- Feedback to executives about current internal situation
- Action planning (Objectives of OD program and means of attaining goals)

Phase two: OD Intervention implementation stage

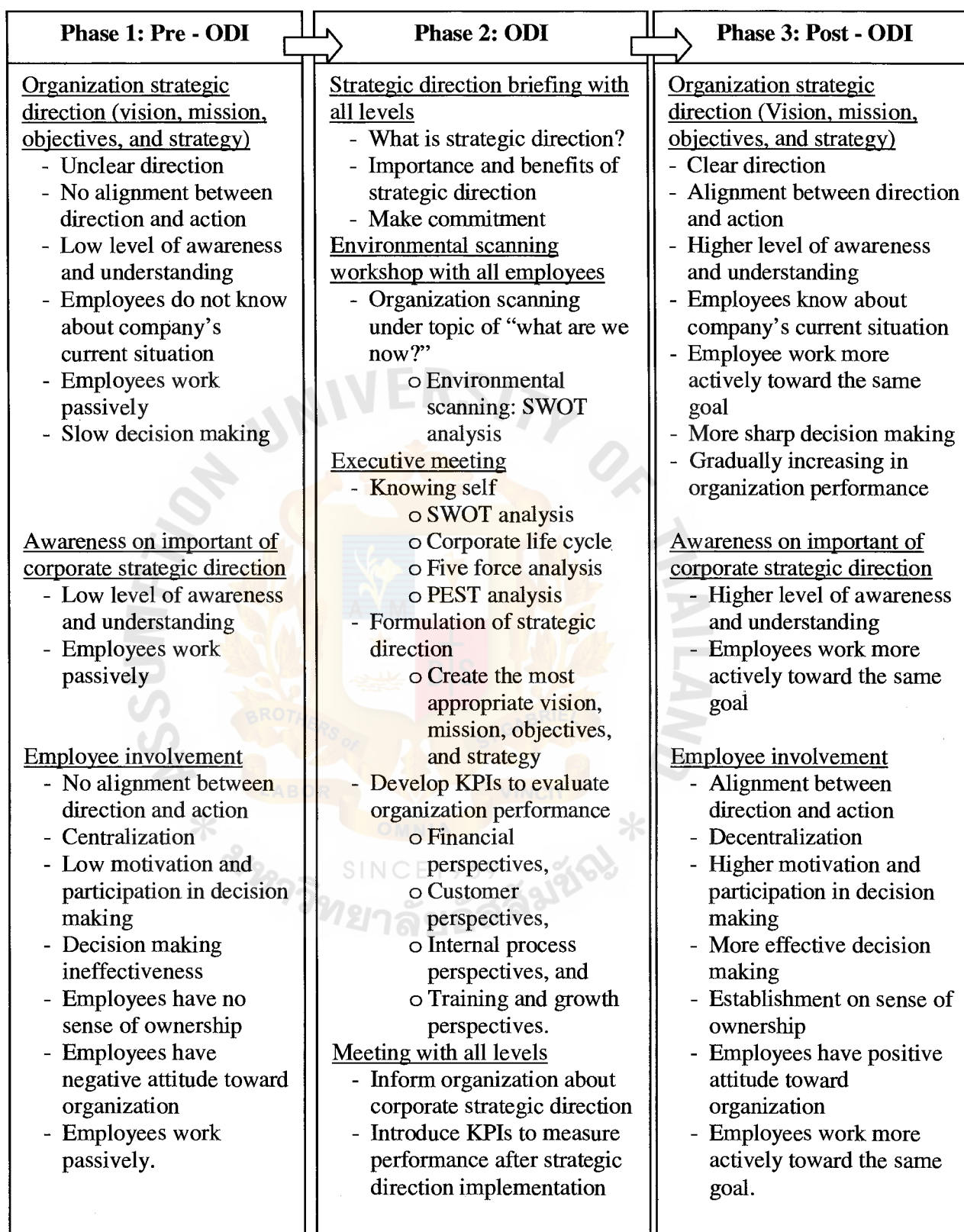
An OD Intervention referred to the range of appropriate actions designed to create awareness of importance of corporate strategic direction, and employee involvement in corporate strategic direction. All the OD interventions aimed to change some aspects of an organization. The steps of OD intervention implementation stage consisted of:

- Action planning (determination of objectives and how to get there)
- Action according to the planning

Phase three: Post-OD Intervention Stage included the following steps as: -

- Data gathering (reassessment of state of the system)
- Discussion and working on feedback and emerging data
- The researcher gave recommendation to executives
- Action planning for further OD intervention

Figure 2.2.2 Conceptual Framework





According to figure 2.2.2, conceptual framework is categorized in three phases:

Phase one: Pre – OD intervention, the researcher gathered data to understand how company members aware and understand about organization direction, importance of having corporate strategic direction, and employee involvement in company direction. The data was gathered and analyzed to create appropriate OD interventions in phase two.

Phase two: OD intervention, the researcher had OD intervention firstly by company briefing to introduce concept of strategic direction and its importance, how the organization could do, and make commitment. Secondly, environmental scanning workshop with all organization members to help employees have better understanding and realize about company's current situation. Then, the researcher had a meeting with the management team to create organization direction and key performance indicators (KPIs) by using information received from workshop. Lastly, the researcher had one more meeting with all level of company to inform them about company's strategic direction and KPIs.

Phase three: post – OD intervention, the researcher used the same set of data gathering instruments that were used in phase one to analyze results after intervention by comparing data between Pre and Post OD intervention, and the researcher made recommendations for further development and intervention plan.

## CHAPTER THREE

### Research Methodology

The purposes of this chapter was to present the research design and methodology, subject of study, sources of data, research instruments, tools and other data gathering techniques and procedures, the instruments, tools for quantitative and qualitative analysis, design and development of organization development interventions (ODI).

#### 3.1 Research Design

The research design consisted of three phases:

##### 3.1.1 Phase One: Pre-OD Intervention.

In this phase, it was a diagnosed phase where data was gathered and analyzed. The researcher consulted with management levels about information from diagnostic data in order to get approval for OD intervention in the next phase.

The initial diagnosis for this research had begun several years ago as the researcher works in the company for a long period of time. Therefore, the researcher gathered data primarily through the researcher's direct observation. However, in this research, the researcher used systematic methods for data gathering and diagnosis organization based on mix approach, qualitative and quantitative approaches.

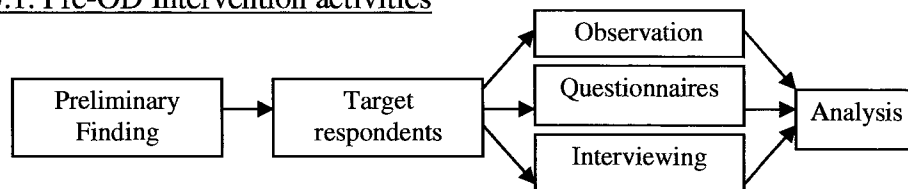
The qualitative approach comprised of two methods; direct observation, and informal interview. For the quantitative approach, the researcher used questionnaire.

Steps of Pre – OD Intervention activities consisted of

- Specify the target respondents
- Data gathering by observation, interviewing, and questionnaires.

- Analyzing data whether it was sufficient in all facets or not.
- Discussion the outcome of diagnosis with the top management for agreement.

Figure 3.1. Pre-OD Intervention activities



### 3.1.2 Phase Two: OD Intervention.

This phase was an action phase or planned change where the researcher designed appropriate OD intervention to address problem area that identified from previous phase, phase one or diagnostic phase, and implemented the appropriate OD intervention. The selected interventions would be a direct reflection of and response to the diagnosis. In this phase, involvement and commitment of all levels in the organization was important as it had directly impacted on organization direction. Besides, it also needed the management agreement of the planned change and approval, and budgeting.

The selected OD intervention should reflect and respond to the diagnosis in this phase, it also needed the management agreement of the planned change and approval, and budgeting. Nevertheless, the designed of OD intervention activities could be changed after analysis of the survey in order to be compatible with the situation.

This phase consisted of the following activities as:

- Design the OD intervention tools and preparing the proposal to the management,
- Implement the planned change in actions.

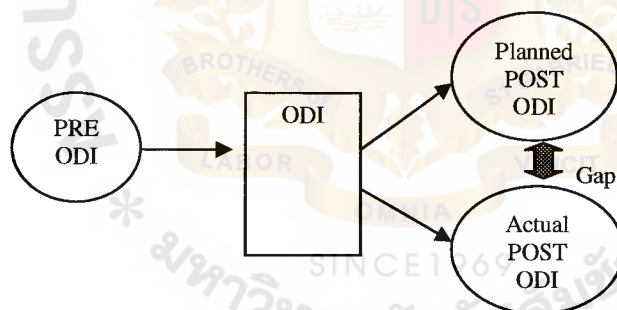
### 3.1.3 Phase Three: Post-OD Intervention.

This phase was an evaluation phase of the OD effort to determine the impact or consequences of the action. It explained and helped to identify the gap between the expectation of planned change and the actual consequence.

Post-OD intervention objectives were

- To evaluate the relationship between the pre-OD intervention and the post-OD intervention.
- To find the gap between the pre-OD intervention and the post-OD intervention.
- To find the reasons or underlining to support the difference between the expected results and actual results
- To find the best recommendation and give it to the management.

Figure 3.2. Post-OD Intervention Activities



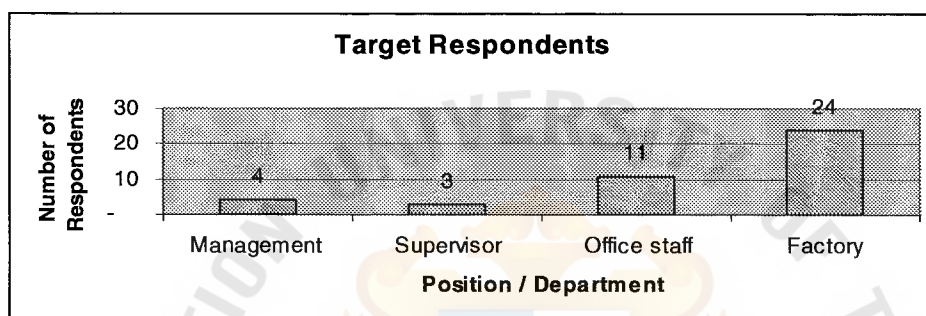
### 3.2 The Target Respondents

As Family Dental Company is a small-size company with thirty eight employees and four executives, every company member works together like family members, target respondents of this research were 100% of those who worked in company, from management level to lower level. The total number of respondents were forty two persons (42). The amount of forty two participants classified as shown in table 3.1 and figure 3.3.

**Table 3.1 Target Respondents Classified by Position or Department**

Position / Department	Number of Respondents
Management Level	4 persons
Supervisor	3 persons
Office staff	11 persons
Production staff	24 persons
Total	42 persons

**Figure 3.3 Graph of Target Respondents Classified by Position or Department**



### 3.3 The Research Instruments

The researcher designed research based on mix approaches, quantitative approach and qualitative approach, and the researcher collected primary data through three types of instruments as follow.

#### 3.3.1 Questionnaires.

The researcher aimed to collect information to understand employees' perception about organization, so that the researcher could create appropriate OD intervention on awareness of corporate strategic direction and employee involvement.

The researcher designed questionnaires to obtain actual information and opinion from target respondents from fixed – choice answer or close – ended question and open – ended questions section. The questionnaires were developed in English, and translated into Thai language by language expert who was proficient in both Thai and English to make the target respondents who did not familiar with English language easy to understand questionnaire questions clearly.



The questionnaire consisted of three sections as described in table 3.2.

The first section contained fixed – choice answers or close – ended questions by using balanced rating scale with Likert five - point scale. This section asked respondents to choose a single answer that best represented their level of agreement. This section focused mainly on the level of awareness of corporate strategic direction, employee involvement in corporate strategic direction. For questions regarding general information, it aimed to understand how employees felt about the company's working environment. The second section contained open-ended questions. This section asked employees to give opinions and recommendations about the organization in greater detail. The third section was demographic profile (Please also see questionnaires in Appendix C).

Table 3.2 The Arrangement of Questionnaire

Parts	Content	Number of Questions
Part One	Close – ended questions about: <ul style="list-style-type: none"> <li>○ Awareness on corporate strategic direction</li> <li>○ Employee involvement in corporate strategic direction</li> <li>○ General Information</li> </ul>	1 – 17 18 – 29 30 – 39
Part Two	Open – ended questions: Organization current situation, and areas for improvement	1 – 5
Part Three	Demographic Profile: Age, gender, education level, marital status and length of work	1 – 5

Before implementing the questionnaire to all target respondents, the researcher tested questionnaire with non-respondents to test accuracy and reliability of questionnaire. The researcher tested reliability of questionnaire with 20 non-respondents who were employees in another company that has the same type of

business, i.e. small and medium size family company. The questionnaires were distributed to 20 employees including operation officers and staff in the factory.

The researcher used Cronbach's Alpha Coefficient formula for measuring the questionnaire's reliability. From the results of formula calculation, Cronbach's Alpha value in table 3.3 presented that the questionnaire was highly reliable (Please also see Appendix H for results of reliability test).

Table 3.3 Reliability Statistics

Cronbach's Alpha	N of Items
.931	39

### 3.3.2 Observation Checklist.

The researcher prepared the observations recording sheet (Appendix D) for observation during working, non-working and interview by focusing on how employees perform their tasks, how employees reflect to data collection, and how interviewee respond to interview question.

### 3.3.3 Interview Guide.

For more information collection and analysis, the researcher conducted informal interviews according to the interview guide (Appendix E) with top management, supervisor, and subordinates to support and check data gather from questionnaire. The main topics of interview guide were awareness of corporate strategic direction, and employee involvement from interviewees' perspective.

### 3.4 Data Collection Techniques and Procedures

#### 3.4.1 Data Collection Techniques.

The researcher collected primary data by using the following techniques:

- The use of questionnaires to obtain actual information, and opinion from target respondents.
- Observation technique aimed to collect data about interviewees' behavior during working, non-working and interview as listed in Appendix D.
- Interview technique aimed to reach sources of data by having informal open-ended interviews with all levels of organization according to interview guides in Appendix E. Interview technique was adaptive, and it also allowed the interviewer to modify questions and to probe emergent issues during the interview process. Moreover, the researcher would be able to observe interviewees during interviewing period, and build good relationship with interviewees as the interviewees were the researcher's workers because the researcher would have a chance to one-on-one interaction and two-way communication with interviewees.

#### 3.4.2 Data Collection Procedure.

In the first step, the researcher requested for permission from the owner of Family Dental Company for all data collection techniques including distribution of questionnaires, observation and interview. After that, the researcher collected data from target respondents at two periods of time: Pre – OD intervention, and post – OD intervention by using the same set of questionnaires, observation checklist, and interview guide in order to determine difference between the two periods as details described in Table 3.4.

Table 3.4 Data Collection Procedure

Techniques	Details
Questionnaire	<ul style="list-style-type: none"> <li>• Design questionnaire in English into three parts: part one - closed-ended questions, part two - open-ended questions, and demographic profile.</li> <li>• Translation of questionnaire from English to Thai language by language expert.</li> <li>• Pretest with 20 non – respondents to check accuracy and reliability of questionnaire.</li> <li>• Inform all target respondents to complete questionnaire and confirm the target respondents about confidentiality of questionnaire.</li> <li>• Distribution of the questionnaires to the target respondents.</li> <li>• Collection of the questionnaires within two days of distribution.</li> </ul>
Techniques	Details
Observation	<ul style="list-style-type: none"> <li>• Recording sheet preparation as a guideline for observation target respondents.</li> <li>• Observe respondents during working, non-working and informal interview.</li> <li>• Summarize findings from the observation recording sheet.</li> </ul>
Interview	<ul style="list-style-type: none"> <li>• Interview guide preparation</li> <li>• Informal open – ended interviewing with all target respondents by using interview guide. Starting informal interview with top management level, then with supervisor level, and subordinate level at last.</li> <li>• Summarize results after interview.</li> </ul>

### 3.5 Data Analysis

The information consisted of two parts: quantitative data, and qualitative data.

Quantitative Data, the researcher analyzed questionnaires by using the statistical analysis as Statistical Package for Social Science (SPSS). Inferential statistics as Paired sample t-test used for analyzing the questionnaire to determine the significant differences between Pre and Post OD Intervention. The researcher used frequency table for demographic profile, and used descriptive statistics to analyze the Likert five – point scale section. For open – ended questions section, the researcher clustered answers for descriptive statistics. The Arbitrary Level and Descriptive Rating in table 3.5 is used for grouping responses into levels:

Table 3.5 Arbitrary level

Arbitrary level	Descriptive Rating
4.20 – 5.00	Strongly Agree
3.40 – 4.19	Agree
2.60 – 3.39	Neutral
1.80 – 2.59	Disagree
1.00 – 1.79	Strongly Disagree

If  $P < 0.05$ , it means reject  $H_0$  and accept  $H_a$  or there was a significant difference between Pre and Post OD intervention. On the other hand, if  $P > 0.05$ , it means accept  $H_0$  or there was no significant difference between Pre and Post OD intervention.

Table 3.6 Statistic tool

Number	Hypothesis	Statistic tool
$H_0$	There is no significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction, and employee involvement.	Pair sample t-test
$H_a$	There is significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction, and employee involvement.	Pair sample t-test

Qualitative Data, the researcher also used various sources of data via interviewing with both executives and employees, and observation through a checklist to fulfill and support quantitative analysis.



## CHAPTER FOUR

### Presentation and Analysis Data

This chapter contains the entire process of action research of organization development in three phases; Pre-ODI, ODI and Post-ODI. This chapter presented major findings of the survey result, analysis and interpretation of data in application to respond to the research questions of organizational development.

The data presentation began with the description of respondent's demographic profiles, followed by analysis of results of Pre and Post organization development intervention on awareness of corporate strategic direction, and employee involvement in Family Dental Company.

#### 4.1 The Demographic Profiles of Respondents

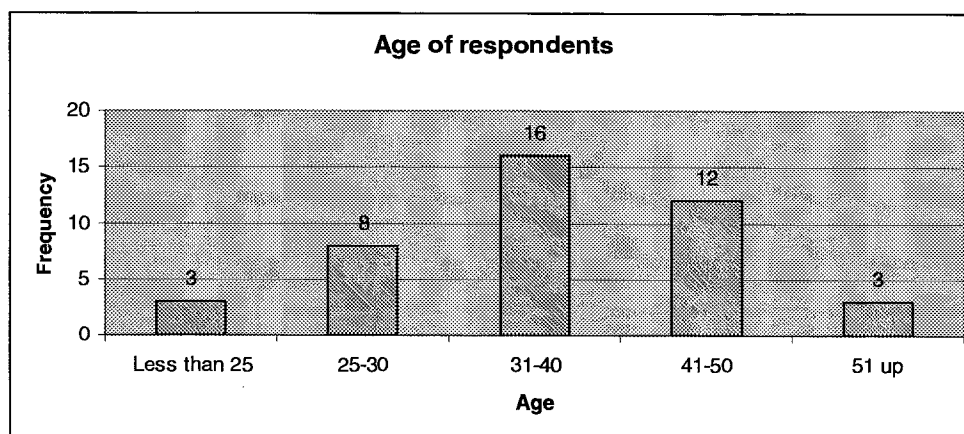
According to table 4.1, the total number of respondents were 42 respondents. The respondents of both Pre – ODI and Post – ODI were the same group of respondents who worked at Family Dental Company. The demographic profiles included age, gender, education level, marital status, and length of working of the respondents that presented in the frequencies and percentage.

##### 4.1.1 Age of Respondents.

Table 4.1.1. Age of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 25	3	7.1	7.1	7.1
25-30	8	19.0	19.0	26.2
31-40	16	38.1	38.1	64.3
41-50	12	28.6	28.6	92.9
51 up	3	7.1	7.1	100.0
Total	42	100.0	100.0	

Figure 4.1.1 Age of Respondents



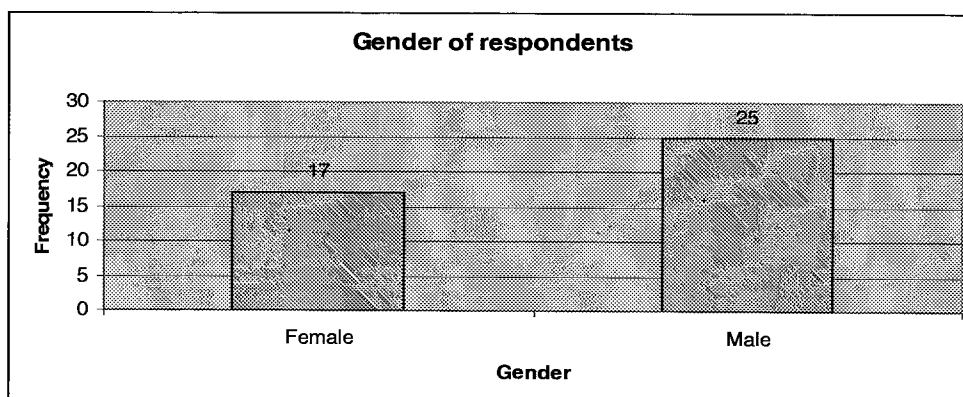
According to table 4.1.1 and figure 4.1.1, the first largest group of respondents were 16 respondents or 38.1% of total respondents who had age between 31 – 40 years old. The second largest group of respondents were 12 respondents or 28.6% of total respondents whose age between 41 – 50 years old. The third largest group of respondents were 8 respondents or 19% of total respondents whose age between 25 - 30 years old.

#### 4.1.2. Gender of Respondents.

Table 4.1.2 Gender of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	17	40.5	40.5	40.5
Male	25	59.5	59.5	100.0
Total	42	100.0	100.0	

Figure 4.1.2 Gender of Respondents



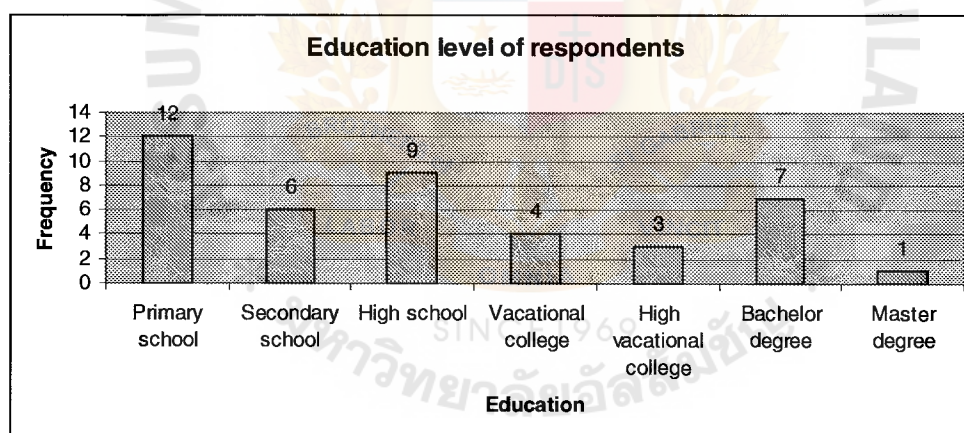
According to table 4.1.2 and figure 4.1.2, the majority number of respondents were male. The number of male were 25 respondents or 59.5% of total respondents, and the number of females were 17 respondents or 40.5% of total respondents.

#### 4.1.3. Education Level of Respondents.

Table 4.1.3. Education Level of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary school	12	28.6	28.6	28.6
Secondary school	6	14.3	14.3	42.9
High school	9	21.4	21.4	64.3
Vocational college	4	9.5	9.5	73.8
High vocational college	3	7.1	7.1	81.0
Bachelor degree	7	16.7	16.7	97.6
Master degree	1	2.4	2.4	100.0
Total	42	100.0	100.0	

Figure 4.1.3 Education Level of Respondents



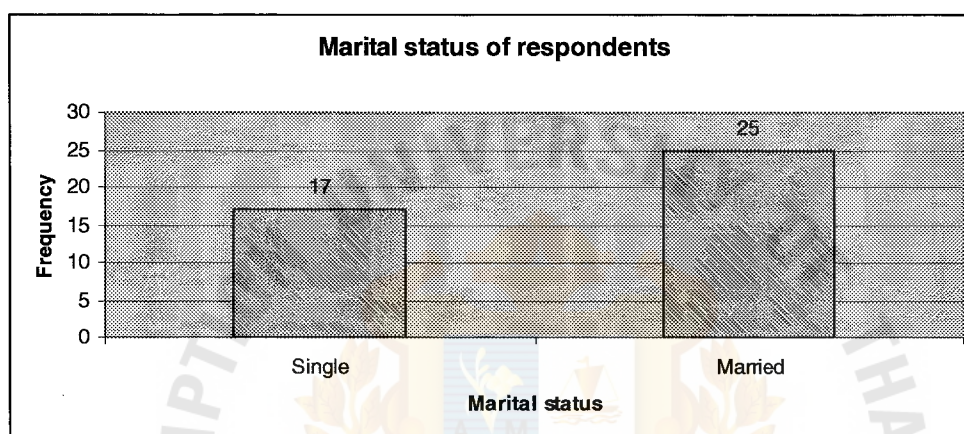
Most of respondents had education level less than secondary school. The largest group of respondents were 12 respondents or 28.6% of total respondents who had education level at primary school. The second largest group of respondents were 9 respondents or 21.4% of total respondents who had education at high school. While the third largest group of respondents were those who had an education of bachelor's degree.

#### 4.1.4. Marital Status of Respondents.

Table 4.1.4. Marital Status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	17	40.5	40.5	40.5
Married	25	59.5	59.5	100.0
Total	42	100.0	100.0	

Figure 4.1.4 Marital Status of Respondents



According to table 4.2.4, more than half of all respondents were married. The number of married respondents were 25 or 59.5% of total respondents, while single respondents were 17 or 40.5% of total respondents.

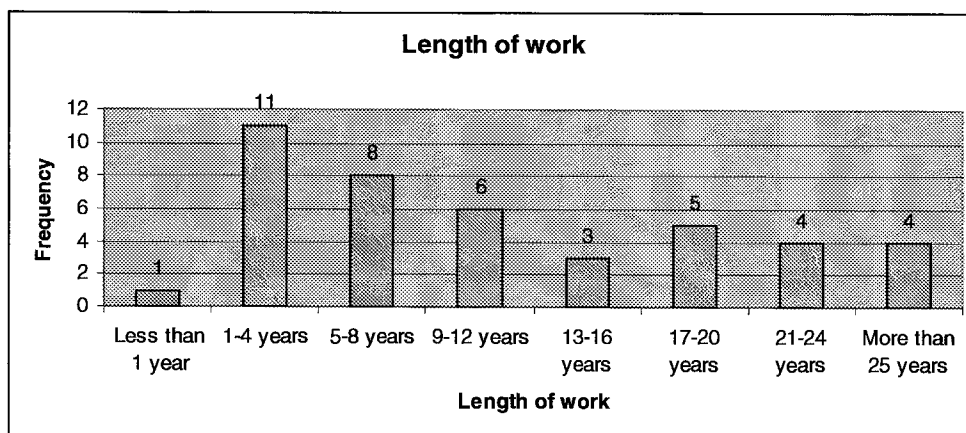
#### 4.1.5. Length of Working of Respondents.

Table 4.1.5 Length of Work of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 1 year	1	2.4	2.4	2.4
1-4 years	11	26.2	26.2	28.6
5-8 years	8	19.0	19.0	47.6
9-12 years	6	14.3	14.3	61.9
13-16 years	3	7.1	7.1	69.0
17-20 years	5	11.9	11.9	81.0
21-24 years	4	9.5	9.5	90.5
More than 25 years	4	9.5	9.5	100.0
Total	42	100.0	100.0	



**Figure 4.1.5 Length of Work of Respondents**



According to table 4.1.5 and figure 4.1.5, at Family Dental Company, there were 11 respondents who have worked for 1 – 4 years, and there was only one respondent who had worked for less than one year. The rest of respondents have more than 4 years working experience.

#### 4.2 Phase One: Pre – OD Intervention

This phase focused on the process to find out present situation of the organization according to the research question “what is the current situation and environment of the organization?” Therefore, the researcher collected data to understand the company’s current situation in different ways. The data gathering focused on three aspects; awareness of corporate strategic direction, employee involvement and general information about employees’ working environment. The data was mainly collected by systematic methods for diagnosis organization based on mix approach, quantitative approach and qualitative approach. The qualitative approach comprised of two methods; direct observation, and informal interview, and the quantitative approach was survey questionnaires.



In addition, due to time and budget limitation, the researcher had to create time table as showed in table 4.2, and conduct OD activities at the company site only.

Table 4.2 Time Table

Activities	Period		Process	Details	Remarks
	Started	Ended			
Pre - ODI	Aug.17, 2007	Aug.18, 2007	Data collection	Questionnaire	Distributed to all target respondents
	Aug.19, 2007	Aug. 25, 2007	Data Analysis	Questionnaire	Quantitative analysis (SPSS)
	Aug. 26, 2007	Sept. 2, 2007	Data collection	Interview	Top, middle and subordinates
	Sept.3, 2007	Sept.7, 2007	Data Analysis	Interview	Qualitative analysis
	Sept.8, 2007	Sept. 13, 2007	Preparation	ODI	Activities 1-4
ODI	Sept. 14, 2007	Sept. 14, 2007	Intervention	Activities 1: Briefing	Gave information about strategic direction
	Sept. 15, 2007	Sept. 15, 2007	Intervention	Activities 2: Workshop	Scanning company environment by all employees
	Sept. 16, 2007	Sept. 20, 2007	Conclusion and preparation	ODI	Collected and summarized results after workshop(SWOT)
	Sept. 21, 2007	Sept. 23, 2007	Intervention	Activities 3: Meeting	Consulted with management team to create strategic direction
	Sept. 24, 2007	Sept. 27, 2007	Conclusion and preparation	ODI	
	Sept. 28, 2007	Sept. 28, 2007	Intervention	Activities 4: Meeting	Informed all employees about strategic direction
Post - ODI	Oct. 1 , 2007	Oct. 3, 2007	Data collection	Questionnaire	Distributed to all target respondents
	Oct. 4 , 2007	Oct. 7, 2007	Data Analysis	Questionnaire	Quantitative analysis (SPSS)
	Oct. 8, 2007	Oct. 13, 2007	Data collection	Interview	Top, middle and subordinates
	Oct. 14 , 2007	Oct. 19, 2007	Data Analysis	Interview	Qualitative analysis

#### 4.2.1 Questionnaire.

The questionnaire consisted of three sections: Likert five - point scale section, open – ended questions section and demographic profile. The researcher analyzed questionnaires by using Statistical Package for Social Science (SPSS) for analyze statistics.

The first section of questionnaire was Likert five – point scale section. This section focused on awareness of corporate strategic direction, employee involvement in corporate strategic direction, and general information. The researcher used descriptive statistics to analyze results from Likert five – point scale section. In addition, the researcher used Arbitrary Level and Descriptive Rating as shown below in table 4.2.1 to describe level of agreement.

Table 4.2.1. Arbitrary Level.

Arbitrary level	Descriptive Rating
4.20 – 5.00	Strongly Agree
3.40 – 4.19	Agree
2.60 – 3.39	Neutral
1.80 – 2.59	Disagree
1.00 – 1.79	Strongly Disagree

The researcher distributed the questionnaires to all forty two target respondents on August 17, 2007 without explanation in details about the questions asked in questionnaire. The researcher only informed the respondents to read throughout the questionnaire questions, and asked the respondents to answer or fill out the entire questionnaire questions based on the respondents' understanding individually, and also confirmed the respondents about confidentiality of the questionnaire.

On August 18, 2007, the researcher collected the questionnaire back. The following table 4.2.2 showed total mean scores of all data collection, and table 4.2.3 to table 4.2.5 described in details about how respondents responded to each question which reflected the current situation and environment of the company.

Table 4.2.2 Total Mean Scores of Pre ODI

Descriptive Statistics	N	Min	Max	Mean	Std. Deviation	Descriptive rating
PRE Awareness on Corporate Strategic Direction	42	1.50	4.50	2.9405	.84969	Neutral
PRE Employee Involvement	42	2.00	5.00	3.8095	.68032	Agree
PRE General Information	42	2.00	5.00	3.8452	.68510	Agree
Valid N (listwise)	42					

Table 4.2.3 Descriptive Statistics of Pre ODI on Awareness of Corporate Strategic Direction

No.	Questions	N	Min.	Max.	Mean	Std. Deviation	Descriptive rating
1	My level of understanding about corporate strategic direction is very high.	42	1.00	4.00	2.9286	0.94721	Neutral
2	I am very confident that I can explain the meaning of corporate strategic direction clearly.	42	1.00	4.00	2.8095	0.96873	Neutral
3	I think our company should have strategic direction.	42	3.00	5.00	4.3571	0.53289	Strongly Agree
4	Having strategic direction in our company can help me perform better at my task.	42	2.00	5.00	4.1190	0.70546	Agree
5	I know and I can explain clearly our company's vision and mission.	42	2.00	5.00	3.2381	0.98301	Neutral
6	My boss always describes and explains to subordinates about the company's goal.	42	1.00	5.00	3.1905	1.19426	Neutral
7	Everyone in this company is working to achieve the same company's goal.	42	2.00	5.00	3.7381	0.93859	Agree

No.	Questions	N	Min.	Max.	Mean	Std. Deviation	Descriptive rating
8	I think company's goal is achievable.	42	1.00	5.00	3.6429	1.03173	Agree
9	My boss always explains and describes about the company's news and information to subordinates.	42	1.00	5.00	3.0952	1.07770	Neutral
10	I know and I understand nature and business environment of my company very well.	42	2.00	5.00	3.5714	0.91446	Agree
11	I know and I can explain current situation of my company very well.	42	2.00	5.00	3.3810	0.96151	Neutral
13	With clearer company's goal, I can make faster and better decision.	42	2.00	5.00	3.8333	0.72974	Agree
14	With clearer company's goal, I can perform better at my job	42	2.00	5.00	4.1190	0.67000	Agree
15	I feel like being an important part of company that can help the company achieve its goal.	42	1.00	5.00	3.7857	0.89812	Agree
16	I understand why my company needs to evaluate company performance.	42	1.00	5.00	3.9524	0.82499	Agree
17	My company has clear criteria for evaluating company performance.	42	1.00	5.00	2.9524	1.08093	Neutral
	Awareness on corporate strategic direction	42	1.50	4.50	2.9405	0.84969	Neutral

According to above table, the average level of awareness on corporate strategic direction was 2.9405 which was rated at “Neutral” level. This could imply that the respondents might not have clear understanding about corporate strategic direction.

Referring to the first and second question, the average level of understanding about strategic direction was 2.9286 and 2.8095 which both rate were at “Neutral” level. It could be said that the respondents known about strategic direction, but they were not confidence that they could explain clearly about it.

However, the average level of agreement in the third and forth question were 4.3571 and 4.1190, respectively. The numbers showed a positive sign that the

respondents strongly believed that the company should have strategic direction. The respondents really believed that strategic direction is necessary for the organization, and it could help them do their job better.

Regarding company's vision and mission, the respondents were not sure about the company's vision and mission as the respondents did not receive messages from management level about company's goal and company's current situation.

Nevertheless, even the respondents were not sure about company's goal, they thought that everyone in the company still worked towards the same goal as the respondents had a long period of working year.

Furthermore, from the thirteenth question and fortieth question, the results showed that the respondents agreed that if the company's goal is well explained, they will do their job and make decisions better.

The respondents were asked if they understand about company's current situation. The results showed that the respondents know and understand nature and business environment of the company well. As most of the respondents have been working in the company for a while and they have enough work experience, they have known much about company's environment, even the respondents did not receive information about company situation directly from supervisors. Hence, the researcher asked them more if they could explain clearly about company situation and environment. The answer was "Neutral." Then this mean the respondents did not sure that they know every information in the company. Moreover, in the fiftieth question, the respondents agreed that they would feel an important part of the company if they participated in the company's action. They also preferred to have clear criteria for performance evaluation.



Table 4.2.4 Descriptive Statistics of Pre ODI on Employee Involvement in Corporate Strategic Direction

No	Questions	N	Min.	Max.	Mean	Std. Deviation	Descriptive rating
18	I think everyone should involve in creating company direction.	42	1.00	5.00	4.0952	0.98301	Agree
19	I think I have the right to determine company's goal.	42	1.00	5.00	3.2619	0.93859	Neutral
20	I can freely participate in suggestion idea regarding to company's management and direction.	42	1.00	5.00	3.1905	0.99359	Neutral
21	My boss listens to employees' opinion before decision-making all the time.	42	1.00	5.00	3.2381	1.12205	Neutral
22	My boss always encourages everyone to participate in suggestion and expression idea in many issues all the time.	42	1.00	5.00	3.3571	1.03173	Neutral
23	When I have good ideas, my boss always makes use of them.	42	1.00	5.00	3.4048	0.98920	Agree
24	I can make decision freely without my boss influencing me.	42	1.00	5.00	2.7619	0.87818	Neutral
25	I can participate in decision making about planning, policy, and important plan for the company.	42	1.00	5.00	2.9048	1.00752	Neutral
26	I think my boss always respects subordinate's decision.	42	1.00	5.00	3.3571	1.14384	Neutral
27	Participation in company decision makes me feel like being an important part of company.	42	1.00	5.00	3.4524	1.08656	Agree
28	Participation in company decision makes me perform better at my job.	42	2.00	5.00	3.8095	0.80359	Agree
29	I want to participate in planning for changes or developments in the company.	42	2.00	5.00	3.5238	0.80359	Agree
	Employee involvement	42	2.00	5.00	3.8095	0.68032	Agree

According to table 4.2.4, the average level of employee involvement in Family Dental Company was 3.8095 which were rated at “Agree” level. The number had showed positive sign, but in order to understand the situation better, the researcher would like to analyze more in detail.

The average level of agreement in the eighteenth question showed that the respondents thought that they should involve in creating company’s direction. They also wanted to be involved in company’s decision making but meanwhile they know there boundary as employee, and they did not think they had opportunity to determine company’s goal. Therefore, the average level of agreement in question number nineteen was at Neutral level or 3.2619.

For employee involvement in the company, the respondents thought that they did not always have much chance to express opinions or give suggestion to the company because their boss did not always ask and listen to employees’ opinion. Since company’s structure was flat, and company had small amount of employees, employees and management could contact directly. Therefore, there were few meetings a year. This could be the reason why boss or management levels seem not to ask and listen to employees’ opinion.

Nevertheless, the respondents believed that whenever they have good opinion and express it to the management, the respondents still receive good response from the management. Though the management level welcome opinion from subordinate level but employees did not dare to talk to the management level.

For decision making, the respondents could not make decisions freely. As there was centralization in the company, all decision making regarding important issues of the company such as planning, policies and operation were finalized by the management level. Therefore, even sometimes the management level asked for

employees' opinion, the management still took the final decision, so that employees thought that they did not receive respect from the management level.

However, the respondents agreed that participation in the company's decision making could make them feel good and perform better jobs as they feel they belong to the company. When the researcher asked for cooperation in the company's planned change, the respondents were excited to participate and be a part of the planning process.

**Table 4.2.5 Descriptive Statistics of Pre ODI on General Information**

No.	Questions	N	Min.	Max.	Mean	Std. Deviation	Descriptive rating
30	I eagerly come to work everyday.	42	1.00	5.00	3.7381	0.88509	Agree
31	I always work actively at this company.	42	2.00	5.00	3.9762	0.60438	Agree
32	I feel very comfortable working at this company.	42	1.00	5.00	3.7381	0.88509	Agree
33	I am very satisfied with my working environment.	42	1.00	5.00	3.3333	0.95424	Neutral
34	I think communication in this company is generally honest, open and candid.	42	1.00	5.00	2.9048	1.10010	Neutral
35	My manager respects me as a person and values the work I do.	42	1.00	5.00	3.3810	0.98655	Neutral
36	My manager treats subordinates fairly.	42	1.00	5.00	3.3571	1.07797	Neutral
37	I feel comfortable telling the truth to my manager.	42	1.00	5.00	3.6667	0.90167	Agree
38	I feel comfortable telling the truth to my colleague.	42	1.00	5.00	3.9524	0.82499	Agree
39	Overall, I am very satisfied with my current job.	42	2.00	5.00	3.9524	0.79487	Agree
	General Information	42	2.00	5.00	3.8452	0.68510	Agree

The third part of Likert five – point scale questions section, these questions focused on general information to understand how respondents' feel about the working environment at this company. The results showed positive signs that they still like their job as they were alert and active during working hours. The respondents agreed that they still trust their managers and co-workers and are satisfied with their job. There were things such as physical setting in working environment, intra communication and treatment from managers that the respondents were not satisfied with and they liked it to improve more.

The second section of questionnaires was open – ended questions section. This section aimed to gather data about the organization's current situation and areas for improvement based on the respondents' perspective. The open – ended questions section gave the respondents chance to answer the questions freely, and the respondents had the right not to answer all open – ended questions.

In open – ended questions section, there were five questions regarding to the company's strengths and weaknesses, things that the respondents like and dislike, and areas for improvement as listed in table 4.2.7. Each open – ended question asked the respondents to give three answers, but, as the researcher mentioned, the respondents had the right not to answer all open – ended questions. Therefore, the researcher estimated the total number of expected answers in each question as shown in table 4.2.6.

Table 4.2.6 Estimated Number of Answers from Open – Ended Question Section

No.	Questions	No. of Respondents	Number of Answers	Estimated Number of Answer
1	What are the three strengths of company?	42	3	126
2	What are the three weaknesses of company?	42	3	126
3	What are the three best things you like to work at this company?	42	3	126
4	What are the three things you like least to work at this company?	42	3	126
5	What are the three most important areas for improvement at this company?	42	3	126

After the researcher received feedback from respondents, the researcher found that the respondents gave answers differently, and some of respondents did not answer the questions. Therefore, the researcher coded, edited and clustered answers to analyze and describe data in the table 4.2.7, 4.2.8, 4.2.9, 4.2.10 and 4.2.11.

The following tables showed how the respondents responded to open - ended questions. As some of the respondents did not answer all the open – ended questions, and the answers were varied, the researcher would like to show number of available and unavailable answers based on total expected number of answer to see the overall picture on how respondents replied to those questions.



Table 4.2.7 Respond to the First Open – Ended Questions of Pre ODI Data Collection

Question 1: what are the three strengths of company?			
No	Description	Frequency	Percent
1	Good company's reputation, company has long term establishment, long term experience and know how.	21	16.67
2	Good customer service	14	11.11
3	Good quality products, products are durable and user friendly (simple to maintain and easy to fix)	14	11.11
4	Executives' reputation	8	6.35
5	Reasonable price	6	4.76
6	Good management team	5	3.97
7	Strong relationship between executives and employees	3	1.59
8	Employees work efficiency	1	0.79
9	Good company's physical size (controllable company size)	1	0.79
10	Good company's physical setting and environment	1	0.79
11	Products diversification	1	0.79
12	Continuously products development and improvement	1	0.79
13	Products warrantee	1	0.79
Total number of available answers		77	61.11
	N/A	49	38.89
Total		126	100.00

According to the table 4.2.7, 61.11% of total respondents were able to answer about company's strength. There were twenty one respondents thought that the company has high reputation especially the name of executives. The company also has long term establishment, and provides good after-sales service, and good products quality. Not only company's reputation, but also executives' reputation was strength of the company.

Table 4.2.8 Respond to the Second Open – Ended Questions of Pre ODI Data Collection

Question 2: what are the three weaknesses of company?			
No	Description	Frequency	Percentage
1	Lack of employees' training and development program	7	5.56
2	Poor management	7	5.56
3	Unclear job description	6	4.76
4	Centralization	5	3.97
5	Low employee productivity and efficiency	4	3.14
6	Insufficient equipments for production	4	3.17
7	Lack of unity due to lack of building good relationship program	4	3.17
8	Unorganized workplace	3	2.38
9	Poor after sales service	3	2.38
10	Insufficient facilities for employees	2	1.59
11	Lack of welfare such as vacation and personal leave	2	1.59
12	Inadequate employees	2	1.59
13	Convenient company location	1	0.79
14	Short working hours per day	1	0.79
15	Poor marketing	1	0.79
16	Poor delivery service	1	0.79
17	Limited working space	1	0.79
18	Unclear company's objectives	1	0.79
19	Outdated technology	1	0.79
20	Indecisive executives	1	0.79
21	Unclear products information and pricing	1	0.79
22	Employees' working style (Sabai sabai style)	1	0.79
Total number of available answers		59	46.83
	N/A	67	53.17
Total number of expected answers		126	100.00

For opinion about company's weaknesses in table 4.2.8, the respondents thought that the company lacked training and development program to increase employees' knowledge and productivities, and the company had poor management. Unclear job description and centralization were mentioned as the company's weaknesses.

After the researcher clustered answers, the researcher noticed linkage between one weakness to another weakness such as low productivity and efficiency, it could come from the fact that the company did not have enough skill development program, employees' working style, and unclear objectives. Therefore, in order to improve or solve weaknesses, the management should focus on the root cause and prioritize problem.

**Table 4.2.9 Respond to the Third Open-Ended Questions of Pre ODI Data Collection**

Question 3: what are the three best things you like to work at this company?				
No	Description	Details	Frequency	Percentage
1	Executives	Reasonable, open and trust , and take good care of employees	17	13.49
2	Colleagues	Unity	12	9.52
3	Culture	Family member	6	4.76
4	Company potential	Long term establishment and has potential to grow	5	3.97
5	Company location	Convenient	5	3.97
6	Working style	Flexibility and independent working style	5	3.97
7	Work environment	Comfortable working space	5	3.97
8	Career path	Increase knowledge and experience	3	2.38
9	Job assignment		2	1.59
10	Employee involvement	Decision making	2	1.59
11	Policies	Working hours (9.00am-5.00pm)	2	1.59
12	Office supplies	Adequate	1	0.79
Total number of available answers			65	51.59
	N/A		61	48.41
Total			126	100.00

The three things the respondents like were executives, colleagues, and family culture in the company. Since the company has a few employees and family members working style, executives treated employees like one of family member.

Table 4.2.10 Respond to the Forth Open – Ended Questions of Pre ODI Data

Collection

Question 4: what are the three things you like least to work at this company?				
No	Description	Details	Frequency	Percentage
1	Interpersonal communication	Unclear message and inappropriate communication such as gossiping	9	7.14
2	Task and responsibilities	Unclear	8	6.35
3	Work environment	Limited and unorganized working space	7	5.56
4	Manager	Treat employees unrespectedly	7	5.56
5	Facilities	Restroom, canteen, and parking space	7	5.56
6	Relationship among employees	Unity	6	4.76
7	Working system	Complexity and time consumed	2	1.59
8	Problem solving skill	Employees	2	1.59
9	Executives	Indecisive character	2	1.59
10	Policies about work date	Work on Saturday	1	0.79
11	Welfare policy	Vacation and personal leave	1	0.79
12	Document system	Complexity and time consumed	1	0.79
13	Work plan	Inefficient	1	0.79
14	Human resource skill development	No development plan	1	0.79
15	Knowledge sharing		1	0.79
16	Productivities and efficiency	Employees	1	0.79
17	Equipments	Protective equipments	1	0.79
18	Number of employees	Inadequate	1	0.79
Total number of available answers			59	46.83
	N/A		67	53.17
Total			126	100.00

Nevertheless, there were things that the respondents did not feel satisfied with such as communication, roles and responsibilities, and work environment in terms of physical setting.

Table 4.2.11 Respond to the Fifth Open – Ended Questions of Pre ODI Data Collection

Question 5: what are the three most important areas for improvement at this company?			
No	Description	Frequency	Percentage
1	Facilities (such as parking space, restroom, canteen and rest area)	15	11.90
2	Training and development program ( program to increase employee knowledge, work effectiveness and productivities)	12	9.52
3	Physical setting, organize working area	9	7.14
4	Clear roles and responsibilities	8	6.35
5	Unity and Relationship among company members	4	3.17
6	Health care and Welfare program	3	2.38
7	Clear performance evaluation	2	1.59
8	Document system (reduce complexity)	2	1.59
9	Clear rules and regulations	2	1.59
10	Effective Communication	2	1.59
11	Decentralization	2	1.59
12	Safety and protective Equipments	1	0.79
13	Employee participation	1	0.79
14	Empowerment	1	0.79
15	Product information and pricing	1	0.79
16	Products quality	1	0.79
17	Number of employees (hire more employees)	1	0.79
	Total number of available answers	67	53.17
	N/A	59	46.83
	Total	126	100.00

From the above tables, the respondents answered differently, and the numbers of respondents answered varied because of diversification of the respondents. The varieties of answers were given based on the respondents' perception, interest,



experience and background. In addition, the researcher also noticed that almost half of the total respondents could not answer open – ended questions as some of the respondents have low education level, and few years working experience. Therefore, the researcher had to develop appropriate OD activities to increase the respondents' understanding about company situation.

For the latest section of questionnaire was demographic profile section, the researcher analyzed by using frequency table, and the results of this section, the researcher already described in the first part of this chapter (4.1 The Demographic Profiles of Respondents).

#### 4.2.2 Interview.

Furthermore, the researcher had interviewed with respondents to support and check data that was gathered from questionnaires according to the interview guide (Appendix E). The researcher conducted informal interview with twenty five interviewees as the rest employees were not able to answer the questions because of their level of education and years of work, and some of them had gone to work in remote area. The total of twenty five interviewees consisted of four persons from top management level, three persons from supervisor or middle level, and eighteen persons from subordinate level. The total number of eighteen subordinates included seven office staffs and eleven production staffs.

The researcher had informal interviews with interviewees at the company's meeting room. The interview period was started from August 26 to September 2, 2007. The researcher spent approximately thirty minutes to interview with each interviewee.

The main topics of interview were related to employees' awareness on corporate strategic direction, and employee involvement from interviewees'

perspective individually. After the researcher interviewed all interviewees, the researcher noticed that there were similarities in interviewees' answers among each group of interviewees. Hence, the researcher would like to discuss the results from interview in three groups; group one - management level including top and middle levels, group two - office staffs, and group three - production staffs as described below. How the interviewees responded to questions related to "Awareness on corporate strategic direction" was described as follows.

Question one: What is the vision and mission of this company?

The researcher found that the first group had similar ideas about company's vision and mission but they could not answer the exactly statement as in fact there were no official vision and mission statement. The researcher found that the interviewees explained the company's vision and mission based on the interviewees' understanding and interest at that moment. Almost all the interviewees did not differentiate vision and mission. They rather combined vision and mission together. One of interviewees said that "the whole company has to continuously improve both product and human resource, and be competitive." Hence, this statement showed that the interviewees could not answer exactly but they have tried to explain what they wanted to achieve. It seems that they had an ideal vision and mission.

Regarding the company' mission, one of company founder said "the company's mission was to help and support Thai dentist on good quality equipments." Another founder mentioned that the company aims to supply good quality dental equipments with reasonable price. However, one of the executive members said that "the company's vision is to be competitive in the global market and aim to be the dental devices local market leader."

For the second group, the researcher found that they could not able to answer about company's vision and mission, and they seem not to have a clear understanding about the difference between company's vision and mission as some of interviewees asked the researcher about the difference between vision and mission statement, and some interviewees were amused and also reluctant to give answers. The researcher noticed that the answers related to the interviewees' working position and experience in the company. Some of them said "the company's vision is to continue growth and company's mission is to sell more and gain higher profit."

For the third group, this group were not able to answer exactly about company's vision and mission, and they seemed not to have a clear understanding about the difference between company's vision and mission as same as the second group. The interviewees in this group had shown more sign of not knowing the difference between vision and mission. However, they were trying their best to answer. One of production staff said that "the company aims to produce high quality products and maintain reputation."

The researcher noticed that the answer from the second group and the third group were basically based on their task and responsibilities, and work experience. Therefore, the answers of these two groups were a bit different. The answers from the second group were related to objectives of their work such as profit seeking. While, the answers from the third group were focused on achieving and increasing productivity or providing good quality products.

Question two: What is strategic direction based on your understanding?

Some members in group one did not answer the question directly but they had tried to explain. For example, one interviewee thought for a while and replied "it is how we improve our company." The researcher noticed that almost all

interviewees knew but they could not explain clearly. The closest answer was “it is the direction of the company that we must have in order to achieve.” The second group was unable to answer as some of them said they did not know the definition of strategic direction, and some of them were trying to answer but the answers were not related to strategic direction. The third group was similar to the second group, but this group had showed more reluctant sign not to answer the question, and they smiled and were silent.

Question three: Is strategic direction important to the company?

Group one said yes confidentiality. Group two paused and replied yes. While some of member in group three reluctant for a minute and said in low tone “yes, I think so?” From this question, the researcher understood that some of members in group three did not sure about its importance.

Question four: if the strategic direction was important to the company, please explain why it was considered to be important?

Group one had shown positive sign more than other two groups. It seems that group one aware of importance of strategic direction. One member in group one said “the clear company direction can help us (management) make decision better and conflict will be reduced. If we have clear direction, we will know what we should do.” Another young interviewee said that “Because we can stay competitive in the market.” However, some members in group one refused to explain. For example, another member said “It is important. I know. Don’t let me explain.”

Group two and group three were reluctant to answer. Some of them mentioned that having strategic direction could help them work better, but they did not specify in detail. While some of them said they know but they could not explain.

Question five: How did strategic direction impact on your performance?

Most members in the group one mentioned that the strategic direction could help them make a clear decision and have less conflict. Group two did not respond in advance and replied the strategic direction could help know objectives of their work. For group three, some members in group three stopped thinking for a while and replied that they don't know how to say.

Question six: How does the company create strategic direction?

Group one, half of interviewees said that it depends on the new generation, while another half mentioned that they (management) have to help working on creating strategic direction. For group two, half of them mentioned that it depended to the company's management team. Another half member in group two said they would help each others to create strategic direction. Group three, most of the interviewees did not respond in advance, some of them replied that they did not know how to explain and they were not sure that they know how to develop strategic direction but they thought it was the management team who would take that responsibility. One of production staff said "it depends on the management but if I was asked to help, I would love to."

Question seven: What are company's KPIs?

Group one mentioned about total revenue, cost of production, and expenditure. Group two mentioned about increasing number of sales orders that they received. Members in group three did not mention about KPIs but they rather mentioned about having a lot of new orders. In addition, regarding to questions related to "Employees involvement," the following details were the outcomes of interviewed.



Question eight: In your opinion, what are the benefits of employee involvement in decision making process?

Members in group one Group one mentioned that they expected all employees would understand clearly about company's activities and hopefully employees would work more active. Group two said that it could help them feel better about the company and understand the process more because they have a chance to participate in the process. Some of the members in group three said that they would have a good chance to do new things, and some of them smiled and reply nothing.

Question nine: What could be the disadvantage of employee involvement?

One member in group one said "it could take long time to create strategy as everyone had to involve, and we have no time to do. But if you think that this is the way, then go ahead all you have to do is finding more time." Another member said "I don't think we have time waiting for everyone to participate and at the end we (management team) all have to make a decision." Members in group two mentioned that it is time consume and they did not have much time to involve, but they will cooperate if new policies are launched. For group three, some of them said there was no disadvantage, some of them said they don't know, and some of them smiled and did not reply.

#### 4.2.3 Observation.

According to the observation recording sheet (Appendix D), the researcher observed employees during working, non-working and interviews to understand how employees perform their tasks, how employees reflect to data collection process, and how interviewees respond to interview questions.

The researcher started to observe employees during non-working hours to collect information about their behavior, and activities such as what

employees' normally do and topics they usually talk. From the observation, the researcher could classify employees into two major groups based on gender; female group and male group.

The member in female group normally talked about their personal life such as family, friends, interesting and health care. The activities in this group were such as talking, sewing, knitting, eating, and reading woman magazines. For the male group, they had less talk than female group. Member in this group had more active activities such as ping pong, football. Most of the time, male members talked about respectful object and sports. However, among members in these groups, there were some of isolated persons who had less talk, and rather rest and listen to others.

For the observation during work, most of employees knew their task and responsibilities. Everyday, they could continue their job, and they were able to do multitasking. The working environment was fine. Office lighting was bright enough, and company's office was surrounded by trees. There were unorganized documentation and some of documents were lied down on the floor. However, the researcher found that employees' were trying to organized and clean up working space at the end of day.

The production line, there was no air conditioning as the company's building were surrounded by trees. Some of employees' working area was not clean and some employees were waiting for material. At the last minutes of working hours in both morning session and afternoon session, some employees were cleaning their work place, and walking around.

Observation during interview, the lighting at company's meeting room was bright enough but the air condition was a bit cold. The overall atmosphere in the meeting room was good. Referring to three groups of interviewees, the researcher

noticed that interviewees in the first group, top and middle level, had good eyes contact and speak freely. They were trying to answer every question even the answers did not go with the questions. The interviewees in the second group, office staffs, had eyes contact and friendly. But some of them had slow talking speed and the researcher noticed that they were not quite sure about their answers but they tried to answer. For interviewing with the third group, production staff, the researcher found that they did not have good eyes contact, and some of them reluctant to answer. Some of them kept quiet, gave the researcher unclear answers, and they kept smiling.

#### 4.3 Phase Two: OD Intervention

After the researcher finished data gathering in phase one of ODI, the researcher was able to understand level of awareness on corporate strategic direction, employee involvement, and company's environment. Then, the researcher discussed with top management about OD activities, and asked for permission for the date and place to conduct OD activities.

According to research question "what are the appropriate OD Intervention to create awareness of corporate strategic direction, and employee involvement?", the researcher created appropriate OD Intervention by designing OD Intervention into four major activities; strategic direction briefing, environmental scan workshop, executives meeting and employees meeting.

##### 4.3.1 Strategic Direction Briefing with All Levels.

This activity aimed to give audiences information about strategic direction directly, increase awareness of corporate strategic direction, build up more sense of ownership and unity, and make commitment. The researcher conducted briefing with all company levels for approximately one and a half hours at company's meeting room.

The presentation was under “what is strategic direction?” topic. The researcher presented by using Microsoft PowerPoint program as visual aid, and the researcher also distributed handouts to every member of audience to help them understand better (Appendix G).

In the presentation, the researcher rather used more pictures to show concepts and theories about strategic direction as the researcher wanted to make the presentation more interesting and easy to understand. Not only presentation by pictures, but the researcher also provided information regarded to strategic direction’s concepts and theories to let audience review by themselves after the presentation finished. In addition, the researcher also used tone of voice and body gesture to make presentation more interesting.

The researcher began presentation with the presentation topic “What is strategic direction?” to catch audience attention. The researcher gave audience time to think and started asking some audience to answer this question. Then the researcher continued to give information about meaning of strategic direction, its objectives and benefit of having a strategic direction in the company.

To help audience better understanding, the researcher showed audiences a boat picture, and asked them to imagine their company as the boat. Then the researcher gave the audience a piece of paper to write down about how the boat could sail to an island or destination that the boat wants to go, and let them share the idea. After that, the researcher made a conclusion and linked the boat idea to strategic direction. Moreover, the researcher also gave the audience one more case to the audience and asked them to analyze strategic directions of two companies.

Before presentation ended, the researcher invited the company’s founder to encourage audience to participate in creating company new direction, and

also ask the audiences to cooperate, and help the company reach through the destination. In addition, the researcher informed the audience about future workshop schedule and asked them to think for company's new direction. At the end, the researcher gave the audience one more piece of paper to give feedback about this activity.

The researcher received good feedback as some of them mentioned that they wanted to help company develop strategy, and some of them said this activity was useful. Moreover, during briefing, the researcher observed audiences' feedback and behavior. The researcher received a positive sign that they were trying to answer the questions and they concentrated and participated in this activity.

#### 4.3.2 Environmental Scanning Workshop with All Employees.

The process of this activity was conducted by the researcher to help the participant understand the current situation of the company, let the employees be involved in strategic direction formulation process, create sense of ownership and unity.

The researcher set activity on September 15, 2007 which was Saturday as participant would feel fresh and relaxed. The dress code was "yellow" to build sense of unity. The workshop had two session, morning session and afternoon session. The first two hours were held in the morning session for ice-breaking activities and environmental scanning activity, and another hour was held in the afternoon session for environmental scanning presentation and conclusion.

On the day before, the researcher prepared the workshop area by cleaning and decoration. The researcher noticed that employees were excited and volunteered to help decoration, and employees kept asking the researcher about the plan of activity. On the activity day, the researcher provided food and snack for all



participants, so the participant could focus on the workshop. Besides, the researcher opened music to create a good and friendly atmosphere.

Then the company's founder made a speech and opened the workshop day. The researcher started with two ice-breaking activities before the researcher continued environmental scanning workshop which participants grouped into work on SWOT analysis. Two office staff helped the researcher hold the two ice-breaking activities as they had more experience on these activities. These activities took approximately thirty minutes, and aimed to build good relationship among employees. The researcher received good respond from participants as there were laughing and had so much fun. After ice-breaking activities, the researcher continued with the workshop topic "What are we now?" to lead the participants into the purpose of the workshop. The researcher also described how to analyze company's environment by using SWOT analysis.

Then, the researcher separated participants into five groups by using systematic sampling technique to let them work together on SWOT analysis. After grouped, there were around seven members in each group as this group size was not too large and not too small, and let all group members participate in the activity together. The researcher gave them SWOT analysis templates (Appendix F) to each group. The researcher asked them to create group name, and suggested them to assign tasks and responsibilities to every group member. In addition, the researcher gave them thirty minutes to work on SWOT analysis, and informed them to make a presentation in the afternoon session.

The afternoon session was started by SWOT analysis presentations of five groups. Each group came up with similar idea about company's strengths (S), weaknesses (W), opportunities (O) and threats (T), but there were different words.

Then the researcher had a discussion with all employees about the results, and the researcher combined and grouped those ideas together into one consensus SWOT analysis.

The results after SWOT analysis combination were shown below in the table 4.3.2. The researcher made a conclusion, and ended the workshop by giving the participants information about further action, and thank you the participants for cooperation.

Table 4.3.2 Environmental Scanning Workshop: SWOT Analysis

SWOT Analysis	
<b>Strength</b> <ul style="list-style-type: none"> <li>• Company reputation and long establishment</li> <li>• Strong customer service</li> <li>• High quality products</li> <li>• Competitive price</li> <li>• Reputable executives</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>• Lack of training and development</li> <li>• Overlapping roles and responsibilities</li> <li>• Low efficiency (ie. defective, long lead time or productivities, idle staff in production line)</li> <li>• Insufficient resources and infrastructure</li> </ul>
<b>Opportunity</b> <ul style="list-style-type: none"> <li>• Government policies on Social Security Fund that gives the hospitals more budget to invest in their machines and equipments.</li> <li>• Growing population of newly graduated dentist that leads to newly opening of dental clinic.</li> <li>• Growing of population</li> <li>• Rising consumer's health consciousness to increase dental visit.</li> <li>• Stable market growth at each year with no impact on unstable economic.</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Government reduced import tax for medical devices and less support for Thai medical devices manufacturer.</li> <li>• Globalization helps foreign competitors gain local market share.</li> <li>• Foreign competitors offer lower price of products especially in China.</li> <li>• Changing in customer needs and tastes.</li> </ul>

#### 4.3.3 Executive Meeting.

The researcher had two days meeting with the top management and middle level or so called “Management team” at the company’s meeting room. The main purpose of this meeting was to create company strategic direction in order to answer the research question, “What should be the corporate strategic direction?” The meeting was held for two days. The first meeting was held on September 21, 2007 aimed to inform and consult with management team about company’s current situation. The second meeting was an informal meeting with management team on September 23, 2001 to formulate corporate strategic direction.

On the first day of the meeting, the researcher recapped the OD activities, briefing and workshop, to show the management team about OD activities so far. The researcher presented the results of environmental scanning workshop by showing outcomes of SWOT analysis. Then the researcher showed and discussed with the management team about five force analysis and PEST analysis that the researcher provided. The results after discussion are shown in table 4.3.3.

Table 4.3.3 Five Force Analysis and PEST Analysis

Five Force Analysis	
Threat of Competitive Rivalry : High	
<ul style="list-style-type: none"> <li>• Limited local market size</li> <li>• Power of buyers</li> <li>• Marketing strategy from existing competitors</li> </ul>	
Threat of Substitute Product : Low	
<ul style="list-style-type: none"> <li>• Specialize medical device</li> <li>• Inefficiency of substitute product</li> </ul>	
Threat of New Entrant : Low	
<ul style="list-style-type: none"> <li>• Need high expertise in dental knowledge</li> <li>• Need strong and sustained connection with customer</li> <li>• Need both dental and engineer capabilities</li> </ul>	

Threat of Bargaining Power of Supplier : High			
<ul style="list-style-type: none"> <li>• Special medical grade material</li> <li>• Low presence of substitute material</li> <li>• Volume requirement from supplier</li> <li>• Few suppliers available</li> </ul>			
Threat of Bargaining Power of Customer : High			
<ul style="list-style-type: none"> <li>• Buyer sensitivity on pricing and product maintenance</li> <li>• Price of total purchase</li> <li>• Buyer information availability / Globalization</li> </ul>			
PEST analysis (External environment factor analysis)			
<b>Political factors</b> <ul style="list-style-type: none"> <li>• National health policy,</li> <li>• Government budget allocation,</li> <li>• Political stability, and</li> <li>• Politician ethic.</li> </ul>	<b>Economics factors</b> <ul style="list-style-type: none"> <li>• National income allocation,</li> <li>• Interest rate,</li> <li>• Inflation rate,</li> <li>• Exchange rate, and</li> <li>• Consumer price index (CPI).</li> </ul>	<b>Social factors</b> <ul style="list-style-type: none"> <li>• Education,</li> <li>• Culture differences,</li> <li>• Family status</li> <li>• Number of dentists, and</li> <li>• Number of population</li> </ul>	<b>Trends factors</b> <ul style="list-style-type: none"> <li>• Health consciousness, and</li> <li>• Beauty and cosmetic fever.</li> </ul>

In addition, the researcher also asked the management team to complete online corporate lifecycle assessment survey by Adizes Institute (2007), and discussed the results later on. From the lifecycle assessment, the management team understood more about the company currently stage, adolescence stage (Appendix B). Hence, the management team was able to develop appropriate corporate strategic direction further.

On the day two, the researcher had an informal meeting with the management team at residence of a company's founder. The purpose of meeting was to create company's strategic direction. The researcher began to give information about alternatives in strategic direction. The researcher continued to give information about how to create vision and mission statement, and also presented some vision and mission statement of other businesses. The researcher and the management team spent

approximately one and a half hours to create strategic direction. The corporate strategic direction was described as followed.

Vision of the Family Dental Company is “To be the excellent dental solution provider in Thailand through quality products, services, continuous development of technology and efficiency human resources.”

The Family Dental Company’s mission is “We are committed to fulfill dreams by offering our customers reasonable prices without sacrificing products quality. Through a great deal of research and development, we aimed to provide our customers with the best quality products and service.”

According to the company’s vision and mission statement, the management team agreed to focus on continuous growth strategy by focusing on differentiation business strategy. Therefore, they created company’s objectives according to the strategy.

In order to create company’s objectives, the researcher and the management team had been discussed in details about company’s data such as company’s sales report, customer complaint report, defect product reports, number of training programs, and so on.

- Financial perspectives, the company aims to increase sales revenue 15% each year, and net profit 15% each year.
- Customer perspectives, the company aims to reduce customer complaint report to zero, provide customer with one – stop service, and reduce WPS or Waiting Period for Customer Service to be less than 24 hours for all customers in Bangkok and suburb.
- Internal process perspectives, the company aims to earn GMP standard by the end of year 2008, to reduce defect product from 5% to 0.5% in 2 years,



keep enough inventories for at least three months, speed up average lead time per unit produced from two days to one day in one year, and reduce idle time within production line to zero in one year.

- Learning and growth perspectives, the company aims to enhance both managerial and principality skills by providing all staff with at least two training programs annually, and allocate 2% budget from total revenue each year on R&D.

In addition, the researcher and the management team also created key performance indicators or KPIs as follows.

- Financial perspective: Sales volume, and net profit.
- Customer perspective: Number of customer complaint, WPS Hours, and customer satisfaction level.
- Internal business process perspective: Number of defect products, lead time per unit, idle time, and inventories level.
- Learning and growth perspective: Number of training programs, and number of invention approved.

After that, the researcher reviewed all corporate strategic directions to the management team once again. Everyone in the meeting agreed, and the researcher mentioned about further announcement plans.

In order to make all employees' remember and encourage employees to participate in the company's strategic direction, the management team suggested the researcher to add questions and answer session after the announcement and give presents to employees who could answer each question. Lastly, the researcher confirmed with the management team about the announcement date.

#### 4.3.4 Meeting with All Levels.

The last meeting was held on September 28, 2007 at the company's meeting room with all the employees. This activity was an announcement meeting and it took approximately one and a half hours to complete. The researcher prepared ten pieces of presents to give to employees who could answer the questions regarding the company's strategic direction.

The researcher started the meeting with a recap about all the activities so far to let all employees understand the process better. The researcher invited the company's founder to make a speech, and announce the company's strategic direction. At the mean time, the researcher also gave handout that contained information about company's strategic direction to every employee.

After the company's founder read through the strategic direction, the researcher gave more explanation in each point of strategic direction. The researcher checked how employees' remember about the company's strategic direction by asking them to answer and give them presents.

Then the researcher asked everyone to stand around meeting table, hold hands in a circle, and say company's vision, mission, objective and strategy out loudly. The researcher gave employees a piece of paper to feedback about the activities so far.

From the feedback, the researcher received good respond from employees such as one employee wrote that "I like environmental scanning workshop because it helps me understand better about our company's potential and area to focus," and another employee wrote that "today I received clearer picture about our organization, I know the purpose of my work, and I think we should keep developing our company."

After the researcher collected feedback papers, the researcher read some feedback to everyone. The researcher described the success of all activities, and said thank you to all for their cooperation.

#### 4.4 Phase Three: Post – OD Intervention

After OD activities finished on September 28, 2007, the researcher conducted another data gathering once again to determine impact or consequences of the OD action. The researcher used the same set of data gathering instruments that were used in phase one, questionnaire, interview guide and observation checklist. For data interpretation at this phase, the researcher used results of both Pre and Post OD Intervention and compare to help the researcher understand how the data changed.

##### 4.4.1 Questionnaire.

**Table 4.4.1 Comparison of Descriptive Statistics Between Pre – ODI and Post - ODI on Awareness of Corporate Strategic Direction**

No.	Questions	Pre – ODI (N=42)			Post – ODI (N=42)		
		Mean	SD.	Descriptive rating	Mean	SD.	Descriptive rating
1	My level of understanding about corporate strategic direction is very high.	2.9286	0.94721	Neutral	3.8333	0.79378	Agree
2	I am very confident that I can explain the meaning of corporate strategic direction clearly.	2.8095	0.96873	Neutral	3.4286	0.73726	Neutral
3	I think our company should have strategic direction.	4.3571	0.53289	Strongly Agree	4.4762	0.50549	Strongly Agree
4	Having strategic direction in our company can help me perform better at my task.	4.1190	0.70546	Agree	4.3333	0.57027	Strongly Agree
5	I know and I can explain clearly our company's vision and mission.	3.2381	0.98301	Neutral	4.0952	0.69175	Strongly Agree
6	My boss always describes and explains to subordinates about the company's goal.	3.1905	1.19426	Neutral	3.5238	0.91700	Agree

No.	Questions	Pre – ODI (N=42)			Post – ODI (N=42)		
		Mean	SD.	Descripti ve rating	Mean	SD.	Descripti ve rating
7	Everyone in this company is working to achieve the same company's goal.	3.7381	0.93859	Agree	3.9762	0.74860	Agree
8	I think company's goal is achievable.	3.6429	1.03173	Agree	3.9762	0.64347	Agree
9	My boss always explains and describes about the company's news and information to subordinates.	3.0952	1.07770	Neutral	3.5714	0.76963	Agree
10	I know and I understand nature and business environment of my company very well.	3.5714	0.91446	Agree	4.0000	0.73252	Agree
11	I know and I can explain current situation of my company very well.	3.3810	0.96151	Neutral	4.0952	0.69175	Agree
12	I know and I can explain why customers choose to do business with my company.	3.8571	0.71811	Agree	4.4286	0.63025	Strongly Agree
13	With clearer company's goal, I can make faster and better decision.	3.8333	0.72974	Agree	4.1190	0.70546	Agree
14	With clearer company's goal, I can perform better at my job	4.1190	0.67000	Agree	4.1429	0.71811	Agree
15	I feel like being an important part of company that can help the company achieve its goal.	3.7857	0.89812	Agree	4.2381	0.72615	Strongly Agree
16	I understand why my company needs to evaluate company performance.	3.9524	0.82499	Agree	4.1429	0.75131	Agree
17	My company has clear criteria for evaluating company performance.	2.9524	1.08093	Neutral	3.4286	0.73726	Agree
	Awareness on corporate strategic direction	2.9405	0.84969	Neutral	3.6310	0.54167	Agree

According to the above table, the respondents had higher level of awareness on corporate strategic direction. The respondents agreed to the statement that they have high level of understanding about corporate strategic direction, but they still could not be able to interpret or explain exactly about strategic direction.

However, after the OD intervention, the respondents had more confidence that they know company's vision and mission, and company's current situation well. The respondents received more attention from their boss, and they felt that they were important to the company than before. Moreover, the respondents also had a clearer understanding about the company's objectives and how the company will evaluate.

**Table 4.4.2 Comparison of Descriptive Statistics Between Pre – ODI and Post - ODI on Employee Involvement in Corporate Strategic Direction**

No.	Questions	Pre – ODI (N=42)			Post – ODI (N=42)		
		Mean	SD.	Descriptive rating	Mean	SD.	Descriptive rating
18	I think everyone should involve in creating company direction.	4.0952	0.98301	Agree	4.2619	0.88509	Strongly Agree
19	I think I have the right to determine company's goal.	3.2619	0.93859	Neutral	3.6905	0.84068	Agree
20	I can freely participate in suggestion idea regarding to company's management and direction.	3.1905	0.99359	Neutral	3.5000	0.91731	Agree
21	My boss listens to employees' opinion before decision-making all the time.	3.2381	1.12205	Neutral	3.5714	0.96633	Agree
22	My boss always encourages everyone to participate in suggestion and expression idea in many issues all the time.	3.3571	1.03173	Neutral	3.8810	0.77152	Agree
23	When I have good ideas, my boss always makes use of them.	3.4048	0.98920	Agree	3.5952	1.01356	Agree
24	I can make decision freely without my boss influencing me.	2.7619	0.87818	Neutral	3.5476	0.63255	Agree
25	I can participate in decision making about planning, policy, and important plan for the company.	2.9048	1.00752	Neutral	3.6190	0.88214	Agree



No.	Questions	Pre – ODI (N=42)			Post – ODI (N=42)		
		Mean	SD.	Descriptive rating	Mean	SD.	Descriptive rating
26	I think my boss always respects subordinate's decision.	3.3571	1.14384	Neutral	3.7857	0.89812	Agree
27	Participation in company decision makes me feel like being an important part of company.	3.4524	1.08656	Agree	3.8571	0.87154	Agree
28	Participation in company decision makes me perform better at my job.	3.8095	0.80359	Agree	4.0714	0.60052	Agree
29	I want to participate in planning for changes or developments in the company.	3.5238	0.80359	Agree	4.0952	0.82075	Agree
	Employee Involvement	3.8095	0.68032	Agree	4.1786	0.66094	Agree

The total average mean score of employee involvement increased from 3.8095 to 4.1786. It could be said that employees could involve in company's action than before. As the employees had good opportunities to participate in creating the company's new direction, the employees felt more important to the company, and they could expressed more opinion to the management team. They felt that the management team listened to their opinions better than before.

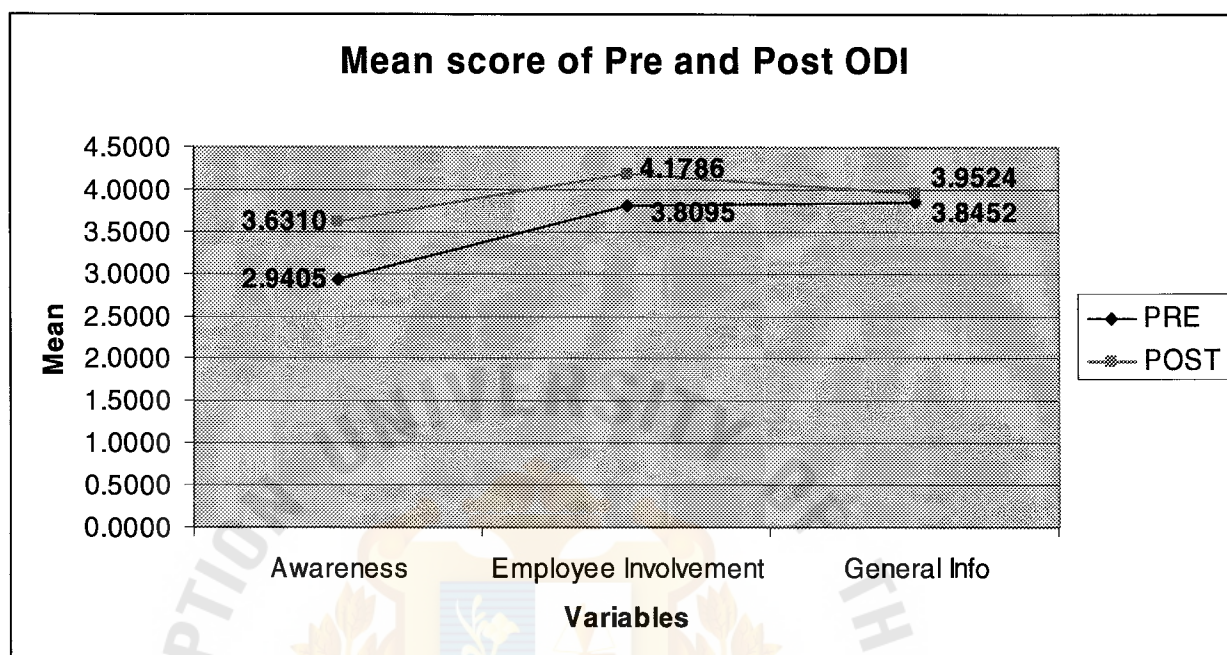
Table 4.4.3 Comparison of Descriptive Statistics Between Pre – ODI and Post – ODI on General Information

No.	Questions	Pre – ODI (N=42)			Post – ODI (N=42)		
		Mean	SD.	Descriptive rating	Mean	SD.	Descriptive rating
30	I eagerly come to work everyday.	3.7381	0.88509	Agree	3.8571	0.68330	Agree
31	I always work actively at this company.	3.9762	0.60438	Agree	4.0714	0.60052	Agree
32	I feel very comfortable working at this company.	3.7381	0.88509	Agree	3.8571	0.84309	Agree
33	I am very satisfied with my working environment.	3.3333	0.95424	Neutral	3.3810	0.93580	Neutral
34	I think communication in this company is generally honest, open and candid.	2.9048	1.10010	Neutral	3.1429	1.04931	Neutral
35	My manager respects me as a person and values the work I do.	3.3810	0.98655	Neutral	3.6190	0.98655	Agree
36	My manager treats subordinates fairly.	3.3571	1.07797	Neutral	3.5476	0.96783	Agree
37	I feel comfortable telling the truth to my manager.	3.6667	0.90167	Agree	3.9048	0.82075	Agree
38	I feel comfortable telling the truth to my colleague.	3.9524	0.82499	Agree	4.1190	0.77152	Agree
39	Overall, I am very satisfied with my current job.	3.9524	0.79487	Agree	4.0476	0.82499	Agree
	General Information	3.8452	0.68510	Agree	3.9524	0.57179	Agree

For general information, the total average mean score were slightly increased from 3.8452 to 3.9524 as the OD interventions were only focused on creating company's strategic direction. The respondents involved in decision making process which were not related to company's physical setting. The increasing number rather came from employees' participation in company's strategic direction process.

In order to have clear picture about results after OD Intervention, the researcher presented the results in the following graph.

Figure 4.4.1 Comparison Results Between Pre – ODI and Post – ODI



Another part of questionnaire was open – ended questions sections, the following tables showed how the respondents responded to open - ended questions after OD activities. Some of the respondents still did not answer all the open – ended questions but the amounts of unavailable answers were smaller than Pre - ODI. The answers were narrowed down as shown in table 4.4.4, table 4.4.5, table 4.4.6, table 4.4.7 and table 4.4.8.

Table 4.4.4 Respond to the First Open – Ended Questions of Post ODI Data

Collection

Question 1: what are the three strengths of company?			
No	Description	Frequency	Percentage
1	Good company's reputation, company has long term establishment, long term experience and know how.	32	25.40
2	Good customer service	18	14.29
3	Good quality products, products are durable and user friendly (simple to maintain and easy to fix)	18	14.29
4	Continuously products development and improvement	8	6.35
5	Good management team	9	7.14
6	Reasonable price	7	5.56
7	Products warrantee	6	4.76
8	Strong relationship between executives and employees	6	4.76
9	Executives' reputation	6	4.76
10	Good company's physical setting and environment	2	1.59
11	Products diversification	1	0.79
Total number of available answers		113	89.69
	N/A	13	10.31
Total		126	100.00

According to the table 4.4.4, 89.68% of total respondents answered about company's strengths which were more than Pre –ODI. There were thirty two respondents who thought that the company has a high reputation. The company also has strong in customer service and quality product. Referring to OD activities, the respondents had clearer sense of what the company focus on. Therefore, some of them thought that company was also strong in areas related to product and development.

Table 4.4.5 Respond to the Second Open – Ended Questions of Post ODI DataCollection

Question 2: what are the three weaknesses of company?			
No	Description	Frequency	Percentage
1	Lack of employees' training and development program	25	19.84
2	Unclear job description	18	14.29
3	Low employee productivity and efficiency	16	12.70
4	Insufficient equipments for production	5	3.97
5	Insufficient facilities for employees	5	3.97
6	Outdated technology	5	3.97
7	Limited working space	3	2.38
8	Poor management	2	1.59
9	Lack of unity due to lack of building good relationship program	2	1.59
10	Unorganized workplace	2	1.59
11	Lack of welfare such as vacation and personal leave	2	1.59
12	Convenient company location	2	1.59
13	Centralization	1	0.79
14	Poor after sales service	1	0.79
	Total number of available answers	89	70.65
	N/A	37	29.35
	Total number of expected answers	126	100.00

From the company's weaknesses in table 4.4.5, the respondents mentioned that the company still lacked training and development programs to increase knowledge and productivity of employees. Unclear job description was also mentioned as well as low productivity and efficiency.



Table 4.4.6 Respond to the Third Open – Ended Questions of Post ODI Data

Collection

Question 3: what are the three best things you like to work at this company?				
No	Description	Details	Frequency	Percentage
1	Executives	Reasonable, open and trust , and take good care of employees	26	20.63
2	Colleagues	Unity	18	14.29
3	Company potential	Long term establishment and has potential to grow	12	9.52
4	Career path	Increase knowledge and experience	11	8.73
5	Culture	Family member	7	5.55
6	Employee involvement	Decision making	7	5.55
7	Work environment	Comfortable working space	5	3.97
8	Company location	Convenient	5	3.97
9	Working style	Flexibility and independent working style	4	3.17
	Total number of available answers		95	75.38
	N/A		31	24.62
	Total		126	100.00

Table 4.4.7 Respond to the Forth Open – Ended Questions of Post ODI Data

Collection

Question 4: what are the three things you like least to work at this company?				
No	Description	Details	Frequency	Percentage
1	Work environment	Limited and unorganized working space	9	7.14
2	Facilities	Restroom, canteen, and parking space	8	6.35
3	Interpersonal communication	Unclear message and inappropriate communication such as gossiping	8	6.35
4	Task and responsibilities	Unclear	8	6.35
5	Equipments	Protective equipments	6	4.76
6	Productivities and efficiency	Employees	5	3.97
7	Relationship among employees	Unity	4	3.17
8	Working system	Complexity and time consumed	3	2.38
9	Manager	Treat employees unrespectedly	3	2.38
10	Work loaded		2	1.59
11	Executives	Indecisive character	1	0.79
12	Human resource skill development	No development plan	1	0.79
13	Document system	Complexity and time consumed	1	0.79
14	Policies about work date	Work on Saturday	1	0.79
15	Welfare policy	Vacation and personal leave	1	0.79
	Total number of available answers		61	48.39
	N/A		65	51.61
	Total		126	100.00

Table 4.4.8 Respond to the fifth open – ended questions of Post ODI data collection

Question 5: what are the three most important areas for improvement at this company?			
No	Description	Frequency	Percentage
1	Clear roles and responsibilities	18	14.29
2	Facilities (such as parking space, restroom, canteen and rest area)	15	11.90
3	Training and development program ( program to increase employee knowledge, work effectiveness and productivities)	11	8.73
4	Physical setting, organize working area	9	7.14
5	Unity and Relationship among company members	7	5.55
6	Empowerment	5	3.97
7	Products quality	5	3.97
8	Product information and pricing	4	3.17
9	Document system (reduce complexity)	3	2.38
10	Safety and protective Equipments	3	2.38
11	Number of employees (hire more employees)	2	1.59
12	Effective Communication	1	0.79
13	Health care and Welfare program	1	0.79
14	Clear performance evaluation	1	0.79
	Total number of available answers	85	67.46
	N/A	41	32.54
	Total	126	100.00

#### 4.4.2 Interview.

In order to receive more information and recheck data gathering from questionnaire, the researcher used interviewing technique by using the same set of interviewing questions. After all OD Intervention activities finished, the researcher had another informal interview once again with interviewees at the company's

meeting room. The interview period was started from October 8 to October 13, 2007, and the researcher spent approximately thirty minutes with each interviewee.

In order to discuss results of interviews, the researcher clustered interviewees into three groups: group one - management level including top and middle levels, group two - office staffs, and group three - production staffs as described below.

Question one: What is the vision and mission of this company?

After OD activities, the researcher found that the interviewees could explain about the company's vision and mission clearly. Almost all interviewees could differentiate vision and mission. The second group also could be able to answer, and they seem to have a clear understanding about company's vision and mission. For the third group, almost all interviewees could answer. There were only few interviewees who did not remember.

Question two: What is strategic direction based on your understanding?

Members in the first group could explain as some members in group one answered that "it is the strategy that we use to focus in order to be strong in the market." Other interviewee said "it is the process that we have been working together as far. It is the strategy that we focus such as our growth strategy then we have to work accordingly." The second group could not explain technically about strategic direction but they rather explained the process of creating strategic direction that they had gone through so far. The third group was similar to the second group, but this group had showed signs of not knowing how to explain more than group two.

Question three: Is the strategic direction important to the company?

All members in group one, group two, and group three replied that it is important to the company, but group three replied slower than other two groups.

Question four: If the strategic direction was important to the company, please explain why it was considered to be important?

In the first group, they described more than other groups, and they could answer clearer than previous interview in Pre – ODI phase. One member in group one said “the company needs to have strategic direction because it helps everyone work more effective. Everyone could make decision better and conflict will be resolved as everyone agrees on company’s strategic direction.” Other interviewee replied that “clear direction help the company members to go at the same direction.” Group two also answered similarly to the group one that the company can increase efficiency. Some members in group three said the company can improve and develop, and some of them said they don’t know how to explain.

Question five: How did strategic direction impact on your performance?

Group one mentioned that the strategic direction will help them work more effectively such as make sharp decision, reduce miscommunication, and work actively. Group two replied that the strategic direction could also help them work better because they know the meaning of their work, what the company wants to achieve, and they can communicate better. For group three, some of members in group three stopped thinking for a while and replied that they work better because they know the company’s objectives.

Question six: How does the company create strategic direction?

Members in group one mentioned about the process that they created strategy. Group two also mentioned about strategic direction process that they had been through. Group three, most of the interviewees did not respond in advance and asked the interviewer such as “is it the process we took recently?” Some of them did not reply and some of them said they did not know how to explain.



Question seven: What are company's KPIs?

Group one and group two could answer clearly according to the KPI, but members in group three did not mention all KPIs. The members in group three rather answered KPI related to their task and responsibilities such as number of defect product.

Referring to questions related to "Employees involvement," the following detail came after the interview.

Question eight: In your opinion, what are the benefits of employee involvement in decision making process?

Group one mentioned that all employees would work actively and have better attitude about company. Group two said that it helped them understand about the strategic direction better, they felt better about their work, they felt that the management team care and listen to their opinion. Some of members in group three did not make clear answer as some of them said that the process was good, they had fun and felt relaxed in the activities, and some group them said they understand the company better.

Question nine: What could be the disadvantage of employee involvement?

Group one still mentioned that it was time consuming. Half of group two members also mentioned similarly that it is time consumed and the process was taken their work time. The rest of group two members said no disadvantage. For group three, they said no idea and they thought no disadvantage.

#### 4.4.3 Observation.

In this phase, the researcher observed employees during working, non-working and interviews to understand how employees perform their tasks, how employees reflect on data collection process, and how interviewee respond to interview question after OD activities finished.

The researcher started to observe employees before working hours. The researcher found that some female groups talked about OD activities for a while before moving to other subjects such as personal life and interests. For the male group, as they had less talk than female group, members in this group talked about OD activities and sport activities.

During working hours, most of employees continued their work as usual. Some of them asked each other to recap company's strategic direction (vision, mission, objectives, strategy and KPIs). They were relaxed and laughing while talking about OD activities. At the production line, some employees talked while working about OD activities.

For the observation during interview, the overall atmosphere in the meeting room was good. The researcher interviewed the interviewees individually. The interviewees in the first group, top and middle level, had good eye contact and speak clearly and some of them made jokes. The second level, office staffs, also had good eye contact, spoke freely and kept smiling. The interviewees in the third group; production staff, the researcher found that they have better eye contact, but some of them were still reluctant to answer as some of them kept quiet, and smiled.

#### 4.5 Hypothesis Testing

In order to answer the last research question “Is there a significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction, and employee involvement?,” the researcher used hypothesis testing as a method to analyze impact of Organization Development Intervention. The researcher analyzed results by using the paired sample t – test to determine the significant differences between Pre and Post OD Intervention. In addition, the result was shown in form of accept or reject the hypothesis and the confidence level was set at 95%, according to the hypotheses in table 4.5.1.

Table 4.5.1 Research Hypotheses

Ho	There is no significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction and employee involvement.
Ha	There is significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction and employee involvement.

Table 4.5.2 Paired Samples Statistics

Paired Samples Statistics		Mean	N	Std. Deviation (SD)	Std. Error Mean	Rating
Pair 1	PRE awareness on corporate strategic direction	2.9405	42	0.84969	0.13111	Neutral
	POST awareness on corporate strategic direction	3.6310	42	0.54167	0.08358	Agree
Pair 2	PRE employee involvement	3.8095	42	0.68032	0.10498	Agree
	POST employee involvement	4.1786	42	0.66094	0.10199	Agree
Pair 3	PRE general information	3.8452	42	0.68510	0.10571	Agree
	POST general information	3.9524	42	0.57179	0.08823	Agree

Table 4.5.3 Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 PRE awareness & POST awareness	42	0.799	0.000
Pair 2 PRE employee & POST employee	42	0.837	0.000
Pair 3 PRE general & POST general	42	0.915	0.000

Table 4.5.4 Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	SD.	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE awareness – POST awareness	-0.69048	0.52906	0.08164	-0.85534	-0.52561	-8.458	41	0.000
Pair 2	PRE employee – POST employee	-0.36905	0.38349	0.05917	-0.48855	-0.24954	-6.237	41	0.000
Pair 3	PRE general – POST general	-0.10714	0.28232	0.04356	-0.19512	-0.01917	-2.460	41	0.018

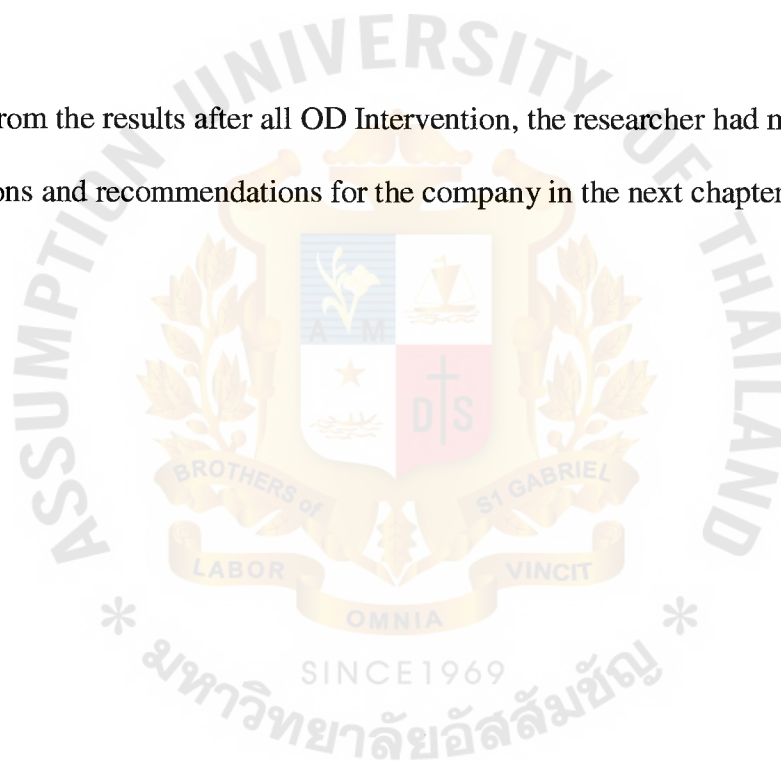
According to the above tables, the analytical result of awareness on corporate strategic direction showed a significant difference between Pre and Post ODI as the significant value was equal to 0.000 which was less than 0.05 ( $p < 0.000$ ,  $t = -8.458$ ). The respondents had higher level of awareness on corporate strategic direction than before.

For the analytical result of employee involvement, the significant value was 0.000 which was less than 0.05 ( $p < 0.000$ ,  $t = -6.237$ ). Hence, this value means that there was a significant difference between Pre and Post ODI on employee involvement. The respondents were able to participate and involve in company's activities more than before.

Lastly, the analytical result of general, the significant value was 0.018 which was less than 0.05 ( $p < 0.000$ ,  $t = -2.460$ ). Hence, this value means that there was a significant difference between Pre and Post ODI on general information. The  $t$  value was -2.460 which mean that the respondents had became more active, and enjoyed working at the company more than before.

The highest change was the change in employees' awareness on strategic direction because the  $t$  values of employees' awareness on strategic direction (-8.458) is higher than  $t$  value of employee involvement (-6.237) and general information (-2.460).

From the results after all OD Intervention, the researcher had made conclusions and recommendations for the company in the next chapter five.





## CHAPTER FIVE

### Summary, Conclusions and Recommendations

This chapter contains a summary of this study, the conclusions and the recommendations based on results of the research. The first part of this chapter presents a summary of research findings, the second part presented the conclusions based on the research findings, and the last part presented the recommendations for organization and further study.

#### 5.1 Summary of Research Finding

The main objective of this study was on impact of organization development intervention on awareness of corporate strategic direction, and employee involvement in Family Dental Company. The research findings answered the research questions as described in chapter one.

##### 5.1.1 The Demographic Profiles of Respondents.

In this research, there were forty two respondents. The respondents of both Pre – ODI and Post – ODI were the same group of respondents who work at Family Dental Company. The demographic profiles included age, gender, education level, marital status, and length of working of the respondents. The majority of respondents were aged between 31-40 years old. The majority of respondents was male, got marriage, and had primary school education level. In addition, the majority of respondents had worked between one to four years.

##### 5.1.2 Phase One: Pre – OD Intervention.

This phase focused on the process to find out the present situation of the organization in order to answer the research question “what is the current situation and environment of the organization?” The researcher collected the data in the three areas which were awareness on corporate strategic direction and employee

involvement by three different techniques, questionnaire, interview, and observation techniques. The data was analyzed by mix approaches, quantitative approach and qualitative approach.

According to the level of awareness on corporate strategic direction in the Family Dental Company, the researcher found that most of all respondents did not have clear understanding and were not able to explain about corporate strategic direction. The respondents did not know company's vision, mission, and objectives. Also, the respondents did not have a clear understanding about the company's current situation as the management team did not always communicate thoroughly. The respondents had some clue about company's current situation from their working experience as they had been working for the company for a long time and company had clear target group of customers.

For employee involvement in creating company's direction, the respondents agreed that employees should be involved and participate in the process, and they wanted to participate in company's planned changes and development plan. However, the respondents thought that the management team did not always share information with the subordinated, and the final judgments were always made by the management team. Participation in company's decision making could establish the respondents' sense of ownership.

Lastly, the respondents had a positive attitude about overall working environment at this company as they trust and respect the management team and co-workers, and are satisfied with their job, even though sometimes the manager did not share idea with them.

### 5.1.3 Phase Two: OD Intervention.

After the researcher finished data gathering in phase one, the researcher was able to understand level of awareness on corporate strategic direction, employee involvement, and company's current environment. The researcher created appropriate OD Intervention by designing OD Intervention into four major activities, strategic direction briefing, environmental scan workshop, executives meeting and employees meeting.

The researcher started with the first activity, strategic direction briefing, with all company's levels, to give audiences information about strategic direction, increase awareness of corporate strategic direction, build up more sense of ownership and make commitment. Then the researcher continued the second activity, employees' environmental scanning workshop. The purpose of this workshop was to help employees understand the company's current situation, let the employees involved in strategic direction formulation process, create sense of ownership and unity. The researcher separated and grouped employees into environmental scanning work together. Each group presented the results of their work, and the researcher combined and adjusted those results with all employees. Next, the researcher brought the results of workshop and information about company's current situation to discuss and create company's strategic direction with company's management team. The researcher and the management worked together to create an appropriate strategic direction plan for the company. The management team finalized company's strategic direction and prepare for announcement date. Lastly, the researcher had a meeting with all of the company's employees to announce the company's strategic direction.

#### 5.1.4 Phase Three: Post – OD Intervention.

After OD activities finished, the researcher conducted another data collection once again to determine the impact or consequences of the OD action. The researcher used the same set of data gathering instruments that were used in phase one, questionnaires, interview guide and observation checklist. The outcome was that the respondents had more confidence as they know company's vision, mission, objectives, strategy as well as company's current situation. The respondents received more attention from their boss, and they felt that they were important to the company than before.

Thus, the results of hypotheses testing were satisfied, and showed that there was a significant difference between Pre and Post organization development intervention on awareness of corporate strategic direction, and employee involvement. The respondents had higher level of awareness on corporate strategic direction and the respondents were able to participate and involve in company's activities more than before.

## 5.2 Conclusion

**Table 5.2.1 Conclusion of Main Variables Between Pre and Post ODI**

Hypotheses Variable	Associate with hypothesis	Sig. (2-tailed)	t	Difference in Mean (Pre & Post)
1) Awareness on corporate strategic direction	Different	0.000	-8.458	0.69048
2) Employee involvement	Different	0.000	-6.237	0.36905
3) General Information	Different	0.018	-2.460	0.10714

Table 5.2.2 Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	SD.	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PRE awareness – POST awareness	-0.69048	0.52906	0.08164	-0.85534	-0.52561	-8.458	41	0.000
Pair 2	PRE employee – POST employee	-0.36905	0.38349	0.05917	-0.48855	-0.24954	-6.237	41	0.000
Pair 3	PRE general – POST general	-0.10714	0.28232	0.04356	-0.19512	-0.01917	-2.460	41	0.018

Family Dental Company is a small family business, and almost all employees have long length of year service. The company's members did not have clear sense of direction, and they were confused about their work objectives. Hence, the company should have clear organization direction to lead and manage organization through market rivalry these days.

In order to create a successful strategic direction, strategy and organization capabilities must be aligned. Therefore, the management must be able to describe and analyze the current situation, functioning and performance of the company. With the help of the researcher and employee involvement in strategic direction process, the management received rich information about the company's current situation, and create the company's strategic direction.

The results after ODI activities were satisfied as the company has successfully formulated strategic direction. According to the table 5.2.1 and 5.2.2, there were significant difference between Pre and Post ODI. The statistics showed positive sign that ODI activities impacted on employees' level of awareness on corporate strategic direction, and employee involvement. Employees had higher awareness and understanding about company's strategic direction. Employees had an opportunity to



be involved during formulation process which led to employees' positive attitude towards the company.

Nevertheless, there was some negative impact from ODI such as time consumed in company's decision making process, some employees were disappointed when the management team did not use some of their opinions, and employees felt stressed when they realized that they had to meet company's evaluation criteria.

### 5.3 Recommendations for Organization

Firstly, the researcher suggested the organization to always have clear and continuous communication of company's vision, mission, strategy, objectives, and KPI with employees in each department. As employees in each department have different understanding based on their work requirement and experience, the management team must explain and make specific communication to each department.

Secondly, the management and employees must stick to the strategy that they have, as the commitment is important. Otherwise, the strategic direction could not be implemented successfully. However, the company's strategic direction could be able to change if there were any emergency, irregular or additional cases such as political change, management change and so on.

Thirdly, the management must lead employees first by being a good example as the leader is the most important factor that leads organizations to success. Once the company launched new policies, the top of management must lead first. If the management neglects the plan, there will be no follower.

Fourthly, the management team must encourage, support, coach, and supervise everyone in the company to achieve the plan together, as some employees might not be able to reach the plan.

Last but not least, the researcher suggested the management team to start human resources development program especially on management capabilities, and develop a new Family Dental Company next generation (staffs) as the company's members were middle aged already.

Lastly, in order to maintain employee involvement, the researcher suggested the company to provide suggestion box at the company's common area to welcome all employees' opinion. Also, the company should have informal meetings with employees every month, and ask employees to participate and share their ideas during the meetings.

#### 5.4 Recommendations for Future Study

This research focused on organization development intervention to create employees' awareness on corporate strategic direction, and employee involvement in strategic direction formulation. This research was useful and it provided useful information, technique and procedures for any kind of business that aims to create or even adjust strategic direction.

For further study, the researcher recommends more study on leadership management as the leadership is the most important factor to the company's success. Next, the study should be more on human resource development in terms of technical skill development, and managerial skill development, and developing a new staff generation in order to sustain and grow business. Then, the researcher also recommended focusing later on how to expand further, and increase the company's capacities.

## EPILOGUE

My curiosity started when I heard about organization development, I wondered how I could help SME company develop and how the organization development (OD) consultants work. Therefore, I continued for a master degree in OD field. The first impression happened to me when I attended the first class that me and my classmates conducted the self assessment in order to know and learn ourselves better. Each class gave me knowledge and inspiration to me by various ways of thinking, and it amazed me with lots of new things thereafter.

Until this moment, I realized that being OD consultants require many skills and must be flexible enough to help or guide clients. As there is no quick or fix solution for problem solving, OD consultants need to be able to apply all knowledge, theories, and experience when diagnose and implement ODI.

This research study gave me a great opportunity to work as an OD consultant. I received useful, valuable, and unforgettable knowledge and experience. Full of lessons that I have learned not only in terms of academic knowledge and theories, but also learning experience from conducting real ODI, and sharing experience from friends and professional instructors.

All information and experience I received while working on this research study helped me increase my potential and capabilities to go beyond limitation. I believed that life experience is the most important thing, and it is the richest source to become a successful person. I believe that persons who work hard and put much effort doing something will achieve and overcome any obstacle one day. The person who has a lot of experience in life will be able to deal with difficult situations better than

one who has not. One who prepares and is flexible will be able to cope with difficult situations better than others.

This research study and master's degree study on OD helped me become a disciplined person. I had been working really hard to complete this research study. I had been searching for knowledge and information from various sources to fulfill and enhance the quality to this research. From day to night, from nights to weeks, from weeks to months, I kept pushing myself to work in order to complete this research study. The results of this research study were very satisfactory, and the company I worked on had their own strategic direction. I am very proud and appreciate those who were involved in this research study for all their help, support and cooperation.



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## APPENDICES



Appendix A: The definition of SME provided by the Ministry of Industry, Thailand.

Type	Small		Medium	
	Employees	Capital (million baht)	Employees	Capital (million baht)
Production	Not more than 50	Not more than 50	51-200	51-200
Service	Not more than 50	Not more than 50	51-200	51-200
Wholesale	Not more than 25	Not more than 50	26-50	51-100
Retail	Not more than 15	Not more than 50	16-30	31-60

Source: Office of Small and Medium Enterprise Promotion. Definition of Small and Medium Size company. Retrieved on 20 July 2007 from the World Wide Web:  
[http://cms.sme.go.th/cms/c/journal\\_articles/view\\_article\\_content?article\\_id=PUB-KNOWL-C03](http://cms.sme.go.th/cms/c/journal_articles/view_article_content?article_id=PUB-KNOWL-C03)

### Appendix B: Adizes Lifecycle Assessment Survey.

FOR ALL THE STATMENTS BELOW, PLEASE SELECT THE OPTION THAT APPLIES BEST TO YOUR ORGANIZATION.

In our organization,

- ☐ We focus more on function (what and why) than on form (how and who), or
- ☐ We have a balance between function and form, or
- ☐ We focus more on form than on function.

Despite how things may appear, the real decision making power and political clout,

- ☐ Lies with staff functions (Finance, Accounting or Legal), or
- ☐ Lies with our line functions (Marketing, Sales, Operations or Product Development), or
- ☐ Moves around depending on the subject and does not stay with a particular department.

In our organization,

- ☐ Long term personal success stems from avoiding risk, or
- ☐ The more risks you take, the more successful you are.

In our organization,

- ☐ Almost everything is permitted unless expressly forbidden, or
- ☐ Most things are forbidden unless expressly permitted, or
- ☐ There are generally clear guidelines on what is permitted and what is forbidden.

In our organization,

- ☐ We generally beat our annual budget numbers, or
- ☐ Our results are difficult to predict, or
- ☐ It is a stretch to meet our budget targets, but we generally are able to hit those targets.

Our organization focuses more on,

- ☐ Future possibilities, or
- ☐ Past triumphs.



PLEASE SELECT ALL THE STATEMENTS THAT APPLY TO YOUR ORGANIZATION.

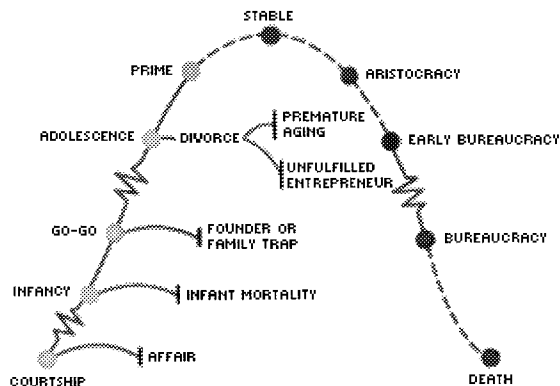
- ☐ Our organization lacks a set of systems and policies that work well for us.
- ☐ We do not have time for meetings.
- ☐ There is a "don't make waves" culture in our organization.
- ☐ We often rush our products or services into the market even though they still need more development
- ☐ Our Founder/CEO/President frequently vetoes or changes important decisions made by others.
- ☐ Most people in our organization seem to be satisfied with what we have accomplished and where we are going.
- ☐ Many employees are overburdened with tasks and work without clear priorities.
- ☐ Our senior managers don't seem to share a common view of the company's goals, priorities and success strategies.
- ☐ Founder/CEO/President seems to be quite busy with things that do not directly involve our company
- ☐ In our organization, who is responsible for what, is unclear.
- ☐ Who has authority, to do what, is unclear or is constantly changing.
- ☐ We are profitable, but we are losing market share.
- ☐ Political gamesmanship governs decision making around here.
- ☐ We have a good track record of meeting or exceeding our financial goals.
- ☐ The phrase "because it's the policy" is overused in our organization.
- ☐ We seem to have trouble finding enough qualified people to manage all our business units.
- ☐ We have recurring problems due to cash shortages.

- ☐ We seem to respond to almost any opportunity that is presented to us (we operate with few boundaries).
- ☐ There is unresolved conflict in the management team, especially between the Founder/CEO/President and the second in command.
- ☐ We have strong traditions and ways of doing business that are important to us.
- ☐ If our Founder/CEO/President were to leave, our organization would probably not survive.
- ☐ We seem to be unwilling or unable to accept new and creative ideas from within our organization.
- ☐ We probably could not survive without the support of our parent organization (or government subsidies).
- ☐ Quite a few people in our organization behave as if our customers are a nuisance.
- ☐ We have too many internal conflicts, turf wars and back stabbing.
- ☐ Our revenues are falling.
- ☐ We have few working cost controls in place.
- ☐ There has been too much turnover in senior management position like the CFO or COO in our company
- ☐ In our organization there is an "us-versus- them" or "old timers vs new comers" mentality.
- ☐ Senior staff enjoys too many comforts.

Source: Adizes Institute (2007). Retrieved on August 9, 2007 from the World Wide Web

[http://www.adizes.com/lifecycle\\_assessment\\_form.html](http://www.adizes.com/lifecycle_assessment_form.html)

## EXPLANATION OF CORPORATE LIFECYCLE STAGE (ADIZES, 2004)



### Adolescence

During the Adolescent stage of the organizational lifecycle, the company is reborn. This second birth is an emotional time where the company must find a life apart from that provided by its Founder. This critical transition is much like the rebirth a teenager goes through to establish independence from their parents.

The Adolescent company teeters on the brink of both success and disaster. So long as the Adolescent company does well, investors and the Board regard the

Founder as a genius with a golden touch. However, when the infrastructure collapses, sales slow down, costs mushroom or profits decline, the finger pointing begins in earnest. The Founder, accustomed to the magic of adoration, is instantly transformed into a goat who is no longer up to the task of leadership.

Adolescence is an especially stormy time characterized by internal conflicts and turf wars. Everyone seems at odds with everything. Sales fall short or exceed production's estimates, quality is not up to customer expectations, and old timers plot against the new hires. Emotions are volatile and organizational morale traces a jagged line: ecstasy in one quarter, depression and dejection in another. Throughout the organization, people are busy tracking the real and imagined injustices they have suffered, which they nurse with great care. The Founder's safe conduct through this tempest is by no means guaranteed. If these conflicts are not resolved, Adolescent companies can find themselves in Premature Aging that can lead to the early departure of entrepreneurial leadership, or the professional managers leading to pathologies called Divorce or Premature Aging.

Why is the transition from Go-Go to Adolescence so difficult? There are three principal challenges:

1. Decentralization of authority.
2. Change in leadership from entrepreneurship to professional management.
3. Goal displacement.

### Decentralization of Authority

In moving to Adolescence, a Go-Go must transform itself from an absolute monarchy to a constitutional monarchy. It is rare that a king voluntarily yields his absolute powers. Such changes are (usually) accompanied by revolutions. The revolution erupts not just because the king loves power and does not want to relinquish it, but also because he has developed behaviors that are no longer relevant, and he has trouble changing his behavior to fit the new environment.

Founders generally know that they need help managing their Adolescent organizations. They, and their families, are painfully aware that there is not enough hours in the day for them to still manage their organization as a one-person show. They want to decentralize, but fear loss of control and/or major mistakes. It is also often true that the people already in-place lack some of the skills and experience needed to succeed with their decentralized responsibilities. One careful step at a time, the leaders of Adolescent organizations must learn to develop their people and decentralize control. Often Founders dole out new levels of responsibility only to re-centralize authority at the first sign of trouble. This tendency can quickly become abnormal if the behavior persists despite having capable employees.

Most Founders struggle to make this difficult leadership transition. In despair, they often bring in professional managers from the outside to take over the responsibility for decentralization, so that they can return to work they enjoy. Struggling Founders who do not do this voluntarily may find themselves pressured to bring in a replacement that is better suited to the new leadership role. If the Founder still owns enough stock, they can survive by getting promoted to CEO and Chairman, while a more professional manager comes in to run the company. Founders sometimes bring in new leaders only to then sabotage the new regime by refusing to relinquish meaningful control. It also does not work for the Founder to turn their back on the company and abdicate control to the new regime.

#### Change in Leadership-From Entrepreneurship to Professional Management

Bringing in a professional manager changes the leadership of the company. The new manager must be a real leader, not another gopher brought in to carry out the Founder's instructions. Their job is to take over from the Founder and drive the company to become more thoughtful and less intuitive in the way it manages itself. The Adolescent company must become opportunity-driving rather than opportunity-driven. The new leader's most critical job is to ensure that the processes, procedures, policies, structures, systems, goals and compensation needed to support long-term growth and allow effective decentralization are put in place. This new leadership requires a careful touch. An over-emphasis on control can bring the Adolescent organization to its knees and stagnate growth. The organization must learn how to balance control while continuing to nourish its entrepreneurial spirit.

The new leader says "No! No! No!" to a company used to hearing only "Go! Go! Go!" from its Founder. It doesn't take long for the Founder and everyone else to discover that the new "hired guns" are not like them. The common reaction from a Founder is "This guy is not like me." "If I had run the company the way he does, we never would have gotten this far." Such logic can start a revolving-door syndrome where the professional managers get fired because they "don't fit in." The Founder searches and searches for "someone like me," who at the same time "can do the things I cannot do". They are looking in vain for someone that does not exist: a pilot who can fly a submarine. What they must realize is that for this critical transition, Adolescent companies don't need leaders like their Founders; they need new people that are different and can complement the Founders' style.

When the new "professional" managers come in they usually inherit a situation that is somewhat chaotic and disorganized. Everyone and his brother report to the Founder for one reason or another. The compensation system is a patchwork of special deals. Important processes, procedures and policies are poorly documented. In the absence of documents, this key information exists in the brains of the people that have been with the company the longest. These old-timers therefore have substantial power. Into this environment, enter the new managers charged with "professionalizing" the organization. Their efforts to introduce change are seen as direct attacks on the existing seats of power. New incentive systems that remove personal bias in favor of objective rewards based strictly on performance arouse opposition from the old-timers who risk losing their special deals. In defense, the old power structure bypasses the new chain of command, going directly to the Founder to complain about the new bosses.

1. "They are ruining morale."
2. "She doesn't understand how this company works."
3. "He is going to destroy this company."
4. And the ultimate blow: "He doesn't do it as well as you do."

The new managers face opposition everywhere they turn. Whom does the Founder support? Probably not the new guys. Instead, they stick with the old-timers who carry the same scars and are loyal to the Founder. If this happens, the new guys are forced to resort to bringing in their own supporters to outflank the "old boys". Sides are chosen and guerrilla wars prevail, creating a we-versus-they culture. Often, the Board of Directors gets caught in the middle.



The power struggles are exacerbated by the behavior of the Founder who is the first to violate the new policies and procedures. The old-timers watch this "game." When the Founder sets the example with the first violation, they assume that all the new rules are subject to violation. Guess who gets called on the carpet to explain why the new budgets, rules, and policies are not being followed? Of course it's the professional manager. Such treatment is enough to cause the new leaders to develop a strong persecution complex, as well as intense dislike for the Founder and her buddies. The professional manager sees herself in a no-win situation and begins to wonder why she accepted the job in the first place. She feels impotent, exhausted, disliked, and completely unrecognized for her contributions.

In some companies, the opposite leadership situation exists. The Founder, the Board and most key employees agree that a transfer of leadership is absolutely necessary. The new leaders come in and immediately take over complete control. The Founder is forced to abdicate the throne and is relegated to the back seat. Because Adolescent companies usually have no systematic way to make decisions or make course corrections, this can lead to a dangerous situation where the new managers go on shopping sprees: buying new people, hardware, software, and consultants all in the name of "professionalizing" the organization. While some controls are undoubtedly needed, the revenues of the Adolescent may not support such profligate spending. If this happens, the Founders feel the pain of having their company hijacked and headed for disaster. They are prevented from getting involved and forced to just sit in the back seat and watch their companies get ruined. The pain of raising an organization in Adolescence is very real and often prolonged.

#### Displacement of Goals

A further complication is the need to transition to a new set of goals. In early Adolescence, company goals as well as the management information and compensation systems all generally reinforce the Go-Go's emphasis on growth and sales. In Adolescence, the company must change from the Go-Go's "more-is-better" goals to "better-is-more" goals. Profitability emerges as the most important goal for the organization. Instead of working harder, the Adolescent company must learn to work smarter. Growth and new sales are desired only to the extent that they also have higher profitability. Adolescent companies can end up reducing revenues for a period of time as the company pulls back from low margin business.

This significant switch in goals must be implemented through a complete overhaul of the structures, management information, resource allocation and reward systems of the Adolescent organization. This transition looks easy on paper, but in reality it is very difficult. Almost everyone in an Adolescent company wants the business to run more smoothly, but they do not see the problem as their own department." My department's fine. Go work on sales, that's where the problems are."

#### Problems of Adolescence

Normal problems	Abnormal problems
<ul style="list-style-type: none"> <li>• Heated conflicts.</li> <li>• Low morale.</li> <li>• We/They infighting between newcomers and old timers.</li> <li>• Temporary loss of vision and confusion of goals.</li> <li>• Founder's acceptance of organizational sovereignty.</li> <li>• Incentive systems rewarding wrong behavior.</li> <li>• Yo-yo delegation of authority.</li> <li>• Board of Directors' attempt to exert controls.</li> <li>• Love-hate relationship between the organization and its entrepreneurial leadership.</li> <li>• Founder struggles to change leadership style.</li> <li>• Entrepreneurial roles monopolized by Founder.</li> <li>• Infrastructure under upgrades and reconstruction.</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent loss of trust or respect.</li> <li>• Loss of key personnel.</li> <li>• Internal issues cause consistent loss of market focus.</li> <li>• Founder's removal.</li> <li>• Inability to migrate compensation to profit-based system.</li> <li>• Organizational paralysis during endless power shifts.</li> <li>• Board's dismissal of the entrepreneurial leader.</li> <li>• Founder's refusal to change, or delegate control to others better suited to the task.</li> <li>• Unchanging, dysfunctional leadership style.</li> <li>• Inability to decentralize to others.</li> <li>• Imposition of excessive and expensive controls.</li> <li>• Profit responsibility delegated without capability to manage it.</li> </ul>



<ul style="list-style-type: none"> <li>• Insufficient delegation and decentralization.</li> <li>• Lack of profit-based scheme.</li> <li>• Rising profits, flat sales.</li> <li>• Reduced emphasis on sales.</li> </ul>	<ul style="list-style-type: none"> <li>• Excessive salaries to retain employees.</li> <li>• Rising profits, falling sales.</li> <li>• Reduced investment in entrepreneurial development.</li> </ul>
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### Pathologies of Adolescence: Divorce or Premature Aging

The major Adolescent changes in decentralization and the need for a new leadership and new goals collectively results in conflict, with a capital "C". This conflict exists between;

- Old-timers and newcomers.
- Founders, Professional Manager(s) and the Board.
- Founders and their long time employees.
- What is best for the company versus what some individuals see is best for them.

To deal with this conflict, the energy that used to be focused externally is now turned almost totally inward and is consumed by endless turf wars and in fighting. Both management and employees gravitate into factions for, and factions against, almost every important project, system, or person. Over time this pain will result in unwanted turnover;

- "It's not fun anymore."
- "We've forgotten why we're here. We're only fighting."
- "I wish I was back working with clients and products."

Adolescent pathologies occur when the fighting gets so bad that one party suffers irreparable damage to their trust and respect and can no longer effectively serve the company. The other parties finally decide that the only way to move forward is to eliminate the opposition. The most painful pathologies occur when the breakups involve family—spouses, parents, children, and other relatives. When the lawyers are called in, close families break up, and people stop talking to each other.

If the Founder regains control, they sack the professional managers. This is called a Divorce and generally causes the company to slip back into the Go-Go stage or Founder's Trap, or causes the Founder to become an Unfulfilled Entrepreneur. If the more powerful, better-organized faction turns out to be the Professional Managers (often in alliance with the Board of Directors), the Founder is squeezed out. When the entrepreneurs leave (many of them will leave with the Founder) and the numbers people take over, the company usually becomes more efficient, but less effective. After awhile, growth stalls and the company degrades into Premature Aging. The optimal solution is for both parties to resolve their differences and work together. Intervention by an external consultant to precipitate this reconciliation process is often needed.

### Prescription for Adolescent Success

To succeed in Infancy and Go-Go, companies must remain loose and flexible, ready to change direction and grasp emerging opportunities at a moment's notice. To succeed in Adolescence, companies must improve their controls. The "house-of-cards" infrastructure must be replaced with a scalable solution that can support the current and future growth of the company. The challenge is to implement these controls in a way that does not smother the entrepreneurial spirit. This is a delicate balancing act because too much flexibility will also prevent the Adolescent company from reaching Prime. To speed up the development of their infrastructure, many Adolescent companies opt to automate their processes, procedures and controls. Although automation can be great, it can also get the Adolescent company into more trouble if the effort is focused on automating what is, instead of what should be. Many times, we have had to insist that our clients delay their automation projects because they were heading down a path that was simply going to allow them to make mistakes faster. If this happens it will institutionalize the wrong power structure and

make it more difficult to achieve the goals of the future. These systems can make it very difficult to change the Adolescent organizational structure. Like a badly set broken arm; the automation needs to be broken again before it can be fixed properly.

Throughout the Infant and Go-Go stage, most Founders monopolize the Entrepreneurial and Integrating functions in the company including marketing, new product development, business development, capitalization, and the recruiting of key employees. In the Adolescent stage, the organization must institutionalize these functions and relieve itself from over-dependency on the Founder. Creating a structure that is organized around these functions, instead of people, is an important first step. It is also crucial that a company "constitution" is created that institutionalizes the governance functions for the company and clearly articulates the roles, responsibilities and decision-making authorities of the Board, the Senior Management Team and any other decision-making bodies. Next is the tricky task of building the Founder's trust and respect for the new structure and the ability of the people to properly execute their responsibilities. If people with the needed abilities and experience cannot be found inside the company, new talent must be brought in. The best approach is to have the Founder, the board, and the employees experience quick successes that clearly demonstrate their ability to make good decisions together. This approach helps the Founder realize that they can relinquish some of the reins of control. At the same time, these successes show the employees that they are not dependent on the Founder.

Articulating a clear and compelling mission that is understood and shared by all is also crucial. Up to this point, only the Founder understands the company's mission. If he has bothered to write it down, it probably exists as cryptic notes on the back of an envelope. To succeed, the rest of the Adolescent organization needs to understand and share that dream.

To help ensure rapid and healthy transitions through Adolescence, most Founders bring in a new "professional" manager. When is the right time to pass the baton? Do it when the company is doing well, don't wait until things turn for the worse. For the transition in leadership to be most effective, Founders must be prepared to invest substantial time. To do it right takes time and lots of thinking and talking away from the firing line. To be most effective the process must also follow the correct sequence of events.

Good management is not a marathon race. It is a relay race.

When a company implements the infrastructure that it needs to support its current and projected growth, and has institutionalized its entrepreneurial activities and is no longer dependent on its Founder for success, it enters Prime.

### Appendix C: English and Thai Questionnaire.

#### Questionnaire

Family Dental Company strives to create survey questionnaire to know how you think about the company in order to help company improvement. Please take a few minutes to give us your candid opinion. This questionnaires consists of the three parts

Part 1 is Likert 5– point scale questionnaires included areas as follows.

- Awareness of corporate strategic direction,
- Employee involvement in corporate strategic direction, and
- General Information.

Part 2 is open –ended question about the company current situation and areas for improvement.

Part 3 is the demographic profile

We need your honest opinions to help the company improvement. Please complete every part and return it within distribution date. Your survey answers will be completely confidential.

#### Part 1: Likert 5– point scale question

Instruction: Please read the following statements and mark “x” on the number that best indicate level of your agreement.

1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree						
No.	Questions	1	2	3	4	5
1	My level of understanding about corporate strategic direction is very high.					
2	I am very confident that I can explain the meaning of corporate strategic direction clearly.					
3	I think our company should have strategic direction.					
4	Having strategic direction in our company can help me perform better at my job.					
5	I know and I can explain clearly our company's vision and mission.					
6	My boss always describes and explains to subordinates about the company's goal.					
7	Everyone in this company is working to achieve the same company's goal.					
8	I think company's goal is achievable.					

1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree						
No.	Questions	1	2	3	4	5
9	My boss always explains and describes about the company's news and information to subordinates.					
10	I know and I understand nature and business environment of my company very well.					
11	I know and I can explain current situation of my company very well.					
12	I know and I can explain why customers choose to do business with my company.					
13	With clearer company's goal, I can make faster and better decision.					
14	With clearer company's goal, I can perform better at my job.					
15	I feel like being an important part of company that can help the company achieve its goal.					
16	I understand why my company needs to evaluate company performance.					
17	My company has clear criteria for evaluating company performance.					
18	I think everyone should involve in creating company direction.					
19	I think I have the right to examine company's goal.					
20	I can freely suggest idea regarding the company's management and direction.					
21	My boss always listens to subordinates' opinion before making a decision.					
22	My boss always encourages everyone to participate in suggesting and expressing idea in many issues all the time.					
23	When I have good ideas, my boss always makes use of them.					
24	I can make decision freely without my boss influencing me.					
25	I can participate in decision making about planning, policy, and important plan for the company.					
26	I think my boss always respect subordinate's decision.					
27	Participation in company decision makes me feel like being an important part of company.					
28	Participation in company decision makes me perform better at my job.					
29	I want to participate in planning for changes or developments in the company.					

1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree						
No.	Questions	1	2	3	4	5
30	I eagerly come to work everyday.					
31	I always work actively at this company.					
32	I feel very comfortable working at this company.					
33	I am very satisfied with my working environment.					
34	I think communication in this company is generally honest, open and candid.					
35	My manager always respects me as a person and values the work I do.					
36	My manager always treats subordinates fairly.					
37	I feel comfortable telling the truth to my manager.					
38	I feel comfortable telling the truth to my colleague.					
39	Overall, I am very satisfied with my current job.					

### Part 2: Open –ended question

1. What are the three strengths of company?

1	
2	
3	

2. What are the three weaknesses of company?

1	
2	
3	

3. What are the three best things you like to work at this company?

1	
2	
3	



4. What are the three things you like least to work at this company?

1	
2	
3	

5. What are the three most important areas for improvement at this company (i.e. things that you believe we should start or stop doing)?

1	
2	
3	

### Part 3: Demographic profile

Instruction: Please complete the following information about yourself by making the checkmark “x” on the blank relating to your own profile.

1. How old are you?      ☐ less than 25      ☐ 25 – 30      ☐ 31 – 40  
                                          ☐ 41 – 50      ☐ 51 up
2. What is your gender ?      ☐ Female      ☐ Male
3. What is your highest education level?  
     ☐ Primary school (G. 6)      ☐ Secondary school (G. 9)  
     ☐ High school (G. 12)      ☐ Vocational collage (Diploma)  
     ☐ High vocational collage (High Diploma)      ☐ Bachelor degree  
     ☐ Master degree      ☐ Philosophy doctor degree
4. What is your marital status? ☐ Single ☐ Married ☐ Divorce ☐ Widow/Widower
5. How long have you been working for this company?  
     ☐ Less than 1 year      ☐ 1 – 4 years      ☐ 5 – 8 years      ☐ 9 – 12 years  
     ☐ 13 - 16 years      ☐ 17 – 20 years      ☐ 21 – 24 years      ☐ More than 25 yrs

\*\*\*\*\*Thank you for you time and participation!\*\*\*\*\*

## แบบสอบถาม

บริษัท มีความประสงค์ที่จะสำรวจความคิดเห็นจากท่านเกี่ยวกับบริษัท ขอความกรุณาท่าน  
 สละเวลาอันมีค่าตอบแบบสอบถามนี้ และกรุณาตอบแบบสอบถามนี้อย่างตรงไปตรงมาเพื่อเป็น  
 แนวทางในการพัฒนาบริษัทต่อไป แบบสอบถามนี้ประกอบด้วย 3 ส่วนคือ

ส่วนที่ 1 แบบสำรวจความคิดเห็นโดยใช้มาตรวัด 5 ระดับเกี่ยวกับ

- การตระหนักถึงทิศทางทางกลยุทธ์ขององค์กร
- การมีส่วนร่วมของพนักงานในทิศทางทางกลยุทธ์ขององค์กร
- เรื่องทั่วไป

ส่วนที่ 2 แบบสำรวจความคิดเห็นทั่วไปเกี่ยวกับบริษัท

ส่วนที่ 3 ข้อมูลส่วนบุคคลทั่วไป

กรุณาตอบคำถามทุกข้อด้วยความตรงไปตรงมา และบริษัทใคร่ขอเรียนให้ท่านทราบว่า  
 ข้อมูลที่ท่านได้ตอบสอบถามนี้จะถูกเก็บเป็นความลับ บริษัทหวังเป็นอย่างยิ่งที่จะได้รับความร่วมมือ  
 จากท่าน และขอขอบคุณท่านมา ณ โอกาสนี้

ส่วนที่ 1 : แบบสำรวจความคิดเห็นโดยมาตรวัด 5 ระดับ

กรุณาอ่านคำถามข้างล่างและกากบาท “X” ตรงหมายเลขที่ตรงกับระดับความคิดเห็นของท่าน

1 = ไม่เห็นด้วยอย่างยิ่ง, 2 = ไม่เห็นด้วย, 3 = เฉยๆ, 4 = เห็นด้วย, 5 = เห็นด้วยอย่างยิ่ง						
ข้อ	คำถาม	1	2	3	4	5
1	ความเข้าใจในเรื่องทิศทางทางกลยุทธ์ระดับองค์กรของฉันอยู่ในระดับที่สูงมาก					
2	ฉันมั่นใจมากว่าฉันสามารถอธิบายความหมายของคำว่าทิศทางทางกลยุทธ์ระดับองค์กรได้อย่างชัดเจน					
3	ฉันคิดว่าบริษัทของเราควรมีทิศทางทางกลยุทธ์					
4	การที่บริษัทของเรามีทิศทางทางกลยุทธ์ จะทำให้ฉันทำงานได้ดีขึ้น					
5	ฉันรู้และสามารถอธิบายได้อย่างชัดเจนว่าวิสัยทัศน์และภารกิจของบริษัทของเราคืออะไร					
6	หัวหน้าของฉันชี้แจงและอธิบายให้ลูกน้องรับรู้ถึงเป้าหมายของบริษัทเสมอ					
7	ทุกคนในบริษัทนี้ทำงานเพื่อให้บรรลุถึงเป้าหมายของบริษัทเดียวกัน					
8	ฉันคิดว่าเป้าหมายของบริษัทนั้นสามารถทำให้สำเร็จได้					

1 = ไม่เห็นด้วยอย่างยิ่ง, 2 = ไม่เห็นด้วย, 3 = เฉยๆ, 4 = เห็นด้วย, 5 = เห็นด้วยอย่างยิ่ง						
ข้อ	คำถาม	1	2	3	4	5
9	หัวหน้าของฉันชี้แจงและอธิบายให้ลูกน้องเข้าใจถึงข่าวสารต่างๆที่เกี่ยวกับบริษัทเสมอๆ					
10	ฉันรู้และเข้าใจธรรมชาติของธุรกิจและสภาพแวดล้อมของบริษัทเป็นอย่างดี					
11	ฉันรู้และสามารถอธิบายถึงสภาพการณ์ปัจจุบันของบริษัทได้เป็นอย่างดี					
12	ฉันรู้ว่าและสามารถอธิบายได้ว่าทำไมลูกค้าถึงเลือกทำการค้ากับบริษัทของฉัน					
13	เป้าหมายของบริษัทที่ชัดเจนทำให้ฉันสามารถตัดสินใจแก้ปัญหาได้ทันที					
14	เป้าหมายของบริษัทที่ชัดเจนจะทำให้ฉันทำงานได้ดีขึ้นมาก					
15	ฉันรู้สึกว่าเป็นส่วนสำคัญในบริษัทที่จะช่วยทำให้บริษัทไปถึงเป้าหมายได้					
16	ฉันเข้าใจมากกว่าทำไมบริษัทต้องการวัดผลการทำงานของบริษัท					
17	บริษัทของฉันมีเกณฑ์การวัดผลการทำงานของบริษัทที่ชัดเจน					
18	ฉันคิดว่าทุกคนในบริษัทควรมีส่วนร่วมในการสร้างทิศทางของบริษัท					
19	ฉันคิดว่าฉันมีสิทธิที่จะพิจารณาเป้าหมายขององค์กร					
20	ฉันมีส่วนร่วมในการเสนอแนวทางบริหารหรือเสนอทิศทางของบริษัทได้อย่างอิสระ					
21	หัวหน้าของฉันรับฟังความคิดเห็นของลูกน้องก่อนการตัดสินใจตลอดเวลา					
22	หัวหน้าของฉันส่งเสริมให้ทุกคนมีส่วนร่วมในการเสนอแนะและแสดงความคิดเห็นในเรื่องต่างๆตลอดเวลา					
23	เวลาที่ฉันมีความคิดที่ดี หัวหน้าของฉันนำความคิดเห็นของฉันไปใช้เสมอ					
24	ฉันสามารถตัดสินใจได้อย่างอิสระ โดยปราศจากอิทธิพลจากหัวหน้าของฉัน					
25	ในการตัดสินใจต่างๆที่เกี่ยวกับการวางแผนและนโยบายต่างๆ รวมทั้งแผนงานสำคัญของบริษัทนั้น ฉันมีส่วนร่วมในการตัดสินใจ					
26	ฉันคิดว่าหัวหน้าของฉันให้เกียรติลูกน้องในการตัดสินใจเสมอ					
27	การมีส่วนร่วมในการตัดสินใจทำให้ฉันรู้สึกว่าฉันมีความสำคัญต่อบริษัทมาก					
28	การมีส่วนร่วมในการตัดสินใจเรื่องต่างๆของบริษัททำให้ฉันทำงานได้ดีขึ้นมาก					
29	ฉันต้องการที่จะมีส่วนร่วมในแผนการเปลี่ยนแปลงหรือพัฒนาทั้งหลายของบริษัทมาก					

1 = ไม่เห็นด้วยอย่างยิ่ง, 2 = ไม่เห็นด้วย, 3 = เฉยๆ, 4 = เห็นด้วย, 5 = เห็นด้วยอย่างยิ่ง						
ข้อ	คำถาม	1	2	3	4	5
30	ฉันมาทำงานที่นี่ด้วยความแจ่มใสทุกวัน					
31	ฉันทำงานที่นี่ด้วยความกระตือรือร้นตลอดเวลา					
32	ฉันรู้สึกสบายใจในการทำงานที่นี่มาก					
33	ฉันรู้สึกพอใจกับสภาพแวดล้อมในสถานที่ทำงานของฉันมาก					
34	ฉันคิดว่าการติดต่อสื่อสารกันในบริษัทนี้เป็นไปด้วยความจริงใจ เปิดเผย และตรงไปตรงมามาก					
35	หัวหน้าของฉันเคารพและเห็นความสำคัญของงานที่ฉันทำเสมอ					
36	หัวหน้าของฉันปฏิบัติกับลูกน้องด้วยความเป็นธรรมเสมอ					
37	ฉันรู้สึกสบายใจมากที่จะพูดความจริงกับหัวหน้าของฉัน					
38	ฉันรู้สึกสบายใจมากที่จะพูดความจริงกับเพื่อนร่วมงานของฉัน					
39	โดยรวม ฉันรู้สึกพอใจในงานที่ฉันทำตอนนี้มาก					

### ส่วนที่ 2 แบบสำรวจความคิดเห็นทั่วไปเกี่ยวกับบริษัท

#### 1. กรุณาระบุจุดแข็งของบริษัทมาสามอย่าง

1	
2	
3	

#### 3. กรุณาระบุจุดด้อยของบริษัทมาสามอย่าง

1	
2	
3	

#### 4. กรุณาระบุ 3 สิ่งที่คุณคิดว่าดีที่สุดในการทำงานที่นี่

1	
2	
3	

5. กรุณายก 3 สิ่งที่คุณชอบน้อยที่สุดในการทำงานที่นี่

1	
2	
3	

6. กรุณาระบุว่าบริษัทควรจะปรับปรุงอะไรบ้าง 3 อย่าง (สิ่งที่บริษัทควรจะทำ หรือควรหยุด) พร้อมหนทางในการแก้ไข

1	
2	
3	

ส่วนที่ 3 ข้อมูลส่วนบุคคลทั่วไป

กรุณารอกข้อมูลเกี่ยวกับตัวคุณเอง โดยกากบาทเครื่องหมาย “X” ในช่องว่าง เพื่อเป็นข้อมูลพื้นฐานสำหรับ ใช้ในงานวิเคราะห์วิจัย และข้อมูลที่ท่านได้ตอบนี้จะถูกเก็บเป็นความลับ

1. คุณอายุ ( ) ต่ำกว่า 25 ( ) 25 – 30 ( ) 31 – 40  
( ) 41 – 50 ( ) 51 ขึ้นไป
2. เพศ ( ) หญิง ( ) ชาย
3. การศึกษาสูงสุดคือ  
( ) ประถมศึกษา(ป. 6) ( ) มัธยมศึกษาตอนต้น (ม. 3)  
( ) มัธยมศึกษาตอนปลาย (ม. 6) ( ) ประกาศนียบัตรวิชาชีพ (ปวช.)  
( ) ประกาศนียบัตรวิชาชีพชั้นสูง (ปวส.) ( )ปริญญาตรี  
( )ปริญญาโท ( )ปริญญาเอก
4. สถานะของคุณคือ ( ) โสด ( ) แต่งงาน ( ) หย่า ( ) ม่าย
5. คุณทำงานที่บริษัทนี้เป็นเวลากี่ปี  
( ) ต่ำกว่า 1ปี ( ) 1 – 4 ปี ( ) 5 – 8 ปี  
( ) 9 – 12 ปี ( ) 13 - 16 ปี ( ) 17 – 20 ปี  
( ) 21 – 24 ปี ( ) มากกว่า 25 ปี

\*\*\*\*\*ขอขอบคุณที่สละเวลาและให้ความร่วมมือเป็นอย่างสูง\*\*\*\*\*



Appendix D: Observation Checklists during Interview

- Interviewee name \_\_\_\_\_
- Date of interview \_\_\_\_\_ Time start from \_\_\_\_\_ to \_\_\_\_\_
- Environment
- ( ) Lighting Very bright 5 4 3 2 1 very dark Fact \_\_\_\_\_
- ( ) Air Very hot 5 4 3 2 1 very cold Fact \_\_\_\_\_
- Eyes contact Yes / No  
\_\_\_\_\_
- Speak freely / keep quiet  
\_\_\_\_\_
- Talking speed  
\_\_\_\_\_
- Tone of voice  
\_\_\_\_\_
- Others  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Appendix E: Interview Guide

### Awareness on corporate strategic direction

1. What is the vision and mission of this company?
2. What is strategic direction based on your understanding.
3. Is strategic direction important to the company?
4. If the strategic direction was important to the company, please explain why it was considered to be important??
5. How did strategic direction impact on your performance?
6. How does the company create strategic direction?
7. What are company's KPIs?


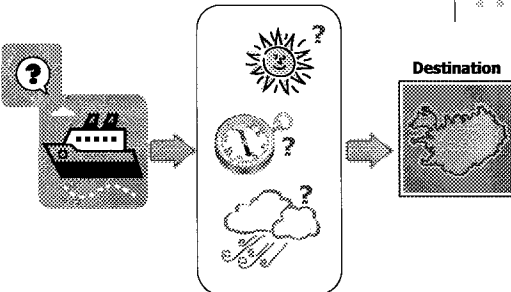
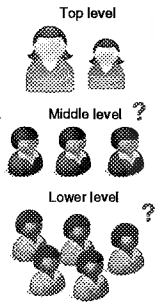
### Employee involvement in strategic direction formulation

8. In your opinion, what are the benefits of employee involvement in decision making process?
9. What could be the disadvantage of employee involvement?

### Appendix F: SWOT Analysis Template

<p>criteria examples</p> <p>Advantages of proposition?</p> <p>Capabilities?</p> <p>Competitive advantages?</p> <p>USP's (unique selling points)?</p> <p>Resources, Assets, People?</p> <p>Experience, knowledge, data?</p> <p>Financial reserves, likely returns?</p> <p>Marketing - reach, distribution, awareness?</p> <p>Innovative aspects?</p> <p>Location and geographical?</p> <p>Price, value, quality?</p> <p>Accreditations, qualifications, certifications?</p> <p>Processes, systems, IT, communications?</p> <p>Cultural, attitudinal, behavioural?</p> <p>Management cover, succession?</p> <p>Philosophy and values?</p>	<p>strengths</p>	<p>weaknesses</p>	<p>criteria examples</p> <p>Disadvantages of proposition?</p> <p>Gaps in capabilities?</p> <p>Lack of competitive strength?</p> <p>Reputation, presence and reach?</p> <p>Financials?</p> <p>Own known vulnerabilities?</p> <p>Timescales, deadlines and pressures?</p> <p>Cashflow, start-up cash-drain?</p> <p>Continuity, supply chain robustness?</p> <p>Effects on core activities, distraction?</p> <p>Reliability of data, plan predictability?</p> <p>Morale, commitment, leadership?</p> <p>Accreditations, etc?</p> <p>Processes and systems, etc?</p> <p>Management cover, succession?</p>
<p>criteria examples</p> <p>Market developments?</p> <p>Competitors' vulnerabilities?</p> <p>Industry or lifestyle trends?</p> <p>Technology development and innovation?</p> <p>Global influences?</p> <p>New markets, vertical, horizontal?</p> <p>Niche target markets?</p> <p>Geographical, export, import?</p> <p>New USP's?</p> <p>Tactics: eg, surprise, major contracts?</p> <p>Business and product development?</p> <p>Information and research?</p> <p>Partnerships, agencies, distribution?</p> <p>Volumes, production, economies?</p> <p>Seasonal, weather, fashion influences?</p>	<p>opportunities</p>	<p>threats</p>	<p>criteria examples</p> <p>Political effects?</p> <p>Legislative effects?</p> <p>Environmental effects?</p> <p>IT developments?</p> <p>Competitor intentions - various?</p> <p>Market demand?</p> <p>New technologies, services, ideas?</p> <p>Vital contracts and partners?</p> <p>Sustaining internal capabilities?</p> <p>Obstacles faced?</p> <p>Insurmountable weaknesses?</p> <p>Loss of key staff?</p> <p>Sustainable financial backing?</p> <p>Economy - home, abroad?</p> <p>Seasonality, weather effects?</p>

## Appendix G: Presentation Handout

<p><b>“เราจะไปที่ไหนกันดี แล้วเราจะไปเพื่ออะไร” Direction</b></p>  <p>Alice : Which way should I go? Cat : That depends on where you are going? Alice : I don't know where I'm going! Cat : Then it doesn't matter which way you go! — Lewis Carroll, 1872.</p> <p><b>Doesn't it matter?</b></p>	<p><b>ทิศทางทางกลยุทธ์ Strategic Direction</b></p> 
<p><b>คำถามที่พวกเราควรจะต้องได้ Basic Questions</b></p> <ul style="list-style-type: none"> <li>• Where is the organization going? องค์กรกำลังไปทางไหน</li> <li>• What is the environment? and สถานการณ์ตอนนี้ขององค์กรเป็นอย่างไร</li> <li>• How does the organization get there? แล้วองค์กรจะไปถึงจุดมุ่งหมายอย่างไร</li> </ul> <p>by Gup, 1979.</p>	<p>Where are we now? เราอยู่ที่ไหน?</p> <p><b>Strategic Direction</b></p> <p><b>Process</b> How to get there? How to measure its progress?</p> <p><b>Strategic Planning</b> เราจะไปถึงจุดหมายอย่างไร? แล้วเราจะรู้ได้อย่างไรว่าเราไปถึงไหนแล้ว?</p> <p><b>Vision Mission</b> Where we want to be? แล้วเราอยากไปที่ไหนกัน</p> <p>Environmental scanning</p> <p>(Garner, 2005)</p>
<p><b>สถานการณ์ปัจจุบัน Current Situation</b></p>  <p><b>Vision ?</b> <b>Mission ?</b> <b>Objectives ?</b></p> <p><b>Strategic Planning ?</b> <b>Strategic Direction</b></p>	<p><b>ความหมายของการวางแผนกลยุทธ์ Definition of strategic planning</b></p> <ul style="list-style-type: none"> <li>• การวางแผน (Planning) การวิเคราะห์สถานการณ์ปัจจุบัน คาดการณ์ล่วงหน้า และกำหนดแนวทางที่คาดว่าจะดีที่สุด เพื่อให้เกิดการปฏิบัติอย่างได้ผล</li> <li>• กลยุทธ์ (Strategy) เป็นวิธีการที่มีการใช้ความคิดเป็นพิเศษ เพื่อค้นหาแนวทางที่ดีที่สุด และสามารถปรับเปลี่ยนสถานการณ์ทุกประเภท ให้กลับกลายเป็นประโยชน์แก่หน่วยงานไม่ว่าขณะนั้นองค์กรจะอยู่ในสถานการณ์ใด ไม่ว่าจะเป็นช่วงได้เปรียบ หรือเสียเปรียบก็ตาม</li> </ul>

### ความหมายของการวางแผนกลยุทธ์ Definition of strategic planning

- Process of guiding organization members to envision its future, and developing organization procedures and operations to achieve in the future. --Goodstein, Nolan, and Pfeiffer (1993)
- Determination of overall organizational purposes and goals and how the organization will achieve. -- Mondy, Noe, and Premeaux (1999)

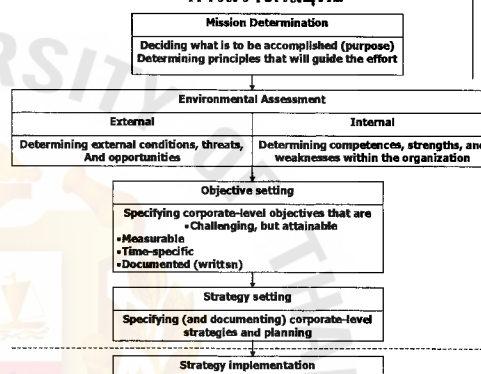
### ทำไมต้องมีการบริหารเชิงกลยุทธ์

- การมีกลยุทธ์ ทำให้มีจุดมุ่งหมายเพื่อให้ไปสู่เป้าหมายที่ชัดเจน
- การมีกลยุทธ์ ทำให้เกิดความชัดเจนในการกิจและบทบาทความเกี่ยวข้องของบุคคลฝ่ายต่างๆ
- การมีกลยุทธ์ ทำให้มีแนวทางที่ชัดเจนในการวัดและประเมินผลสำเร็จ

### ทางเลือกของกลยุทธ์

- Corporate Strategy  
กลยุทธ์ระดับองค์กรหรือบริษัท
- Business Strategy  
กลยุทธ์ระดับธุรกิจ
- Functional Strategy  
กลยุทธ์ระดับหน้าที่

### การสร้างกลยุทธ์



### Case 1: Strategic Direction Discount Store vs Traditional Grocery Store

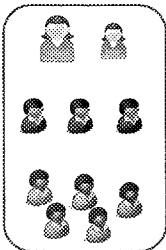
- |                                                                                                                                                                                     |                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Discount store               <ul style="list-style-type: none"> <li>• Products diversification</li> <li>• Low price</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Traditional Grocery store               <ul style="list-style-type: none"> <li>• Community</li> <li>• Good relationship with customer</li> <li>• Close to community</li> </ul> </li> </ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

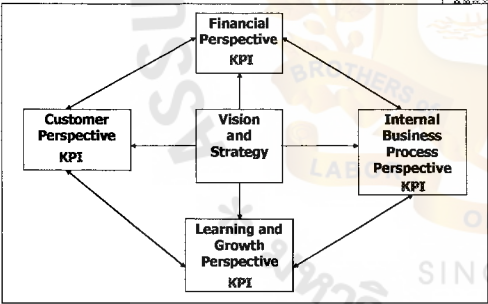
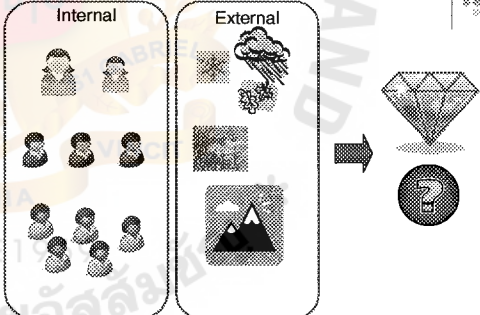
### Organization Direction Management

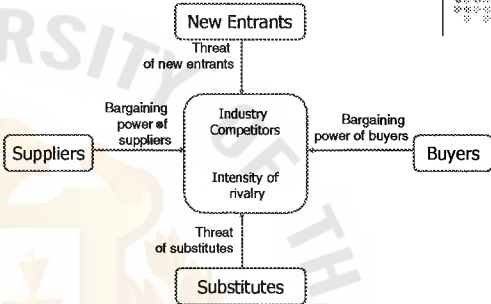
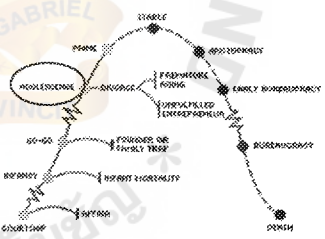


Source: Wattana Wongkietrat and Team, 2003



<p><b>ความหมายของวิสัยทัศน์ Vision</b></p> <ul style="list-style-type: none"> <li>• A Picture of the Future ภาพขององค์กรในอนาคต</li> <li>• A broad comprehensive picture of what a leader wants an organization to become ภาพกว้างๆที่ผู้นำในหน่วยงานปรารถนาให้องค์การไปสู่</li> <li>• Concept for a new and desirable future reality that can be communicated through out the organization แนวคิดหรือมุมมองใหม่เกี่ยวกับสถานภาพองค์กรที่พึงปรารถนาในอนาคตซึ่งสามารถสื่อสารให้เกิดความเข้าใจทั่วทั้งองค์กร</li> </ul>	<p><b>“Vision of Success”</b></p> <ul style="list-style-type: none"> <li>• What organization should look like as it successfully implements its strategies and achieves its full potential?</li> <li>• A Vision Statement Describes What the Organization Would Like to Become. <ul style="list-style-type: none"> <li>✧ What will we be ?</li> <li>✧ Where will we be ?</li> </ul> </li> <li>• Vision statement should be simple, communicative, commitment, long lasting, challenging but realistic or achievable</li> </ul>
<p><b>ความหมายของพันธกิจ Mission</b></p> <ul style="list-style-type: none"> <li>• A statement of what the various organizational units do and what they hope to accomplish in alignment with the organization vision</li> <li>• ข้อความที่กำหนดถึงภารกิจที่องค์กรมุ่งหวังจะกระทำให้เกิดผลสำเร็จตามวิสัยทัศน์ที่องค์กรมีอยู่</li> </ul>	<p><b>Sample</b></p> <ul style="list-style-type: none"> <li>• วิสัยทัศน์ <ul style="list-style-type: none"> <li>✧ จะก้าวไปอย่างไรไม่หยุดยั้ง เพื่อให้เป็นผู้นำในตลาด</li> </ul> </li> <li>• พันธกิจ <ul style="list-style-type: none"> <li>✧ จะนำความงดงามมาให้กับสตรีทั่วโลก</li> </ul> </li> <li>• คุณค่า <ul style="list-style-type: none"> <li>✧ ซื่อสัตย์ สร้างสรรค์ ให้โอกาสเท่าเทียม และเป็นเลิศ</li> </ul> </li> <li>• กลยุทธ์ <ul style="list-style-type: none"> <li>✧ เพิ่มนวัตกรรมเจาะกลุ่มเป้าหมายเฉพาะ</li> </ul> </li> </ul>
<p><b>Sample 1 : Harley Davidson’s Vision and Mission</b></p> <p><b>Vision :</b> “Harley Davidson, Inc. is an action-oriented, international company, a leader in its commitment to continuously improve our mutually beneficial relationships with stakeholders [customers, suppliers, employees, shareholders, governments and society.]</p> <p>We believe the key to success is to balance stakeholders’ interests through the empowerment of all employees to focus on value-added activities.”</p> <p><b>Mission</b> “ We fulfill dreams through the experience of motorcycling , by providing to motorcyclists and to the general public an expanding line of motorcycles and branded products and services in selected market segments.”</p>	<p><b>Sample 2 : พันธกิจของธนาคารไทยพาณิชย์ [Siam Commercial Bank’s Mission]</b></p> <p>“ เรามุ่งมั่นที่จะเป็นธนาคารที่ให้บริการครบวงจรชั้นนำของประเทศ มีความแข็งแกร่งทางการเงิน มีสมรรถภาพระดับสากลในการให้บริการ ลูกค้าทุกกลุ่ม มีผลิตภัณฑ์ทางการเงินที่สำคัญครบถ้วน... ด้วยการทำงานเป็นทีมเดียวกันของกลุ่มการเงินไทยพาณิชย์ ”</p>
<p><b>กลยุทธ์ระดับองค์กรหรือบริษัท Corporate strategy</b></p> <ul style="list-style-type: none"> <li>• กำหนดกลยุทธ์ระยะยาวและโดยรวมขององค์กร เป็นการตัดสินใจของผู้บริหารระดับสูงและคณะกรรมการองค์กร เน้นพิจารณาถึงนโยบาย กระบวนการวางแผนที่เกี่ยวข้องกับการบริหารและการดำเนินงานของหน่วยธุรกิจ จุดมุ่งหมายขององค์กร วิธีการกำหนดผลิตภัณฑ์/บริการ ทรัพยากรที่จะใช้ในแต่ละกลุ่ม วิธีการเลือกธุรกิจ และวางแผนพื้นฐานของธุรกิจ</li> <li>• ทางเลือกของกลยุทธ์ 3 แบบ <ol style="list-style-type: none"> <li>1. กลยุทธ์การเจริญเติบโต (Growth Strategy)</li> <li>2. กลยุทธ์เติบโตแบบคงที่ (Stable Growth Strategy)</li> <li>3. กลยุทธ์ถดถอย (Retrenchment Strategy)</li> </ol> </li> </ul>	<p><b>กลยุทธ์ทางเลือกระดับองค์กร/บริษัท Corporate strategy</b></p> <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p><b>กลยุทธ์เจริญเติบโต Growth Strategy</b></p> <p><b>กลยุทธ์เติบโตแบบคงที่ Stable Growth Strategy</b></p> <p><b>กลยุทธ์ถดถอย Retrenchment Strategy</b></p> </div> </div>

<p style="text-align: center;"><b>กลยุทธ์ระดับธุรกิจ</b> <b>Business strategy</b></p> <ul style="list-style-type: none"> <li>• การตัดสินใจเพื่อหาหนทางดำเนินธุรกิจ ปรับปรุงพัฒนาการแข่งขันให้อยู่ในตำแหน่งที่ดีขึ้นในอุตสาหกรรม สร้างความพึงพอใจได้มากกว่าคู่แข่ง</li> <li>• ทางเลือกของกลยุทธ์ 3 แบบ คือ             <ol style="list-style-type: none"> <li>1. การเป็นผู้นำทางด้านต้นทุน (Overall Cost Leadership)</li> <li>2. การสร้างความแตกต่าง (Differentiation)</li> <li>3. การจำกัดขอบเขตที่สนใจ (Focus)</li> </ol> </li> </ul>	<p style="text-align: center;"><b>กลยุทธ์ระดับหน้าที่</b> <b>Functional Strategy</b></p> <ul style="list-style-type: none"> <li>• เน้นพัฒนา นวัตกรรมมาใช้เพื่อให้เกิดประโยชน์สูงสุดตามหน้าที่ขององค์กร</li> <li>• ทางเลือกของกลยุทธ์ 5 แบบ คือ             <ol style="list-style-type: none"> <li>1. กลยุทธ์ทางการตลาด (Marketing Strategies)</li> <li>2. กลยุทธ์ทางการเงิน (Financial Strategies)</li> <li>3. กลยุทธ์การผลิต (Production Strategies)</li> <li>4. กลยุทธ์การบริหารทรัพยากรมนุษย์ (HRM Strategies)</li> <li>5. กลยุทธ์ในการวิจัยและพัฒนา (R&amp;D Strategies)</li> </ol> </li> </ul>
<p style="text-align: center;"><b>KPIs : Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• The key indicators are used to determine just how to integrate the information into your business plan</li> <li>• ตัวชี้วัดหลักของผลการดำเนินงาน เป็นเครื่องมือสำคัญที่บ่งบอกถึงข้อมูลที่แสดงสถานะที่เป็นจริงขององค์กรในปัจจุบัน เพื่อประโยชน์ในการกำกับตรวจสอบการดำเนินการตามแผนที่กำหนด</li> </ul>	<p style="text-align: center;"><b>คำจำกัดความของ KPI</b> <b>(Definition of KPI)</b></p> <ul style="list-style-type: none"> <li>• ตัวชี้วัดทุกตัว ควรมีการให้คำจำกัดความ หรือการอธิบายความหมายของตัวชี้วัดดังกล่าว</li> <li>• ตัวอย่าง 1: ร้อยละของสินค้าที่ถูกดักกลับ หมายถึง สัดส่วนของสินค้าที่ส่งออกและถูกดักกลับจากผู้ส่งสินค้าเนื่องจากปัญหาด้านคุณภาพ โดยคำนวณเป็นร้อยละ</li> <li>• ตัวอย่าง 2: ร้อยละการลดลงของเรื่องร้องเรียน หมายถึง จำนวนเรื่องร้องเรียนที่ได้รับจากผู้ให้บริการที่มีในปัจจุบัน เปรียบเทียบกับปีที่ผ่านมา โดยคำนวณเป็นร้อยละ</li> </ul>
 <p style="text-align: center;">Source: Davig, Elbert, and Brown (2004), page 20.</p>	<p style="text-align: center;"><b>การวิเคราะห์สภาพแวดล้อมขององค์กร</b> <b>Environmental Scanning</b></p> 
<p style="text-align: center;"><b>SWOT Analysis</b></p> <ul style="list-style-type: none"> <li>• Strength จุดแข็ง</li> <li>• Weakness จุดอ่อน</li> <li>• Opportunity โอกาส</li> <li>• Threat ภาวะคุกคาม</li> </ul>	<p><b>จุดแข็ง (Strengths) และ จุดอ่อน (Weaknesses)</b></p> <ul style="list-style-type: none"> <li>• การวิเคราะห์สภาพแวดล้อมภายในศึกษาจุดแข็งและจุดอ่อนขององค์กรที่อยู่ภายในองค์กร</li> <li>• โดยมองจาก             <ul style="list-style-type: none"> <li>✧ องค์ประกอบของการจัดการ</li> <li>✧ Man ความรู้ ทักษะ ทัศนคติ</li> <li>✧ Money ความเพียงพอ สภาพคล่อง</li> <li>✧ Material ความเพียงพอ ความทันสมัย คุณภาพ</li> <li>✧ Management วิสัยทัศน์ ความเป็นผู้นำ การประสานงาน ระบบงาน ระเบียบ กฎเกณฑ์ปฏิบัติ</li> </ul> </li> <li>• พิจารณาจุดอ่อนจุดแข็งของ Output (Price / Place / Product / Promotion)</li> </ul>

<p><b>โอกาส (Opportunities) และ ภาวะคุกคาม (Treats)</b></p> <ul style="list-style-type: none"> <li>การวิเคราะห์สภาพแวดล้อมภายนอก ศึกษาปัจจัยด้านโอกาส และภาวะคุกคาม โดยศึกษาจากสภาพแวดล้อมภายนอก 2 ประเภท             <ol style="list-style-type: none"> <li>สภาพแวดล้อมของงาน (Task Environment) ถูกกระทบหรือกระทบโดยตรงต่อการดำเนินการขององค์กร</li> <li>สภาพแวดล้อมโดยทั่วไป (General Environment) มีอิทธิพลต่อการตัดสินใจในระยะยาวขององค์กร</li> </ol> </li> </ul>	<p><b>สภาพแวดล้อมของงาน (Task Environment)</b></p> <p>การวิเคราะห์สภาพการแข่งขันและความร่วมมือด้วย <u>The Five Competitive Forces</u> ของ <u>Michael E. Porter</u></p> <ul style="list-style-type: none"> <li>Industry Competition : Rivalry among existing firms</li> <li>Potential Entrants : Threats of new entrants</li> <li>Substitutes : Threats of substitute products/services</li> <li>Buyers : Bargaining power of buyers (Opportunities from new markets)</li> <li>Suppliers : Bargaining power of suppliers (Opportunities from new sources)</li> </ul>
<p><b>สภาพแวดล้อมของงาน (Task Environment)</b></p> <p>Five Competitive Forces ช่วยให้้องค์กรสามารถกำหนดกลุ่ม กลยุทธ์เป็น 2 กลุ่ม</p> <ol style="list-style-type: none"> <li>กลุ่มที่เป็นความร่วมมือได้แก่ ลูกค้า (Buyers) กับ ผู้ค้า (Suppliers)</li> <li>กลุ่มที่เป็นการแข่งขัน ได้แก่ คู่แข่งขันปัจจุบัน (Industry Competition) คู่แข่งขันใหม่ (Potential Entrants) และสิ่งทดแทน (Substitutes)</li> </ol>	<p><b>The Five Competitive Forces ของ Michael E. Porter</b></p> 
<p><b>สภาพแวดล้อมโดยทั่วไป (General Environment)</b></p> <p>ปัจจัยที่มีอิทธิพลต่อการตัดสินใจในระยะยาวขององค์กร ได้แก่</p> <p><b>PEST Analysis</b></p> <ul style="list-style-type: none"> <li>การเมือง (Political Component)</li> <li>เศรษฐกิจ (Economic Component)</li> <li>สังคมวัฒนธรรม (Sociocultural Component)</li> <li>เทคโนโลยี (Technological Component)</li> </ul>	<p><b>Corporate Life Cycle</b></p>  <p>ADIZES, 2004</p>

## Appendix H: Reliability Statistics

### Reliability Statistics

Cronbach's Alpha	N of Items
.931	39

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
My level of understanding about corporate strategic direction is very high.	134.8500	415.924	.424	.930
I am very confident that I can explain the meaning of corporate strategic direction clearly.	134.9000	419.253	.386	.930
I think our company should have strategic direction.	133.0000	433.684	.094	.932
Having strategic direction in our company can help me perform better at my task.	133.3000	420.221	.481	.929
I know and I can explain clearly our company's vision and mission.	134.2500	433.250	.044	.933
My boss always describes and explains to subordinates about the company's goal.	134.4000	385.095	.883	.924
Everyone in this company is working to achieve the same company's goal.	133.8000	422.800	.285	.931
I think company's goal is achievable.	133.6000	423.200	.279	.931
My boss always explains and describes about the company's news and information to subordinates.	134.5000	405.211	.599	.928
I know and I understand nature and business environment of my company very well.	133.9000	410.832	.539	.929
I know and I can explain current situation of my company very well.	134.1500	412.239	.509	.929
I know and I can explain why customers choose to do business with my company.	133.5500	424.787	.338	.930
With clearer company's goal, I can make faster and better decision.	133.6000	427.621	.263	.931
With clearer company's goal, I can perform better at my job	133.5000	418.474	.518	.929
I feel like being an important part of company that can help the company achieve its goal.	133.6000	418.568	.478	.929
I understand why my company needs to evaluate company performance.	133.6500	420.134	.346	.930
My company has clear criteria for evaluating company performance.	134.8000	418.168	.420	.930

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I think everyone should involve in creating company direction.	133.1000	435.779	-.015	.933
I think I have the right to determine company's goal.	134.1000	421.884	.320	.931
I can freely participate in suggestion idea regarding to company's management and direction.	134.1000	407.989	.577	.928
My boss listens to employees' opinion before decision-making all the time.	134.4000	392.989	.805	.925
My boss always encourages everyone to participate in suggestion and expression idea in many issues all the time.	134.3500	401.187	.735	.926
When I have good ideas, my boss always makes use of them.	134.1500	420.555	.302	.931
I can make decision freely without my boss influencing me.	134.9500	436.155	-.026	.933
I can participate in decision making about planning, policy, and important plan for the company.	134.5000	406.895	.613	.928
I think my boss always respect subordinate's decision.	134.2500	397.671	.736	.926
Participation in company decision makes me feel like being an important part of company.	134.0000	399.579	.705	.927
Participation in company decision makes me perform better at my job.	133.5000	419.737	.528	.929
I want to participate in planning for changes or developments in the company.	133.8000	431.958	.090	.932
I eagerly come to work everyday.	133.6000	407.937	.692	.927
I always work actively at this company.	133.5000	417.000	.622	.928
I feel very comfortable working at this company.	133.7500	406.197	.699	.927
I am very satisfied with my workplace.	134.2500	409.671	.529	.929
I think communication in this company is generally honest, open and candid.	134.6000	408.674	.508	.929
My manager respects me as a person and values the work I do.	134.0000	397.579	.777	.926
My manager treats subordinates fairly.	134.1500	400.766	.686	.927
I feel comfortable telling truth to my manager.	133.8000	410.800	.610	.928
I feel comfortable telling truth to my colleague.	133.4500	424.997	.331	.930
Overall, I am very satisfied with my current job.	133.3500	405.187	.851	.926