

Executive Summary

The aim of the report is to provide a deeper understanding of Spic & Span's (SNS) management challenge. To provide a solution, there was more to study on especially on the internal processes of SNS after much study of the problem statement from the previous assignment. To focus on the issue and bring a possibility of future developments, the research question highly relevant to SNS is formulated: *“What employee management strategies should SNS adopt to prepare the capabilities of its workforce to be competent and adaptable at the industry level, when the ever changing landscape can pose a threat to its strategic goals?”*

The discussion is followed with the literature review of three major topics - Employee Management Strategies, Capabilities of Workforce, and Changing Landscape of the Industry. The first topic shows the importance of having an appropriate employee management strategy. The second topic shows the threat to SNS, as a social enterprise, if the capabilities remain stagnant. The third topic shows the way automation can replace the workforce as a power of business landscape, and the relevance of training the workforce to adjust to this accordingly.

The two theoretical models used are the McKinsey 7-S and Balanced Scorecard (BSC). The synergy of the two frameworks created a clear direction of how SNS should be heading after designing the hard and soft processes. The McKinsey 7-S showed that knowing how to work the 7 elements in harmony will be beneficial for SNS, as they can be used to address the problems shown in the research question. The BSC showed that the organisation's priority will have an impact on their goals, and it is dependent on their current goal that they may choose to focus on the customer perspective as the main priority.

This report will provide SNS with a clearer understanding of their issues identified from the previous report. The literature review and theoretical models will create a research approach to the research question, providing them with competitive advantage.

Introduction

The report is the continuation of the analysis of Spic & Span (SNS) with more depth towards the hard and soft processes in the organisation. The first report had the Macro-Environment Analysis conducted using the PESTEL (Political, Economic, Social, Technological, Ecological, Legal) Framework, an Industry Analysis conducted using the Porter's competitive five forces framework, and an Internal Analysis conducted using the VRIO (Valuable, Rarity, Inimitability, Organisation) framework. The strength, weakness, opportunities and threats of Spic & Span were developed from the analysis. It showed the issues that SNS are facing, and a problem statement was created. These issues were centered around manpower and the requirements of them in the future.

This report will provide the understanding of the situation with more depth, along with a solution to the problem. It will start with more research on the topics from the problem statement, which is then formulated into a research question. A literature review will be used for a discussion on the concerning topics, where it will finally be resolved by introducing two analytical tools - McKinsey 7-S and BSC. The two analytical tools will provide guidance towards the designing of the hard and soft processes of SNS, will all these resulting from a research approach.

Management Challenge

The previous assignment revealed a string of issues surrounding SNS's potential inability to cope in the cleaning industry moving forward. The three main issues identified are the rise of automation, working at a disadvantage among competition in the cleaning industry, and being sustainable as a social enterprise.

With the 3 issues presented, it will be easier to see how it affects SNS. The 3 issues affects the severity of the other to a certain extent, such as being unable to compete strongly in the industry would mean being less sustainable.

I have identified a problem statement that highlights mainly a manpower issue that SNS currently faces and which could grow to become a more severe problem when the industry experience changes in the future. It would be wise to react on the issue as the changes such as automation were anticipated.

The problem statement from the previous assignment was:

”Spic & Span struggles to attract workers to join its organisation as the cleaning industry is less attractive to potential workers. And when automation takes over, the workers may not be sufficiently equipped to do higher-skill jobs.”

Singapore aims to have the workers in the cleaning sector to possess skills that are relevant to the rise of automation by 2025 (Channel NewsAsia 2017). This leaves SNS with five years to recruit and train their workers to be competent in working in an environment where automation dominates. Being unable to keep up with the times can be disheartening for the workers, but it is necessary for the organisation to rectify these issues (Tan 2019). This is reliant on how SNS train their workers in preparation for an environment of automation as well as future changes.

With more than 1,400 registered cleaning organisations in Singapore (NEA 2020), there are a lot of options for the clients to choose from. As SNS is a social enterprise, they are operating at a disadvantage such as having a smaller pool of workers to hire from. These workers are of disadvantaged backgrounds, which may project the image of incompetency on the job due to social stigma (Maxwell & Rotz 2017). This issue will test on how SNS can train these workers to be of industry standards, or if they already are, then how could SNS show to the clients and potential clients that their workers are of industry standards.

Even as a social enterprise, SNS is still a business and would likely face conflicting objectives of profiteering and achieving their social impact (Ladstaetter, Plank & Hemetsberger 2018). Social enterprises should earn profits just like traditional business, the crucial difference is what is done with the profits (Chang 2018). A social enterprise such as SNS may use these profits to benefit their workers in a way to make the job easier or more rewarding.

Knowing the challenges of an organisation will give an opportunity for them to overcome it in a more objective manner (Sveen, Rich & Jager 2007). This assignment places more emphasis on understanding the internal problems in the company, and using an approach to possibly solve the management challenge. The organisational processes of SNS needs to be reviewed for it to overcome the management challenge. If SNS fails to overcome the challenge, it will likely suffer from lack of clients and eventually scale down or the business may be extinct. If SNS managed to overcome the challenge, it will be sustainable and competent in

the market. However, the success could not replace complacency as it needs to regularly review its performance in order to remain in the industry.

Research Question

A research question is used for understanding the management challenge, which is focused on a specific issue (Collis & Hussey 2014). This research question highlights the main course of action and main problem that is faced by SNS:

“What employee management strategies should SNS adopt to prepare the capabilities of its workforce to be competent and adaptable at the industry level, when the ever changing landscape can pose a threat to its strategic goals? ”

Since SNS differentiates themselves as a social enterprise that hires disadvantaged workers, this research question brings back the focus to their workforce. This research question is capable of pushing future developments of the factors (Lee & Lings 2008).

Literature Review

The literature review provides the writer with functional information drawn from previous studies (Baker 2016). From the research question, it shows focus on three major topics - Employee Management Strategies, Capabilities of Workforce, and Changing Landscape of the Industry. This helps to create a good foundation on the topic prior to a conclusion (Arshed & Danson 2015).

Employee Management Strategies

Employee management strategies are used in all organisations, which RMIT can choose the best to deploy in accordance to their goal (Johnson, Scholes & Whittington 2008). IT solutions used for the Human Resources Management (HRM) are seen to be effective as it helps make fair decisions (Aneta 2019). For a social enterprise, SNS could benefit from the use of IT solutions since it can track performance, engage employees, and make the overall HR system more

efficient. It is highly relevant to the BSC as these include learning and development, training needs analysis, and follow-up measures on the progress.

It is beneficial for the organisation to facilitate talent management as it enables the organisation to create new development opportunities (Aneta 2019). The human resource policy can be skewed to nurture behaviour and skills. With this in mind, SNS will stand to gain from concentrating on employee management as it will not only strengthen and retain their workforce, but also bring the business to greater heights.

Capabilities of Workforce

In an article by Banks et al. (2018), it is mentioned that the allocation of resources towards worker health and well-being have gained traction among organisation management as it will benefit the financial performance of the business. This was mentioned earlier on that it is important for a social enterprise to decide on what to use its profits on, and it will be a win-win situation for SNS to reinvest in their workers since it will satisfy both goals of profiting and making social impact.

Social enterprises tend to use their profit to address social concerns such as providing solutions for disadvantage groups in the society (Cornelius & Wallace 2013). SNS has addressed a social concern by hiring disadvantaged workers, and therefore can use the resources to improve the capabilities of their workforce as an employee management strategy.

Since the design of technological advancement is mostly causing unemployment (Lăzăroiu 2017), all the more it is critical for SNS to concentrate on retaining its workforce as losing them means losing their social impact. While SNS is no stranger to using technology as it helps a business by increasing performance, increasing revenue, reducing cost, and improving product delivery time (Gaimon, Özkan & Napoleon 2011), they need to balance the two entities due to their complexity as a social enterprise.

Changing Landscape of the Industry

As shown in Weaver et al. (2018), businesses need to regularly conduct a review of their position in the market as there may be emergent of new opportunities and

threats. Currently, the anticipated change that can affect SNS in the way they operate is automation, which is competed by having a capable workforce.

For workers in the services and manufacturing industry, they are highly replaceable by artificial intelligence (AI) and robots which are built for laborious work (Berg, Buffie & Zanna 2018). AI has no problems learning the simpler tasks done by humans (Goos, 2018).

In an article by Popescu et al. (2018), it is explained that technology is currently incapable of learning complex skills and that humans are more productive in these tasks which requires a certain degree of adjustments. Therefore, SNS should work towards identifying the certain irreplaceable skills of the human that is relevant to the cleaning industry and equip their workforce with it. It is important to note that the landscape may change, a new opportunity or threat will come, and the organisation needs to adapt accordingly.

Conclusion of Literature Review

This literature review gave insight to SNS as it addresses the research question. By understanding the use of employee management strategies, the science behind increasing capabilities of their workforce, and implications of a changing industry landscape, the organisation can work and design their processes to complement the knowledge.

Theoretical Models

The soft and hard processes of SNS will be discussed in the McKinsey 7-S Framework and Balanced Scorecard (BSC). The two models are used for their ability to synchronise processes in an organisation (Johnson, Scholes & Whittington 2008). SNS can build a sustainable competitive advantage by using the models.

McKinsey 7-S Framework

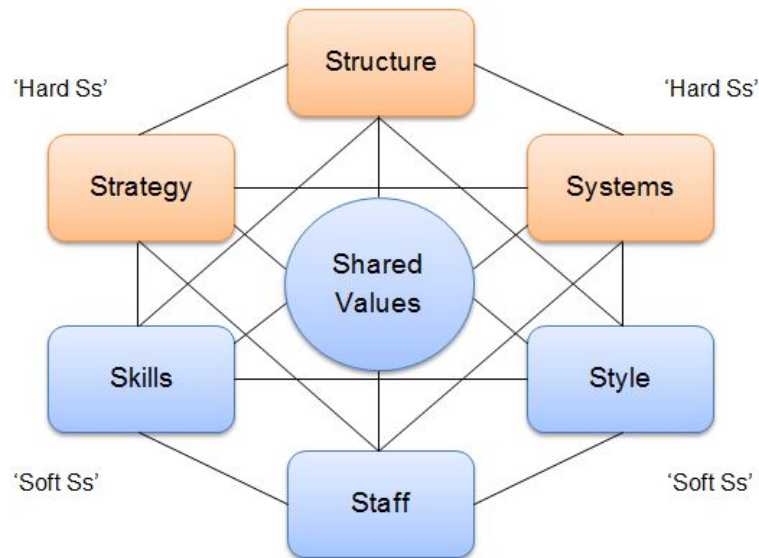


Figure 1. McKinsey 7-S Framework (Source: Strategicmanagementinsight)

The McKinsey 7-S allows the organisation to build a connection between their strategic resources to help achieve its strategic goals (Cox, Pinfield & Rutter 2019). The seven elements in the framework are - Strategy, Structure, Systems, Style, Staff, Skills, and Shared Values, where the first three are hard processes and the last four are soft processes (Waterman, Peters & Phillips 1980). By having the 7 elements working in harmony, it helps the organisation become successful (Kaplan 2005), which will be the objective that SNS should achieve for it to solve its management challenge as shown in the research question. The systems and staff elements have the most effect on the employee management strategies issue from the literature review.

Being a social enterprise, SNS needs to be careful on building the connections in a way that it does not diminish its shared values. The three factors to look out for are staff, structure, and systems, since they are related closely to the issue of workforce.

There were mixed opinions on the effectiveness of the McKinsey 7-S, particularly on the variables used (Mateja 2016). For the analysis of SNS, the McKinsey 7-S would be sufficient as it is suitable for the objective of analysing an organisation's position (UCC 2013). Through recognising the significance of the effect that the hard and soft processes have on each other, SNS can work to have the 7 processes be in harmony.

Balanced Scorecard

The Four Perspectives in More Detail

Perspective	Focus	Example KPIs
Financial	Financial Performance	ROI Operating Margin
Customer	Customer Satisfaction	Level of returns Service rating
Internal Processes	Business Efficiency	New product lead time Unit costs
Organisational Capacity	Knowledge & Innovation	Employee retention Flow of NPD ideas

tutor2u

Figure 2. Balanced Scorecard (Source: tutor2u)

As a performance metric, the BSC aids in strategic management of the organisation to achieve its long-term vision and goals (Rahman, Musahadi & Heny 2019). The focus is on improving the internal processes of the organisation to provide desired outcomes, which is measured and used to provide feedback (Kaplan 2009). The management of SNS reviews the feedback to make the next move for the organisation. For a BSC to be successful, the different functions of an organisation need to work holistically (Papenhausen & Walter 2006).

The BSC aids in prioritising the needs of an organisation's stakeholders and provides updates on the performance (Madsen, Dag & Stenhiem 2014). It attains objectives, measurements, initiative, and targets, which is achieved through analysis of four performance factors by order of increasing importance which are innovation/learning, business processes and growth, customer, and finance (Kaplan 2009). This makes it easier for SNS to identify its issues and to solve it through strategic initiatives. Since automation is being introduced progressively, SNS will have to actively review the BSC to know if the goals are achievable.

As mentioned in Weaver et al. (2018), a social enterprise has to carefully balance between the amount of profit and social impact by the business design. Therefore, it is recommended that SNS place the customer factor above the finance factor if it needs to realign its goals to be more socially impacted.

Conclusion of Theoretical Models

The BSC's factors are in line with McKinsey 7-S's factors, which enhances the use of the framework (Kaplan 2005). The combination of using the two framework led to a satisfaction of the multi-dimensional issue. Most importantly it addresses the hard and soft processes of SNS, meeting its need for solving the management challenge and the direction for its execution, leading to strategic success.

Conclusion

SNS needs to retain and focus on improving on the skills of the workforce, which is done most effectively through employee management strategies. The hard and soft processes of the organisation have to be designed based on the current situation of the industry landscape. The current threat to the workforce is automation, and the way to tackle this problem is through its hard and soft processes.

The management challenge created good topics for discussion as it was for a social enterprise which needs to prepare itself for future events that can affect the business. Exploring these topics will deliver a vision for SNS to decide on its course of action to remain competitive. The research question provided a better frame to handle the challenge.

The literature review gave insights on the three topics, which can be seen to have a relationship. Learning from previous studies provides a credible report for SNS, drawing experiences from people of various expertise. It will be easier to design its processes.

Using the two models, it helps to create a solution for SNS. The 7-S creates a system for SNS to follow in order to align to its core as a social enterprise. The BSC allows SNS to consider the best actions to take to achieve its goals. Due to the common features between the 7 elements and 4 perspectives, it is easier to maintain its systems to be aligned to its goals.

This report empowered SNS by giving crucial knowledge on its management challenge and how to resolve in a way that they can follow a structure. It will still be relevant to a certain extent when the industry landscape changes, because of the foundation that provides the guidance.

References

Aneta, K 2019, 'IT Tools Supporting Employee Management in a High-Tech Enterprise', *Applied Computer Science*, vol. 15, no. 1, pp. 95-103.

Arshed, N & Danson, M 2015, 'The Literature Review', in O'Gorman, K & MacIntosh, R, *Research Methods for Business & Management*, 2nd edn, *Goodfellow Publishers Ltd, Oxford*, pp. 31-49.

Baker, JD 2016, 'The Purpose, Process, and Methods of Writing a Literature Review', *AORN Journal*, vol. 103, no. 3, pp. 265-269.

Banks, C, Robertson, M, Gebhardt, D, Rempel, D, Mosier, K, Larson, N & McGowan, B 2018, 'Enhancing Worker Capability Through HFE: Evidence Management Can Understand', *Proceedings of the Human Factors and Ergonomics Society Annual Meeting*, vol. 62, no. 1, pp. 767-771.

Berg, A, Buffie, E F & Zanna, L F 2018, 'Should We Fear the Robot Revolution? (The Correct Answer Is Yes)', *Journal of Monetary Economics*, vol. 97, pp. 117–148.

Chang, J 2018, 'Understanding the role of social entrepreneurship in Singapore', viewed 11 March 2020,
<<https://www.todayonline.com/commentary/need-virtuous-social-entrepreneurship>>

Channel NewsAsia 2017, '30,000 workers in cleaning, waste management sectors to be trained in higher-skilled jobs by 2025', viewed 11 March 2020,
<<https://www.channelnewsasia.com/news/singapore/30-000-workers-in-cleaning-waste-management-sectors-to-be-9488204>>

Collis, J & Hussey, R 2014, *Business Research: A Practical Guide for Undergraduate and Postgraduate Students*, Palgrave Macmillan Higher Education, London, UK.

Cornelius, N & Wallace, J 2013, 'Capabilities, urban unrest and social enterprise', *International Journal of Public Sector Management*, vol. 26, no. 3, pp. 232-249.

Cox, A, Pinfield, S & Rutter, S 2019, 'Extending McKinsey's 7S model to understand strategic alignment in academic libraries', *Library Management*, vol. 40, no. 5, pp. 313-326.

Gaimon, C, Özkan, G & Napoleon, K 2011, 'Dynamic Resource Capabilities: Managing Workforce Knowledge with a Technology Upgrade', *Organization Science*, vol. 22, no. 6, pp. 1560-1578.

Goos, M 2018, 'The Impact of Technological Progress on Labour Markets: Policy Challenges', *Oxford Review of Economic Policy*, vol. 34, no. 3, pp. 362–375.

Johnson, G, Scholes, K & Whittington, R 2008, *Exploring Strategy*, Pearson, UK.

Kaplan, R 2005, 'How the balanced scorecard complements the McKinsey 7-S model', *Strategy & Leadership*, vol. 33, no. 3, pp. 41-46.

Kaplan, R 2009, 'Conceptual Foundations of the Balanced Scorecard', *Handbooks of Management Accounting Research*, vol. 3, pp. 1253–1269.

Ladstaetter, F, Plank, A, & Hemetsberger, A 2018, 'The merits and limits of making do: Bricolage and breakdowns in a social enterprise', *Entrepreneurship & Regional Development*, vol. 30, no. 3-4, pp. 283-309.

Lăzăroiu, G 2017, 'Is There an Absence of Capability in Sustainable Development in Universities?', *Educational Philosophy and Theory*, vol. 49, no. 14, pp. 1305–1308.

Lee, N & Lings, I 2008, *Doing Business Research: A Guide to Theory and Practice*, SAGE Publications, London, UK.

Madsen, Dag Øivind, M & Stenheim, Tonny, S 2014, 'Perceived benefits of balanced scorecard implementation: some preliminary evidence', *Problems and Perspectives in Management*, vol. 12, no. 3, pp. 81–90.

Mateja, K 2016, 'Triangulation of theories on the excellence of the McKinsey 7S business model', *Revija Za Univerzalno Odličnost*, vol. 5, no. 4, pp. 360-373.

Maxwell, N & Rotz, L 2017, 'Potential Assistance for Disadvantaged Workers: Employment Social Enterprises', *Journal of Labor Research*, vol. 38, no. 2, pp. 145-168.

National Environment Agency 2020, 'Cleaning Business Licence', viewed 11 March

2020,

<<https://www.nea.gov.sg/our-services/public-cleanliness/cleaning-industry/cleaning-business-licence>>

Papenhausen, C & Walter, E 2006, 'Implementing the Balanced Scorecard at a College of Business', *Measuring Business Excellence*, vol. 10, no. 3, pp. 15–22.

Popescu, G, Petrescu, I, Sabie, O & Muşat, M 2018, 'Labor-Displacing Technological Change and Worldwide Economic Insecurity: How Automation and the Creation of Innovative Tasks Shape Inequality', *Psychosociological Issues in Human Resource Management*, vol. 6, no. 2, pp. 80-85.

Rahman, EJ, Musahadi, M & Heny, Y 2019, 'Balanced Scorecard: Strategy Towards World Class University', *Economica: Jurnal Ekonomi Islam*, vol. 10, no. 1, pp. 87-116.

Sveen, F, Rich, O & Jager, E 2007, 'Overcoming organizational challenges to secure knowledge management', *Information Systems Frontiers*, vol.9, no. 5, pp. 481-492.

Tan, S 2019, 'Future-Proofing the Cleaning Industry in Singapore', *Whatsnextcw*, viewed 11 March 2020,
<<https://www.whatsnextcw.com/future-proofing-the-cleaning-industry-in-singapore/>>

UCC 2013, 'Strategic plan for Information Services 2013-2017', *University College Cork: Cork*, viewed 11 March 2020,
<<https://www.ucc.ie/en/media/support/information/services/planning/UCCISStrategicPlan2013-2017Final221214.pdf>>

Waterman, RH, Peters, TJ & Phillips, JR 1980, 'Structure is not organization', *Business horizons*, pp. 14-26.

Weaver, M, Crossan, K, Tan, H & Paxton, S 2018, 'A systems approach to understanding the perspectives in the changing landscape of responsible business in Scotland', *European Journal of Operational Research*, vol. 268, no. 3, pp. 1149-1167.

Appendixes

Feedback response of Assignment 1 (500 Words)

The first assignment was aimed to identify the causes for organisational challenges faced by SNS, with the ultimate objective to boost their competitive advantage. To understand SNS's standing in the Singapore's cleaning industry, external, industry, and internal analysis were conducted using frameworks. PESTEL was used for the external analysis, Michael Porter's Five Forces was used for the industry analysis, and VRIO was used for the internal analysis.

The information from the three analysis will be used for a SWOT analysis, providing SNS with a clear view of their strengths, weaknesses, opportunities, and threats. With the analysis done, a problem statement to address the issue was made - *"Spic & Span struggles to attract workers to join its organisation as the cleaning industry is less attractive to potential workers. And when automation takes over, the workers may not be sufficiently equipped to do higher-skill jobs."* With this problem statement, it will be the main concern that the research question will address in this assignment.

In my first assignment, i have received feedback that can help me to write better for this assignment. Some of the aspects to improve on are to explain the reasons for doing the external analysis, internal analysis, and for choosing the framework for my analysis. I needed to emphasise the strengths that I had found as much as i had studied the weaknesses. The linkage between my crucial findings and problem statement was weak, and therefore needed refinement in order to establish a strong overall report.

It was suggested that I should include more scholarly articles in my report to demonstrate analytical writing. This will establish my writing credibility when using the theories in my report since it shows the ability to integrate academic literature. As i will be likely to include new frameworks in this report, the amount of scholarly articles to be used will be increased. As mentioned in the feedback, i will need to explain my reason for choosing to use the new frameworks and for not choosing the frameworks i will not be using for the analysis.

The executive summary can be used to my advantage by writing well to show my understanding of the findings and the objectives of the report. Overall, the presentation of my information can be improved by making use of tools such as graphs, figures, and tables, to make it easier for the reader to process.

Doing literature review will be a large part of this assignment, and from it, to satisfy the objective of suggesting solutions for the management challenge while supporting the rationale for using the research approach.

This assignment will be different from the previous as it will require deeper exploration into theory and scholarly research. I will need to be more clear in the use of my theories along with support from scholarly articles, by relating it to my research question which will be created in this assignment. This will result in a comprehensive report that provides the reader with stronger understanding of the issue discussed.

<https://www.studocu.com/en-au/document/royal-melbourne-institute-of-technology/management-in-practice/assignments/assignment-2-py-65100/5850666/view>