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Strategy and Structure: A Call for Human Resource Management

A Case Study of Entanglement franchising system in
The United Kingdom

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Abstract

Globalization reveals the growing interconnection of societies and organizations in the world. In logistic franchising, for instance, IT is the vital tool for supporting networks of suppliers and customers. However, it is difficult to handle structural issues in these networks. In the systems scientists world many systems support supply chain and customer relationship management. Except for payroll and other individual input in the system, there are few specific systems, which support “humans” in an organization. What conditions are necessary to encourage development of human resource management in organizations? Understanding was created through an investigation of relevant theoretical views and through observation and interviews of participants. Unless individuals are put in focus by management the enterprise easily turns into a gamble.



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Preface

This Master thesis has been very instructive and completed all the years of studies in the subject.

I would like to take this opportunity and thank my supervisor Maria Bergenstjerna, who has supported me all the way throughout this thesis. It has not been easy to write the thesis away from Sweden. However, her patience and support helped me enormously and I am forever thankful. Also would like to thank my examiner Urban Nulden for his support and encouragement.

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I want to thank my family for their support and the encouragement they have given me all this time. Like any other time, thank you for always being there for me.

Finally thanks to all the participants of the case study. Despite the ups and downs I hope this research is to your benefit and I wish you all the best.

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Farahnaz Vahid

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1 Introduction

Globalization is a term vital to society. It has several definitions, it reveals the growing interconnection of societies and organizations. Boundaries are thus losing their significance for everyday behaviour. Furthermore it changes everyday life style in a substantial strength to convince everyone to react and adjust to it in several ways. Multinational organizations experience tremendous pressure due to increasing competition worldwide. Many organizations are therefore adopting more flexible network organizational structures to manage rapid change in the global marketplace. [15].

Many systems support supply chain and customer relationship management. However, aside from payroll and other individual input, no specific systems support “humans” in an organization.

Logistics is another factor driving some organizations. Managing the supply chain model has helped restructure shipping methods thus creating faster inventory turnover and lower prices. Studies confirm that information system with knowledge supply chain is not comparable to the manufacturing supply chain, since knowledge recognition is an insubstantial benefit or service [27].

“Leadership has been poorly understood largely because it is primarily an aesthetic function and aesthetics are also poorly understood. It is one of the four aspects of development identified by Ancient Greek philosophers each of which is separately necessary but all of which, taken together, are sufficient for continuous development. These are the pursuits of truth, plenty, the good, and beauty/fun (aesthetics)”.

Source: [1] - page 2

Moreover, strategic management deals with both internal and external organizational relationships. These relationships or “architectures” are critical to the survival of an organization [30].

According to Bradach in the book Franchise Organizations, “employee” and “franchisee” is a label indicating the relationship between then local operator and chain operator. Franchising is steered by the chain operator. He or she is authorized to influence the franchisees behaviour. However, the authority is limited with few practical sanctions. During his interview with Bradach, Scott Mackey, the director of franchise operations at Pizza Hut warned of the danger of trying to avoid the influence process: “The worst thing you can do is treat a franchisee like an employee. Then they’ll never stop being a problem to you. We treat them like business partners”. ,

Studies show that effective knowledge management could help increase teamwork, knowledge sharing, and communication [17]. Furthermore, organizations are often required to identify key processes relating to their strategic goals and quality attributes significant to those developments [34].

1.1 Approaching the Problem of “Neli”

Information System (IS) and Human Resources (HR) are essential to strategic planning due for the reason that all resources should be measurable. These resources are fundamental to the realization of companies’ strategic objectives.

Top executives must understand that their company is a system that receives resources from the environment [24].

Every business faces a set of competing threats and opportunities. However, the aim of planning is to determine of how the business would eventually dissolve, if it continued with the same behaviour [3].

*“Because development is a matter of learning, one cannot do it for another.
The only kind of development possible is self-development. However, one can facilitate the development of another by encouraging and supporting their learning.*

*Nations must stop acting as though they can solve other nations’ problems.
Nations, like individuals, learn less from the successes of others than from their own mistakes”.*

Source: [4] - Page 6

The investigation started when the directors of “Neli” requested the case study. They requested from the author to come up with suggestion over how they could structure the depot and develop their staff. However, it soon became clear that the issue was more complex. Guidelines that were coming from the head office of the franchise company conflicted with the directors’ instructions. The employees consequently lost interest and motivation.

After several meeting directors changed the case study focus to the actual issue, which needed to be solved. Due to the sensitivity of the material to be presented, Neli’s director requested name changes for both the company and its employees.

Due to complexity of the organizations there are still lacks of knowledge within which are leading to major issues at the company. The author’s aim is to give an understanding and overall view to people on the hierarchy, make them aware of “the whole box and not only inside the box”. It is significant for them to recognize those defective factors in the company since any lack could result to a major weakness of the organization which competitors could use as their benefits. Individuals on the top of the hierarchy need to use all methods and theories available to identify all the weaknesses in the organization. Meanwhile they could focus on the employees’ strength and understand the importance of teamwork.

1.1.1 Research Purpose

This study aims to define the complexities and conflicts relevant in the company “Neli”. One major dilemma is that individuals are looking only inside the box. Nevertheless, to be successful business owners they need to see the whole box. Possible resolutions to those conflicts are also examined.

1.1.2 Question at Issue

What conditions are necessary to encourage development of human resource management in organizations?

- What theoretical views are available?
- How is human resources management handled in reality?

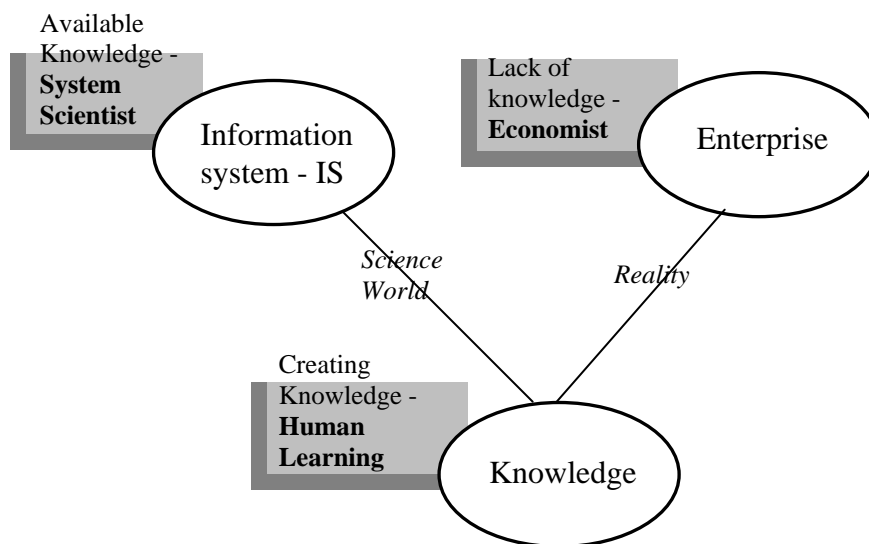


Figure 1: Iteration between real life and the science world. This figure is the inspiration for the question at issue.

1.2 Delimitation

The research has been limited to a franchise company depot based in United Kingdom. Company and employee names have been altered at the company’s request. The company is therefore referred to as “Neli” in this study.

To better understand how “Neli” operates the author researched connections and restrictions that the franchise company had over “Neli”. Due to the organization’s complexity, conclusions are limited to how management could improve its work.

1.3 Thesis Structure

Chapter 1: The problem's scope and the study approach.

Chapter 2: The franchise depot "Neli" and the term supply-chain are introduced.

Chapter 3: Thesis methodology

Chapter 4: Available theories relating to the question at issue

Chapter 5: Empirical findings of the case study.

Chapter 6: Analysis and Discussion are combined in this section.

Chapter 7: A list of references

Chapter 8: Appendix

1.4 Writing a Thesis Away from Sweden

The challenges of writing a thesis away from Sweden include minimal emotional motivation and support, unforeseen delays, and less contact with the thesis supervisor. When the author finished the case study she decided to stay few more months in United Kingdom to gain more life experience and unfortunately it took longer than it was expected.

The author had contact with the supervisor through e-mail and came to Sweden on few occasions to discuss things more in detail. However the last two months before the deadline of the thesis the author decided to move back to Sweden, after being away for less than two years.

Therefore, this is not something the author recommends other student to try. Nevertheless, it has been interesting to experience a different business culture.

2 The Business of Supply Chain

This section introduces logistics and examines the structure of “Neli”.

2.1 Logistics – Supply Chain

Integrated logistics is composed of inbound logistics and outbound logistics. Inbound logistics is the movement of the product from the customer to the warehouse and outbound logistics follows transport of the product from the warehouse to the client. Supply chain management developed to meet the challenges of globalization. Integrated logistics ensures that services and goods are available when the customer requires them [11].

“Purchasing derives its importance to an organization from two sources: cost efficiency and operational effectiveness. Managers with good negotiating skills and strong relationships with suppliers save their organizations large sums relative to the competition”.

Source: [11] – Page 11

A successful information system used in supply chain management enables access to knowledge of generators, more effective timetables, and better deliveries information [27]. The integrated logistic chain is explained as a network of suppliers, gathering sites, manufacture sites, distribution interiors, and customer locations from which the products and components have their course. Logistic function and integrating development help an organization obtain competitive advantage in business [26].

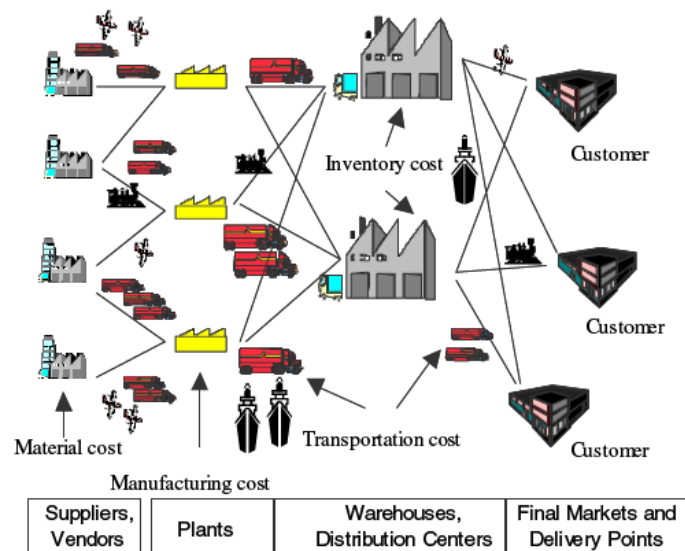


Figure 2: Typical Supply Chain Network.

Source: [8]

The external effects of transportation result in complex interactions between the transport system and their environment. However, complexity increases when there are external effects to be analysed [36].

2.2 Introduction of Franchise Company and “Neli”

Franchise companies have a contractual relationship between two parties in which the franchisor offers to maintain a progressing interest in the business of the franchisee. The franchise is operated under a common trade name, procedure or format controlled or owned by the franchisor. By years franchises that are providing services have grown as they offer many benefits to the clients [11].

Franchise development is a popular strategy for the growth of the United Kingdom’s business sector. Examples of franchise companies include KFC, Wimpy, McDonalds, and Burger King. Franchising is advantageous to both the franchisor and the franchisee since it reduces the possibility of failure. Furthermore, in more established franchise operations, the franchisees get the opportunity to use tested operating procedures and internal controls to offset their lack of knowledge and experience. Like any other business, franchising has disadvantages as well. A franchisee is dependent on the franchisor to sustain the brand impartiality and significance. Additionally, the mismanagement of the brand by the franchisor could damage the whole system. Franchisees tend to live off profit while the franchisor is encouraged by sales. The franchisor has firm control over the product and business sustain through legal contracts. These supports can be modified independently by the franchisor [30].

“The other face of franchising is the dark side, where franchisees are portrayed to be victims of outrageous claims, spurious success storied and myths, and images of self-employment made by sometimes fraudulent franchisors. Some critics have sometimes gone as far as labelling franchising as a ‘trap for the trusting’. In this image, the disparity of interests and goals between the franchisor and franchisee is extreme; franchises are not a form of alliance because the agreement is not mutually beneficial and the franchisee is not as independent as the other face of franchising would have people believe.”

Source: [30] - Page 1

“Neli” is part of a franchise company established many years ago with many depots worldwide. Their mission is to delivery consistent customer satisfaction through service, accountability, value, and excellence. “Neli” is a courier company with a good reputation from excellent service and fast deliveries.

In this case study, only one depot was investigated. However there was constant contact with the franchisor of United Kingdom.

The franchise company depot was bought by five directors around 2004, for £25000 = 340,690 SEK each with a 20% share in the company. However, the business was not fully established when it was bought. Once they bought the business, the directors realized they signed a deed extremely difficult to get out of, due to strict guidelines from the franchisor.

“Neli” is comprised of five directors, two administrative staff, two sales staff and eighteen couriers. However, only two directors work full-time. The rest are run behind the scenes, working with accounting, recruitment and legal requirements.

Everyone in the depot works actively and there is clear connection between sections. On daily basis directors brief the administrative staff. The administration staffs then briefs the couriers on their routes for the day. Meanwhile information goes back and forward several times between all involved parties. Couriers introduce new clients to the sales team which then follows up those leads. The two depot directors have constant knowledge of what is happening in the depot and whether it is running efficiently.

Below is a rich picture illustrating how the organization operates;

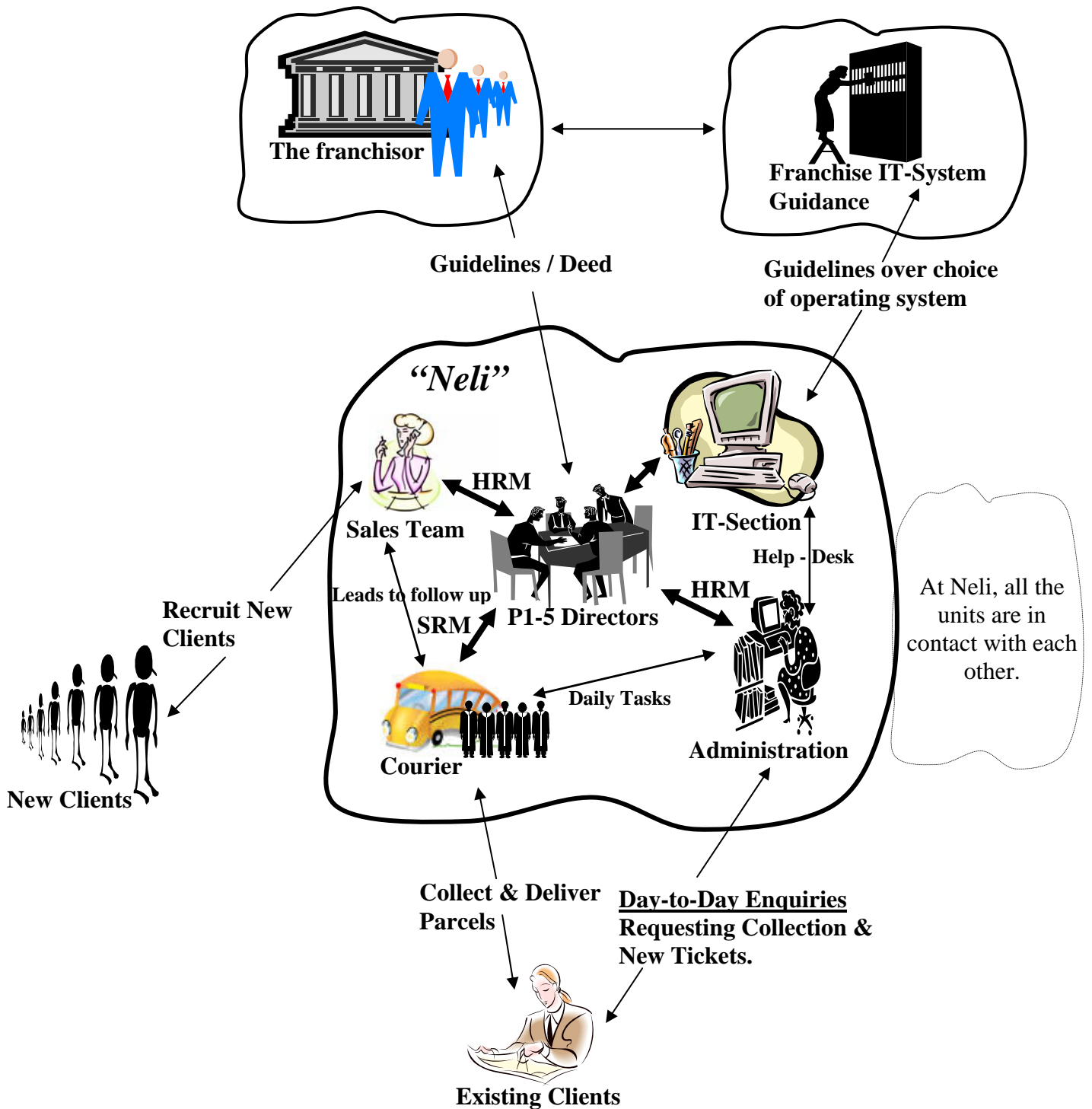


Figure 3: Rich Picture over “Neli”.

3 Scientific Approach

Chapter 3 presents the scientific approach of the investigation, which leads to the conclusion of this essay. This chapter starts with a presentation of the research area, followed by research design, a discussion of literature review, interview question formulation, case study, analysis, validity and reliability.

3.1 Thesis Procedure

The starting point of this thesis is based on finding a research area related to the author's academic study area. However, it became clear the first step was to approach the challenge and identify the question at issue and suitable scientific methods for the research.

The question at issue was very clear and had been a major part of the author's academic background. The author then decided to begin with empirical views. However, this decision created more lines of research since references were required to identify other areas in the investigation.

The empirical view started with four month's observation of the organization. During this time, the author witnessed major conflicts within the company.

The questionnaire template and interview questions derived from notes taken during observation. In-depth interviews were held with five stakeholders, one franchisor and three clients. Questionnaires were distributed to two administrative staff, two sales staff, and eighteen couriers.

Theoretical views were started two months into the observation period. Work consisted of collecting literature and academic articles relating to the question at issue. After completing the empirical section, connection was made between the two views, leading to key points of analysis and the conclusion of this thesis.

“One never learns from doing things right because, obviously, one already knows how to do it. What one derives from doing something right is confirmation of what one already knows. This has value, but it is not learning.

Once can only learn from mistakes, by identifying and correcting them. But all through school and in most places of employment we are taught that making mistakes is a bad thing. Therefore, we try to hide or deny those we make. To the extent we succeed, we preclude learning”.

Source: [4] - Page 6

Figure - 4 demonstrates the research procedure.

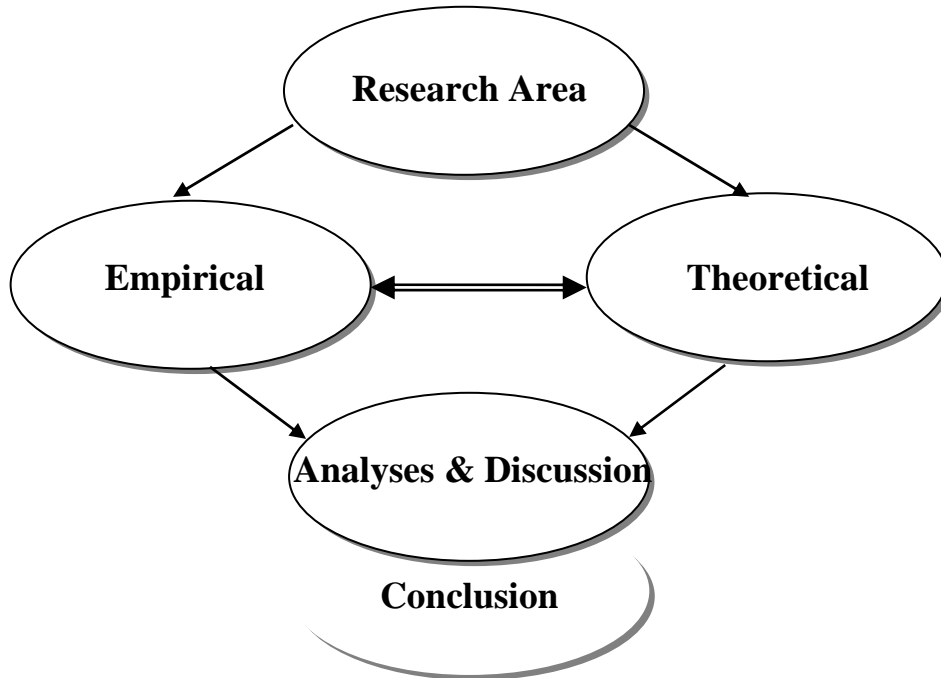


Figure 4: Diagram over research progression

3.2 Research Area

The author made the decision to choose a research area outside Sweden and nearest option far from home was United Kingdom. Through relations in the United Kingdom, she got in contact with the “Neli” depot. The case study of “Neli” matched many areas the author studied at university. It would be a perfect opportunity to compare all the theories with reality.

The depot is an independent company. However, it is part of a franchise and not fully independent. The franchise company has several depots in the United Kingdom and worldwide. It has a good reputation for fast delivery and dependable service. The author was told early on that certain rules had to be followed to avoid conflict with the franchise’s head office, since “Neli” was held under an extremely limited deed.

3.3 Research Design

In research, *quantitative* and *qualitative* methodology tools are available. Yet they have different research ways, nevertheless both of them can be used or most importantly try to relate the investigation to the methodology which conducts more to the research area [16]. Other tools used in research include *induction* and *deduction*. These are having an input over the researcher’s knowledge which in this case would be the author to perform how the understanding has been created.

When the researcher choose to work in the deduction manner she followed something called “The substantiate way”. These characteristics that the author need to take conclusions over individual principal and existing theories. Therefore the theories that are studied will be the sources for the empirical findings and how the result connects to puts in relation with the theories [29]. However in the induction methodology the researcher follows something called the “discovering way”. This means that the researcher studies a particular case and from the empirical findings that would relate to the theoretical conclusions [29].

In this thesis, the author has chosen to pursue the induction methodology. The author’s acknowledgment was limited regarding the project’s overall view; the only information available was that the organization needed outside help to clear the business structure with the help of IT-management. The author began the empirical research and tried to find theories that relate to the practical findings. Furthermore, the author has used both quantitative and qualitative research in the thesis.

3.4 Literature Review

It is essential to study all the literature findings in a critical manor to finalize how reliable the source is; an additional factor to consider is using the most recent source available [14].

This thesis is based on literature study, academic articles and Internet sources. The author has based the theoretical findings according the empirical views which have been made. Those theories used for this thesis were chosen using inductive analysis. only theories relating to the question at were used.

3.5 Linking Theory and Practice

It has been a very good experience to relate the theories in the academic world to the reality. As a student coming from university with so many fact and knowledge and making people in the real world aware of all that available knowledge has been very difficult task however has been a good exercise for the author’s future research and work-experience.

3.5.1 Creation of Sample Questions

Sample questions were created after a few weeks of observation. This was done to gain a better understanding of the business and its operations. Questions focused on business improvement and strategic planning. The main goal was to define Neli’s weaknesses and strengths.

Five-Model (Infological dimension, Structural dimension, and Functional dimension and Socio cultural dimension), rich picture and CATWOE were all used to create the questionnaire.

Questions were open ended; however, the CEO of the company rejected in-depth questions which could jeopardise the identity of the company. Therefore, the questions are on a basic-level.

3.6 Case Study

Case study is noted to be important for the qualitative study [7]. Several methods were used to illuminate the potential of different issues for this subject. Qualitative methodology used for the case study includes field-studies, observations, and in-depth interviews [7].

Motivation for using a case study differs from case to case. It can be descriptive or explorative [7]. This thesis aims for to enable further understanding of the subject.

3.6.1 Observations

The grounds for an observation are that the researcher finds paradigms between the objectives and the external in the reality. Observation can be very complicated process since the result is dependent on the findings [7].

The four month study was conducted in the “Neli” depot. Work lasted from 8.00am to 6.00pm since no structure was in place. The directors also had to stay late to finish the daily routines. The author took notes and spent time with everyone in the depot to get an overall view of their feelings towards the company. The staff soon opened up and talked without fear of losing their jobs. All the interviews and questionnaires were completed during the observation period. No notes are exhibited in the thesis; however the notes were grounds for the analysis and discussion sections.

3.6.2 Workshops

Workshops were used during the observation period. There were two workshop sessions. The first session used the five-model. The purpose of the model was to help the directors realize that they all had different views. The intention at this stage was to make them appreciate the significance of similar views. The second workshop was a follow up from the first session. The question at issue was: did anything improve since last time? However, in this segment they had to share their views on the present and the future. The answers were unexpected. Material from the workshop is not presented here since notes were taken only for the analysis section in the thesis.

3.6.3 Interviews

The method used for the interviews have been qualitative, since the questions have been structured and guided. This methodology is based on identical questions for all participants interviewed. It facilitates comparison of the respondent answers [18].

The empirical section includes in-depth interviews with the franchisor, five directors and three clients. Due to the sensitivity of the information involved, this study will not divulge the names of participants or their companies. Interviews are in the empirical section without an outline; to provide the reader a better view. However, when several participants respond to the same questions, the results are for matted for better overview and comparison. During the interview, it was not possible to record anything due to privacy issues. Each interview took around 30 – 40 minutes and the atmosphere was very friendly. To be able to get an overall view, the same questions were given to all the directors and the franchisor. Three interviews were made with the clients to show what experience they with “Neli”.

3.6.4 Questionnaire

The questionnaire was constructed according to qualitative methodology. After a long observation period, questionnaires were given to the staff and couriers. There were two reasons for this decision; first, the quantity of potential interviews would be too many. Second, they could answer the questions without any restrictions. Questionnaires would be filled out anonymously and put it in a designated box.

3.7 Analysis

When the observation part of a research is completed, the researcher needs to organize and systematically finalize the findings. Furthermore, this should relate to the research purpose, however this does not mean that we have reached a conclusion [7].

The interviews were transcribed and respondents had the opportunity to read through them to confirm their answers.

During observation, notes were taken to help for the conclusion and accuracy of the research. Before the observation was completed, a meeting took place with the CEO and two other directors. They would go through the materials collected from the observation. This was a request that “Neli” had; they needed to see the observation results and double check that no name would be revealed. This was also an opportunity to confirm accuracy and avoid misunderstanding.

3.8 Validity and Reliability

It is essential to verify that data collection matches theories available for research. Validity is when the author knows the purpose of the research; likewise, reliability means how reliably the author has carried out the research [7].

To ensure continuity in the thesis, empirical findings were verified constantly to the theoretical findings throughout the research. However, findings were also regularly confirmed with the directors to ensure the reliability of the information. Since the research purpose was defined, the path to completion was clear which made validity of the thesis obvious for the researcher.

4 Theoretical Views

This chapter will introduce those theories the author has used as a ground for the thesis, however each subject is very broad, thus delimitations relevant to the research were made.

4.1 Difference between Management and Leadership

According to Ackoff, leadership is when the followers with interest and devotion voluntarily follow their leader. The Ancient Greek philosophers identified four aspects of development each of which are necessary for continuous development, *truth, plenty, the good and beauty/fun* [1].

As leader must understand the difference between efficiency and effectiveness, efficiency is “value-free”, meaning resources are used to achieve conclusion. Effectiveness, on the other hand, is “value-full” sense of weighted efficiency by the principles of the ends achievements [1]. In Ackoff’s systemic view of transformational leadership management is defined as: “... directing others in the pursuit of ends using means both of which have been selected by the managers. Exclusives are managers who manage other managers.” Moreover, leadership is defined as: “... guiding, encouraging and facilitating the pursuit by others of ends using means, both of which they have either selected, or the selection of which they approve.” However, in organizations managers should create and manage a more productive working unit and environment [1].

“Teaching, and therefore courses, cannot produce great leaders precisely because leadership is essentially an aesthetic activity. The most schools can do is providing some of the tools and techniques usable in creative work but they cannot create creativity. One can be taught to draw, sculpt, compose and write better than one would otherwise, but one cannot be taught to do so creatively with excellence.”

Source: [1] - Page 6

Managers should foresee the expectations and needs of a variety of stakeholders including their directors, external customers and board members. Managers are expected to spend at least 25 percent of their time planning, which means spending time to meet different departments and work as a unit [6]. Meanwhile valuable information is a benefit for managers and society, since superior information allows managers to improve their strategies and investments [32].

Plans do not usually work out as expected. Things always happen which have not been anticipated; that is why managers need to revise their plans so often. Planning should include setting organizational goals, ideals and objectives as well as selecting the means for achieving them [2].

4.1.1 Strategic Management

Strategy is the setting fundamental long-term goals and accepting the course of action necessary for carrying out those aims. Strategic management is defined as achieving goals and solving problems. Strategic stakeholders are influenced by their external environment through the balance of missions and goals of the organization [20].

Structural connection in any organisation between the two types of management is observed through corporate integration and operations coordination.

Operational management process is described in terms of purposes/performance and coordinations, while strategic management is described in terms of business strategy and business integration [22].

Information resources are another factor organizations should consider on the strategic plans due to level of support which can be provided by the functional areas. The figure below illustrates how top executives should consider all resources when developing the strategic plan [24].

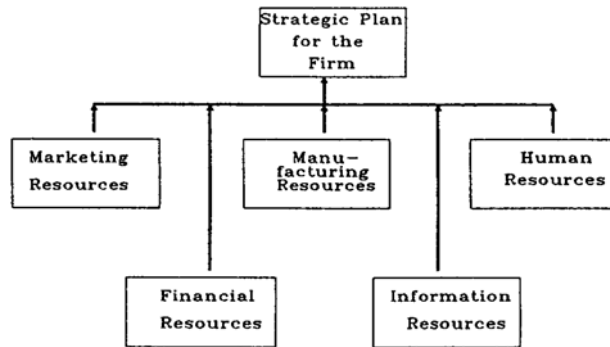


Figure 5: Resources in a Strategic Plan.
Source: [24] Page 23

Strategic planning is the choice of objectives and resources for the future; however, strategic thinking leads to the design of corporate integration and corporate strategy. The general view of references for strategic planning is the arrangement of policy/aims and mission/purpose [22].

4.2 Information System, IS

IS, Information system is usually treated equally with IT, information technology, however information technology consists of computers and telecommunications such as hardware and software. These are just one component of information systems [5]. The information systems, IS, are becoming essential to organizations; employees need information systems to help them finalize tasks. However, some individuals do not have enough information, due to their experience, knowledge etc. This can result in misunderstandings, often relating to system development [21].

An important factor is the quality of the information system, since in many cases, high investments are made and high expectations of quality occur. Complex and indistinct connections between the different parts of the organization and information system could lead to poor accessibility and information quality. Still, poor delegation of responsibility could provoke the same effect [21].

Information systems help organizations develop competitive advantages in information-driven societies. These advantages should be completed and followed by human resource management, HRM [21]. Through the years different models and methods have been developed, due to improvement and effectiveness of information systems. Many people have advocated different models depending on the organization [21].

Organizations aim to balance different situations that appear in information handling and information-maintenance through information system architecture. Since it productively uses and coordinates different activities. Organization with complex relationships the need of creating understanding and overview is essential, however this is even the case when there are

more participants in the organizations, due since the need of exchanging of information is more essential to co-ordinate the business. Effective co-operate and co-ordination presuppose successful information throughout information-maintenance. Through information architecture and information system, it is easier to facilitate human actions. It is thus vital to understand how different systems work and how independent they are from each other [21].

IT-management strategy is a framework for how to guide an organization, and how to practise IS/IT activities. When an organization makes changes, it is fundamental to ensure that IS/IT activities are suitable to the new conditions. This check will help harmonize different parts of the organization as well as IS/IT alterations themselves [21].

Information system architecture includes both existing and planed information systems in an organization. It also delineates their relation towards each other and towards the organization. In complex environments, IS/IT have significance strategic meaning for a business. However, often when an organization recognizes its complex environment it also recognizes that it lacks a plan to cover its needs. This can lead to working with different methods depending on their situation at the time [21].

Information in organization is usually not correctly distributed. This may be due to lack of knowledge and unclear responsibilities. A by-product is often uncertainty among employees [21]. Information-Based Design theory, (IB-Design theory) aims to make the information available; however everyone in the organization must be motivated to use it [21].

Information system architecture can help organizations achieve excellent results; however, cooperation between different sections is necessary to complete the businesses purpose. [21].

4.2.1 Enterprise Architecture

There are different components in an organization, which all work together towards one goal. These components have different roles depending on what part the investigation is based on. Most visible in the operative part of the business; there are four different components, which together constitute the progress of an organization. These components are: Infological dimension, structural dimension, functional dimension, and socio-cultural. These components affect each other through their relations and information exchange. Meanwhile they relate to the information system and support its functions. The figure below shows how the Five-Model connects different parts of an organization [10].

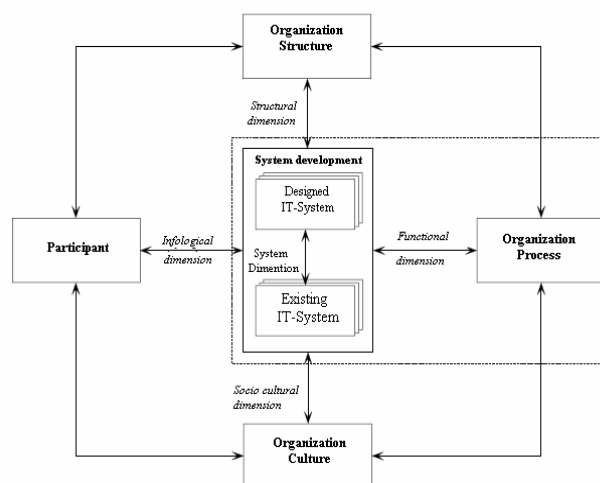


Figure 6: Five-Model
Source: [10] - Page 34

4.2.2 SSM – Soft System Methodology

Soft System Methodology has been developed by Peter Checkland, and is designed around a comparison between real-world problem situations and theoretical models with relevant system activities. However, this methodology was developed through realistic functions and experiences in a broad selection of complex managerial systems. Furthermore, it relates to the human activity system, which emphasizes that the human system is part of the social system since organizations are driven by humans [35].

Soft system methodology uses seven steps to identify different parts of an organization. The picture below details these steps.

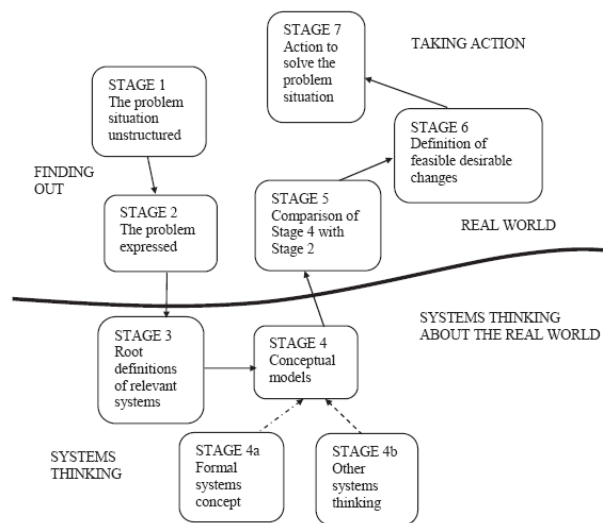


Figure 7: The Soft System Methodology
Source: [35] - Page 5

4.2.3 CATWOE

This model identifies an organization’s different parts. Identification is not an end in itself since it is used to register individual expectations and views on the system [35].

C – Clients, Those individuals involved in the organization.

A – Actors, Those individual that prosecute the organizations activities.

T – Transformation, Is the process by which the systems input is transformed to output.

W – World View, This shows fundamental values, depending on how systems are interpreted and identified.

O – Owners, Those who maintain the organization with resources and have the right to liquidate it.

E – Environment, Those limits that the environment puts on the system. In addition, qualities which affect the system and over which the system has no control.

4.3 Human Resource Management, HRM

Human Resource Development, HRD supports the knowledge of employees in organizations. However, competence development also relates to HRD. Competence management is the development of business administration, which presents the right ability at the right moment and in the right place. Capability is the core feature of competence. Elements of competence include knowledge, attitude and skills [25].

An important factor for organizations is the implication of *who* they need to have in the organization and *what* skills these individuals need to possess. Furthermore, knowledge management involves controlling the capability of individuals and maximizing their use, which is made from available information resources [5]. Human Resource Development has traditionally been defined as the individual, the teamwork, the organization or even the work process. It, however, has been categorized as human capital investment or manpower planning. Furthermore, human resources are significant for national and local permanence [23].

The term ‘strategic’ in HRD is defined as the link between the organizations objectives and goals as well as human resource development [37]. Organizations are investing to improve the performance of individuals, such as work process, working in groups and the individual contribution level [32].

4.3.1 Motivation and Emotional Intelligence

In organizations there must be an essential motivational factor requiring individuals to contribute in trainings programs. There also has to be capability and a supportive environment. Effectiveness of organizational training and development efforts is not only dependent on either the learning content or the quality of the delivery methods. However, the learning process is dependent on the trainability of the participants. Motivation is a necessary factor for workplace training since it can lead to effective and necessary results [31].

In the article “Complex System Analysis and Environmental Modelling” by Nakamori and Sawaragi, a model by the name of ‘Shinayakana’ is introduced which means; “*between the soft and hard or both; a close expression may be flexible and elastic.*” This model is based on a Japanese intellectual tradition, which has limitations on our abilities to: objectify the real world, analyze things objectively and understand individuals. Below is the system approach of Shinayakana:

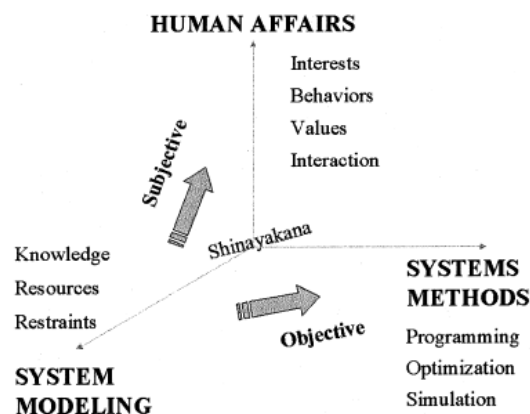


Figure 8: Shinayakana Model
Source: [28] – Page 182

Conflicts in organizations managed correctly can help improve the organizations. Furthermore, during organizational change the employee can become resistant towards management due to negative effect such as job dissatisfaction and expressed objections. Studies shows that individuals with high emotional intelligence have greater skills in conflict resolution, since they tend sustain their relationships [19].

It is also proven that individuals in team and groups with increased commitment have great potential to produce valuable work that results to their satisfaction at workplace [33].

By integrating knowledge management, organizations can help the IT and HR sections work together and achieve increased leverage of business investments. To improve human performance, consistent and continuous connection between performance supports, learning initiatives and knowledge management is required. This concept, called Performance Improvement Cycle, is shown below [17].

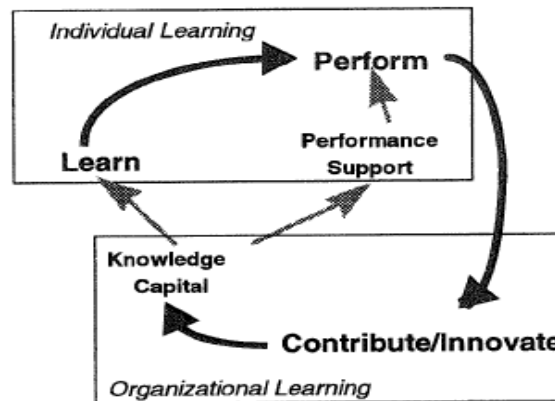


Figure 9: Performance Improvement Cycle
Source: [17] Page 52

Knowledge workers must receive valuable training to improve job performance; furthermore, the knowledge support needs to be appropriate to the individual's tasks. In addition, the individual need to reflect on what has been learned, since their improvement has an effect on their personal learning and contributes to the organization's learning [17].

Knowledge itself is a concept that can be understood differently, depending on the cultural environment as well as the mind-set towards the knowledge sharing. However, knowledge is transferred in organizations through information flow and communications process [15].

5 Empirical Views

This chapter presents the research findings in this case study. However, no name will be mentioned, as everything is highly confidential. The case study Research Company is called “Neli.” The partners involved are introduced by different names such as D1, D2, D3, D4 and D5 where D stands for Director.

5.1 Introducing the Neli & the Respondents

“Neli” is an independent company. However, it is a franchise and not truly independent since certain rules need to be followed. The franchise company has several depots in the United Kingdom and worldwide. They have a good reputation for fast delivery and reliable service.

“Neli” had been owned by five shareholders since 2004. However, during completion of this thesis, two partners sold their shares and are no longer in the company. The owners of the “Neli” were shareholders with 25% each. Four of the directors had a background in IT at various levels and the fifth director had a business background.

Apart from the five directors working in the business, there are two administration staff, two sales consultant and eighteen couriers.

Administration

The administration department is responsible for day-to-day paperwork, data entry and label handling at the depot. They help process Proof of Delivery requests and telephone enquiries. On a daily basis, they are responsible for going over the activity checklists provided in the administration part of the Franchise Manual. Currently there are two female administrative staff. Their tasks are supervised by D5 and D2 who also are responsible for accounts and reports.

Operations

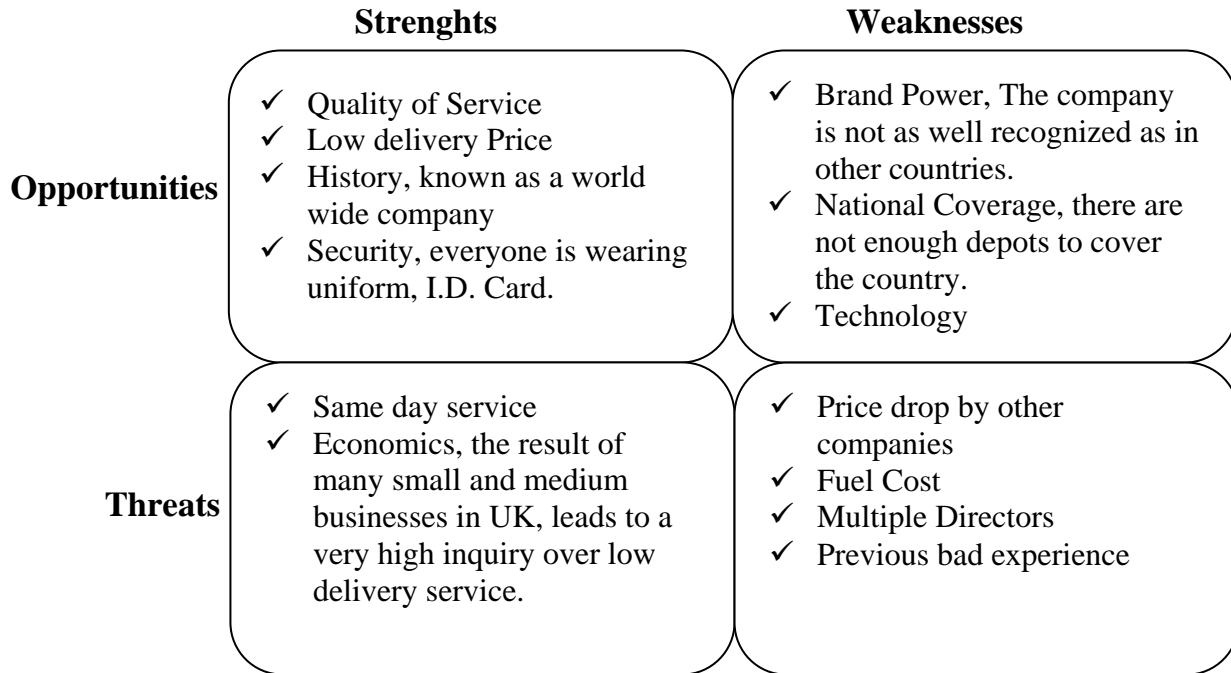
Operational tasks are also detailed in activity checklists in the Regional Franchise Operations Manual. The activities include monitoring and supporting couriers in their daily tasks, and generally maintaining service levels by working towards 100% compliance within the franchise system. Operational task management is handled by D4 with the support of administrative staff. This is combined with hands-on training assistance for the couriers. There are currently eighteen couriers and the occasional “man in van” when couriers are overloaded.

Recruitment & Training

The owners plan to heavily recruiting more couriers during the second year and onwards into the third. According to the directors, further training and personal goal-setting sessions will be run regularly for all couriers. D1 and D3 are in charge of advertising, recruitment and initial introduction of courier prospects to the business. Training is handled by D1 during the initial phase and by D4 in classrooms and out in the field.

5.1.2 SWOT

Below is the result of the SWOT-model; the basis of this model has been material from “Neli” and findings from the observation.



5.2 Empirical Findings

This section introduces the results from the interviews and the questionnaires. There will be a compilation of the empirical findings and more in-depth findings later in the thesis.

5.2.1 Compilation of Interviews

There will be three sections in the compilations of the interviews, starting with Franchise Owner, Directors and Customers.

Interview with the franchisor

Could you please explain your role in the company?

Managing Director of “Neli” in the United Kingdom

Which are your regions?

United Kingdom, Wales and Scotland

How long have you been in this branch?

Have background as lawyer however in this branch since ten-years.

How do you feel the partnership is working at “Neli” Depot?

The Two Directors which are always there have a very hard job due to them being so young and demanding the leadership which is needed to pull this depot round. Personally, I would not have more than two partners as stakeholders; however, this is a decision the stakeholders need to make themselves.

Are there any certain rules to be followed regarding how to manage each depot?

Yes, we advise it through the operation manuals of the business which should be followed by all the directors.

How often do you visit your depots?

Once a month, however, if my presence is required I visit the depot more often.

How good are your relations to the depot directors?

I would say well, as long as both parties are doing their work correct I do not see us having any disagreements.

What are the future plans for the company?

Hope to expand the business and open more franchise depots both in the UK and worldwide.

Interview with Directors

Could you please describe your role in the company?

- D1 - In charge of the recruitment part of the company as well as training the new members of staff, if they are part of the administration or couriers.*
- D2 - Chief Executive Officer “CEO”, mainly what it means is that I look at people’s strength and put them in roles which I believe is suitable. Although we are five directors however decisions needs to go through me first. I need to consider all the legal aspects of the company and make sure that we are following the franchise guidelines.*
- D3 - Recruitment Director, my role is to recruit new member of staff although since we are in the early stages of the business, I usually help D4-Director with the operation side of the business.*
- D4 - General Manager. My duty is to make sure that the depot is running smoothly.*
- D5 - Finance director, I mainly take care of all the figures.*

What are your thoughts regarding the structure of “Neli” depot?

- D1 - Early stages and have come from a long way, with more work to do which I am looking forward to.*
- D2 - Considering how the depot was before we took it over we are running it much better. However there is always room for improvement.*
- D3 - I joined this business out of trust that I had on my partners’ experience. But I am starting to realize that we might be too many partners involved. The structure in place is not working well as we start very early and although we are not fully functional, things are always being left until later on the day to be sorted which leads to late shifts every day of the week.*
- D4 - Although I am General Manager but I do not really make any major decision myself without CEO’s acknowledgement. I think there is always room for improvement, perhaps if we were more active partners in the depot, we would not have to do so many hours, since at this stage it is only me and P3-Director who are running the depot.*
- D5 - I trust my brother’s judgement being the CEO and knowing all the partners strengths to place them in the right roles.*

How do you feel the partnership is working with the other four directors?

- D1 - Been tough like any business and many challenges. It might have been easier if we were less partners, as it is always difficult to consider too many ideas rather than less.*
- D2 - So far good.*
- D3 - We are not working as a team; we are striving for too many things instead of focusing on each issue and sort them out as we go on.*
- D4 - It could be better. Sometimes it feels that we are not having the same goals and it can be very frustrating.*
- D5 - At this stage I think it is working well, however it is very early days to judge it in.*

How would you describe the atmosphere in the depot?

- D1 - We need to recruit more couriers as paying agencies is not being profitable for us. And have less stressful environment.*
- D2 - Everyone is very stressed at this stage, in sense of directors, we are doing very long hours. And we need more structure to run the administration and daily routines.*
- D3 - Very hectic, crazy hours, stressful, do you want me to continue? (Mr D3 said with a smile)*

D4 - *Very stressful, as we are doing crazy hours. The P3-Director's day and mine starts from 7:00 in the morning and the earliest we get home is 8:00 in the evening. So as you see the atmosphere can be very hectic, however we are doing the best we can to build a friendly atmosphere in the depot.*

D5 - *Do not know as I am not there, as I mentioned earlier I am only running the finance and my presence at the depot is not necessary hence the reason I am working outside the depot.*

What is the Mission & Vision of the "Neli" in your view?

D1 - *To be the number one courier company to small businesses.*

D2 - *"Neli" is to be the number one courier franchise in the UK*

D3 - *Need to refer to guidelines of the Franchise Company, since I cannot give you my opinion on it.*

D4 - *Since we are part of a Franchise Company I cannot give you my own Mission and Vision as we have obligation to follow the guidelines from the Franchise Company. So my vision and mission are the same as the guidelines.*

D5 - *To be profitable.*

How would you describe the "Goal" of "Neli"?

D1 - *To adhere to the mission and vision*

D2 - *Do what needs to be done to get to the mission*

D3 - *Hopefully more structure, more unity between the partners better communications line with the franchise owner.*

D4 - *The goal is to recruit more couriers and satisfy our customers. I would hope that the goal would even be more unity between the partners.*

D5 - *Do what needs to be done to get to the mission.*

What is strategy for you?

D1 - *To make sure the operations side of the business is running well.*

D2 - *To be frank as we are part of franchise we need to follow the strategy that we have been given.*

D3 - *Need to refer to the Franchise Companies Guidelines again.*

D4 - *Again follow the Franchise Companies guidelines.*

D5 - To work the franchise system

Do you think that the staffs are motivated?

D1 – Like any business some are some are not.

D2 – Yes, I hope so.

D3 – I would not say all of them are, it is obvious to them that we are going through difficult time internally which are making them not see any future for themselves.

D4 – The majority are but since they are aware of the loss of the company, it is difficult for them to have faith in the structure and their future with us.

D5 - Again from what I hear, yes!

How do you feel that your relationship is with the staff?

D1 – Really good, I try to talk to them as much as I can when I am at the depot.

D2 – I have a good relationship with the staff.

D3 – Pretty good. I would say that they trust me more than the other directors. As they always describe me being the down to earth director, I always listen to their opinion and ideas.

D4 – Very friendly, they see me more like a friend rather than their boss.

D5 - Do not have any relation to them. As they have only seen me on few occasions.

Do you think that they have confident to talk to you as a managing director?

D1 – I believe they have confidence but there are always people which are difficult to get through to. So I would say not all of them but the majority.

D2 – It is difficult to answer that with confidence. From what I have seen they trust me and I hope if there is anything they can talk to me about it.

D3 – Majority of them I think have confidence to talk to me; however a few which might not.

D4 – I believe so.

D5 - I hope they have confidence in us.

Is there any personal development trainings available for the staff if they want to progress in their carriers?

D1 – Not at this minute.

D2 – *We have training only for new starters. Unfortunately we do not have any personal development training nevertheless that is something we would like to put in place in time.*

D3 – *Unfortunately not at this stage. There is training for our new starters but it is only the basic understanding of the business. This is something we need to work on to motivate our staff more and to be able to offer them a carrier within the company.*

D4 – *We only have training for new starters but this is something we are working on to improve.*

D5 - *Not sure.*

What is customer service in your view?

D1 – *Again everything to meet our mission statement.*

D2 – *It is very important for me to please the customers as we can expand into the market through recommendation. We have very good relation with the customers and from what I have heard the feedback from them has been very good.*

D3 – *Good service, good relationship, good feedback.*

D4 – *To build a stable relationship with the customers so they both recommend us and use us as their number one courier company.*

D5 - *To make the work towards the customer's request.*

Interview with Clients

Could you please describe your role in the company?

Mr X – *Manager of the administration department.*

Mrs Xx – *Work in administration in the warehouse.*

Mr Yx – *Manager of the distribution centre and has been in the company for almost six-years.*

How long is it that you have used “Neli” as your courier company?

Mr X – *I think it is nearly two years now.*

Mrs Xx – *We have used “Neli” for nearly nine months.*

Mr Yx – *I believe it is almost five months which we have used “Neli”.*

How often do you use “Neli”?

Mr X – We use “Neli” at least twice a week.

Mrs Xx – Usually it is around 3-4 times a week.

Mr Yx – Monday to Friday, five-days a week.

What is your experience regarding their customer service?

Mr X – They have an excellent administrative staff. It is easy to contact them and we have a good relationship with them. Have recommended them to few other companies we are working with.

Mrs Xx – They are very good; neither I nor any of my colleagues have had any issues with their service.

Mr Yx – Excellent, has not had any issue with them during these months.

Did you felt anything different while the depot was changing owner?

Mr X – Their customer service was not in the same level as the new owners; however from a customer’s view we did not experience any changeover from owner to owner. We appreciated this since we are running a business here and need to have quick deliveries and collections.

Mrs Xx – Not really, when they had changed owner, one of the current owners came to us one day and introduced himself, which we found very professional.

Mr Yx – (No Answer since Mr Yx was not “Neli’s” customer during that time.)

Have you recommended “Neli” to someone else?

Mr X – Have recommended “Neli” too many of our clients and other companies we are working with.

Mrs Xx – Many of our clients are using “Neli” already, and we have recommended them too.

Mr Yx – Of course!

Do you have any comment over how we can improve our service compared to the competitors?

Mr X – I think everything is working well as it is. Perhaps it might be things that could be needed. However, from a customer's view we cannot see those things.

Mrs Xx – They have both good service and good price; let’s hope they keep it this way.

Mr Yx – Not really just keep up the good job!

5.2.2 Compilation of questionnaire for Couriers

How do you feel that “Neli” is operating?

Very Bad	2
Bad	6
Normal	8
Good	2
Very Good	

Do you get clear instructions over your daily routines?

Yes	15
No	3

Are you happy with you work?

No	2
Yes	10
Satisfying	4
Would prefer to change it	2

How would you grade the administrative staff and manager’s performance?

Bad	4
Normal	12
Good	2

How would you grade your motivation at work?

Low Level	5
Normal Level	9
High Level	4

How would you grade your pace of work?

Low	
Normal	10
High	8

Do you feel burnt out?

Yes	6
No	12

Would you like to develop as person at “Neli”?

Yes	16
No	2

Do you feel that you need more training within your area?

Yes	3
No	15

How would you grade your knowledge of the roads?

Bad	
Normal	11
Good	7

Do you find it easy to find client’s location?

Yes	14
No	4

Would you appreciate if there was some Method/System which assisted you in finding locations?

Yes	13
No	5

No further thoughts given out.

5.2.3 Compilation of questionnaire for Staff

How do you feel that “Neli” is operating?

Very Bad	
Bad	
Normal	3
Good	1
Very Good	

Do you get clear instructions over your daily routines?

Yes	4
No	

Are you happy with you work?

No	
Yes	2
Satisfying	1
Would prefer to change it	1

How do you feel that the directors are performing their work?

Very Bad	
Bad	
Normal	4
Good	
Very Good	

How would you grade your motivation at work?

Low Level	
Normal Level	4
High Level	

How would you grade your pace of work?

Low	
Normal	3
High	1

Do you feel burnt out?

Yes	
No	4

Would you like to develop as person at “Neli”?

Yes	4
No	

Do you feel that you need more training within your area?

Yes	2
No	2

No further thoughts given out.

5.2.4 Review of Interviews and Questionnaires

The compilation of the interviews and questionnaires has been made according to the Five-Model.

Five Model “Neli”	Participants	Organization Structure	Organization Process	Organization Culture
Franchisor	Interest in the Director’s knowledge of the Franchise System.	The guidelines which the Franchise Director’s need to follow, such as operational manual.	Have fully functioned depots that are following the guidelines according to the operational manual.	Deliver best service for low price – be number one courier company in United Kingdom.
Director’s	Interest in having competent staff and making the business profitable.	Have agreement among the directors and follow the guidelines from the operational manual. Furthermore give guidelines to staff and couriers.	Make the depot fully functional and cut down the long working hours.	Be number one Courier company in United Kingdom with good service.
Staff	Deliver good service to the clients.	Follow the daily guidelines from the directors.	Making sure the clients are treated well and giving instructions to the couriers. Furthermore controlling the items coming in and out of the depot by scanning them through the system.	Deliver high standard of service to clients and build relationships with them.
Couriers	Deliver good service to the clients.	Follow the daily guidelines from the administration staff and directors	Ensuring that clients get their deliveries and collection in time and build a friendly relationship with them.	Deliver high standard service to clients and build relationships with them.

6 Analysis & Discussion

In this section reflects on findings from the observation, workshops, interviews and questionnaires.

More information and knowledge of the business was gained during the observation. The interviews and questionnaires were helpful, but during the investigation new issues arose which were not evident from the interviews and questionnaires.

6.1 Neli's Organization Structure

The starting-point of this thesis was to analyse and scrutinize different sections of the company. However, appalling results occurred as the investigation developed.

Information from the directors conflicted with what they were actually implementing at the depot. "Neli" lacked a specific structure. In addition there were conflicts between shareholders which were evident to the staff. These situations led to less motivation and less belief that the company would actually have any future. Nevertheless the conflict was due to lack of knowledge and experience. "Neli" had been on losing money over a long period; instead of coming up with a solution, the directors took out more loans to invest in "Neli" in hope that the company would soon break even.

Five directors had shares in the depot; however, only two were actively working. One director never visited the depot and ran the finances from a distance. The other two directors came and visited the depot one or two days a week. One of them was the CEO of "Neli". These two were involved in another depot, part of the same Franchise Company, but in a different city.

It became apparent during the observation and workshops that the directors had differing ideas and opinions. It was obvious that no clear structure was in place, though the CEO believed that was not the case. This resulted in long working hours, less motivation and increased stress, especially for the two directors working full time at the depot.

One of the first focuses of research was the communication lines between the directors. The only communications available at that stage were very quick phone calls during which no information was exchanged since both parties were under stress. After several research meetings, the CEO realized that internal communication lines were very poor. Having regular meetings and communicating through e-mail would bring the directors closer to the same mind-set. Notes were taken at two weekend meetings. Everyone wanted to express themselves and, due to bad management and misunderstandings, the meeting took over six or seven hours. Items on the agenda were constantly repeated without any conclusion. The result of the meetings was more confusion and no solutions to any of items on the agenda. Despite this, the CEO failed to realize what was happening due to pride and the belief that he knew what he was doing.

After the case study was completed, the author was informed by a partner no longer in the business that two directors left the company. However, since they signed an extremely difficult deed, they have been in extensive negotiations with the franchise owner. One of them paid the franchise owner the amount of £15000 = 202751 SEK. The other director is still in negotiations. They were that told if they did not pay that amount, they would be sued by "Neli". They had to give away their shares in the company and pay to get out of the business.

During the observation, the directors had to borrow more money to invest, as they did not have any profit. This was due to lack of structure. One of the directors no longer with the business reported that even after two years the company has not “broken even” in sense of plus/minus zero. The directors have therefore continued to take out loans on their house mortgages to be able to keep the company solvent. Despite these setbacks, the current directors are not willing to sell the business or change their structure.

6.2 The Significance of IT at “Neli”

IT was important for “Neli”. On a daily basis, all parcels which came into the depot were scanned into a database. All depots around the United Kingdom used the same database since they were connected through a network. This allowed depots in the company to work together when parcels were sent from city to city. Furthermore, IT was used as information source, for intranet and use of e-mails. The two full time directors informed the other directors on a regular basis what was happening at the depot. However couriers did not use IT-related equipment. Their only equipment was a mobile phone which could not be used while driving. This deficiency made the administrative staff chase the couriers in case clients needed an update on their parcel’s location. Furthermore, since the couriers had no satellite navigator for finding addresses, they got lost many times. This delayed customer deliveries as well as follow up tasks for the depot staff.

Clients could use the franchise website to track their parcel, check estimated times and request information about certain depots around the United Kingdom.

6.3 The Impact of Human Resources at “Neli”

The only human resource available at the depot was the training of new staff and couriers. Relating back to theories regarding the human learning, such as the Performance Improvement Cycle [17], nothing was available at the depot. Once something was taught there was no follow-up which lead to frustration.

Before the directors took over the depot they went for four-weeks training to learn the franchise system regulations and how to implement them. However, for further guidance after the training period, there was an operational manual available which gave all the guidelines. If any guideline was not followed according to the deed, the franchisor had the right to take over the depot and sue the directors.

A while after filling out the questionnaires, some of the directors and the staff opened up and expressed dissatisfaction with their work since they could not see any future for themselves in the company. They also lacked interest and motivation. Despite awareness of issues from meetings and workshops, the directors changed nothing and the same routines continued.

Again relating back to theories of human resources, it is interesting to consider the impact and significance extremely strict franchise businesses guidelines can have on an organization. This thesis will not generalize and criticize all the franchise companies, as there are very successful companies like McDonalds, KFC, and Hilton, etc.

Franchise companies could be very useful, both for people with less business experience and even those with experience since they could get help, support and guidelines from the franchise company. However, this was not the case at “Neli”. The franchise system took advantages of their system as well as the people involved. The author’s recommendation to the directors would be to sell the business and move on, since there are no solutions to their situation.

People need to enjoy coming to work and performing their day-to-day tasks; however, that was not the case for either the directors or the staff. Everyday of the week was extremely hectic due to lack of structure and high stress at the depot.

One interesting thing was that the customers had not acknowledged what was happening, something for which the author gives credit to the directors. Furthermore, several staff and couriers left the company since the research started; again due to lack of interest and motivation.

6.4 Personal Reflection as System Scientist

Since the world we are living in is getting more complex and new technologies are coming into the market all the time, the need for structure and stability in organizations is apparent. Although there are many methods and tools available in the market for helping organization to improve their strategies and structure, many organizations worldwide lack both strategy and structure. This case study was living proof.

Working with an organization lacking structure and management and informing the participants of their difficulties was extremely difficult. The author had many milestones in the beginning of the research with the directors, since every move was questioned and debated. They could not understand or relate to the system scientist point of view; this was frustrating, coming straight from the university with many theories and no practical application. However it was a good experience since the author could later relate all the theories to reality.

This research would not have been feasible without the qualitative study including observation and workshops. The participants did not give their full opinions during the interviews and questionnaires. This was due to lack of trust and being terrified of an identity leak. However, when they understood that they could trust the author, she was made aware of many hidden thoughts which became the grounds for this thesis.

6.5 Conclusions

The franchise company has goals to expand “Neli” both in United Kingdom and worldwide. However, this is only possible if there are clear structures in each depot and less strict guidelines. Furthermore, the only time globalization is possible is where there is a clear hierarchy in companies and clear values for the people involved.

Organizations should be handled like a system where all parts of it need attention. However if something lacks in one part, the rest will not be fully functional since they all relate to each other.

It is significant for individuals at the top of the hierarchy to realize the importance of the employees regardless of their level in the hierarchy. In addition, try to use all methods and theories available to define weaknesses in their organizational system.

Referring back to theories which describe the importance of management and how a good leader can motivate the staff and create an enjoyable environment. Yet during the whole investigation the author tried to make the directors aware of their lack of management and structure without any response.

Partners involved must realize the significance of their unity. That will give the business strength. Another weakness was the involvement of too many shareholders, which

complicated many things, especially when they did not strive for the same goals. The strict guidelines from the franchisor and an extremely binding deed gave the director's little room for creative solutions.

It is essential not to criticize all franchise companies. All the major companies in the world are more or less franchises. Due to good leadership and guidelines, their businesses are developing and are stable in the market. That, however, is not the case for this specific franchise company. Furthermore, the problem was not only the franchise company. It was also the lack of management and teamwork between directors. They did not see the whole box and were not willing to see it either.

The main question for this thesis was; what conditions are necessary to encourage development of human resource management in organizations?

There are many theories available which support putting the human resources in focus. This was presented in the theory section. However whether they are implemented in companies is something which needs further research. In this particular case theories and facts has been presented to encourage people on the hierarchy to realize their lack of development of human resource management in the organization.

The only time the encouragement of human resource is possible were people in the hierarchy are willing to listen and want to put values for the individuals involved. The only obvious fact has been that an individual whether it has been director or staff has been used for personal gains from the franchisor.

Human resources can be developed at "Neli" when they fully restructure their business view and the system. Major changes need to be done at the depot not to mention the whole franchise company as well. Yet people on the hierarchy did not give any attention to this matter. To put individuals at focus, organizations need to give them their full attention. They are the first line of faces in the company. If they are motivated and enjoy their work, clients will receive better service. The organization will also have a superior work environment.

The directors at "Neli Depot" are wasting their time; this business will not turn around unless major changes take place. If it was a profitable business, it would have shown some result at this stage. Nevertheless, the directors transformed the business into a gamble because they are fully aware that their goal is very difficult, yet they keep investing more money into the business which after two years still did not make any profit.

If all companies worldwide could follow the simple guidelines of the system scientist view and human resource management we would all have a better work environment. Individuals in the hierarchy should give their full attention to this subject, as it is the most essential part of every organization.

6.6 Further Research

Further research should be made regarding the impact of human resources at companies worldwide. Many theories are available regarding supply chain management and customer relationship management in organizations. However, are there any systems which support the individuals in an organization, except for payroll and administration?

Supply Chain Management	<i>Human Resource Management</i>	Customer Relationship Management
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It is time for researchers and organizations to investigate the importance of human resource management and implementation of new systems which would help put individuals' need first in every organization.

The subject of franchising is another interesting matter of which society needs to become aware. There might be more companies like "Neli" taking advantage of individuals through their franchise systems.

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8 Appendix

Poll for Couriers

Questionnaire

Date: _____

I appreciate if you could give me a couple of minute to fill in this poll. You don't need to write you name as this poll will remain anonymous.

Please put an [X] cross in the box which you feel is sensible for the question.

How do you feel that "Neli" is operating?

Very Bad Bad Normal Good Very Good

Do you get clear instructions over your daily routines?

Yes No

Are you happy with you work?

No Would prefer to change it
Yes Satisfying

How would you grade the administration staff and managers performance?

Bad Normal Good

How would you grade your motivation at work?

Low Level Normal Level High Level

How would you grade your pace of work?

Low Normal High

Do you feel burnt out?

Yes No

Would you like to develop as person at “Neli”?

Yes No

Do you feel that you need more training within your area?

Yes No

How would you grade your knowledge over the roads?

Bad Normal Good

Do you find it easy to find clients location?

Yes No

Would you appreciate if there was some Method/System which facilitated for you to find locations?

Yes No

Do you have any further thoughts over how we can improve “Neli”?

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Thank you for giving me your time!

Pool for Staff

Questionnaire

Date: _____

I appreciate if you could give me a couple of minute to fill in this poll. You don't need to write you name as this poll will remain anonymous.

Please put an [X] cross in the box which you feel is sensible for the question.

How do you feel that "Neli" is operating?

Very Bad Bad Normal Good Very Good

Do you get clear instructions over your daily routines?

Yes No

Are you happy with you work?

No Would prefer to change it
Yes Satisfying

How do you feel that the directors are performing their work?

Very Bad Bad Normal Good Very Good

How would you grade your motivation at work?

Low Level Normal Level High Level

How would you grade your pace of work?

Low Normal High

Do you feel burnt out?

Yes No

Would you like to develop as person at “Neli”?

Yes No

Do you feel that you need more training within your area?

Yes No

Do you have any further thoughts over how we can improve “Neli”?

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Thank you for giving me your time!

Interview with the Franchisor

Thank you for giving me time to have this interview with you. I know due to privacy issues I cannot ask certain questions in-depth however I appreciate you answering these questions.

Could you please explain your role in the company?

Which are your regions?

How long have you been in this branch?

How do you feel the partnership is working at “Neli” Depot?

Are there any certain rules to be followed regarding how to manage each depot?

How often do you visit your depots?

How good are your relations to the depot directors?

What are the future plans for the company?

Thank you for your time Mr X. I appreciate you giving me the opportunity to have this interview with you.

Interview with Stakeholder – Director 1-5

Thank you for giving me the time to have this interview with you. I know due to privacy issues I can not ask certain in-depth questions, however I appreciate you answering these questions.

Could you please describe your role in the company?

What are your thoughts regarding the structure of “Neli” depot?

How do you feel the partnership is working with the other four directors?

How would you describe the atmosphere in the depot?

What is the Mission & Vision of the “Neli” in your view?

How would you describe the “Goal” of “Neli”?

What is strategy for you?

Do you think that the staffs are motivated?

How do you feel that your relationship is with the staff?

Do you think that they have confident to talk to you as a managing director?

Is there any personal development trainings available for the staff if they want to progress in their carriers?

What is customer service in your view?

Thank you for your time. I appreciate you giving me the opportunity to have this interview with you.

Interview with Clients

Thank you for giving me the time to have this interview with you. I know due to privacy issues I can not ask certain questions deep-going however I appreciate you answering these questions.

Could you please describe your role in the company?

How long is it that you have used “Neli” as your courier company?

How often do you use “Neli”?

What is your experience regarding their customer service?

Did you felt anything different while the depot was changing owner?

Have you recommended “Neli” to someone else?

Do you have any comment over how we can improve our service compared to the competitors?

Thank you for your time. I appreciate you giving me the opportunity to have this interview with you.