

# SWIFT OPERATIONAL PLAN HRQM Advisor

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## **Foreword**

This report is written to accomplish HRQM subject in C-cluster period 2. Swift OPL report has been made refer to the history of the SWIFT that we received last year during the IFA year B-cluster.

From the history of the SWIFT, there are few problems taken that concerned to the HRQM field and being discussed in this report.

This report is presented for the management board of SWIFT in order to make SWIFT more productive and able to use its resources effectively to gain efficient results.

The process to complete this report was quite challenging and it took energy to give our best for this report.

We would like to thank Mr. Danny Brouwer for his advices and guidance through the process compiling this report and also to all other people who are involved in the creation of this report but not mentioned here.

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Group 6

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## **Executive Summary**

Swift is a family company and was founded in 1901 by Gerry Swift's great-great-grandfather Christopher. This company used to be a simple bicycle shop in the Great Britain. Then in the year 1906 Christopher started to assemble bikes from the spare part from his stocks. In the year 1912, assembling bikes become the main income source of the company and then in the year 1925, they put the Swift logo for the first time in their bikes production. In the year 1998, this company inherited to Gerry, his brother David and his sister Elisabeth Delson. After few discussion then Gerry became the CEO of the company until now.

At this moment, SWIFT faces a big problem that leads them to the bankruptcy. In order to survive, Human Resource Operational Plan has been made. In this report, the management board will find the problem that defined the action plan and also the implementation of each action.

Problems that are occurred at this moment are including the unclear of company structure, job descriptions, and employee's compensation. Moreover, the performance appraisal is also unknown in this company. The new working time directive, socialization and job training program are also defined in this report to help the company survive.

More in this report, there will be action plan of each problem mentioned above and the implementation can be found. To help in implementing the program there are also additional information might be needed in the appendix page.

## INTRODUCTION

In the introduction there are information of company history, the new vision and mission, HRQM objective, goal and also problem definition. Here, management team can see and understand the recent condition and the problems of the company.

### 1. Company History

Swift is a family company and was founded in 1901 by Gerry Swift's great-great-grandfather Christopher. This company used to be a simple bicycle shop in the Great Britain then in the year 1906, Christopher started to assemble bikes from the spare part from his stocks. In the year 1912, assembling bikes become the main income source of the company and then in the year 1925, they put the Swift logo for the first time in their bikes production. In the year 1998, this company inherited to Gerry, his brother David and his sister Elisabeth Delson. After few discussion then Gerry became the CEO of the company until now.

### 2. Swift Vision

With a nice working environment, good cooperation, definite job description, and fluent communication among all employees, we will build the great staffs of SWIFT who are working effectively and efficiently in its hospitality environment and create the best product in bicycle market in all over England.

### 3. Swift Mission

To provide the best bicycle product including their spare parts and accessories, in order to support a clean environment and healthy life in England. With definite target market we have, customizing product appeal the customer's life style and being modern and update.

### 4. HRQM Objective

To provide the right human resources for Swift and allocate them in the right position with the right educational background and skills by conducting recruitment process which refer to the job provided and holding job training in order to improve their skills.

To provide a healthy working environment with fluent communication and good cooperation among departments and to maintain the hospitality but yet still concern to the hierarchy of the management board.

## **5. HRQM Plan Goal**

To use the sources in the company efficiently so that it can give effective results for the company.

## **6. Problem Definition**

In order to achieve the plan goal, there will be few new policies being implemented which will be discussed in the next part. However to implement the new policies, the problems from recent situation are defined as follow:

### **1. Company structure is not clear**

The current company structure is too complicated for a small-size company and the management is not centralized which causes the inefficiency and ineffectiveness. It also influences the flow of the information about company strategy and work report.

### **2. Job description in each department is not clear.**

There is no clear job responsibility among departments, managers has no clear goals or strategies, employees have no clear working direction or target which causes the waste of human resource, decline of the working effort and fall of the production.

### **3. Employee's compensation is not clear.**

At this moment the system is based on the seniority which do not motivated the employees in doing their duties. A new compensation system which rated according to the performance will somehow stimulate the employees and motivate them in doing their duties.

### **4. Performance appraisal system is unknown**

Swift never reviews the performance of his employees and never motivates them with any incentive, compliments and bonus system. That is why performance appraisal is a new idea to motivate them in doing their job. By having full motivated employees, the vision and mission of the company could be reached.

### **5. No clear explanation of working time directive**

There is no clear explanation of working time directive either it is in the low season or in the high season. It caused employees being early sent to their home.

**6. There is a lack of socialization and job training**

To apply the new policies, management team has to have a socialization program to introduce the policies to the employees while job training is needed to improve the skills and knowledge of the employees and for now on, there is no job training program have been done so far.



## THE ACTION PLAN

In this part, the action plans of each problem which have been mentioned above are defined. The objective of action plan is to make clear what the methods or ways are in solving each problem mentioned above.

### 1. Recent company condition and new policies announcement

Before implementing the plan, first thing that they have to do is announcing the recent company condition and new policies to the whole Swift management board so that they can understand why there are some changes in the management board. Policies that management board has to announce are the reorganization inside the management, the new job descriptions, the new wages system, and working time directive. This action is also to prevent chaos among the workers during the implementation.

### 2. Reorganization

Since most people normally hate to go through change, it can be easily understood how today's pace of change can be stressful for many employees. Most people prefer established routines. They like to feel secure, stable, and familiar with our responsibilities, but most businesses are forced to make changes today just to survive.

Swift needs to be more efficient and effective which means change is inevitable. So there will be a clear structure with centralized management lines which has only three big departments and the quality of each department is in the charge of Senior Advisor who is supervising and harmonizing the relationship between departments and the prestige of the quality of each department. Every department has a few divisions which divides the responsibilities into different professionalized fields. There will also be more plurality of positions as Swift is a small family company and needs to be more centralized. The production department is the core of the Swift Company, the responsibility for production, quality assurance and distribution should be divided clearly. Other departments will change or merge depending on its function and responsibility.

### 3. Job descriptions

The job description will be written in the Working Handbook of the Swift Company which includes the responsibility of the managers and employees of each departments and relationship between different

departments. There will also be detail explanation about key tasks, responsibilities, duties and requirements. More information is available in the appendix 3.

#### **4. New employee's compensation system**

##### **4.1 New Wages Rates**

Employee's compensation in this term refers to all forms of pay or rewards going to employees either it is a direct financial payments in the form of wages, incentives, and bonuses or indirect payments in the form of employee's benefits.

As we can see in the current wages table in the appendix 4, the wages are distributed unequally. Wages are paid based on seniority not on the performance. For those who are in the higher level earn particularly high while others who are in the lower level earn less than the minimum wages regulation. According to the *National Minimum Wages Regulation 1999*, the calculation of minimum wages per employee is as follow:

$$\text{£5, 35 per hour} \times 8 \text{ hours} \times 5 \text{ days} \times 52 \text{ weeks} = \text{£11,128 per year}$$

Refer to the recent condition of the company and also not neglecting the regulation above, SWIFT has to establish new wages rates for his employees.

##### **4.2 Incentive Plan**

To motivate employees in doing their tasks, management team should make incentive plan. The incentive will be given when the employees reach a level in a certain standard of performance. Therefore, performance appraisal will be the criterion in distributing incentive.

##### **4.3 Employee Benefits**

Another factor that can stimulate employees' activities in accomplishing their tasks is by offering Fringe Benefits. Fringe benefits are benefits which employees receive from the company but not included in their wages.

#### **5. Performance appraisal**

With the performance appraisal, management team evaluates their employee's current or past performance relative to his or her performance standards. There are four reasons why SWIFT has to appraise his employees:

1. Appraisal provides important input for the management team to make a decision in promotion and salary rise matters.

2. With appraisal, management team together with the employees could develop a plan for correcting any deficiencies occurred in each department, and also to support the things that employees do correctly.
3. Appraisal also helps or guides the employees building their career-planning. It can be happened by reviewing employee's strengths and weaknesses.
4. Appraisal also could be one motivating factor for employees in doing their job in the company.

## **6. Socialization and job training**

### **6.1 Socialization**

Socialization is the ongoing process of instilling in all employees the attitudes, standards, values and patterns of behavior that the organization and its departments expect. Socialization is a crucial part that company has to have so that the values, mission and vision are known by the employees and also to help company achieve the goals. Socialization is very important in the phase the company currently resorts in since we are at the brink of drastically changing a lot of things. It is also very important that colleagues can communicate with each other and also know what each person is responsible for. This will also ease up communication through the company.

The first thing needed to be pointed out is: *"How are we going to brief the staff about the new policies the company is setting for?"* A good way to achieve that is to combine a formal part with an informal part. This could be in the form of a quarterly drink/party on which the current results and new plans are being presented by the HR team after at the beginning of the meeting by a presentation that the staff can socialize with each other in a non working environment and also talk and discuss in an unofficial way about it.

Another part can be a weekly debriefing between the department managers and the CEO to look at the results and to reflect on possible problems and their solutions. Socializing should also be dealt with in a yearly day out financed by the company to thank the employees for their effort. This is best done after the busiest period of the year. There also need to be talks between the department and each employee to evaluate their productivity and to tackle problems they might have. We also need to make sure employees can ventilate their problems anonymous when they feel too. This could be done by a mailbox in which they can deposit their written complaints.

## 6.2 Job Training

Training will become a very important thing for SWIFT to make this reorganization as a whole work in the right way. The reasons why training is important are because new company structure is being announced, new products are being developed, and also job descriptions are being formulated. Therefore, training will help the employees in developing their knowledge and skills to be applied either to the new products or even to work in the different environment. Training can best be a joint venture between the R&D team and the HR team since the technological knowledge is mostly with people that designed the product. Training should also be done in different groups in such a size that production levels can be guaranteed. Training might be a costly venture but we have to see it as an investment in our own company.

Another important factor will be the so called multi tasking. For employees who want to develop further there should be created the opportunity to learn more than one task within the company. This means that a production worker in the easy season might aid the financial department. The way to make these kinds of trainings possible should be a package of syllabi provided by the company made by each department about their functions that employees can study at home. When the employees feel they have learned enough theory they will be guided by a department member through the processes so that they learn the practical sides of their chosen department so that loss of productivity is kept at a minimum. For training for which there is not enough knowledge within the company, external company should be contacted and employed. Staff needs also to be able to ventilate about which subjects they wish to gain more knowledge. In case of problems within the company department leader may decide training of certain subjects is necessary.

## 7. Working time directive

The working time directive is bound to certain boundaries (**Council Directive 93/104/EC of 23 November 1993 concerning certain aspects of the organization of working time, Official Journal L 307, 13/12/1993 pages 0018–0024; amended by Directive 2000/34/EC of the European Parliament and of the Council of 22 June 2000**) which means we can only let our employees work in the busy season for a maximum of 48 hours a week. This mean we can let them work in the easy season less so that they work on average 32 hours a week (like in the DAF company) In this way we will be able to keep all of our employees even in times when there is not so much work (sending them home might result in the fact that they do not earn a living anymore and keeping them for nothing at work costs a lot of money) but we also know sure this way that when it is needed to work overtime we

can count on our employees. We again need to make this policy clear to both our current and possible future employees.

## THE IMPLEMENTATION

In the implementation part, management team could see the solution of each problem and what methods they have to use therefore they will work into the right direction.

### 1. Holding General Meeting

The aim of this meeting is to announce the new policies that will be implemented in the near time. As mentioned above in action plan number 1 this meeting will help the management board understand why there are some changes in the company. The executive secretary is responsible to arrange this meeting. The management board including the CEO, Senior Advisor, and the executive secretary will attend this meeting and then they are also responsible to inform their divisions about what have been discussed in the meeting.

### 2. Start In Reorganization

#### 2.1 Change of company structure

First, the current chart of the company structure will be changed into a *Functional Structure* which is clearer and more appropriate for a family company. There will be only three departments which is Finance & Human Resource department, Production & Technical department and Marketing & Sales department.

Second, there will be several divisions in each department in order to take different responsibility but to reach the same goal. A new Purchasing Division will be established to take charge of all the purchases of the company and it will work for every division and directly report to the CEO. The following explanations will show the other arrangement in each department and the whole structure can be found in the Appendix 2.

1. There will be two divisions in FA&HR department which are Finance Division and Human Resource Division. Employees in Human Resource department will not work full-time; and the working schedule will be made depending on demand. Employees in Finance department remain to have the same responsibility and work together with HR persons to conduct a new plan about the wages and welfare system.
2. There will be three divisions in Production & Technical department which are Production Division, Quality Assurance Division and Logistics Division. Most number of employees will

work in the Production Division as it is the most important part of the company; the production is the basic insurance for the company. There will be a team of employees who has been well trained and educated through the Training Course working in Quality Assurance Division. There were some employees responsible for the distribution of the products that they will get trained and be assigned into the Logistics Division

3. There will be three divisions in the Marketing & Sales department which are Research & Development Division, Marketing Division and Sales Division. Employees in the Marketing Division and Sales Division will remain to be in the same job position and responsibility as they used to be. A few employees which are selected from other divisions will be put in the Research & Development Division as they will be trained to be qualified.

## 2.2 Change of personnel

1. CEO: **Gerry Swift** will remain in the same position.
2. Senior Advisor: **G. Swift(Senior)** will remain in the same position who plays a more important role in the company that he will centralize the management of quality of the entire company
3. Executive Secretary: **Amsa Alone**(ex-secretary) is promoted to assist the CEO with daily routine and execution of the company strategy
4. Manager of Finance & Human Resource Department : **Elisabeth Delson**(ex-Personnel Director) will be assigned to take charge of Finance & Human Resource departments
5. Manager of Marketing & Sales Department: **Gerry Swift** will also responsible to manage the Marketing & Sales Department
6. Manager of Production and Technical Department: **David Swift** (ex-Production Director) will fill this position.
7. **Giant Delson** (ex-Controller) will assist manager of FA & HR department and be responsible in Finance Division. He has the same responsibility and will also lead the purchasing division which means he will be responsible for both Finance Division and Purchasing Division.

The current middle managers will be put in the equivalent positions and take the same responsibility or more. They are: (ex-Production Chef) Harry Dowland and Simon Trytoo; (ex-Head Marketing) Maze Alsomo, (ex-Head Sales) Fiona Swift.

(Ex-Assistant Secretary) Alex Waytoo will remain to have the same responsibility for routine work in the New Production & Technical Department and take part-time job in the Research & Development Division if she is trained and qualified.

(Ex-Assistant Controller) Dwayn Delson will be assigned to the Purchasing Division after Training, before that, he will remain in the same responsibility in the Finance Division

According to the new structure, in Swift Company there will be a few employees who will take part-time job in another department. For instance, one employee is selected from production department who will take a training course and he still remains his former responsibility during the training period. After him finishing the course, he can reduce his responsibility in production department and work for HR division part-time when he is needed. In this way, actually this employee becomes more flexible and easier to get promoted. It is a good chance for self-improvement in his career.

### **2.3 Department Personnel Distribution**

1. Finance Division: 5 employees
2. Human Resource Division: 4 employees( part-time)
3. Production Division: 21 employees
4. Quality Assurance Division: 4 employees
5. Logistics Division: 3 employees
6. Research & Development Division: 4 employees
7. Marketing Division: 4 employees
8. Sales Division: 4 employees
9. Purchasing Division: 4 employees

In Total (including 5 managers and 49 employees): 54 persons

### **3. Formulating Job Descriptions and Job Handbook**

To have the right job descriptions, the each first line manager together with HR manager has to conduct a job analysis as the procedure in determining the duties of each job title and the characteristics of the appropriate human resource. When they already find out what the job titles are and what kind of human resource they need to fulfill the job, and then they can start in writing job descriptions. Job description



should be made clearly and right to the point so that the employees understand what the goals are, and also they will understand what their duties and responsibilities are.

In order to present the new job description effectively and clearly, there will be a job handbook made for each department which is easy to understand and detailed formulating the distribution of responsibility. The sample of the job handbook can be found in the Appendix 3.3.

#### **4. Formulating New Compensation System**

##### **4.1 New Wages Rates**

As mentioned above in the problem definition number 3, the compensation system being used at this moment is more to seniority based which this not motivates employees in doing their duties. Moreover, there are also some employees who are paid even lower than the minimum wages as defined above in the action plan.

Refer to that reason above, a new wages rates should be established so that the employees will somehow be motivated by this system. To establish the new rates, HR manager has the responsibility in working on that together with the staffs. Some decision should also be possibly discussed with certain manager with the approval of CEO. The steps of establishing new wages rates are as follow:

1. Conduct a salary survey. The aim is to make sure that SWIFT does not pay its employees lower or maybe higher than in the market place. In conducting the survey, they also have to bear in mind about the recent company condition. One way to conduct a survey could be done via internet. There are several websites that provide wages in the work field. An example of survey data can be found in the appendix 5.
2. When the survey is finished, the next step will be making a job classification. The purpose of this step is to categorize jobs into groups based on their similarity in terms of compensable factors namely skills and responsibility. The example of job groups can be found in the appendix 6.
3. When the job groups are defined, then following step is assigning wages rates to each job group. To help in making decision in either raising or lowering the wages rates, the wage curve could help. On the wage curve, it provides the average currently wages rate for jobs in each group. Example of the curve can be found in the appendix 7.

While establishing new wages rates there will be indirect cost appeared and they are:

1. Working time of HR division as a team. This project will cost their working time since they have to do the task during working time. They have to be able to manage their daily activities to be accomplished without neglecting this project.
2. While conducting a survey, even though the survey could be done via internet, it will also give effects to the cost of electricity, and internet bill since a survey can not be done in one time only. It could take quite few times to get the accurate data.

## 4.2 Incentive Plan

Like have mentioned before, Swift never compliment his employees by giving any bonus or incentive which in this way Swift never consider to motivate the employees. By motivating employees to accomplish their duties somehow will lead them in achieving company's goals.

The incentive plan will be divided according to the department type. The reason why they are divided is because the performance appraisal system of each department is defined differently and incentive plan is the next step after the performance appraisal system since performance appraisal is becomes the criterion in giving incentive. Incentive plan which is suitable for Swift will be defined as follow.

- Piecework Plans for Profit Center Department

This plan has to be implemented to profit center department which are marketing, sales, production and technical department. In this plan, incentive is paid to the employees directly towards to what they produce. Therefore, the measurable goals of each department should be defined together by first line manager and the staffs. How to measure the goals will be explained more in the performance appraisal system.

- Merit Pay for Support Department

This plan has to be implemented to support departments namely R&D, finance, logistic and HR. In this plan, a salary raise is awarded to an employee based on his/her individual performance. Therefore, each manager should review theirs staffs performance in one period of time. The way to review the performance will be explained more in the performance appraisal system.

After one period of time, SWIFT is also being advised to implement a Profit Sharing Plan. In this plan, all employees will receive a share of the company's annual profits. However, due to recent company condition, this plan could be done later after it recovers from the bankruptcy.

Like establishing new wages rates, in counting incentive will also give indirect cost as follow:

1. Working hour of FA & HR division as a team in counting the appropriate and reasonable incentive given to the employees.
2. Administration cost such as papers, print ink, and electricity for computer.

#### **4.3 Employee Benefits**

The industrial average of Fringe Benefits in one company is 20% from the wages. Therefore finance manager together with other manager should calculate these benefits which in total will be minimum 20% from the wages with the approval from CEO. Benefits that concluded are social security tax, unemployment and medical insurance, working injuries, holidays and fuel. One of example in Fringe Benefits can be found in the appendix 8. That calculation is only suggestion since there is no data available about the recent financial condition of the company. This step will also give indirect cost which is the working hour of the FA division as a team in counting the Fringe Benefits.

### **5. Setting Performance Appraisal System**

Refer to problem number 4, at this moment Swift never reviews the performance of his employees and never motivates them with any incentive, compliments and bonus system. Setting performance appraisal system is a new idea to motivate them in doing their job because by having full motivated employees, the vision and mission of the company could be reached.

The one who is responsible to do the appraising is the manager who supervise the employees straight directly because he/ she has the best position to observe and evaluate the employees' performance and moreover, he/ she is also responsible for the employees' performance. For example, production manager should appraise his/ her team since this person supervises the team directly and know the development of each employee.

There are two methods that SWIFT should implement as defined below.

- **The Management by Objectives Method**

This is an appraisal method that SWIFT should use for profit center department. Those departments are marketing, sales, production and technical department. In using this method, each manager is required to discuss and set specific measurable department goals with his/ her team. The achievements are also should periodically be discussed to see the progress towards the goals. The expected result should also be defined. The managers and employees should set short term performance targets to achieve the expected result.

By achieving the expected result, manager can conduct his/her employees' performance reviews, to compare the actual performance of each employee with expected results. The result of this appraisal will help him/ her to make a decision in giving incentive to them.

- **Graphic Rating Scale Method**

For support department namely R&D, finance, logistic and HR department should be appraised using this method. To help in making the form, the example of performance appraisal form can be found in the appendix 9. The aim of this appraisal system is to get the employee to improve their performance. Therefore this process should be done fairly. In this method, manager has to list employees' traits and range of performance of each trait then valued it with the scale from unsatisfactory to outstanding. The manager rates them by checking the score that best describes the employees' performance for each trait and totals them. After having the total of the value, then he/ she can conduct a feedback interview.

The aim of this interview is to reinforce satisfactory performance and to improve unsatisfactory performance. Therefore the manager and all employees have to be prepared before interview. The employees have to review their works and read over their job descriptions. They can also prepared for questions and comments for the manager, while the manager, which in this case will be the interviewer, should study their job descriptions and compare it with their performances, and not forget to review the previous appraisal if there is. The result of this performance appraisal will help him/ her to build an incentive plan for them.

Conducting performance appraisal also gives indirect cost as follow:

1. It will cost the working hour of the manager while they observe and evaluate their employees' performance in daily work. It also cost the working hour while the manager should evaluate the result of the appraisal, and preparing the feedback interview.
2. It will also cost the employees working hour while they have to attend the feedback interview. It because before attending the interview, they have to prepare in reviewing their job descriptions, and also preparing questions and comments to the manager. Moreover, they have to attend the interview during the normal working hour.
3. Administrative cost will also have to be counted for printing the appraisal form.

## **6. Starting The Socialization and Job Training**

### **6.1 Socialization**

Socialization will be the responsibility of the HR department. They might include other departments in their plans when they need to but at the end responsibility is theirs. The new plan will be presented by the HR team in the first week of January. Other steps of socialization are also defined as follow:

- The quarterly meeting is organized by the HR team so they have to arrange accommodation, transport and catering.
- The department managers are responsible for having the individual talk with their employees. They need to write a small report on the meeting which they need to hand it at the HR department for processing. The department managers are also individually responsible for handing in their points/plans to the HR department so they can process them into a presentation for each quarterly meeting.
- There is a weekly meeting between the department managers and the CEO which each department manager needs to prepare for himself. They should also send an agenda to the management secretary so that a meeting agenda can be made.
- The HR manager is responsible for the anonymous complaints box. He needs to read the complaints carefully and decide what to do with them and when necessary discuss it with the persons involved.
- Every quarter there is a meeting in a bar where the quarterly results are discussed and people can drink and talk to each other. Each quarterly meeting will be organized in a certain format. This means that the meeting will be opened by the CEO. After that the financial manager will present the numbers. After this each department leader tells about the changes in his/her department. Every year there is an excursion for all employees.
- Each year the HR manager will have a conversation with each employee to talk about their development and performance within the company

### **6.2 Job Training**

New products will be developed by the R&D team. Since they designed the product, their knowledge about them is the greatest. When a product has been developed and there is time it will be presented at a quarterly meeting. Detailed training will be given to small groups of employees. These can be mixed because this is about the general information about the new product.

One person from each Production, Technical and Marketing departments will get a detailed training about the project by an R&D employee so that that person knows precisely what is important about the

product for his or her department. This is always the same person because this person is responsible for the product training for his or her department. This means each department has an own trainer. This is also good since we want to promote multitasking in our company.

This means every employee can tell the department manager that they want to be trained in another aspect of the company. This training will be at their own costs because we feel employees should also be able to invest in their future and in the company.

These trainers will make a syllabus for their department that the “student” can read at home. When they have gained enough knowledge they will be taken into an internship at their desired department to learn the practical side of the job.

There will also be quarterly refreshing courses for the employees. There should also be excursions organized by the research and development department to perhaps other companies so that our employees can see what the new developments are in the industry. These will be held twice a year for half of the company. So that production will continue. Management training will be arranged by the HR department.

Little other training will also be given as follow:

- Some examples for refreshing courses are role plays and tests for the normal employees to check their knowledge about the products.
- The people from the marketing department will receive commercial training about selling and advertising techniques etc.
- All managers will receive trainings about how to deal with staff problems within their departments

Some calculations have also been made as follow:

- An external trainer will cost €200 an hour. A session will last an afternoon of 6 hours and we do these 4 times a year. This means a trainer will cost us  $24 \text{ hour} * £150 = £3600$  a year.
- The CEO will be there during the training which will cost us  $24 \text{ hour} * £150 = £3600$  a year
- The other 4 managers will also be there which will cost us  $24\text{hour} * £60 = £1440$  per person and in total will be  $£1440 * 4 \text{ person} = £5740$  a year

The cost of the CEO and managers are counted based on the average wage survey result on appendix 5.

## 7. Setting New Working Time Directive

It will begin with the fact that all employees who directly handle the bike will make an agreement with the company so that they get paid 32 hours a week while they are working more or less according to the season. This program is made to save a lot of extra work with counting working hours and so on and above all it will keep company's weekly expenses reasonable equal.

It is the responsibility of the human resource department to keep track of the personnel's working hours so that in the end of the year everybody worked an average amount of 32 hours a week.

The months in which needs to be worked overtime are according to the sales forecast in the months May, June, July and August and December. More information of sales forecast can be found in the appendix 10

## **The Conclusion**

As has been said before, to survive from the bankruptcy, SWIFT has to change its vision and mission. With the new management, this plan will make SWIFT be able to use the sources in the company efficiently so that it can give effective results for the company.

There are 6 big steps that the management team have to do to cover the other 6 major problems in the company started from the reorganization of the company, formulating the job description and the job handbook, formulating new compensation system, setting a performance appraisal system, conducting socialization and job training program and the last is setting new working time directive.

Those 6 big steps will be done together by management team and also their teamwork. There are responsibilities that have been set to make sure this plan could work right as the expectation, to survive and to make this company more efficient and effective in using its sources.

To guide the management team, view samples and methods are explained and can be found either in the report it self or even in the appendix.

To summarize, this operational plan will help SWIFT as a whole survive from its biggest issue; bankruptcy and can still continue its productivity.



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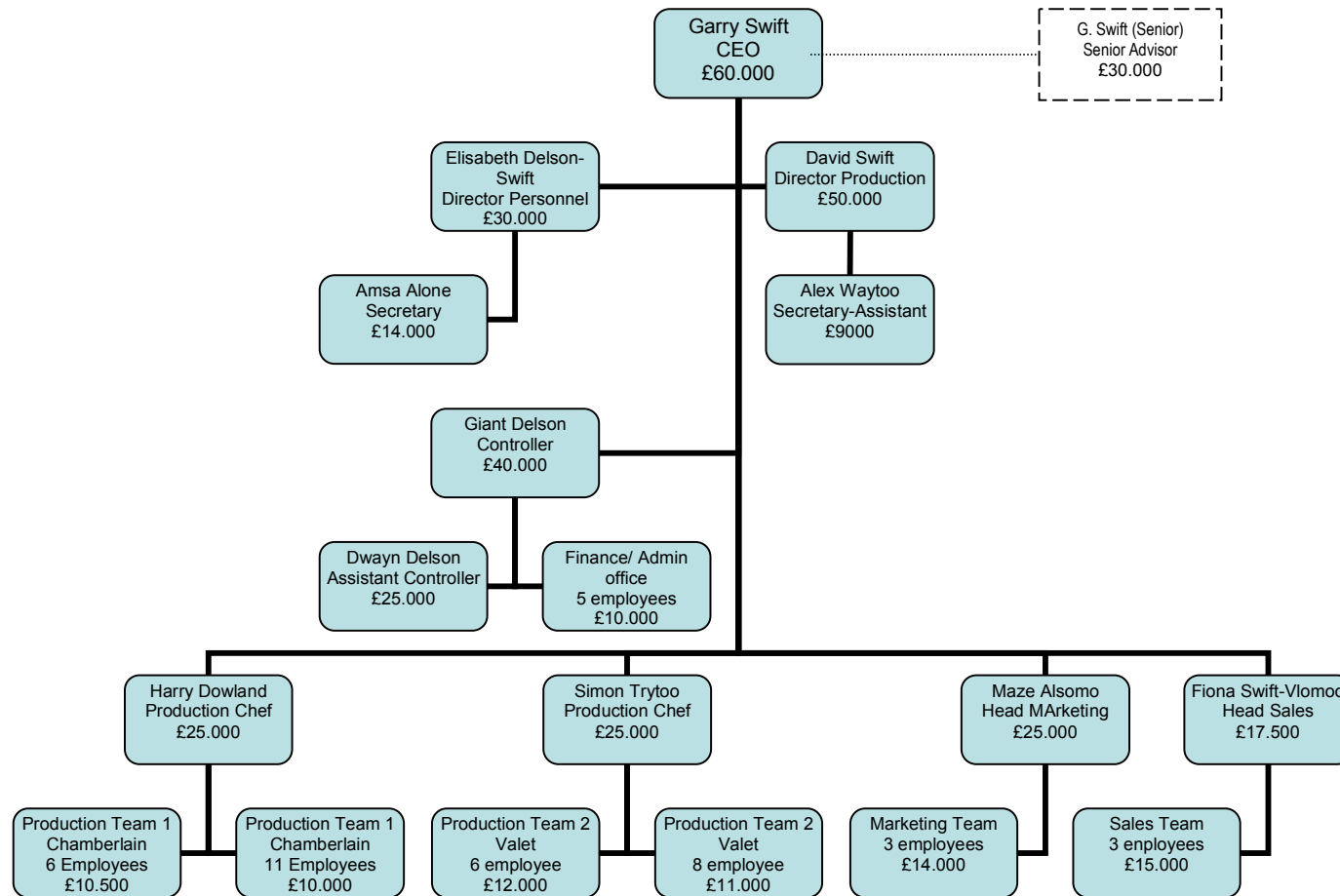
<http://www.martinwardanderson.com/salariesurvey/toc-intro.html>

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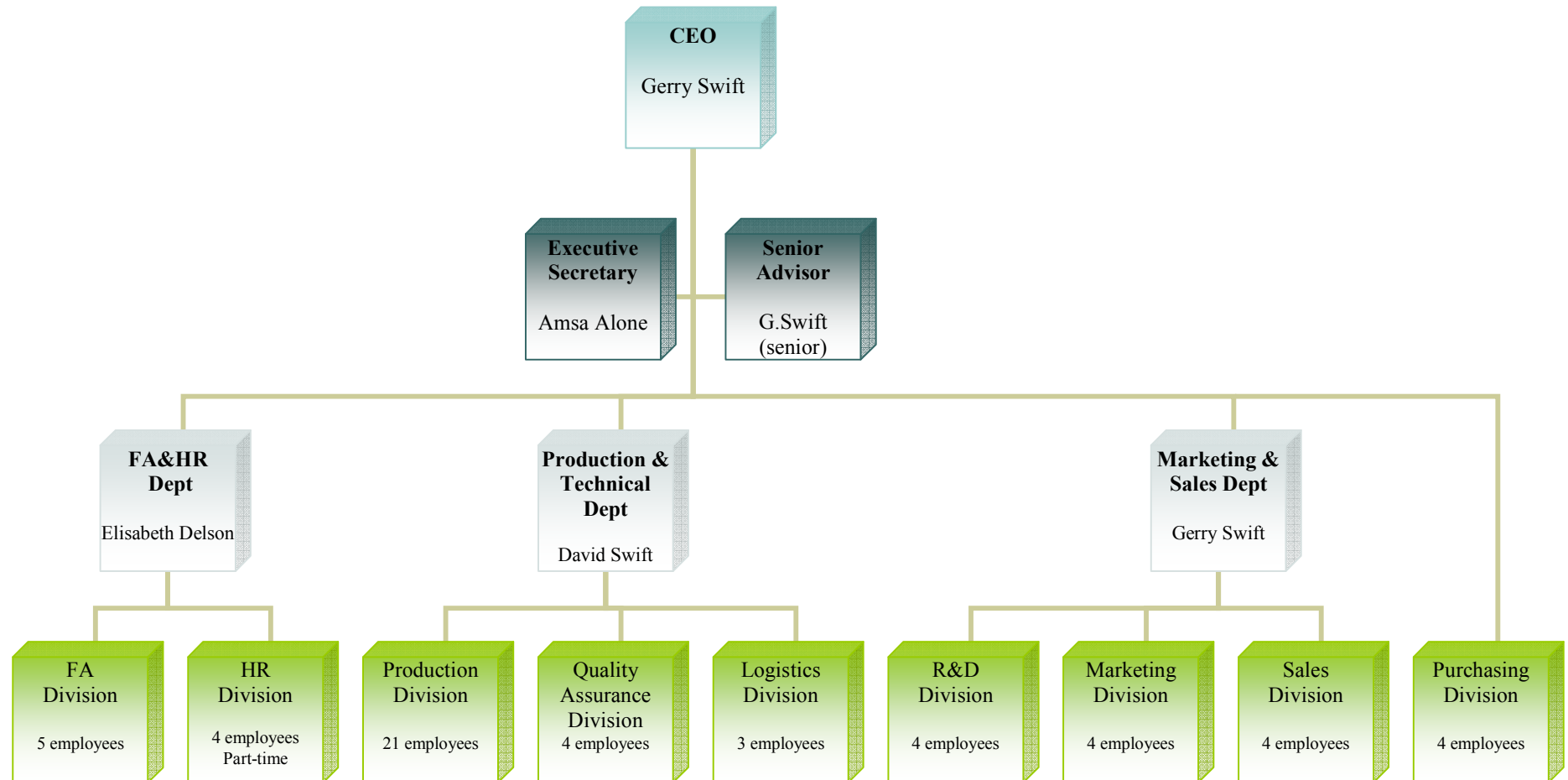
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## APPENDIX PAGE

## 1. Recent Company Structure



## 2. New Company Structure



### 3. Job Description

#### **3.1 CEO, Senior Advisor, Executive Secretary and Managers:**

##### **3.1.1 CEO**

###### Key Task:

- Makes strategic decision through collecting and testing information about market trend, consumption mode and competition's capacity, etc.

###### Responsibilities and Duties:

- Discusses and determines company's big issues.
- Holds meeting with directors
- Takes charging the daily routine.
- Appoints and removes company's high level managers.
- Hands in annual report

###### Knowledge, Skills and Abilities:

- Be able to meet emergencies
- Be able to lead and organize
- Be meditative, creative, ambitious

##### **3.1.2 Senior Advisor**

###### Key Task:

- Supervise and harmonize the prestige of quality of each department and the relationship between different departments to centralize the quality control and management
- To design, develop and implement the strategic plan for their company in the most cost effective and time efficient manner

###### Responsibilities and Duties:

- Leads the company and develops the corporate culture for the organization
- Applies the strategic goals and objectives of the company and assign the jobs to management teams
- With the CEO, allows the board to accomplish its authority function
- Evaluates the performance of the company in achieving its mission
- Performs other responsibilities assigned by the board.
- Collects the issues rise during the execution of strategy plan and report to CEO

**3.1.3 Executive Secretary**Key Task:

- Manages all day-to-day operations

Responsibilities and Duties:

- Owns the "task list
- Hires and fires all subcontractor
- General operations, correspondence distribution and deadlines
- Computer systems and database management
- Contract negotiations
- Ensure accurate and complete record
- Provide status reports to Board of Directors on regular basis

**3.1.4 Manager of Marketing and Sales Department**Key Task:

- Makes decision and executes the sales strategy

Responsibilities and Duties:

- Oversees design, marketing, delivery and quality of programs, products and services.
- Manages the customer service functions that are responsible for processing orders, corresponding with customers, and ensuring fulfillment.
- Directs staffing, training, and performance evaluation to control sales program.
- Analyzes market statistics to develop sales campaigns and create sales quota
- Plans and executes advertising activities of company's product.
- Lead research and development of new product in the market.

**3.1.5 Manager of Production Department**Key Task:

- Oversees the quality control and technique control, plans the daily work, targets and responsibilities for the whole department

Responsibilities and Duties:

- Directs and coordinates activities of production department in processing materials, applying knowledge of production methods, equipment, and capability of workers.
- Discuss with management personnel to establish production and QC standards.
- Plans and directs production activities and establish priorities in keeping with effective operations.

- Oversees assembly function and ensures quality of final product.
- Schedules and coordinates flow of work within department of manufacturing plant to expedite production

### **3.1.6 Manager of FA and HR Department**

#### Key Task:

- Oversee the preparation of financial reports, direct investment activities, and implement cash management strategies
- Full use and right use the human resource of the company

#### Responsibilities and Duties:

- Research the needs of resource and make human resource strategy for the company
- Be responsible for the job recruitment and interview
- Organizes job training and make personal development plan for stuff
- Makes wages plan and reward system plan
- Motivates stuff and build good working atmosphere

## **3.2 Employees**

The job description of Employees is not made for one specific employee in the division, but for the whole division, the main activities they will take to achieve the company's goals. There is a particular job description for the employees of human resource division as a sample and a few brief introduction of job description for the new divisions.

### **3.2.1 Employees of Human Resource Division**

#### Key Task:

- Selects, assigns, exploits, examines and trains the people that the company demands
- Makes and executives the wage system and stuff career plan
- Motivate the stuff

#### Responsibilities and Duties:

##### **A. System Management**

- Prepare long-tern human resource strategy
- Prepare personnel administration system
- Check and ratify the company annual personnel requirement plan and determine the authorized personnel plan for each department
- Regularly investigate the wage level

- Coach and assist the staff making career plan
- B. Organizations Management
  - Manage the setting, rename, merger and cancellation of each department
  - Map out the job description for each department
  - Review, appoint, dismiss and examine the company high level managers
- C. Personnel Management
  - Recruit, interview, appoint, dismiss the staff
  - Manage the company personal files and labour contract
  - Organize the examinations and appraisals for each department
  - Provide the statistics and analysis of human resource data
  - Organize the assessment of outstanding achievement
- D. Wage and Welfare Management
  - Prepare and monitor the budget of wage cost
  - Prepare the wage system
  - Prepare the welfare system
- E. Training and Developing Management
  - Prepare the annual training plan
  - Supervise and coach the training work of each department
  - Organize the training abroad and further education
  - Prepare the training budget
  - Develop the training course
- F. Other responsibilities
  - Prepare the staff handbook
  - Regularly survey the job satisfaction and create communication channels
  - Harmonize the relationship of each department
  - Collect and update the information of human resource management

### **3.2.2 Employees of Research and Development Division**

#### **Key Task:**

- Organizes and plans the activities of researching and development for improving productivities

#### **Responsibilities and Duties:**

- Analyses the information through internal and external channels and provides evidence for company strategy

- Researches and participate in the company long-term strategy
- Researches and provides constructive suggestions for the company culture

### **3.2.3 Employees of Logistics Division**

#### Key Task:

- Manages the supply chain and science of managing and controlling the flow of goods, information and other resources

#### Responsibilities and Duties:

- Manages and coordinates activities of workers engaged in packaging products and materials for storage or shipment.
- Studies production orders to decide container to be used and other packaging requirements.
- Inspects packaging operation.
- Responsible for managing processes involved in a supply chain and communicate with a variety of parties, including suppliers of raw materials, manufactures, retailers and consumers.
- Oversee operation in shipment route transportation, stock control, warehousing, and monitor the flow of goods and materials.

### **3.2.4 Employees of Quality Assurance Division**

#### Key Task:

- Ensure the quality of products and examine the machinery.

#### Responsibilities and Duties:

- Inspect the machinery regularly and make records
- Back-check the product line including material, assembling and packing
- Prepare and supervise the quality inspection
- Solve the problem of failure and aging of machinery

### **3.2.5 Employees of Purchasing Division**

#### Key Task:

- Purchase the production materials, books, office applies and other things which is required by every department.

#### Responsibilities and Duties:

- Supply the material goods for production and avoid lack or unnecessary
- Supply the office applies and other internal needs of each department



- Record of every purchase and keep the invoice
- Report to the CEO and send the invoices to Finance department
- Look for good sellers and build long-term partnership

### **3.3 Sample of Job Handbook –Human Resource Division**

#### ***I Objective of the Handbook***

- To construct the advanced and reasonable system of management
- To improve the employees' self development and work efficiency
- To maintain the unity and coherence of the personnel system and process

#### ***II Scope***

- This handbook is used for the company stuff that is being recruited, appointed, examined, developed and trained. It is also for the preparation and execution of the company activities including wage and welfare policy, employees' career plan.

#### ***III Reference***

- Involve the relative Law and Documentation

#### ***IV Glossary***

- Such as Human Resource: A person who is in the appropriate age and is able to work. Also including Personnel, Department, Management Consciousness

#### ***V Job Responsibility***

- Manager Responsibility
- Other Department Responsibility
- Human Resource Department Responsibility:
  1. Principle
  2. Organization Management
  3. Personnel Management
  4. Wage and welfare
  5. Development and Training

#### ***VI Routine***

- Human Resource Plan and Preparation

- Personnel Arrangement
- Hire and Dismiss Process
- Work Discipline
- Insurance
- Vacation, Leave, Evection
- Training Course
- Reward and Punishment
- Retirement

#### 4. Current Wages Table

No	Name	Job Position	Current Wages
1	G. Swift	Senior Advisor	£30.000
2	Gerry Swift	CEO	£60.000
3	Elisabeth Delson	Personnel Director	£30.000
4	David Swift	Director Production	£50.000
5	Amsa Alone	Secretary	£14.000
6	Alex Waytoo	Secretary – Assistant	£9.000
7	Giant Delson	Controller	£40.000
8	Dwayn Delson	Assistant Controller	£25.000
9	Staff (5)	Financial Dept/ Adm	£10.000
10	Harry Dowland	Production Chef	£25.000
11	Simon Trytoo	Production Manager	£20.000
12	Maze Alsomo	Head Marketing	£20.000
13	Fiona Swift – Vlomoo	Head Sales	£17.500
14	Staff (6)	Production Chamberlain 1	£10.500
15	Staff (11)	Production Chamberlain 2	£10.000
16	Staff (6)	Production Valet 1	£12.000
17	Staff (8)	Production Valet 2	£11.000
18	Staff (3)	Marketing	£14.000
19	Staff (3)	Sales	£15.000
		<b>Total Amount</b>	<b>£423.000</b>

- Total of employees including the managers and director is 54.
- Wages are per year.

## 5. Example of Wages Survey Result

Table below provide information of wages in the employment market in London, especially for the FA Department. This survey is based on the year 2007 / 2008.

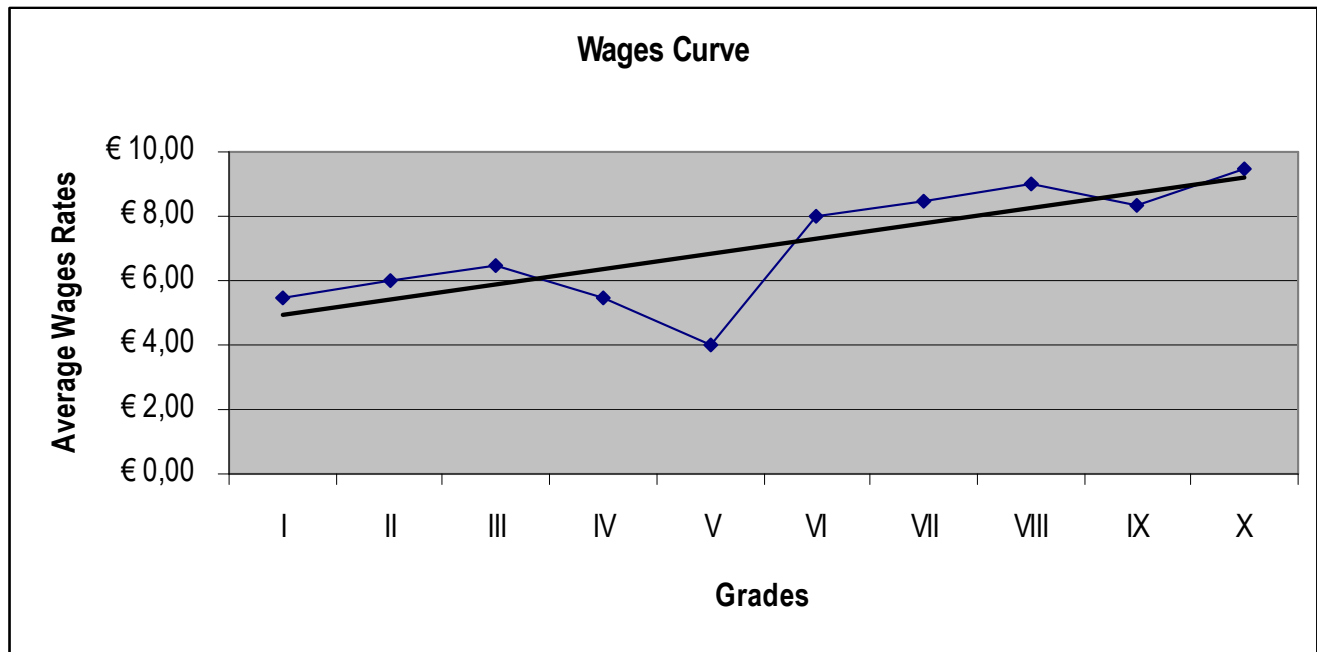
Job Title	Small / Medium Company £ per annum ('000)
CEO	100 - 150
Finance Manager	40 - 60
Management Accountant	40 - 48
Financial Accountant	40 - 48
Systems Accountant	40 - 48
Project Accountant	42 - 50
Assistant Accountant	22 - 30
Credit Controller	18 - 25
Payroll Officer	18 - 25
AP / AR Clerk	18 - 27

## 6. Example of Job Groups

Below is the job groups made refer to the new company chart in appendix 2.

No	Job Group	Consist of:
1	Managerial job	CEO, Senior advisor, Head of each Department
1	Administrative job	FA, HR, Executive Secretary
2	Technical job	Quality assurance
3	Product oriented job	Production, Logistic, R&D, Marketing, Sales, Purchasing

## 7. Example of Wage Curve



There are few wages fall off the curve. In that reason, management team could consider either to raise or to lower the rates.

**8. Example of Fringe Benefits**

Social Security Tax	6,65%	
Unemployment Insurance	1%	
Medical Insurance	5%	
Working Injuries	2%	
Holidays	4%	
Fuel	<u>2%</u>	+
	20,65%	From wages

## 9. Example of Performance Appraisal Form

<b>Administrative/Technical Performance Review</b>	
Employee Name:	
Job Function:	
Date of Review:	
Reviewer Name:	
<b>Quality of Work</b>	
Work is performed accurately and neatly. Work is consistent, thorough and complete.	Comments
<input type="checkbox"/> Outstanding <input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Improvement Needed <input type="checkbox"/> Unacceptable <input type="checkbox"/> Not Applicable	
<b>Quantity of Work</b>	
Amount of work performed on a daily basis is appropriate for job function.	Comments
<input type="checkbox"/> Outstanding <input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Improvement Needed <input type="checkbox"/> Unacceptable <input type="checkbox"/> Not Applicable	
<b>Job Knowledge</b>	
Understands the job requirements and has specific content knowledge where appropriate.	Comments
<input type="checkbox"/> Outstanding <input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Improvement Needed <input type="checkbox"/> Unacceptable <input type="checkbox"/> Not Applicable	



Performance – Exceptional Work and attitude far exceed standards	Performance - Satisfactory Work and attitude meet a high set of standards	Performance – Needs Improvement Work and attitude are below standards.
<p>Section III: At the beginning of the review period, define the job specific performance criteria. Upon completion of the review period, evaluate the performance and determine the appropriate rating. Add comments as appropriate.</p>		
<p>Essential Job Duties: Below, state the job duties of the individuals, with specific examples (1,2 and 3) supporting the ranking for each.</p>		
<p>Job Duty 1:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 2:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 3:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 4:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 5:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 6:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 7:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 8:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		
<p>Job Duty 9:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p style="text-align: right;"><input type="checkbox"/> Exceptional   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Needs Improvement</p>		

**10. Sales Forecast Year 2007/ 2008/ 2009**

<b>CHAMB</b>	<b>Year</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>
pieces	2007	191	416	366	935	1.424	1.873	1.474	1105	663	928	1484	2.078
	2008	202	441	388	991	1.509	1.985	1562	1171	703	984	1574	2.203
	2009	214	467	411	1050	1.600	2.106	1656	1241	745	1043	1668	23.345
<b>VALET</b>	<b>Year</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>
pieces	2007	191	235	721	1781	1834	2470	2098	1678	454	568	1267	1744
	2008	202	249	764	1888	1943	2617	2224	1779	481	602	1343	1849
	2009	214	264	810	2001	2060	2775	2357	1885	510	638	1423	1960
<b>TORQUE</b>	<b>Year</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>
pieces	2007	87	130	342	654	987	1403	2898	2989	2756	2654	2875	2433
	2008	92	138	363	693	1046	1487	3071	3168	2921	2813	3048	2579
	2009	98	146	384	735	1109	1576	3256	3358	3097	2982	3230	2734