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IMPLEMENTATION OF NEW MANAGERIAL TOOLS FOR COMPANY'S MANAGEMENT DEVELOPMENT

Abstract: This article presents the details of the new management techniques and managerial tools implementation and the results of their implementing new in the context of the management system development which is carried out in the large Uzbek manufacturing company "GM Uzbekistan". Analysis of the results of innovation activity, questionnaire survey and special interview reveals of main influenced factors. Result of the research illustrates the importance of in-company culture and managerial style, empowerment and involvement of personnel, education and training programs.

Key words: management development, improvement team, managerial tools, innovation, implementation.

Language: English

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Introduction

Globalization processes puts pressure on companies to improve their efficiency in a continuous way. Main part of effective company are modern management, there has been increasing awareness and implementation new Managerial tools and techniques in context development the management of company. Especially ones need for Uzbek automobile manufacturing companies.

Many companies of developed countries learnt that the effective management means implementation of the Employees Suggestion System (ESS), Quality Circle (QC) activity, Total Productive Maintenance (TPM), Management by objectives (MBO) that increased of productivity and efficiency, let to save lot of money, and improved of quality. Hyland *et al.* (2004) highlights the major potential benefits of these tools as are both as increase business performance so increase "people performance" in the form of personal development [1]. This aspect of new managerial tools is very important for developing countries and Uzbekistan. Verdinejad *et al.* (2010) demonstrate the application of these tools in model of large Iranian holding development [7].

Companies of Uzbekistan, which want become the industrial country and develops the new branches

of industry as automotive manufacturing, also tried to implement new effective technique of CI.

Today productivity of Uzbek workers is considerably low by international standards, triggering the need to enable and motivate Uzbek workers to actively participate in development of production and increasing its effectiveness. In this regard, implementation new methods and techniques is very important as form of Action learning and needs fundamental change in company's culture through people development [6].

There are some important reasons of that (on our opinion common for industrial companies of the every developing country):

1. Shortage of all kinds resources,
2. Low level of education and training of employees;
3. Lack of discipline and low morale of workers;
4. Low level of organizational culture and management skills [8].

As well as certain characteristics of workforce not encourage employees' involvement, initiative and empowerment. According to above mentioned, key issues for implementing CI in developing country's company is selection of the kinds of managerial

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techniques that are more effective in local culture's conditions.

II. The Company development concept

"GM-Uzbekistan" (Asaka, Uzbekistan) was a Joint-venture company, since 2007 forms part of USA-owned multi-national corporation General Motors and began independently operated as national automaker company in 2019.

The company manufactures the several models of passenger cars and the micro-buses. The production site was opened in 1996 and was Uzbek-Korean owned Joint-Venture until the jointed to family GM. There are more than 10000 employees at this site and at the three other Uzbekistan sites.

About twenty years ago, company launched a program focused on integrating the organization's Mission, Vision and Values into the work and culture of the organization. The program, led by the company's top management, was adopted because of the belief that strong innovative policy can lead to

greater employee engagement and better organizational outcome. The management of the company made-out the following concept of company development (fig.1).

Under the Vision of company's future, the Mission was stressed that improving of quality of the Human resources and involvement through Paradigm changes should be used to create the Learning organization and climate of the Continuous Improvement. The Suggestion system, Education and Training, Quality circle, 5S' and TPM activity were selected as main tools for stirring up of employees.

Successful implementation of development model of the company greatly depends on consciousness of the personnel of the company. Only increasing the level of personnel consciousness, will it be possible to achieve targets set and utilize all opportunities available in developing company. It would be interesting to learn how this company aligns Quality of management to Human resources development through Continuous Improvement as the part of development strategy.

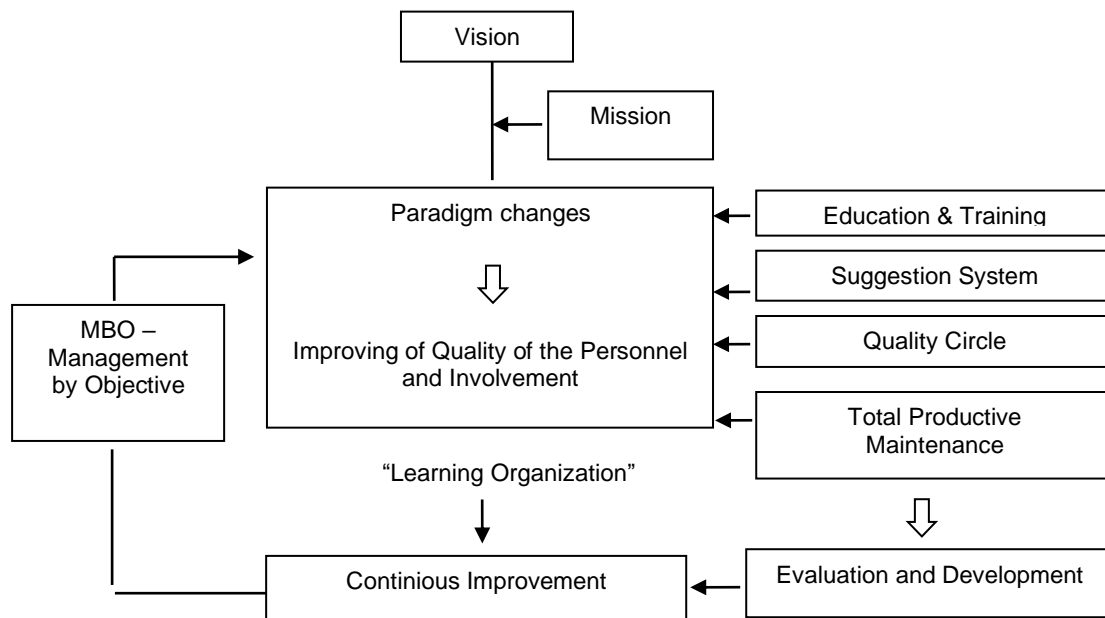


Figure 1: Concept of company development

III. Implementation of innovation activity in the company

The goal of program during the first years was simply Paradigms change awareness. All employees received four-hourly training on the company's organizational development concept and new managerial improvement techniques, and the training was incorporated into new employee and manager orientation.

A survey of employees following these trainings showed that the trainings were effective in increasing awareness of company's organizational development concept and developing new demands to workforce.

For developing the innovation activity and promotion of implementing a new techniques company management established special Cross-functional Innovation (Implementation) team included seven high-qualified and high-motivated specialists. The Innovation team was educated and trained by company's top management and empowered for

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effective activity. As a result of this experimental phase it became clear that introducing any approach would require expert guidance and support, i.e. establishing special Innovation team.

The second of the program focused on engagement. The management (personally - 1st Deputy General Director from Korea) and Innovation team developed several tools for managers to increase the focus on Organizational development within their departments and to foster an environment in which the values would flourish.

Specifically, managers were instructed on how to establish goals for employees that align with the organization's using MBO – Management by objectives and to incorporate MBO method into the performance reviews.

The goal of the third phase of the program was adoption. Each month, the Innovation team developed events and programs that focused on a different core value of the organization and its divisions. For example, “OK rate” of production line as final determinants that shows effectiveness of production and quality.

By this way company' Management through Innovation team activity arranged employee's activity and main goals of company. The program is constantly overseen by a company's top management and two positions were added to support the project. Progress of the program is tracked through a periodic, usually monthly reporting of every divisions of the company. Leaders of the company offered three recommendations for implementing the program at site:

1. Engage senior executives. Grassroots activities are important, but rolling them out and maintaining them organization-wide requires high-level support and initiatives.
2. Coordinate timing so that the initiative does not conflict with other significant efforts.
3. Slow and steady wins the race. Incremental change brings small steps that lead to steady progress.

Below shows the list of managerial innovative techniques that was implemented in company (Tabl.1).

Table 1. Results of organizational innovations in company

Innovation	Period	Initiator	Mover/Driver	Result or status
5“S”	2000 – present	Management of company	Innovation team	Routinized
MBO- Management by objective (changed by GMS)	2000-2008	Management of company	Innovation team	Passing to GM-GMS
Suggestion system	2000-present	Management of company	Innovation team	Developed actively
Quality circle	2001-present	Management of company	Innovation team	Routinized /Stagnation
TPM – Total Productive Maintenance	2002-2015	Management of company	Innovation team	Fading
Production system GM-GMS	2009-present	Management of company	GMS Team	Developed actively
Focusing Improvement Team	2012- present	Management of company	Innovation team	Actively developed

Lack of managerial support and mass enthusiasm were reasons of unsuccessful in the first trying to establish and develop Suggestion system and Quality circle. These early attempts did not however bring their fruits as expected, but constituted learning process in planting suggestion system and small group activities in plant. Total productive management also has not developed through shortage of the mass enthusiasm of employees and special national character features, and it is fading to 2015.

The Employees Suggestion System and Quality circle activity as most developed managerial technique and as main Continuous Improvement tools was selected for more detail analysis.

IV. The Suggestion System

Suggestion systems are important features of Continuous Improvement program everywhere. Many companies with developed suggestion systems have shown the importance of improvement in quality and quantity of production. There has been little empirical research on the issue of suggestions in companies of developing countries. [3].

While there have been studies about modern production systems, there has been little specific focus on suggestion systems in aspects of employees development. For this reason, we conducted research on the “human side” of suggestion system in company that established a well-organized suggestion system. Research has found that Employees Suggestion System is a useful way to obtain and utilize

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employee's creative ideas. To be effective, employees must be motivated to participate in the Suggestion system.

The Suggestion System operated by the General Motors Uzbekistan generated over 90 thousand suggestions for improving manufacturing processes over a span of 10 years, including suggestions both of individuals – as each employee Ideas and of Quality

circles – as group decision making. The average number of suggestions submitted by each employee per year is 2.1, that approximately similar as 10 years ago for Britain companies [5]. The saving from suggestions in the company was approximately 3.9 billion Uzbek sums (approximately US\$ 2.530.000).

The table 2 shows the resulting performance of system at the company.

Table 2. Suggestion system development stages

Contents	Introduction (1998~2001)	Diffusion (2001~2006)	Activation (2007-2012)	Quality seeking (2013~ present)
Suggestion per person	0.03	1.1	2.0	2.1
Implementation rate, %	52.2	16.4	41.4	66.9
Involvement Rate, %	5.8	48.4	60.2	82.7

As shown in the Table 2, four stages were identified: 1) introduction, 2) diffusion, 3) activation and 4) quality-seeking stages. The average number of suggestion increased to 11 486 in Activation stage and dropped to 11 172 Quality seeking stage, because the evaluation level for adoption was raised. Regardless, the average number of suggestions per person rather went up.

In view of the 66.9% implementation of the adopted suggestions which is compared with 41.4% in

the previous stage, and 82.7% involvement which is compared with 60.2% in the previous stage. This indicates the company began to enter the qualitative approach from the quantitative one's.

The characteristics of each stage in the development of suggestion system are shown in the following figure.

Table 3. Main characteristics of Suggestion system Development Stages

Stage	Characteristics
Introduction (2001~2006)	- establishing the Education center of company; - training on real-life examples for middle-range and front-line managers; - introduction of Suggestion System basically.
Diffusion (2006~2009)	- establishment of rewarding system for implementation; - establishment of Suggestion Secretariat and Award Committee; - started Quality Circle conferences.
Activation (2009-2012)	- active implementation of Suggestion System; - computerization of Suggestion System management.
Quality seeking (2013~present)	- developing new form of group decision making – Quality Improvement Team; - standardization of evaluation processes; - expansion of suggestion system to suppliers.

V. Empowerment Practices in Action

Company top management strong supports of Continuous Improvement activity. In the beginning phase the company has the Innovation team include 7-9 permanent paid high qualified best employees as facilitators. These facilitators oversee about 12000 improvement events per year within the organization.

Front-line managers and person-in charge for Suggestion activity work together on the Innovation team, which helps to provide suggestion making activity within the different departments.

Front-line managers was to find as person-in charge for Suggestion activity to be empowering because they serve as a driver for expressing ideas, writing Improvement suggestions and implementing change.

Every year about two thousands employees received additional training on Suggestion activity. The company management reviews monthly reports on Suggestion activity progress. Survey of employee engagement at company shows that employees who are involved in suggestion-making activity (approximately 82,7%) are more engaged than those

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who have not participated (17,3%). The company estimates that it has saved over 4 6178 millions soums (approximately 2,530 thousands USD) through improvements resulting from applications of suggestion system since the inception of the program.

VI. Effective Factors of Suggestion System

One of the aims of this paper was investigating effective factors in operating Continuous Improvement at the company. In order to conduct the research, an experience of the company was excavated in search of its characteristics in the suggestion system. Further, a questionnaire survey was conducted from 144 workers (best suggestion-makers, person in charge for suggestions, team members, etc.) in order to investigate what they think about the system and problems of system.

Relevant data was obtained and then analyzed for study (Table 5).

Main findings is the next.

1. Suggestion system activity is result firstly of managerial stress, secondly of busting the job demands.
2. Group suggestions is not much more effective than individual.
3. Suggestion system must be developed through improving the speed of evaluation and by using more simple procedure of evaluation.
4. For better motivating of suggestion-makers rewarding amount of money must be extend.

Some other quantitative finding by special interviews with best suggestion-maker workers includes following.

1. Just 40% of employees think their senior management really support new ideas and new ways of doing things.
2. Just 36 % of employees think senior management tries to be visible and accessible to employees.
3. A 42 % of employees think company's employee suggestion system is ineffective.

Table 4. Results of CI factors estimation

Factors affecting on innovation activity	Strongly disagree	Disagree	Middle	Agree	Stronly agree	Total	Mean	Std.deviation
Suggestions are result of the busting the job demands	6 (4,2)	21 (14,6)	55 (38,2)	21 (14,6)	14 (9,7)	144	3,465	1,17
Suggestions are result of managerial stress	4 (2,7)	10 (6,9)	28 (19,4)	41 (28,4)	61 (42,1)	144	3,965	1,09
Suggestions are result of employee involvement and development	16 (11,1)	15 (10,4)	53 (36,8)	38 (26,3)	22 (15,3)	144	3,257	1,18
Suggestions are result of "Shijoat" movement	2 (1,3)	69 (47,9)	47 (32,6)	20 (13,9)	6 (4,2)	144	2,729	0,89
Lack of support of front-line managers and innovation team	13 (9,0)	19 (13,2)	52 (36,1)	28 (19,4)	32 (22,2)	144	3,326	1,21
Importance of training and education for suggestion-making development	8 (5,5)	13 (9,2)	31 (21,5)	49 (34,0)	43 (29,8)	144	3,736	1,14
Group suggestions are more effective than individual	26 (18,0)	33 (22,9)	41 (28,4)	17 (11,8)	27 (18,8)	144	2,902	1,35
Speed of evaluation and rewarding is good	31 (8,3)	41 (28,4)	37 (25,6)	26 (18,0)	9 (6,2)	144	2,590	1,19
Procedure of evaluation is simple and convenient	29 (20,1)	44 (30,5)	25 (17,3)	31 (21,5)	15 (10,4)	144	2,715	1,29
Rewarding amount is not enough to motivate suggestion-making	8 (5,6)	28 (19,4)	21 (14,6)	28 (19,4)	61 (42,3)	144	3,708	1,32

6.1. Strong support of top management

Top management strongly and visibly supports the development of the suggestion system. Until last year, to solicit a suggestion from employees, any reasonable suggestion had been welcome so that data

could be accumulated in a large quantity. The goal was to develop employee's capabilities to create new idea, to generate ability to make suggestions through receiving a new knowledge and skills. As a most of employees has received experience of suggestion-making, quantitative approach was encouraged by top

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management and factory turned to qualitative approach in 2010-2012.

Top management, as a main driving force, urges employees to participate in the training program and contributed to the integration of the Suggestion system through rewarding system and feedback.

6.2. Involvement and personal development.

On employee's viewpoint, suggestion making itself is important part of his worklife and important for company activity. Also, employees who feel a high level of accomplishment from the job would more suggestions and involvement is an important input to make a suggestion.

6.3. Participation

As mentioned previously, employees have extensively been involved in the suggestion process and successful suggestion system is a result of employee involvement practices. This company actively supports employee involvement, with a participation rate of 82.7% of total workers so that can reap organizational creativity. Subordinates are strongly encouraged to learn how to make suggestions by individual and group. An atmosphere of participation encouraged regarding a suggestion.

6.4. Evaluation procedure

The Suggestion system in company has been developed in a manner that employees actively participated in suggestion implementation and can see the current status of the submitted suggestion. The procedure of evaluation is simple, speedy and convenient to participants. The results of final decision are quickly disclosed regarding implementation. The generalization of the above mentioned opinions of employees about Suggestion system and its acted factors for personnel indicates in the figure 2.

Thus, based on results of this study, we can say - for Quality of management in context improving the company outer performance may be rise by implementing of new managerial tools both as Continuous improvement and as Personnel development tool. Effective implementation of these personnel-based possible in the next conditions:

1. messages to personal regarding who is invited to participate must be clear (in principle – all employees);
2. education and training are very important in the first phase of system development;
3. rewarding procedure must be suitable and clear for all employees; especially for engineers and operators
4. Continuous improvement needs in continuous support for system.

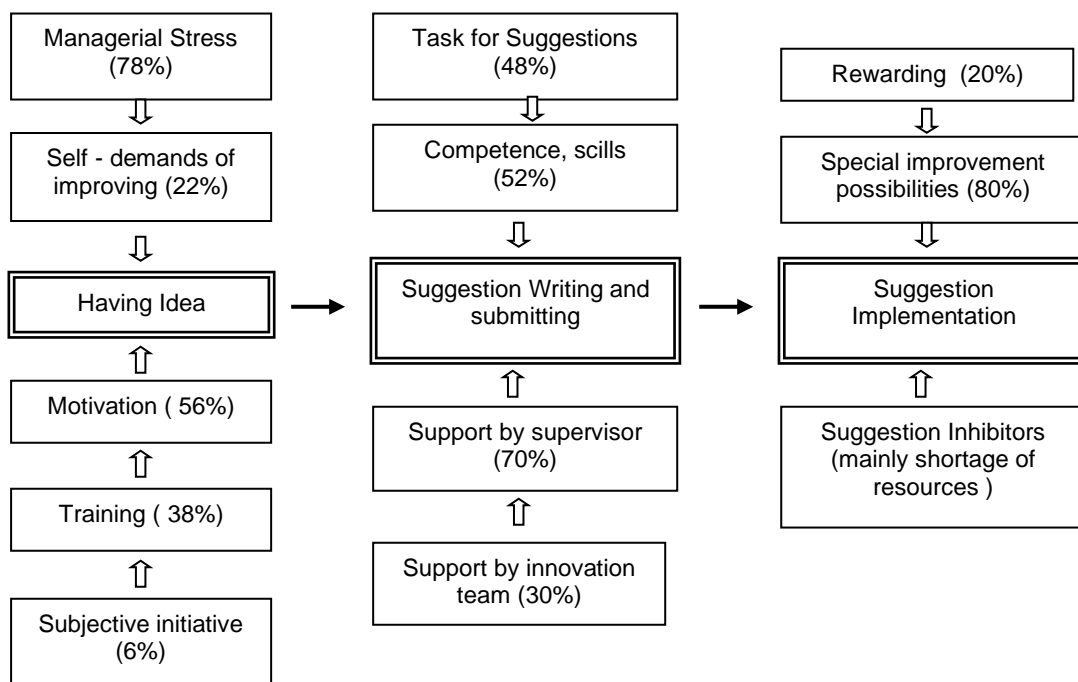


Figure 2. Structure of suggestion system factors

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Conclusion

The management of the JVC “General Motors Uzbekistan” has actively tried to induce Continuous Improvement activity within company employees. Within the framework of the visions of the Continuous Improvement a common understanding has developed and the future direction of development has been negotiated.

The role of the management has been that of a driver and conductor in the Continuous Improvement process. This strategy has enabled the management to influence the development of employees with relatively limited resources.

The development of Continuous Improvement tools as Employees Suggestion System and role played by the decision-making groups as Quality circles and Improvement teams, indicates that managerial support, including training and employees development program are important. In our current conditions managerial stress is main motivator. In this process, employee’s development has been equally important for the Continuous Improvement.

The history of Continuous Improvement in General Motors Uzbekistan demonstrates that success of new managerial techniques is not easy. The focus on the real problem areas, as quality, was, however, not a failure even though the targets were not met. The new managerial technology of human factor activating was later successfully utilized in the introduction of the focused Improvement team. The conclusion drawn from this is that management of company should, if possible, focus on collectivism aimed for real, vitally important areas and creative leaders.

This experience also shows that established Suggestion systems must be developed on basis of local living standards and national culture styles. Given the right environment and sensible managerial policy, it is possible to sharply developed Continuous Improvement activity in desired direction and to increase its efficiency.

Facilitating the Adoption of Continuous Improvement Tools

Findings from this experience and the literature review suggest that there are several actions that can facilitate the adoption of Continuous Improvement (CI). We offer the following recommendations for the adoption of CIs:

1. Commit to an organizational culture that focuses on quality and productivity. Use organizational culture for support that CI.
2. Engage leadership support. Ensure that top and middle level managers are involved in the implementation and developing of CI and that they reinforce the importance of CI for employees.
3. Involve the employees in strategic planning. Ensure that employees understand and sharing the Vision, Mission, Purpose and Goals of company.
4. Identify challenges and opportunities for employees learning and development. Make sure your company has a critical mass of professionals who have the training and experience to understand, implement, and evaluate these best practices.

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