



# ***ENTREPRENEURSHIP AND BUSINESS MANAGEMENT***

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## ***Foreword***

Dear Authors, Editors, Esteemed Readers,

It is with great pleasure that I welcome you to the conference proceedings of the *I International Research Conference on Entrepreneurial Processes (IRCEP 2023) - "Entrepreneurship and Business Management"*. This gathering of researchers, students, and aspiring entrepreneurs represents an amalgamation of ideas, experiences, and expertise in the dynamic field of business management.

Effective management practices are crucial for sustainable growth and success in today's rapidly evolving business landscape. This conference provided a chance for professionals to network, learn about best practices, and debate current business management trends. Throughout these conference proceedings, you will research papers, and case studies covering a range of topics relevant to entrepreneurship and business management.

I would like to express my appreciation to all the participants of the conference. Your presence and active engagement have contributed to the stimulating environment that defines this event. I am confident that the knowledge shared here will inspire and empower each of you on your entrepreneurial and managerial journeys.

Best regards,

*Olegs Nikadimovs*  
*Editor-in-chief*

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# SUPPLY CHAIN AND OPERATIONS OF PHARMACEUTICAL COMPANY

## MEDIPLUS SARL

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### **Abstract**

*This study aims to examine the supply chain and operations management of pharmaceutical companies with Mediplus Sarl as a case study. The tasks of this study were to summarize the theoretical framework and approach to supply chain management and operations, to introduce and summarize the pharmaceutical industry in Cameroon and to analyze the operations and supply chain processes in Mediplus Sarl. The research study was qualitative. The survey instrument used for data collection was an interview. The survey instrument used for data collection was an interview. The data processed is only based on the number of valid interviews conducted. The survey technique seeks to obtain data from three operations and supply chain management variables through an interview. Data for this study is collected from 20 respondents in Mediplus sarl a pharmaceutical company. This study will also make use of both primary data which will be collected by the interviews and secondary data will be collected online from the Mediplus sarl website for analysis purposes. The research made use of a purposive sampling technique to sample participants for the interview. It is observed from the review that supplies, operations and distribution and retail in the supply chain and operations management have a great impact on the smooth running of pharmaceutical companies in Cameroon. Having the right suppliers is key to a pharmaceutical company. It was also observed that when medications are not distributed correctly or on time, patients suffer and companies bear the burden of financial loss.*

**Keywords:** supply chain management, operations management, efficiency, pharmaceutical industry

### **Introduction**

The pharmaceutical industry can be defined as a combination of processes, organizations, and operations involved in the development, design, and manufacture of useful pharmaceutical drugs (Shah, 2004). According to Xie and Breen (2012), a pharmaceutical supply chain is a special supply chain in which drugs are produced, transported, and consumed.

According to Lee (2002), management of supply chains is a complex and challenging task because of the changing trends in expanding variety of products, short product life cycles, increased outsourcing, continuous advances in information technology, and globalization of businesses. It also includes high cost and time expenditure in conducting clinical trials with low success rate in product discovery and clinical development, generic competition at the end of product patent life followed by high uncertainties in demands, and capacity planning (Lainez et al., 2012).

The US Agency for International Development (USAID) Systems for Improved Access to Pharmaceuticals and Services (SIAPS) program is helping Cameroon's Ministry of Health (MOH) to improve pharmaceutical management systems so they ensure the availability and use of medicines for improving health outcomes. One component of this support is strengthening the warehouse management systems in "La Centrale Nationale d'Approvisionnement en Medicaments et Consommables Medicaux Essentiels" (CENAME) and six Centres d'Approvisionnement Regionaux (CAPRs) in selected locations (USAID, 2014). CENAME also manages the products of

public health programs (PHPs) such as those that employ pharmaceuticals and health commodities to treat) malaria, TB, and HIV and AIDS (CENAME, 2022).

All over the globe pharmaceutical organizations are facing challenges like global quality standards, healthcare reform, patent expiries, and increased service requirements. To meet these challenges, pharmaceutical firms have to reduce costs, increase agility and improve speed to market. Strategic planning is very important to succeed in a global and volatile market. Shah (2004) has defied the key issues which play an important role in the design and development of pharmaceutical supply chains such as process development, capacity planning, network design, plant design, and pipeline and development management.

One of the most recent studies on supply chain and operations management was conducted by Abrahams (2021) who tested the impact of green supply chain capabilities on the performance of oil marketing firms in Kenya. Ageron et al. (2013) have focused on the different practices and collaboration issues of suppliers and customers for improving the competitiveness of the whole supply chain. Due to the challenges and complexities in pharmaceutical operations and supply chains, it is seen that there is a significant lack of research on this field in Cameroon and thus, it is against this backdrop that the study thus seeks to examine the impact of operations and supply chain practices in Mediplus Sarl a pharmaceutical company in Yaoundé, Cameroon as the case study with the hope to mitigate the challenges using the best operations and SCM practices to gain a competitive advantage in the pharmaceutical industry in Cameroon.

The research study was qualitative. The survey instrument used for data collection was an interview. The researcher used the purposive sampling technique to select the study participants to answer the interview questions. Choosing this method of sampling ensured that the small number of cases yielded the right amount of information about supply chain and operations management in pharmaceutical industries in Cameroon. The target population included business leaders, managers, and professionals performing the same function for at least two years and working in pharmaceutical companies in Cameroon. Data for this study is collected from 20 respondents in Mediplus Sarl a pharmaceutical company in Yaoundé, Cameroon.

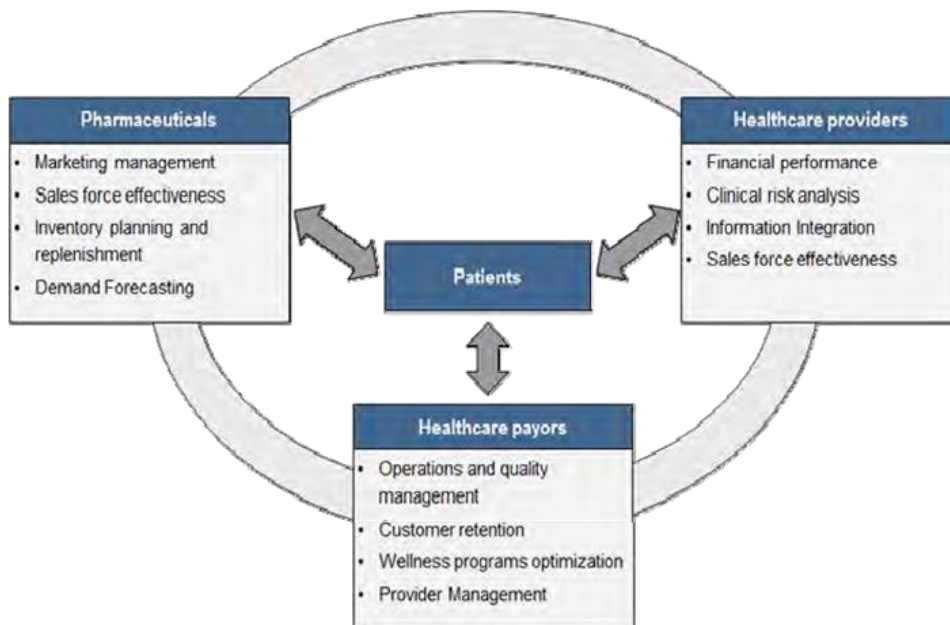
## Literature Review

Hoovers defines the pharmaceutical industry to include “Companies that research, develop, produce, and sell chemical or biological substances for medical or veterinary use, including prescription, generic and OTC drugs; vitamins and nutritional supplements; drug delivery systems and diagnostic substances; and related products, equipment, and services, including distribution and wholesale” (Hoovers.com, 2005).

As defined by Chopra and Meindl (2004) *“a supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. The supply chain not only includes the manufacturer and suppliers, but also transporters, warehouses, retailers, and customers themselves. Within each organization, such as a manufacturer, the supply chain includes all functions involved in receiving and filling a customer request. These functions include, but are not limited to new product development marketing, operations, distribution, finance, and customer service.”* Christopher and Peck define a supply chain as: *“... the network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer”* (Christopher & Peck, 2004).

Pharmaceutical activities in Cameroon are dominated by the public sector, the private sector, and traditional pharmacopoeia. There are concerns about the growing threat from the illegal medicine market. The public pharmaceutical sector, SYNAME (Système National d’Approvisionnement en Médicaments Essentiels) is coordinated around CENAME, the CAPRs, and public HF pharmacies (CENAME, 2022). The private pharmaceutical sector contains two subsectors: (a) the private for-profit, which represents approximately 40 percent of the pharmaceutical market in Cameroon and includes distributor wholesalers such as LABOREX, BIOPHARM, UCPHARM, PHARMACAM, MEDIPLUS, and SDPP, and approximately 400 private pharmacies; and (b) the private non-profit,

which includes faith-based Catholic, Reformed, and Islamic organizations and NGOs. The for-profit private sector was not considered in this study. However, it should be noted that the pharmaceutical sector in Cameroon is an excellent model of cooperation between the public and private sectors, thanks to the partnership between international backers and CENAME, which in turn maintains good commercial relations with faith-based HFs, NGOs, and private distributor wholesalers (See Picture 1). For CENAME’s sales in 2017, faith-based hospitals alone represented over 18 percent of the purchases.



Picture 1. Basic Model of Pharmaceutical SCM

Mediplus supply chain is a generic supply chain system (See Picture 2). The generic supply chain begins with the sourcing and extraction of raw materials. The raw materials are then taken by a logistics provider to a supplier, which acts as the wholesaler. The materials are taken to a manufacturer, that refines and processes them into a finished product which in this case are drugs (Gicam, 2023).



Picture 2. Supply chain structure of Mediplus Sarl



Afterwards, it goes to a distributor that wholesales the finished product, which is next delivered to a retailer. The retailer sells the product in a store to consumers. Once the consumer buys it, this completes the cycle, but it's the demand that then goes back and drives the production of more raw materials, and the cycle continues.

## **Research Methodology**

The steps of the research begin with the stages of identification, data processing, analysis and conclusions. To achieve the objectives, we have set ourselves, it is useful to have a methodology. Two methodological approaches are generally used in management science: quantitative and qualitative. For this research, the approach adopted is qualitative. Indeed, based on the results drawn from the literature on the issue of supply chain and operation in pharmaceutical companies, we have put forward hypotheses that we submitted for empirical validation on a sample of pharmaceutical companies in Cameroon.

The sample can be defined as a subset of elements representative of the entire parent population (Croom et al., 2002). This subsection presents the sampling method and sample size for our study. The sample size is an important element in management research to ensure the reliability and validity of results. In a sample survey, the representativeness of the sample depends on the sample size. For a quantitative study, the sample size must be large (Dubois & Jolibert, 1992).

There are many sampling techniques. They generally aim to select a sample that provides the best possible accuracy of results at the lowest cost. The author used the convenience sampling technique to select the study participants to answer the interview questions. Choosing this method of sampling ensured that the small number of cases yielded the right amount of information about the supply chain and operations in pharmaceutical companies. Ritchie et al. (2013) stated that it is impossible to do justice to the richness of the data yielded if the sample is large-scale. However, a small sample size only works if good purposive sampling has taken place (Evans et al., 2013).

The researcher conducted the interviews using Skype and in-person interviews and recorded each interview. The researcher later transcribed participants' recorded answers for analysis and checked these for accuracy by making them available to each interviewee. Each interview took about 30 minutes to conduct and the consistency and nature of the questions provided the necessary information and adequate responses needed for the study. The researcher chose the above methods of interview as the method for data collection because it offered the ability to reach and observe the best and most relevant participants. This was important for the study because these business leaders resided in different regions of the country. Potential data loss by missing social and nonverbal cues often missed in standard telephone interviews, was mitigated by the use of Skype (Hancock & Algozzine, 2011; Rohde et al., 2014; White et al., 2014).

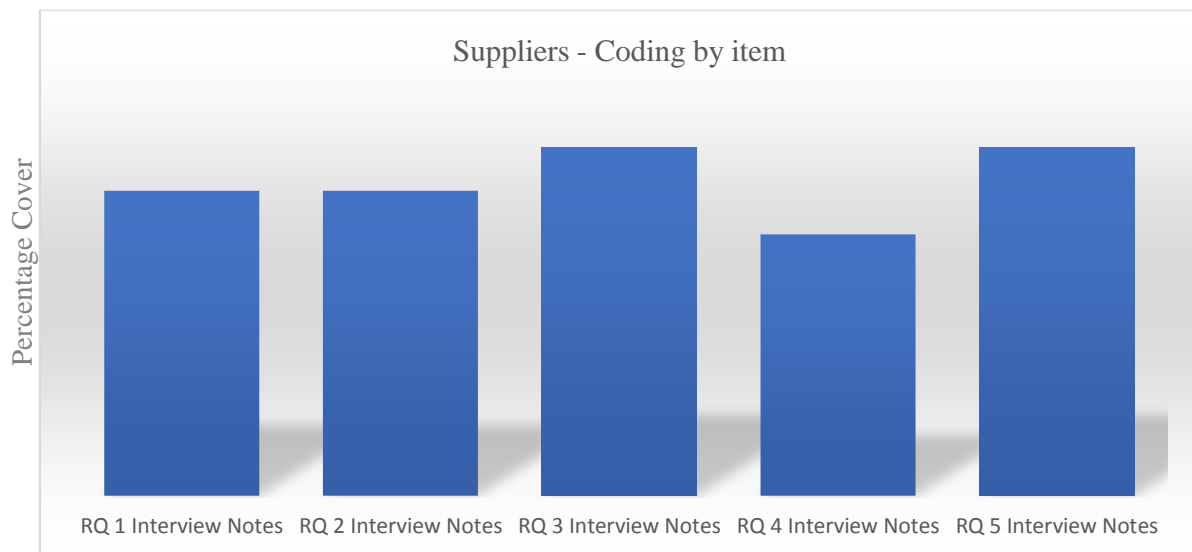
The data processed is only based on the number of valid interviews conducted. The initial step began with categorizing and building up the inferences with the data. This first step offered the best way for starting the coding and comparing data during each phase of the analysis. After completing the initial word frequency, the researcher reviewed the linked statements in the interviews for any relevant data. I have eliminated the top two words from the list because these included the words interviewer and interviewee. A scan of the other words with fewer references showed inclusion with several of the top words listed in the frequency; the assumption was that these words would be included in the nodes created from the top words. The top words were distribution, problems, organization, medicine, market, Cameroon, process, company, and employees. The researcher then created the preliminary nodes (i.e., categories) and found patterns and themes in the interview data.

The next coding step involved creating individual nodes for the interview questions. I used the interview question nodes for comparison with the coding created by the word frequency. A comparison of this information led to the second level of coding and organization of the coded interviews into three themes, including supply chain management and (1) suppliers, (2) operations

and (3) distribution, and retail. Pictures 3 - 5 shown below depict the coding by item and the percentage of coverage within each interview.

## Result and Discussion

These themes emerged from cross-referencing the interview data and are all related to pharmaceutical companies' supply chains and operations. The themes revealed information that assisted the researcher in answering the overarching research question of this study. The researcher compared these themes with the literature on the subject and which is the conceptual framework the researcher selected for this study. The narratives showed the overlap between all the interviewees' responses.



Picture 3. Suppliers - coding by item

### Theme 1: Suppliers

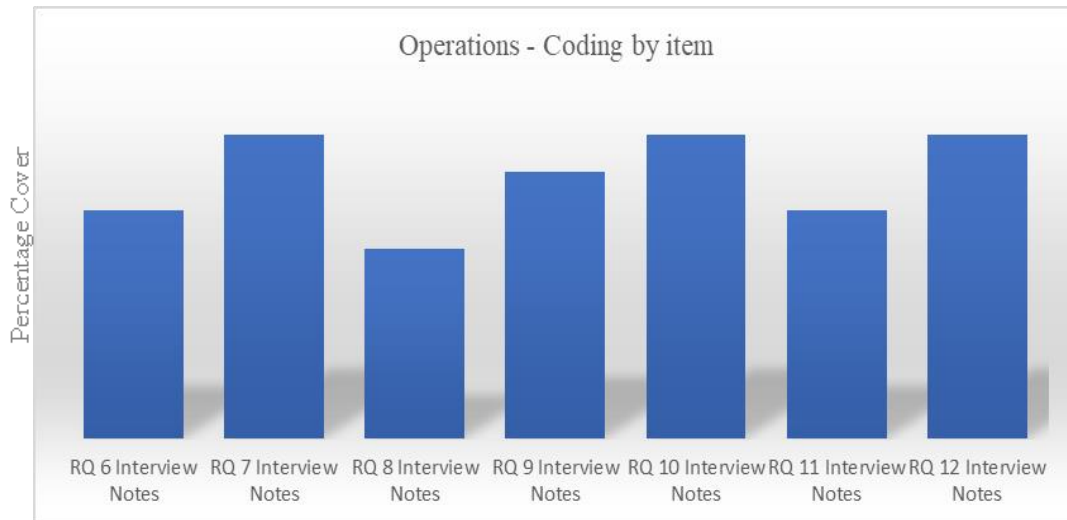
Having the right suppliers is key to a pharmaceutical company. Supply chain management involves the company managing its real resources or in other words, it controls the supply of materials for production giving the company a competitive advantage in the market. Barney (2012) suggested that an organization gains a competitive advantage when it creates a firm position for itself within the market and one that differentiates itself from the competition.

As seen in Picture 3 above, the majority of the interviewees noted that their companies work with approximately 3-5 suppliers on a daily bases and that material our source from within the country notwithstanding, a bulk of the materials are sourced from other countries including Ghana, India and many more from around the world. As a majority of interviewees noted that the procurement department is responsible for the selection and development of suppliers in their organization, some of the interviewees indicated that a small board of professional including the manager are responsible for that. The process of supplier selection as noted by a majority of interviewees are similar. This includes the first stage of the supplier selection scorecard having a list of possible suppliers then, step two involves the identification of suitable suppliers, step 3 is scorecard ranking which includes ranking the suppliers in preference of identifying requirements by the company, step contacting and negotiating the suppliers and lastly creating a contract with the final shortlisted suppliers.

Lastly, all most all of the interviewees noted that the major challenge they face in supply management includes receiving their supply on time for production and communication knowing the time materials leave the suppliers to reach the company.

## Theme 2: Operations

Operations have to do will all that involves acquisition, production, employee management, production steps, etc. This, therefore, lays great emphasis on the company to maintain steady and smooth operations in its supply chain.



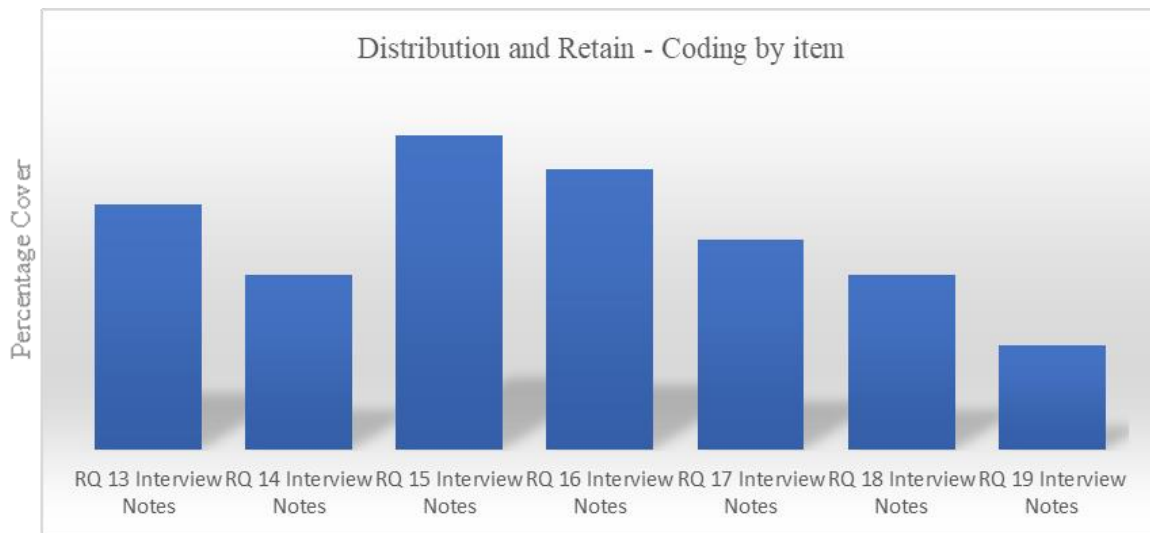
Picture 4. Operation - coding by item

As seen in Picture 4 above, the majority of the interviewees noted that between 2-4 products are being produced in their companies as compared to a minor number that indicated they are limited to 1 product per time and as a result, they invest in developing a new product at a time while those interviewees who noted that their companies produce 2-4 products at a time also noted that besides investing into developing new products, they have a research and development department handling development of new products. The goal is to serve the existing customer base well while searching for a new market. Deshpande (2012) noted that companies reached better organizational performance levels when they achieved projected organizational and financial goals. Companies need to invest in new markets while continuously serving the current market needs. Most of the interviewees noted that they have a central laboratory where they develop new products and also where they produce their products yet, they run small laboratories in strategic regions of the country where they parcel and seal their products. Many of the interviewees noted that they run between 3-6 different product lines in their company while just a few noted that they concentrate on a particular product line between 1-2 products which they believe to be experts in them.

Most of the interviewees indicated a similarity in their production steps which involve the initial planning stage, product development phase, prototype evaluation, commercial prototype production and evaluation, inspection, shipment, and delivery. They also indicated it can take up to 4-6 months to develop and produce their products. Lastly, most of the interviewees indicated that they have between 30-60 workers in their company responsible for the all-production process of their products. Yet in this process, there is a complication that could come up in this process that management must watch out for. Bueno-Solano & Cedillo-Campos (2014) also pointed out that supply chain issues include lack of stock, production problems, and delivery of products to consumers. Qiang and Nagurney (2012) supported these ideas by noting that any number of issues ranging from customs inspections to lack of capacity in the transportation network impacted companies. Addressing these supply chain issues often requires proactive measures, such as improving demand forecasting, diversifying suppliers, enhancing inventory management systems, and establishing contingency plans to mitigate the impact of disruptions.

### Theme 3: Distribution and Retail

Distribution and retail in the supply chain system are very useful when well affected as well as it can be challenging for a pharmaceutical company when it is met with problems. As seen in Picture 5, almost all interviewees noted that their products sold to wholesalers and a majority of the interviewees also indicated that they have between 5-8 wholesalers who are spread all over the country. Yet some interviewees noted that transportation is the challenge to their effort of getting their products to reach the right wholesalers. Tsao and Lu (2012) noted that transportation is the most crucial aspect of the supply chain process for both distribution and logistics, as determined by other researchers.



Picture 5. Distribution and Retail - coding by item

A majority of the interviewees noted that the products sold to their wholesalers are intended supplied to retail channels and are mostly the ones who have first contact with customers in need. Supply chains in developing countries demonstrate serious weaknesses and difficulty in alignment because of area conditions (Zhu et al., 2012). The retail channels as indicated by the interviews are numerous as there are many retail channels in all the regions of the country licensed to deal with pharmaceutical products that the interviewees work with. Yet there are many challenges still many retail channels deal in pharmaceutical products without license and many involve in illegal or contraband products. All the interviewees noted that the problems with distributions and disruptions affected the healthcare companies negatively. When medications are not distributed correctly or on time, patients suffer and companies bear the burden of financial loss (Uthayakumar & Priyan, 2013).

While some of the interviewees noted that their products sold in the same way as others, a majority noted that their products are not sold in the same way as others. This is because most of their product is sold only under prescription and most times, retail channels have different sales strategies in the marketing of pharmaceutical products. The interviewees also noted that there is a great difference in the distribution and retail channels among product lines. Each product line has its own distribution needs. This finding concurs with the literature on the changes experienced in pharmaceutical supply chains over the past several years (Kelle et al., 2012).

A majority of the interviewees noted that the products can be found in all regions of the country given their wholesalers and retain channels are quite many but the few who indicated that their products can't be found in all regions of the court noted that it was due to the small number of retail channels they have. It should also be noted that a small percentage of interviewees indicated that their products can be found abroad and this is utilizing the company creating a sales point in the foreign

country management by them. This is such a small number because supply chains in both developing and developed countries vary regarding function, financing, and performance (Choi et al., 2012).

## Conclusions

The pharmaceutical supply chain used to be seen as a tool to supply products to market in an effective way, where the emphasis was on the security of supply. Recent changes in the operating environment mean that companies are revisiting the components of their supply chains and identifying ways of extracting additional benefits from them.

- In this sector the supply chain of interest is not simply the physical processes of conversion and distribution of materials. Equally important is the “value-chain” perspective of managing the innovation and development processes through to capacity and production planning.
- Concerning the first theme; suppliers, it was noticed that most of the interviewees had similar views in that they source materials not just from within the country but outside the country as well. While many had a procurement department that handles their selection of suppliers and development in their company, some had just a small group of experts within the company whose advice is sorted for in such times.
- Many of the interviews had a similar process in the selection criteria of their suppliers and their joining agreed that getting materials on time as required and communication with suppliers are the two major problems, they face in their supply management.
- In terms of operations being theme two, while a reasonable number of the interviewees noted that products are being produced in their company within the range of 3-5, some indicated that they limit their production capacity to the range of 1-2 products per time. Many also noted that they are involved in the development of new products and that they have a research and development department involved in this work; quite a few noted otherwise.
- On how the production is organized, many indicated that they have a central production factory where all products are produced yet they also have small warehouses in many regions of the country where they care for parcel and seal products their company already produces. While many interviewees noted that their productions step are relatively the same, many also indicated that they have between 30-60 employees employed in their various companies.
- Lastly, on the theme of distribution and retail, most of the interviewees noted that their products are sold to wholesalers and that they have an average of 4-6 wholesalers who are in different regions of the country. They also noted that their products and also distributed to retail channels are nearest to the customer base and these retain channels are numerous and located in almost all the regions of the country.

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# IMPACT OF MANPOWER TRAINING ON ORGANISATIONAL PRODUCTIVITY: CASE STUDY OF MTN CAMEROON

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## **Abstract**

*This study aims to investigate the effect of manpower training on organizational productivity. Specifically, the study seeks to assess training methods that influence employee performance, examine how training programs influence employee performance and investigate how training evaluation plays a successful role in employee performance. This study used a survey research design. Both primary and secondary data were used for the study. The primary data was collected using questionnaires from employees of the mobile telephone network Buea using a simple random technique while the interview was conducted with the management of the mobile telephone network Buea. Using a sample of 50 employees of a mobile telephone network was used for the study. The study is limited geographically to MTN Buea. Buea is situated at the foot of Mount Cameroon and is currently the regional capital of the southwest region of Cameroon. MTN is located in the historic town of Buea on the eastern flank of Mt Cameroon. The findings of this study revealed that training methods, training programs and training evaluation all affect employee productivity. The study also recommends that the mobile telephone network Buea should conduct training from time to time to ensure that employees have the necessary skills required by the business. This study is significant to researchers, organisations, employees, and employers.*

**Keywords:** manpower training, organisational productivity, mobile transfer network, Cameroon, employee performance

## **Introduction**

Training is the systematic development of knowledge, skills and behaviour required by employees to do adequate tasks. This widespread interest in training has led to considerable innovation in methods. Formal lecturers have given way to group discussion, for instance, the case study method has become popular and sensitivity training has been introduced to help individuals to study their behaviour and reactions to one another utilizing group discussions in which there is a frank analysis of the interrelationship between members of the group and hence the commitment to one another and the organization. Initiative in training lies with the organization rather than with industry and large corporate trends to develop a variety of training projects and adequate administration of training. In a large organization, the individual employees need to be introduced to his task and to identify himself with it so as not to be lost in its complexity and he needs to have subsequent periods of training to keep abreast of development. In small and medium-sized concerns, some managements are interested in training, while some tend to regard it as a luxury, but it depends on the initiative management.

Management training has become acceptable as a necessity in both the public and private sectors. The reason why different training programs are introduced every year is because of changes in technology, increase completion and change in customer's tastes. So, for this purpose employees are prepared with the right sort of aptitudes, information and capabilities to carry out their allocated responsibilities and training is considered to have a massive impact on the employee's efficiency.



The work aims to investigate the effect of manpower training on organizational productivity. The tasks of this research are to 1) study the theoretical aspect of manpower training; 2) give a brief description of “Mobile transfer network Cameroon”; 3) develop recommendations for improvement of the manpower training system in “Mobile Transfer Network Cameroon”.

The importance of training has no doubt been recognized in many organisations as the key factor for improved productivity. However, manpower training in the public sector is threatened by several problems including the absence of regular training despite the continuous reforms with emphasis on training (Okotoni & Erero, 2005). This is because the various reforms in the public sector have not considered it necessary to establish definite and continuous training programmes that will increase employees’ productivity. This implies that when training need is identified and resources and quality time is committed to achieving the need, the training exercise can still be inadequate in addressing the productivity deficit. Sometimes, the training exercise is haphazard or lopsided in the design, implementation and participation. At times, training is based on a faulty diagnosis of training needs. The effect of training on manpower and organisational productivity may be both direct and indirect. Sahinidis et al., (2008), note that directly the role of training programs is seen as a measure of improving employee’s capabilities and organisational capabilities. While indirectly employees will be able to handle both current and future issues. The study is limited geographically to MTN Buea. Buea is situated at the foot of Mount Cameroon and is currently the regional capital of the southwest region of Cameroon. MTN is located in the historic town of Buea on the eastern flank of Mt Cameroon. This study is significant to researchers, organisations, employees, and employers.

## **The theoretical aspect of manpower training in an organization**

Training, therefore, is an essential component of high performance in work systems. Every organization needs a skilled, motivated, knowledgeable, and capable workforce, and this is much possible to be within the grasp of any organization which makes employee training and development an important aspect of its human resources practice. The views of the above authors agree with others in terms of the acquisition of specific skills by individuals to perform a particular task or group of tasks. Based on this, training can be defined as an activity designed to help individuals gain knowledge and specific skills to help them perform some designated tasks and functions or to help them update the skills and knowledge already acquired. Cole (2002) explains that training plans are centred on the training process; it is a systematic statement of training intentions and how they can be achieved and measured. When the management of an organization approves the training plan it gives authority to the training team to use the resources at their disposal to develop and implement a training program. A training plan, therefore, outlines critical information regarding training program objectives, schedules, and strategies for designing and developing a training curriculum. Appiah (2010), found out that a good training plan follows the following steps to accomplish the training objectives and develop an effective program. The steps include:

- 1. Determining Employees to be trained.** Once the need for training has been established there is a need to find out which employees need training. Laing (2009) found out that organizations have resources that can help determine who needs training such as training policy, which spells out whom to train, in what, and on what frequency. Such policies are essential for the following reasons: to provide guidelines for those responsible for planning and implementing training and to provide an equal opportunity for each employee to be trained in the organization.
- 2. Know how to train adult learners.** Arlt et al. (2007) found out that most adult learners are self-directed learners, that is they want to learn what they want, when they want, and how they want.
- 3. Draw up a Training Plan.** Appiah (2010) found out that a training plan serves as a guideline for both the trainer and the trainee to follow, to successfully implement an effective training program.
- 4. Training Methods.** According to Khan (2013), the training method is a human resource development activity that is meant to improve the current job performance of an individual. There are two main methods of training, on-the-job and off-the-job methods.

**5. Training Programs.** Developing an effective employee-training program is vital to the long-term success of any business. Nassazi (2013) defines a training program as a set of known programmes where the contents, durations and all the details about training are clear to both the organization and the employees to be trained:

**6. Assess and Determine Training Needs.** Set Training Objectives. Training technique. Evaluate the Training Program. Training evaluation

The fourth area in the Kirkpatrick model revolves around the impact of training and development on the organization. The measurement is based on the notion that training and human resources development must reflect the organizational culture and strategy. A training program is judged successful only if the training outcome aligned closely with the organization’s goals. Measuring the impact on an organization can be the form of measuring improvement in profitability, productivity safety measures, etc. Although measuring the effect on an organization is a difficult task because of the complex structure of components part and their interaction with the external environment.

### Description of the company mobile transfer money Cameroon

The company is one of the largest private investors in the country (more than FCFA 1,000 billion invested since 2000) and the second largest contributor to the State in terms of taxes, duties, concession dues and other royalties paid with more than FCFA 1,270 billion in 20 years of activity. The investments realized by mobile transfer money in Cameroon have contributed to the development of a thousand SME partners and suppliers of the company. Amongst the essential investments of mobile transfer money, conspicuously features the connection of Cameroon to the WACS submarine cable, a strategic tool that enables countries nowadays to access cost-effective and abundant high-speed internet.-Since 2000, MTN Cameroon has created a thousand direct jobs. See Table 1 for a SWOT analysis of money transfer services in Cameroon. The dynamism of its activities provides daily income to more than 200,000 families through indirect employment.

Table 1.

SWOT analysis of money transfer services in Cameroon

| <b>Strength</b>  | <b>Weakness</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>- Superior product and service quality can help Cameroon Mtn to further increase its market share.</li> <li>- Diverse Product Portfolio of Cameroon Mtn.</li> <li>- Strong Balance Sheet and Financial Statement of Cameroon Mtn can help it to invest in new and diverse projects</li> </ul> | <ul style="list-style-type: none"> <li>- Implementation of Technology in Processes</li> <li>- Organization Culture</li> <li>- Cameroon Mtn business can be easily replicated even with the number of patents and copyrights the company possess.</li> <li>- Lack of critical talent.</li> </ul> |
| <b>Opportunities</b>   | <b>Threat</b>   |
| <ul style="list-style-type: none"> <li>- Reducing the cost of market entering and marketing into international markets.</li> <li>- E-commerce and social media-oriented business models</li> </ul>   | <ul style="list-style-type: none"> <li>- Increase cost component for working in developed markets because of environmental regulation.</li> <li>- Growing inequality is one of the biggest threats</li> </ul>   |

Many employees of MTN Cameroon have become world-class senior staff and today hold top positions within the MTN Group, worldwide. In recognition of its good human resources management, MTN Cameroon has been accredited as an Employer of Choice by the prestigious British institution, Investors in People (IiP) - MTN Group Limited’s head office is in Johannesburg, South Africa, where the Group is listed on the exchange operated by the JSE Limited under the share

code “MTN”. MTN has operations in Afghanistan, Benin, Botswana, Cameroon, Ivory Coast, Cyprus, Ghana, Guinea Bissau, Guinea Republic, Iran, Liberia, Nigeria, Republic of Congo, Rwanda, South Africa, Sudan, South Sudan, Swaziland, Syria, Uganda Yemen and Zambia. MTN also has ISP licenses in Namibia and Kenya and a Value-Added Service license in Ethiopia.

Is to lead the delivery of a bold, new digital world to their customers and lives a whole brighter to their customers. MTN believes that its culture is a strategic asset enabling its success. They express their culture through their values and vital behaviours. Also, to empower people, communities and countries creating possibility. As a global brand, MTN Cameroon subsists on the core brand values of leadership, integrity, relationships, innovation, and a can-to-do attitude, they pride themselves on their ability to make the seemingly impossible possible, connecting people with friends, family and opportunities and enriching lives through their products.

## **Analysis of manpower training in the company mobile transfer network**

Both primary and secondary data were used for the study. Primary data is data collected directly from first-hand experience. The primary source of data was from employees of MTN Buea. The structured questionnaire comprises 15 questions designed and administered to all employees there. Only a quantitative method of data analysis was used in this research. Also, secondary data was used to complement the primary data. Secondary data used for this study was gotten from online platforms such as credible journals, company websites etc.

### **Population size**

The population of the study comprises all the employees at the MTN Buea branch. The target population for this study was the 300 Cameroonian-based staff of MTN Buea. The choice of this population was based on ease of accessibility and time constraint.

### **Sample size and sampling technique**

The sample size for this study is made up of all employees randomly selected from MTN Molyko/Buea. A sample of 50 employees of MTN was used for the study.

For the sampling technique, simple random sampling was used to obtain the sample size. Employees of MTN Molyko Buea were selected at random to constitute the sample population.

### **Validity of research instrument**

To ensure content validity, the supervisor checks the relevance of the items with particular attention to the variables of the study. This is done to be sure the instrument is measuring what is supposed to measure. To ensure reliability, the instrument was given to the pilot group.

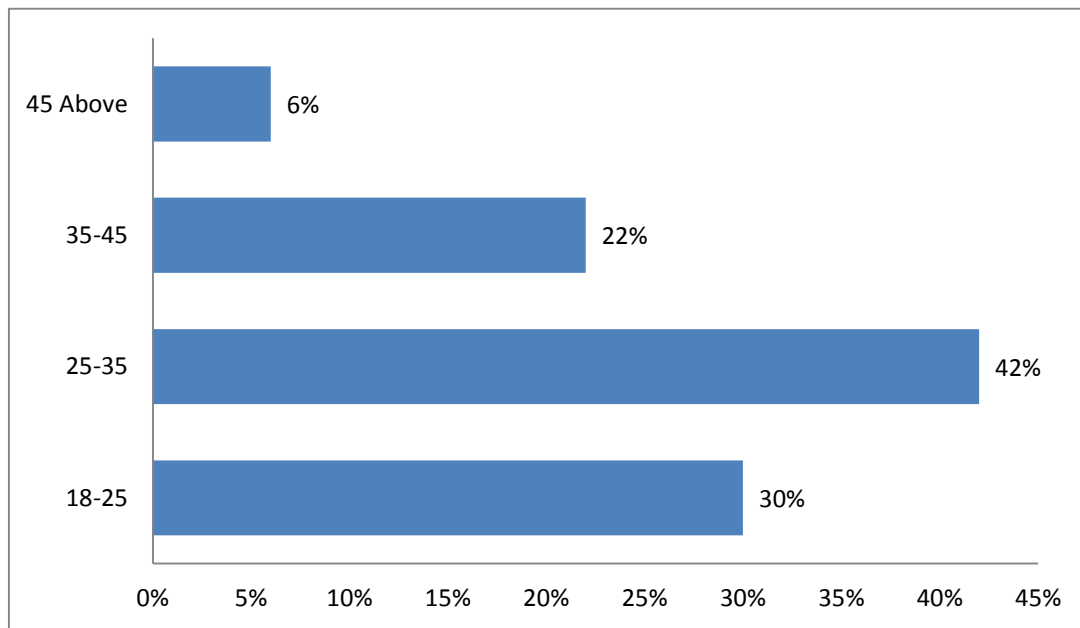
### **Research design**

Using a survey research design, several elements considered to be representative of a bigger population were selected and dealt with. The result of the study was then generalized. Hence employees were selected from the two MTN Molyko branches. The researcher considered this research design to be more appropriate for the study.

### **Method of data analysis**

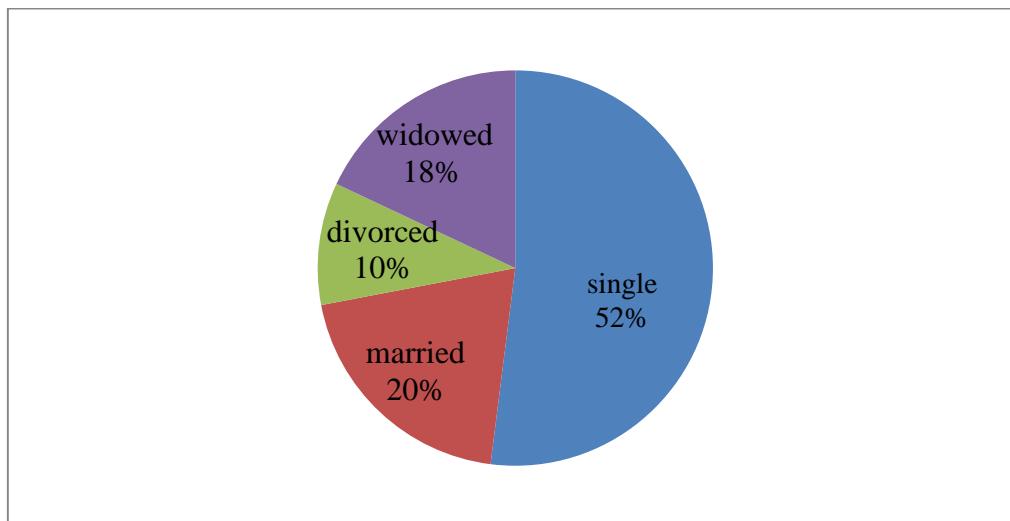
After data was collected, it was cleaned and analysed using SPSS version 22. Both descriptive and inferential statistics were conducted. Tables and charts were used to present data. The percentages

of agreements were compared with the percentages of disagreements to accept or reject the stated hypothesis. The formula used to calculate the percentages is presented below.



Picture 1. Age of the respondents

Picture 1 shows that 21(42%) of the respondents which is the majority, fall between the ages of 25-35. This is closely followed by 15 (30%) of respondents who were between 18-25 years. Respondents 35-45 came after with 11(22%). While respondents above 45 came with 3(6%). Thus, the majority of respondents who participated in the research were adults between 25 and 35 years old who gave credible information to help our research.



Picture 2. Marital status of the respondents

Picture 2 shows that a relative majority of the respondents 26(52%) were single followed by 10 (20%) who were married. Subsequently, 9% of respondents were widowed and lastly, 5 (10%) had master's degrees. This implies that a majority of the respondents in this study were single and had enough time to work and close at any time. When implementing training methods, it's essential to consider the specific needs of the employees and the organization. A combination of different methods often referred to as blended learning, can be particularly effective, as it caters to different

learning styles and maximizes engagement. Regular evaluation and feedback mechanisms should be in place to measure the effectiveness of training programs and make necessary adjustments for continuous improvement.

Table 2.

Training Methods and Employee Performance

|  | Responses   |             |             |            |            |
|--|-------------|-------------|-------------|------------|------------|
|  | SA          | A           | N           | DA         | SDA        |
| On-the-job training is mostly used in the organization     | 22<br>(44%) | 8<br>(16%)  | 7<br>(14%)  | 6<br>(12%) | 7<br>(14%) |
| Off-the-job methods like seminars are organized            | 14<br>(28%) | 9<br>(18%)  | 10<br>(20%) | 8<br>(16%) | 9<br>(18%) |
| The training methods above improve skills and productivity | 21<br>(42%) | 12<br>(24%) | 4<br>(8%)   | 7<br>(14%) | 6<br>(12%) |

From Table 2, the majority of respondents 30 (60%) agree with the fact that on-the-job training is mostly used in the organization followed by (13) 26% of MTN employees, 7 (14%) of the respondents were indifferent to this fact. Also, MTN employees were asked to which level “of-the-job methods training like seminars organized” to improve organizational productivity and 23(46%) of the respondents accepted while 17 (34%) disagree and 10 (20%) of the respondents were neutral This implies the majority of the population were in agreement. Lastly, findings show that 32 (62%) of MTN workers were in total agreement with the fact that the training methods above improve skills and productivity followed by 15 (30%) of the participants who were not in agreement and the remaining 4 (8%) of respondents were indifferent. This implies the majority of the respondents were in total agreement.

Table 3.

The regression model analysis

| Model | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |      |
|-------|-----------------------------|------------|---------------------------|-------|-------|------|
|       | B                           | Std. Error | Beta                      |       |       |      |
| 1     | (Constant)                  | .681       | 1.491                     |       | 4.948 | .000 |
|       | Training methods            | .620       | .325                      | 6.077 | 1.275 | .001 |
|       | Training programs           | .529       | .335                      | 4.198 | 2.702 | .004 |
|       | Training evaluation         | .439       | .245                      | .356  | 1.790 | .002 |

Table 3 shows the regression model, holding all the independent variables studied constant (Training methods, Training programs, Training evaluation), community development would be

68.7%. This also implies that community development is affected by 68.7% of poor revenue generation. Specifically, a p-value of 0.001 for Training methods indicates that Training methods significantly affect employees' performance ( $p < 0.05$ ). Hence, we accept the hypothesis which states that "Training methods have a significant effect on employee performance." Also, a p-value of 0.004 for Training programs shows that Training programs significantly affect employees' performance ( $p < 0.05$ ). Hence, we accept the hypothesis which states that "Training programs have a significant effect on employee performance." Thirdly, training evaluation showed a p-value of 0.002 ( $p < 0.05$ ) indicating that training evaluation affects employees' performance. Hence, we accept the hypothesis which states that "Training evaluation has a significant effect on employee performance."

## Conclusions

This study, which started a few months back sets out to find out the assessment of the influence of training on employee performance in MTN Buea municipality. It collected primary data using a five-point Likert scale questionnaire. It analyses data using the mere also the percentage method for the demographic data.

1. Manpower training in an organization has been identified as a vital instrument that can enhance organizational performance, productivity, and the chance of survival in our highly competitive and changing corporate environment.
2. Manpower training failure, therefore, may be ascribed to a lack of provision of their training and development needs by the management.
3. Also, the findings reveal that the on-the-job method of training is mostly used by the organization, this does not mean off-the-job should be neglected especially the top management since they are the brain of the organization. Based on the findings of this study, the following recommendations will be of help to the company as they will help increase its performance of employees and hence the net benefit of the company:
  1. The company should strive to improve its training plans and employees' performance. As revealed by the study, this will lead to an increase in the company's performance.
  2. Since the study has revealed that training positively influences employee performance by having a positive influence on employee performance at MTN Buea, training should be conducted from time to time to ensure that employees have the necessary ability to change processes.
  3. The management of MTN Buea, therefore, needs to ensure other methods like giving the employees tips and motivating them so they can increase their working performance.

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# IMPROVEMENT OF THE MANAGEMENT ORGANIZATION IN THE COMPANY “NEO LOGISTICS” SIA

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## **Abstract**

*The management organization of Neo Logistics SIA has been thoroughly analysed to identify areas that require improvement and propose solutions to enhance efficiency and profitability. Scientific papers, journals, and surveys have been researched to identify weaknesses and opportunities for improvement in the management system. The work aims to study management at Neo Logistics SIA and its impact on the productivity of the company. Thus, the functions of planning, organizing, leading, and controlling have been examined in Chapter 1, while Chapter 2 has provided an overview of Neo Logistics SIA's mission, SWOT analysis, and management structure. In Chapter 3, the recommendations for improvement have been calculated through employee questionnaires and an analysis of management system weaknesses. Weaknesses such as a lack of strong leadership, limited technology use, and poor performance management have been identified, and improvements such as investing in leadership development programs, implementing a formal performance management system, and adjusting inventory levels have been proposed. The cost of implementing these improvements ranges from 10,000 to 100,000 euros overall. The author has developed an analysis and survey, identified weaknesses in the management of Neo Logistics SIA, and proposed improvements that can be made. Lastly, the cost of each improvement has been calculated. Neo Logistics SIA can consider these weaknesses, suggestions, and costs before making changes or improving the management system. The paper suggests clear communication protocols, employee training, and a performance management system to improve efficiency, productivity, and profitability at Neo Logistics SIA. Implementing these recommendations will enhance the company's management, achieve objectives, and boost competitiveness.*

**Keywords:** performance management, business development, organizational management, efficiency improvement

## **Introduction**

Management is a collection of actions that include planning and decision-making, organizing, directing, and regulating activities that are aimed at an organization's resources, such as human, financial, physical, and information, to attain organizational goals efficiently and effectively. Management is important everywhere because nothing can run smoothly without proper management. In any organization, it is important to provide leadership, hire and fire employees, make performance evaluations, determine the organizational structure, and ensure compliance (Griffin, 2021). In other words, a person's daily activities include managing a house, family, job, shopping, saving pocket money, purchasing veggies, maintaining a social life, and many other activities. A person controls many things in everyday life if they monitor intently, unwittingly, all of these tasks. Activities like money management, saving, expenditure, things to purchase, giving priority to immediate activities, and postponing unimportant things are all part of life. At the time of shopping or purchasing items, importance is given to the quality of the product as well as its features. In summary, all these activities can simply be called ‘Management.’ There is a perfect correlation between the management thoughts and theories proposed by famous management gurus in our lives.



Taylor describes management as "the art of recognizing what you want to do and then ensuring that it is done in the most cost-effective manner possible." (Skyline University College, 2019). Management can be improved by identifying the most important behaviours for great managers in the organization. The manager should build trust between employees and management and make the employees recognize the ritual. Managers should rethink how he/she promote the people. The focus of this paper is to identify the flaws in Neo Logistics SIA and improve its management organization. The paper aims to study the management in Neo Logistics SIA and its impact on the productivity of the company. The paper strives to find if it is possible to improve the management organization in the company if there is a significant relationship between management and employee performance, and if there is a significant relationship between manager and employee to identify the company's flaws and improve its management organization. This research is important for logistics business organization management for its productivity, efficiency, and performance. Similar research based on organizations and management has been done previously by Barnard (2003), Garvin (1998), and Jensen & Sage (2000), but the research specifically on the company "Neo Logistics SIA". The tasks of the study list: 1) to review the theoretical aspects of organizational management; 2) to give a brief description of the Neo Logistics SIA; 3) to analyse the management system in the Neo Logistics SIA; 4) to develop the improved management system for Neo Logistics SIA. In this competitive era where the business industry becoming more competitive and the competition between all the organizations is becoming more and more intense thus the strong management is also important because a company's success depends on proper management thus the object of the research is focused to improve the organizational Management system in Neo Logistics SIA.

The research method of this paper is the analysis of the theoretical literature, scientific articles, magazines, etc. And, preparing and distributing the questionnaires among the employees of "Neo Logistics SIA". In this paper, the research method involves a combination of qualitative and quantitative approaches to gather data and analyse the current state of management practices at Neo Logistics SIA. The analysis of theoretical literature and scientific articles provides a foundation of knowledge and best practices for effective management. The distribution of questionnaires among the employees of Neo Logistics SIA provides valuable insights into their experiences, opinions, and suggestions for improving management practices. In the empirical research participated 10 respondents from "Neo Logistics SIA". There were 12 to 15 questions asked of the participants. Findings are summarized in conclusions.

## **Theoretical aspects of management**

In the first chapter, theoretical aspects of management are discussed. The definition of management is described. Management involves applying theoretical frameworks to enhance organizational performance and decision-making, with managers playing a crucial role in coordinating efforts and utilizing different management types. Managers, as emphasized by Magretta (2012) and Herrity (2023), play a crucial role in organizational success by leading employees, setting goals, and facilitating employee development. Their effective management drives task completion and profit generation. According to Herrity (2023), managers perform various essential operations including setting objectives, motivating teams, acting as intermediaries, organizing work, teaching skills, tracking results, and managing budgets to ensure successful task execution, employee development, and organizational success. Furthermore, Organizational management, encompassing various types such as operational, sales, marketing, project management, and more, prioritizes specific goals, establishes authority, defines job roles, and emphasizes growth, resulting in effective resource utilization, operational efficiency, and sustainable growth. Key features of organization management, including planning, organizing, staffing, control, motivation, and leadership, enable businesses to effectively attain their goals, allocate resources, hire, and train employees, assess progress, promote productivity, and foster collaboration (Aguirre & Alpern, 2014; Indeed, editorial team, 2022; Prachi Juneja, 2021). These features are further elaborated and defined in detail in Table 1.

## The POLC Framework

| <b>Planning</b>   | <b>Organizing</b>   | <b>Leading</b>   | <b>Controlling</b>                                  |
|---|---|--|---|
| 1. Vision & mission<br>2. Strategizing<br>3. Goals & Objectives | 1. Organization Design<br>2. Culture<br>3. Social Network | 1. Leadership<br>2. Decision Making<br>3. Communications<br>4. Group/teams<br>5. Motivations | 1. System/Processes<br>2. Strategic Human Resources |

Source: University of Minnesota Libraries Publishing (2015).

Furthermore, in subchapter 1.1 Planning in organization management, the definition of its types and characteristics are defined. Planning is a crucial managerial function that involves setting goals, evaluating options, and making decisions to achieve organizational objectives. It is an ongoing, goal-oriented, and pervasive process that requires intellectual thinking and a futuristic outlook (Seneca College, n.d.; University of Minnesota Libraries Publishing, 2015; Business Jargons, 2015). Effective planning supports other management functions and involves continuous decision-making for organizational success. Moreover, subchapter 1.2 defines the key feature of organization management which is organizing is a vital managerial function that involves coordinating resources and structuring the organization to execute plans effectively. It entails dividing work, categorizing jobs, and allocating power and responsibilities (Seneca College, n.d.; Schermerhorn, 2020). The managerial hierarchy consists of top management, middle management, and supervisory management, each with distinct roles and responsibilities in implementing strategic and operational plans. Subchapter 1.3 defines that leading in organization management involves managers establishing connections, and inspiring and influencing employees. Leadership behaviours encompass task-oriented, relationship-oriented, and change-oriented approaches (Yukl & Lepsinger, 2005). Lastly, subchapter 1.4 explain that controlling in organization management involves evaluating plan execution, making adjustments, and utilizing feedforward, concurrent, and feedback control. It ensures effective resource utilization and enhances organizational performance.

## Description of the company Neo Logistics SIA

This second chapter gives the Description of the company Neo Logistics SIA. Neo Logistics SIA, founded in 2015, is a Latvian company specializing in warehousing and storage services, offering reliable and secure solutions to national and international clients. Advantages of using their services include reduced routine tasks, controlled expenses, freed resources, and increased focus on core business. Sub-chapter 2.1 provides information about the mission and vision of Neo Logistics SIA. Neo Logistics SIA is a Latvian company with a mission to provide reliable and positive logistics services while maintaining a safe work environment. They specialize in warehousing, storage, and cargo handling, offering services such as loading/unloading, storage solutions, and preparation of goods for shipment. The company emphasizes high accuracy, professionalism, and expertise in handling excise goods, including soft drinks, alcoholic beverages, and coffee.

Furthermore, subchapter 2.2 describes the Swot analysis of the company Neo Logistics SIA. The SWOT analysis of Neo Logistics SIA (See Table 2) highlights strengths in inventory control and quality management, along with a skilled workforce and strong customer relationships. However, the company faces challenges with rising costs, delivery delays, and organizational issues. Opportunities lie in diversifying products and implementing effective return policies, while threats include competition, profitability concerns, and supplier miscommunication. A SWOT analysis is a strategic planning tool used to evaluate the strengths, weaknesses, opportunities, and threats associated with a business, project, or any other endeavour. It provides a structured framework for assessing the internal and external factors that can influence the success or failure of a venture. Overall, a SWOT analysis provides a structured framework for assessing the internal and external factors that impact a business.

It enables organizations to make informed decisions, allocate resources effectively, identify competitive advantages, and manage risks, ultimately leading to improved performance and success.

Table 2.

SWOT Analysis of the Company Neo Logistics SIA

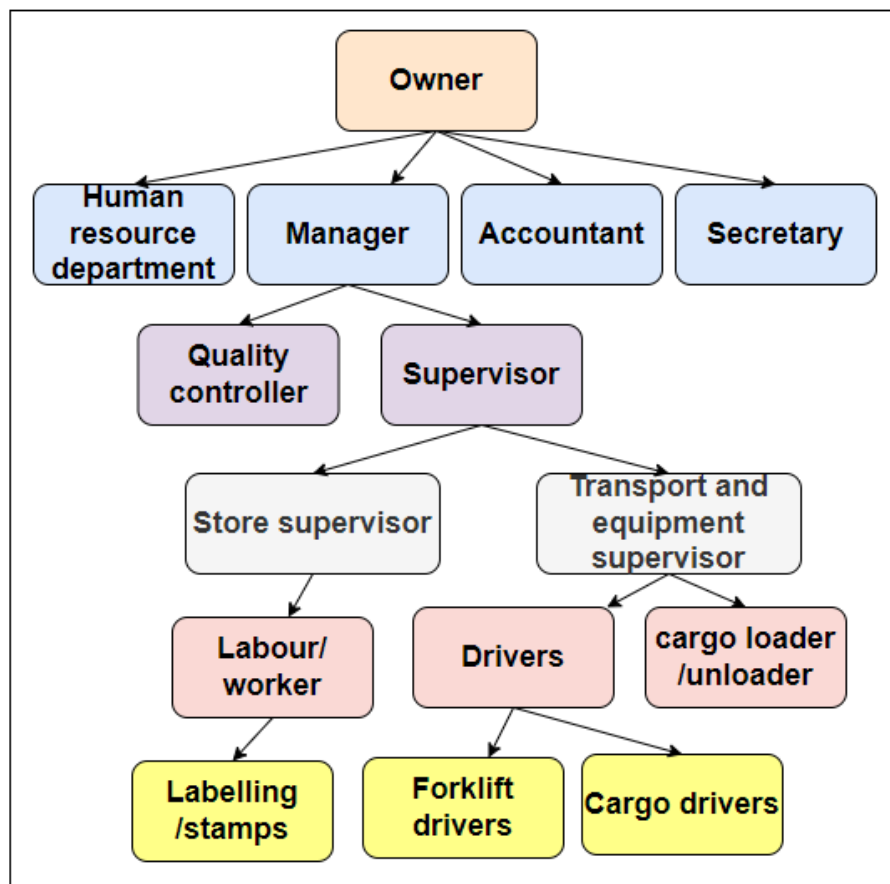
|          |  |
|----------|--|
| <b>S</b> | <ul style="list-style-type: none"> <li>• Complete control over inventory, and quality control is possible on the product.</li> <li>• Inventory levels can be accurately monitored, and efficient and diversified workers.</li> <li>• Effective delivery is possible thanks to the availability of products in their warehouse.</li> <li>• Good management of the workers.</li> <li>• Long market presence and goodwill, and good geographical location.</li> <li>• High product quality and strengthen relations with customers to run a long-time business.</li> </ul>  |
| <b>W</b> | <ul style="list-style-type: none"> <li>• The increase in overhead costs.</li> <li>• The piling of inventory leads to the enhancement of inventory costs.</li> <li>• The enhancement of packaging and purchasing of inventory costs.</li> <li>• The possibility of delay in delivery business partners sometimes forgets their responsibility.</li> <li>• No clear dividers of the row. The same product is located in different places.</li> <li>• Lack of safety concerns and need to rely on suppliers for all quality issues.</li> </ul>  |
| <b>O</b> | <ul style="list-style-type: none"> <li>• Enhancement of customer satisfaction through better delivery</li> <li>• Opportunity may be given to rural-based merchants to enhance the economic condition.</li> <li>• Possibility of providing different variety of products in each segment of merchandise</li> <li>• Effective implementation of return policies</li> <li>• Obtaining a better discount is possible because of the bulk purchase of products.</li> <li>• possibility of the consumer taking delivery from the warehouse</li> <li>• Possibility of getting the product from manufacturers across the country</li> <li>• Computerized operation (competitors use a barcode on their boxes)</li> </ul> |
| <b>T</b> | <ul style="list-style-type: none"> <li>• Easy adoption of this method by then competitors</li> <li>• Shortage of computer and warehouse space</li> <li>• Profitability becomes an issue over a longer.</li> <li>• Package may not be good as suppliers make mistakes in this domain of operation.</li> <li>• Lack of competitive advantages (many competitors, easy to replicate).</li> <li>• Miscommunication between the companies and suppliers on various issues like product and price</li> </ul>   |

Table 2 shows the swot analysis of the company Neo Logistics SIA. Neo Logistics SIA's SWOT analysis reveals strengths in efficient inventory management and quality control, a skilled workforce, and strong customer relations. However, the company faces challenges such as rising overhead costs, potential delivery delays, and a lack of clear organization in product placement. Growth opportunities include expanding product diversity and implementing effective return policies, while threats include potential competition, profitability concerns, and miscommunication with suppliers. Subchapter 2.3 describes the management structure of Neo Logistics SIA. Based on Picture 2.1, the management structure of Neo Logistics SIA includes the company owner overseeing the human resources department, with managers, supervisors, and labourers responsible for various operational functions. This hierarchical structure ensures clear lines of authority and accountability within the organization.

**Analysis of management of Neo Logistics SIA**

Neo Logistics SIA's hierarchical management structure is displayed, with the company owner overseeing the human resources department (See Picture 2). The manager, secretary, and accountant make up the second level. The management team engages in strategic planning to expand services and enhance operational efficiency. They organize the company through departmentalization, resource allocation, delegation, and technology utilization. Effective leadership is demonstrated by

providing clear guidance, fostering a positive work environment, and promoting innovation. Control is achieved through performance metrics, quality control measures, risk management, technology utilization, and regular audits. These management practices ensure efficient operations, high-quality services, and employee motivation at Neo Logistics SIA (Aguirre & Alpern, 2014).



Picture 2. Neo Logistics SIA's hierarchical management structure

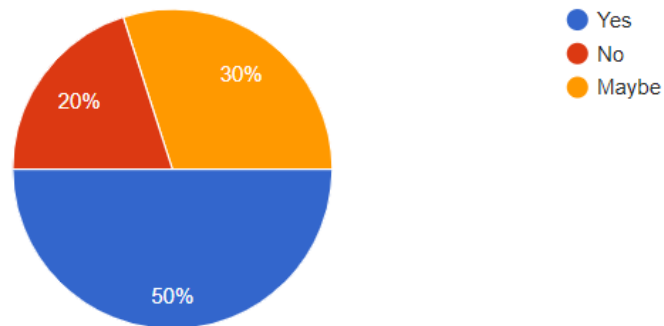
The survey conducted for Neo Logistics SIA utilized both closed-ended questions providing quantitative data and open-ended questions capturing qualitative insights with 12 to 15 questions. The combination of these approaches allows for a comprehensive analysis of the company's management functions and practices. 10 participants responded to this survey and answered all the questions that were asked.

This survey response of Neo Logistics SIA shows the survey conducted at Neo Logistics SIA included 10 participants, comprising local and international employees, as well as part-time students. Findings indicate that the majority of respondents were workers (60%), with some holding supervisory (10%) or managerial (10%) positions. Additionally, employees expressed mixed views on management improvement (50% possible, 20% not possible, 30% uncertain) and the relationship between management and employee performance (60% believe, 40% don't). Dissatisfaction with management was prevalent among 60% of respondents while varying opinions were expressed regarding management quality. Suggestions for improvement included seeking input, regular meetings, and technological investments.

Picture 3 shows the survey responses to the question about the possibility of improving the management organization in the company. Half of the respondents, which is 50%, believe that it is possible to improve the management, while 20% do not think it is possible. Additionally, 30% responded with 'maybe,' indicating uncertainty about the potential for improvement."

Do you think it is possible to improve the management organization in the company?

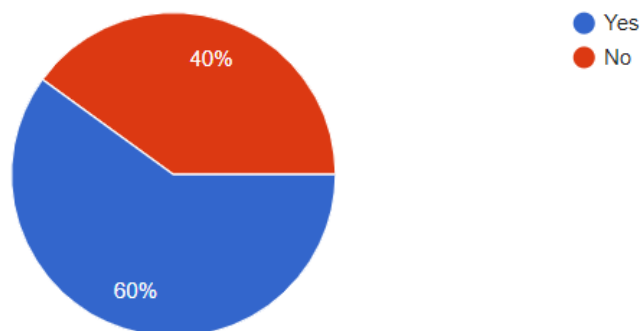
10 responses



Picture 3. Survey responses

Do you think there is a significant relationship between management and employee performance?

10 responses

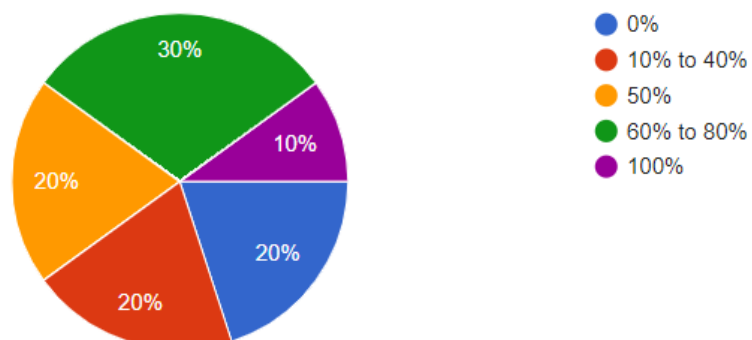


Picture 4. Survey responses

In Picture 4 survey responses on the relationship between management and employee performance show that 60% of employees perceive a significant connection, while 40% hold a different perspective.

Rate the quality of the organization management?

10 responses



Picture 5. Survey responses

Picture 5 displays the response to the quality of the organization's management, where employees have varying opinions. 30% of respondents rate the management quality between 60% to 80%, while 20% rate it as 0%. Another 20% of employees rate the management quality between 10% to 40%, and the same percentage of people rate it as 50%. A small percentage of 10% of people rate the organization's management as 100%.

Neo Logistics SIA's weaknesses include a lack of employee involvement, inadequate feedback and communication, weak leadership, ineffective operational procedures, insufficient training, poor performance management, low salaries, and limited technology use. To address these weaknesses, the company should prioritize employee input, improve feedback and communication, strengthen leadership, optimize operational procedures, invest in employee training, enhance performance management, provide competitive salaries, and upgrade technology. Additionally, effective inventory management should focus on avoiding overstocking and understocking, efficient storage, and handling, implementing inventory control systems, utilizing adequate technology and software, and ensuring inventory visibility. The suggested improvements show that to improve Neo Logistics SIA, the organization should prioritize employee input and feedback, address communication issues, strengthen leadership and performance management, optimize processes, invest in employee training and competitive salaries, upgrade technology, and enhance risk management. Additionally, effective inventory management can be achieved through implementing inventory policies, accurate tracking systems, supplier relationships, demand-based inventory levels, and integration with data management systems.

These measures will contribute to a more efficient and successful organization. Moreover, it shows the cost of implementing these improvements. To implement improvements at Neo Logistics SIA, the estimated costs for a medium-sized company (18,000 sq m warehouse) include addressing employee opinion and communication issues (100-1000 euros), feedback implementation (1000-10,000 euros), leadership development and training (1000-10,000 euros), process optimization (1000-10,000 euros), performance management (1000-10,000 euros), competitive salaries (10,000-100,000 euros), technology upgrades (1000-10,000 euros), risk management processes (1000-10,000 euros), and inventory management (3-6 euros/sq m). These costs depend on the specific actions taken and the company's size and complexity. Refer to Table 3 for further details (Al-Maqbali et al., 2019). Finally, Methods, challenges, and their outcomes to establish the proposed improvements in Neo Logistics SIA. To improve communication, Neo Logistics SIA can establish guidelines, protocols, and training, encourage employee feedback through various channels, and incorporate feedback into decision-making processes. Investing in new technologies and outsourcing IT management can enhance productivity, data management, and collaboration. Implementing an inventory management system, conducting regular audits, and optimizing inventory levels can reduce waste and improve efficiency.

Table 3.

Costs of implementation of improvements

| No. | Improvements  | Cost                         |
|-----|---|------------------------------|
| 1   | Regular meetings and surveys                              | 100 to 1000 cost             |
| 2   | Updating hardware and software                            | 1000 to 10,000 euros         |
| 3   | Employee and leadership development programs and coaching | 1000 to 10,000 euros         |
| 4   | Investing in new technologies                             | 3% to 6% of their budget     |
| 5   | Inventory management                                      | Average of 3 to 6 euros/sq m |
| 6   | Team building   | 30 to 35 euros/per person    |
| 7   | Safety Protocol   | 500 to 1000 euros/employee   |
| 8   | Warehouse size expansion                                  | 4.5 euros/sq m               |

When expanding the warehouse, factors such as maximizing vertical space and complying with safety regulations should be considered, with costs averaging around 4.5 euros per square meter. Implementing solutions at Neo Logistics SIA can lead to improved communication, productivity, employee morale, and leadership practices, as well as more efficient processes and inventory management. However, challenges may include employee resistance, resource limitations, process changes, and expertise gaps. A change management plan, clear goals, and ongoing evaluation can help overcome challenges and measure effectiveness through employee surveys, productivity metrics, cost savings, and audits.

## Conclusions

The author concludes their thesis by offering their own opinions and presenting the results of the research and survey conducted during the paper's development. The functions of planning, organizing, leading, and controlling have been examined in Chapter 1, while Chapter 2 has provided an overview of Neo Logistics SIA's mission, vision, SWOT analysis, and management structure. In Chapter 3, the company's efficiency has been assessed, and recommendations for improvement have been calculated through employee questionnaires and an analysis of management system weaknesses. The conclusion is organized into several sections, with the hypothesis proven and all tasks achieved. The author utilized an online survey, which was completed by 10 individuals holding various positions within Neo Logistics SIA. As such, the author presents and supports the following results.

1. **Survey Results:** The survey results suggest that most of the respondents were workers (60%) who have been employed for one to three years (30%). The majority of employees were full-time (70%), and half of the respondents (50%) believed that management can be improved. However, 60% of employees believe there is a relationship between management and employee performance. Most respondents (60%) expressed dissatisfaction with the organization's management, while only 40% were satisfied. The survey also revealed that employees had varying opinions on the quality of management, with 30% rating it between 60-80% and 20% rating it at 0%. Suggestions for improvement included seeking input on key decisions, holding regular meetings, and investing in technology.
2. **First Hypothesis:** Encouraging employee feedback, investing in leadership development, and offering competitive compensation can improve management organizations in Neo Logistics SIA.
3. **Second Hypothesis:** There is a significant relationship between management and employee performance, which can increase motivation, build strong relationships, and create a supportive work environment.
4. **Third Hypothesis:** A positive manager-employee relationship can help identify company flaws and improve management organization through regular meetings and collaboration, leading to effective problem-solving and job satisfaction.
5. **Author's Findings:** The author found that several areas in the management of Neo Logistics SIA require improvement. These include a lack of employee involvement, inconsistent feedback, communication issues, weak leadership, and outdated technology. The management team at Neo Logistics SIA performs four essential functions of management to ensure the company's success:
  - **Planning:** Engage in strategic, operational, and contingency planning to achieve company objectives.
  - **Organizing:** Use departmentalization, resource allocation, delegation, and technology to effectively coordinate activities.
  - **Leading:** Provide clear direction, set goals, create a positive work environment, and recognize and reward employee contributions.
  - **Controlling:** Use performance metrics, and quality control, and take corrective measures promptly to monitor and evaluate the company's performance.

6. **Cost:** The cost of implementing improvements can vary significantly depending on the specific actions taken and the size and complexity of the company.
  - Some improvements, such as establishing clear communication channels, may have a minimal cost of 100 to 1000 euros, while others, like offering competitive compensation, may have a significant cost.
  - The implementation of a performance management system and inventory management software could incur costs for software and training ranging from several thousand to tens of thousands of euros (around 1000 to 10,000 euros).
  - Ongoing costs such as software licensing fees, maintenance costs, and periodic inventory counts should also be considered, which can cost 100 to 1000 euros per year.
  - Conducting a cost-benefit analysis of the proposed improvements can help Neo Logistics SIA determine the potential return on investment and justify the costs.
7. **Limitations:** The paper may have some limitations, as shown below:
  - The paper may not cover all aspects of management organization in sufficient detail. The research can be done in more depth in the future.
  - Proposed implementations may be specific to Neo Logistics SIA and not applicable to other industries.
  - The survey may need more participants to ensure the accuracy and reliability of the results. By increasing the sample size and obtaining a more diverse range of responses, the survey findings can be more representative of the overall population or target group.

Based on the author's analysis and survey, the following recommendations can be made to improve the management of Neo Logistics SIA: Costs for implementing these improvements can vary from tens to hundreds of thousands of euros (10,000 to 100,000 euros), based on Neo Logistics SIA's size (18,000 square meter warehouse), complexity, and specific actions taken.

1. Regularly encourage employee feedback and suggestions through open communication channels and meetings, with costs ranging from 100 to 1000 euros (including software, participants, and reports).
2. Establishing trust with employees by valuing their input, addressing their concerns, and holding regular meetings to set goals and priorities can cost 100 to 1000 euros per person (including training and bonuses).
3. Encourage open communication to build strong relationships and improve performance by allowing for the sharing of ideas, feedback, and support.
4. Create a positive workplace culture by encouraging teamwork, team-building activities, and growth opportunities. Team building can cost 30 to 35 euros/person.
5. Invest in technology to enhance the company's performance, improve collaboration and productivity, and streamline processes. It can cost 3% to 6% of their budget.
6. Prioritize warehouse safety by implementing safety protocols and providing adequate training to employees. It can cost 500 to 1000 euros/ employee.
7. Implement a computerized operation system for inventory management and tracking to increase accuracy and efficiency. Inventory management can cost an average of 3 to 6 euros/sq m.
8. Focus on efficient item arrangement and management and consider expanding the warehouse size to accommodate business growth. It can cost an average of 4.5 euros/sq m.

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# THE IMPACT OF SOCIAL MEDIA MARKETING ON DEVELOPING THE BUSINESS BRAND IMAGE: A STUDY OF PROCTER & GAMBLE, INDIA

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## **Abstract**

*The topic of this research paper is to identify the effectiveness of social media marketing in building the brand image of a business. Furthermore, P&G India is selected as an organization to carry out the entire paper. The objective of this research paper was to develop a social media marketing strategy for P&G India to build the company's brand image in the Indian market. The company has been using social media platforms such as Facebook, Twitter, and Instagram to promote its products and engage with its customers. The primary data in this study has been collected from the customers of P&G India. Furthermore, a sample size of 300 customers is selected for collecting the data and carrying out the process of data analysis. The study's results outline that at present the social media marketing strategy and practices carried out by P&G India are not effective and have created issues for the brand in accomplishing its marketing goals and objectives. The results of primary data outline the fact that the ignoring comments and lack of presence of different social media platforms are the major issues linked with the present social media marketing strategies of P&G India. The brand is required to revise its social media marketing strategy and at the same time, it is required to emphasize increasing the frequency of its posts to enhance its effectiveness.*

**Keywords:** social media marketing, brand image, Procter & Gamble, India, marketing strategy

## **Introduction**

The method of attracting attention with the use of social media websites is known as social media marketing. Additionally, social media marketing methods make it simple to get a competitive edge and offer long-term advantages including enhanced brand recognition, increased consumer loyalty, increased profitability, and increased market share. Description of the problem: The initial problem is social networking or media pages of P&G India are not attractive. The social media strategies and practices of P&G India have not influenced the perception of customers in a positive manner. The advertisement-related posts of P&G India are not updated timely and frequently. The existing social media practices and strategy of P&G India are not able to encourage repeat purchases from customers. The social media marketing and advertisement practices of P&G India have failed to enhance the degree of customer engagement. The topicality of the problem: P&G is a renowned and popular brand in the consumer goods industry of India. Its goal is to improve the lives of consumers by offering high-quality and satisfactory products and services. P&G focuses on using high-end and innovative technology to attract and retain new customers. It also has a social media policy that requires employees to follow the company's purpose, vision, and principles while posting information, images, and content on social media platforms and sites. The policy also encourages stakeholders to strictly follow the laws and regulations developed in the Indian market while using social media sites and posting content.

The various social media sites include Pinterest, Facebook, Twitter, LinkedIn, Instagram, and more. Furthermore, it has been shown that a variety of success variables are connected to social

media, one of which is establishing business objectives for the company's social media strategy. Since it has been discovered that social media platforms like Facebook, Twitter, etc. make it relatively simple to concentrate on the achievement of business goals like promoting the brand, increasing sales volume, profitability level, etc., marketers try to match business goals with those of social media in the case of every business (Venkatraman, 2017).

Every company's primary goal is to improve its reputation in the market, which is only achievable when the appropriate information is promptly shared with customers through social media platforms. The word "social media" is most commonly used to refer to Internet and mobile-based channels that enable user interaction (Singh & Singh, 2018). With the use of social media strategies, engagement can be promoted with relative ease. It has been found that fresh approaches can be adopted to connect with the target market, and as a result, the organization can quickly reap a variety of benefits. It is a well-known reality that there are several difficulties in the market where businesses operate, with competition being the main one (Qureshi & Zahoor, 2018).

The two primary stages that have permitted businesses to address the foremost squeezing questions almost their products and administrations so that clients can effectively make buys are Facebook and Instagram. On the other side, from a commercial perspective, building consumer trust in products is challenging. However, thanks to social media practices, it is now much simpler for businesses to build healthier relationships with consumers by meeting their needs in general. In today's cutthroat marketplace, finding customers has become increasingly challenging for businesses. For example, if a company has a weak brand presence, it will be challenging to survive. So, in this situation, where the level of brand exposure can be quickly increased and, as a result, the buying behaviour of the customers can easily be influenced, the adoption of social media platforms is quite appropriate. Social media is considered to be one of the most effective tools in the development of a PR strategy (Armstrong et al., 2016).

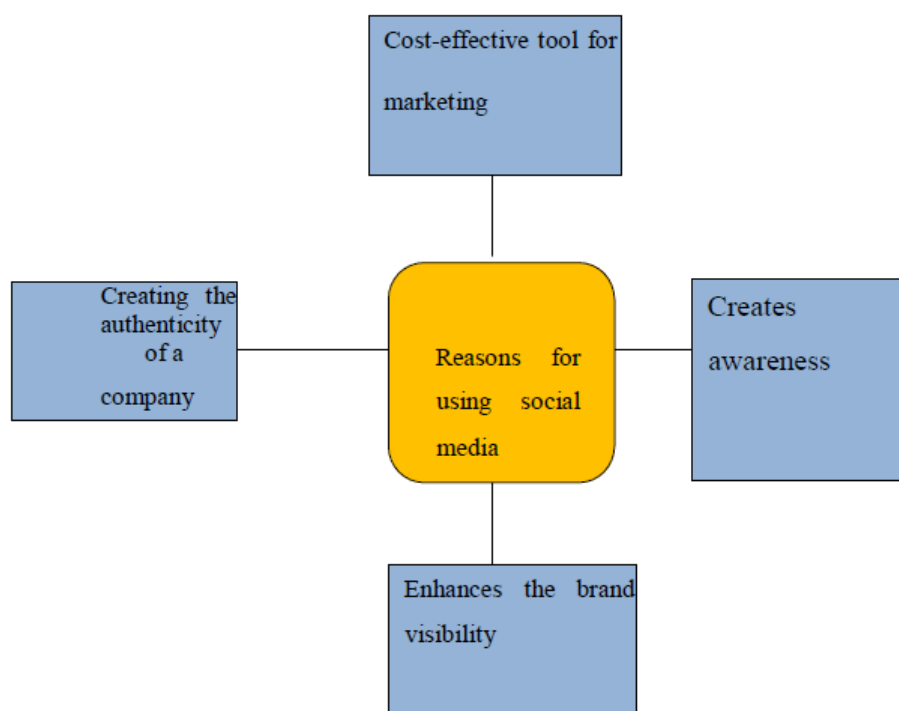
This paper aims to access the impact of the social media marketing brand image of Procter & Gamble (P&G) India. The tasks are to review the theoretical aspects of social media marketing strategy; analyse the digital advertisement industry of India in terms of its growth, and analyse the problem of social media in Procter & Gamble (P&G) India. The current study's analysis of social media marketing's success in enhancing brand recognition for the company was its main objective. The study is being carried out concerning Procter & Gamble (P&G), India to have a better grasp of the aspects connected with social media promotion. The phenomenological research strategy is being used by professionals for higher standard consideration. The key strategies that have been employed for the gathering of essential data include a survey with the help of a questionnaire. Further, experts have gathered secondary data with the assistance of books, journals, and online.

The questionnaire is referred to as a method that aids in the gathering of data by concentrating on various questions connected to the study's goals. It has been observed that the majority of the responders to the current study are Indian nationals. Data has been collected from various secondary articles and studies that are linked with social media and brand image. Knowledge about social media and Indian citizens' perceptions has been reviewed through journals as well. It assists in analysing the effectiveness of social media marketing in building the brand image of the business. Information gathering can be seen as a proactive process where various tools and resources are used to gather pertinent data. The process of data gathering is regarded as the most crucial part of a study for the reason that it enables the market researcher to efficiently identify the social media-related aspects. To make sure that accurate values are being presented, data on the issue from both primary and secondary sources are useful. Generally speaking, primary data collection refers to information that is gathered for the first time to ensure content accuracy. Primary data collection requires a significant amount of time, effort, and financial expenditure. Additionally, it is essential to make sure that primary data is gathered in a way that allows for its interpretation. However, secondary data is gathered through a variety of sources, including books, journals, and articles. With the use of both types of sources, the findings of the current study have been framed. It was difficult for an expert to comprehend how Indian citizens saw social media marketing's efficiency in enhancing a company's brand image.

The selection of exploratory design is also significant because it helps determine the ideas that can explore the study better. With the help of the selected design, the ideal of the researcher is to collect the information system that has been employed. It has allowed exploring the elements that are associated with the effectiveness of social media practice. Along with this, the perception of Indian respondents has been presented promptly under the application of exploratory design. The impact of social media on branding has been evaluated through selected designs. The author used various research methods to achieve complete and truthful knowledge. The research methods which were used to complete the paper are as follows, books, magazines/ journals, newspapers, and internet sources. Most of the data was used from the survey. This research has gathered, analysed, and presented data from many sources within the allotted time frame of one month, or four weeks, which is the research period chosen for the current study. The researcher has placed focus on making the best and most efficient use of the time to collect enough data, display it, and improve the study's overall effectiveness.

### Theoretical Aspects of the social media marketing strategy

Marketing plans and strategies are now essential for a corporate enterprise's expansion and progress in the modern era. Because they assist businesses in raising consumer awareness of goods and services in the target market, marketing strategies and tactics are seen as essential. Social media platforms are mostly used for sharing music, pictures, films, and other media that give people in society a great experience. Overall, the rise in the number of online communities. Social media has become one of the most important media that is explored by marketers (Kumar et al., 2016). Every company should develop a list of its rivals and research them across all social media platforms to learn about their followers, posting habits, post types, etc.



Picture 1. Reasons for using social media

Picture 1 shows the reasons to use social media. On social media platforms, customers can easily and directly communicate their concerns and opinions with the business. To maintain a high level of customer satisfaction, management might also offer them an immediate basic solution to their issues. Impact of social media marketing because social media is crucial to the success or failure of a

corporation. The use of social media marketing by many companies has been observed to improve focused product offerings, stimulate demand, and gain better insights. It is crucial to promote networking exposure so that important norms can advance crucially (WordStream, 2022). The business can receive real-time customer feedback by effectively considering social media advertising.

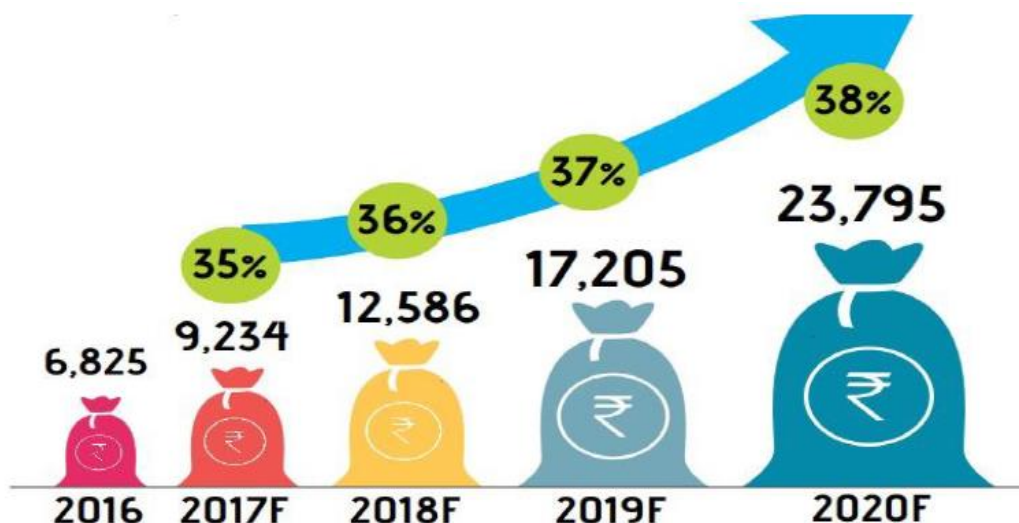
| Social Networking Site  | Monthly Visits | Mobile Traffic Share | Desktop Traffic share |
|---|----------------|----------------------|-----------------------|
| Facebook   | 1.6 Billion    | 99.25%               | 0.75%                 |
| YouTube    | 1.2 Billion    | 59.96%               | 40.04%                |
| Quora      | 215.8 Million  | 98.89%               | 1.11%                 |
| Instagram  | 191.1 Million  | 99.02%               | 0.98%                 |
| Twitter    | 125.2 Million  | 97.81%               | 2.19%                 |
| Pinterest  | 49.8 Million   | 98.40%               | 1.60%                 |
| LinkedIn   | 29.9 Million   | 90.97%               | 9.03%                 |

Picture 2. The digital and social media Landscape in India

Social media marketing can help businesses boost their innovation and product development efforts (See Picture 2). Social media websites and platforms can play a crucial role in attracting clients and fostering the expansion and expansion of a company. In the current day, branding has become essential to a company's long-term success and growth. People in the market nowadays are more interested in purchasing goods and services from businesses that appear respectable and polished in every way.

### Analysing the digital advertisement industry of India in terms of its growth

Digital advertising is another strategy that provided businesses with a new focus. No matter the distance between locations, it is the most practical and quick approach to contact customers. Online shopping is becoming more and more popular with consumers. The evolution of digital advertising is still in the developing stage in India, unlike the other parts of the country.



Picture 3. Digital advertising costs in India

But India is on the way to adopting digital advertising techniques (See Picture 3). In India, the idea of internet advertising and promotion is expanding quickly, and there are several causes or contributing elements for this rapid expansion. In addition, the following are the main causes of the rising demand for and use of online advertising in the Indian market: Ads can be updated at any moment, and making enhancements is simple, targeting a certain sector is feasible 24 hours a day, animation, audio, video, and graphic use are all permissible, much more affordable than print advertising. since there are no associated costs for printing or postage, Customer relationships are improved, and online purchases are available. By using social media and networking platforms, companies can understand the issues and problems faced by customers while using products and services. The data or information collected can be further used to carry out improvement in the products and services and eliminate the issues and challenges in the best and every possible manner. It will help in developing ideas to attain better market share in the Indian market. Implementing a social media marketing strategy can be challenging for businesses due to factors such as the decline in organic reach, algorithm miscalculations, and changes in social media platforms. Negative customer reviews and poor time management can also affect productivity and brand perception. To succeed in the Indian market, P&G must focus on selecting the right channels and specialists, sharing accurate information about products, testing promotions before posting, and offering innovative ideas to keep customers engaged. Quality content is more important than quantity, and organizing fun activities can improve brand loyalty.

## **Analysis of the problem of social media in P&G**

P&G is a popular and well-known brand in India's fast-moving consumer goods industry. Their goal is to improve the lives of consumers by offering high-quality products and services. They operate in different segments such as household care, beauty, grooming, and health and well-being. P&G is the largest and fastest-growing company in the Indian marketplace. However, they face intense competition from other brands. To attract new customers and retain existing ones, P&G uses innovative technology in its business processes and customer interactions. P&G is using digital and social media to engage with customers, employees, and stakeholders. They have developed a social media policy to ensure responsible use of social media platforms. P&G is actively participating in social media to identify changing needs and modify products and services accordingly. The company is also using social media to understand consumer perceptions and market trends. The social media policy applies to all employees and stakeholders, with consequences for policy violations. Employees are required to follow the company's purpose, vision, and principles while posting on social media and protect confidential information. They are encouraged to use good judgment and transparency in their posts.

The article discusses the problems associated with P&G India's current social media marketing and advertisement strategy. The company's social media pages are unattractive, its posts are not regularly updated, and its practices have not had a positive impact on how customers view the brand. Additionally, their efforts have failed to encourage repeat purchases and increase customer engagement levels. To improve its social media marketing strategy, P&G India must focus on enhancing the appearance of their social media pages, updating their advertisement posts regularly, and increasing customer engagement. P&G India needs to improve customer engagement on social media to understand market trends and customer needs. The company has a low presence on multiple social media platforms, with most resources invested in Facebook. To achieve its goals, P&G India must enhance its presence on different social media sites and platforms and establish genuine relationships with clients by sharing original material. The company is struggling to create unique and engaging content that can attract customers and generate interest in its posts. Addressing these areas of concern is necessary to improve the effectiveness of P&G India's social media marketing strategies.

P&G India uses multiple social media platforms for its social media marketing strategy, including Twitter and Facebook. The company has an authentic Twitter account and collaborates with

celebrities to promote its programs. P&G also creates short films to raise awareness about social issues and connect emotionally with customers. The company emphasizes developing an emotional connection with customers to increase loyalty and awareness. During the Olympics, P&G's hashtag marketing strategies were successful in creating positive sentiments among customers. However, the company needs to improve its marketing practices on Twitter as it has fewer followers and likes. Overall, P&G has been able to create a positive brand image among customers through its social media campaigns. The article discusses the social media marketing practices of P&G in India. While the company has posted adequate information about its business operations, mission, and values on its Facebook and Instagram pages, it has not been able to attain a satisfactory number of likes, shares, and comments on its posts. The article suggests that P&G needs to revise its social media marketing strategies and focus on improving customer engagement and interaction. Additionally, P&G should focus on enhancing sales and traffic through social media marketing channels.

## Results and discussion

The below-mentioned Table 1 represents the demographic data of the sample from which the information has been collected in this study. The age of the respondents has been mentioned in the below table. As we can see in the table around 20-25 age users use our product 27% moreover, 25-30 aged people use our product 32% more than young users. Apart from it, 30% of users above 30-year, users the majority of products consumed by them.

Table 1.

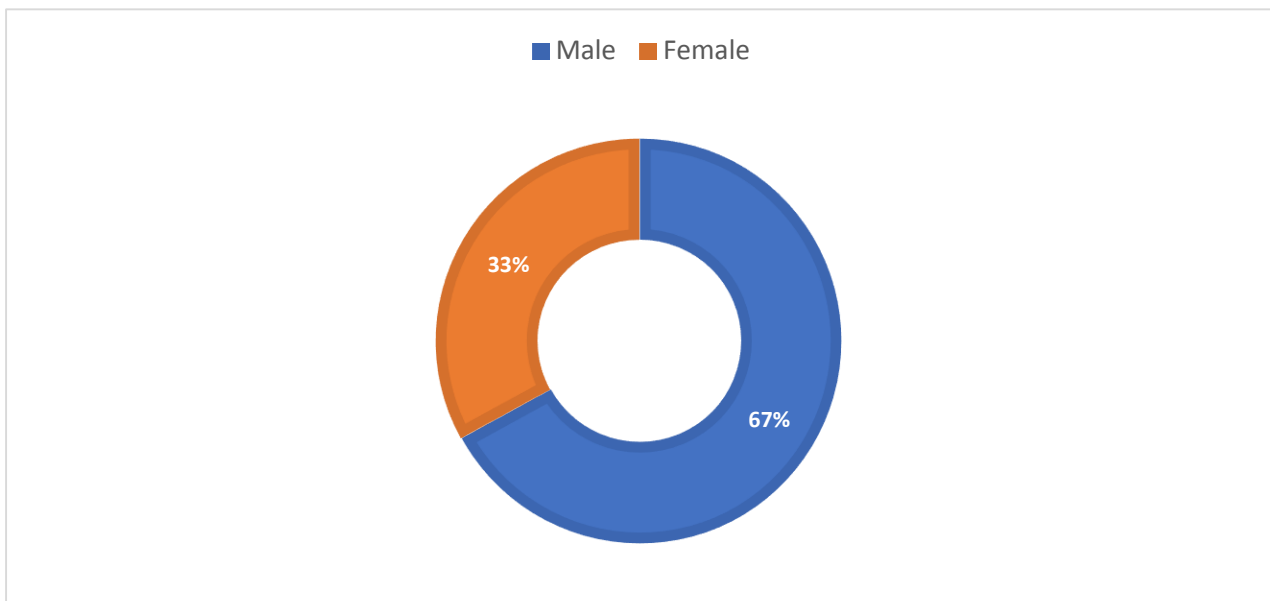
Age of the respondents

| Age                | Number of respondents |
|--------------------|-----------------------|
| 20-25 years        | 80                    |
| 25-30 years        | 98                    |
| 30 years and above | 122                   |

The P&G India consumers who participated in this study provided the data, and 300 customers were chosen as the sample size. In terms of client demographics, such as age, it can be said that the majority of respondents, or 41% of the total, were 30 years of age or older, while 27% of the total were between 20 and 25. The remaining 32% of all responders fell into the 25 to 30 age range. The gathering of information from a variety of age groups helped in the acquisition of thorough and sufficient data for the study.

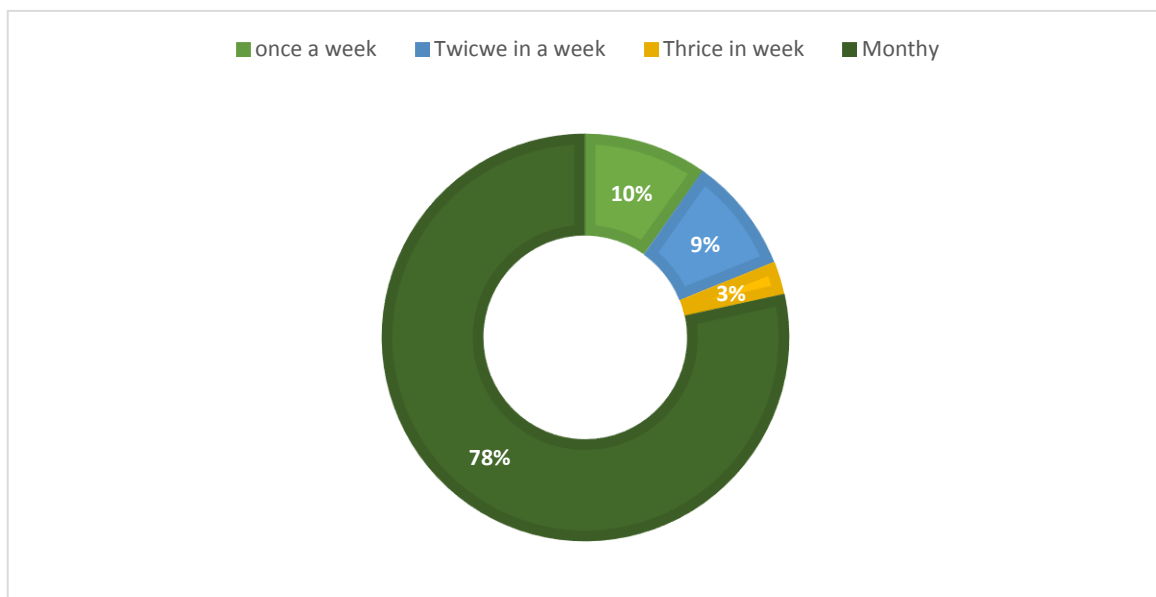
Customers in the current environment employ a variety of techniques to obtain information or data related to marketing. The information for this survey was gathered from 300 different P&G India clients, and it was found that the majority, or 53% of all participants, use contemporary, or digital, ways to find out about marketing, products, and services. However, 7% of respondents said they prefer to get information about goods, services, and marketing through conventional channels. In addition to this, the remaining 40% of respondents use both conventional and new techniques to gather information. The majority of the customers are aware of the social media marketing strategies used by P&G India, according to data gathered from primary sources, or P&G India's customers. The information was gathered from 300 different clients, and it was found that 88% of all respondents, or the majority, were aware of the social media marketing strategies used by P&G in the Indian market. Additionally, it has been determined that rising internet usage and the introduction of 4G in the nation are

the main causes of clients becoming aware of the marketing strategies used by P&G India on various social media marketing platforms (See Picture



Picture 4. Gender of the respondents

From the data collected, it has been identified that 67% of the total respondents were male and the remaining 33% of the respondents were female.

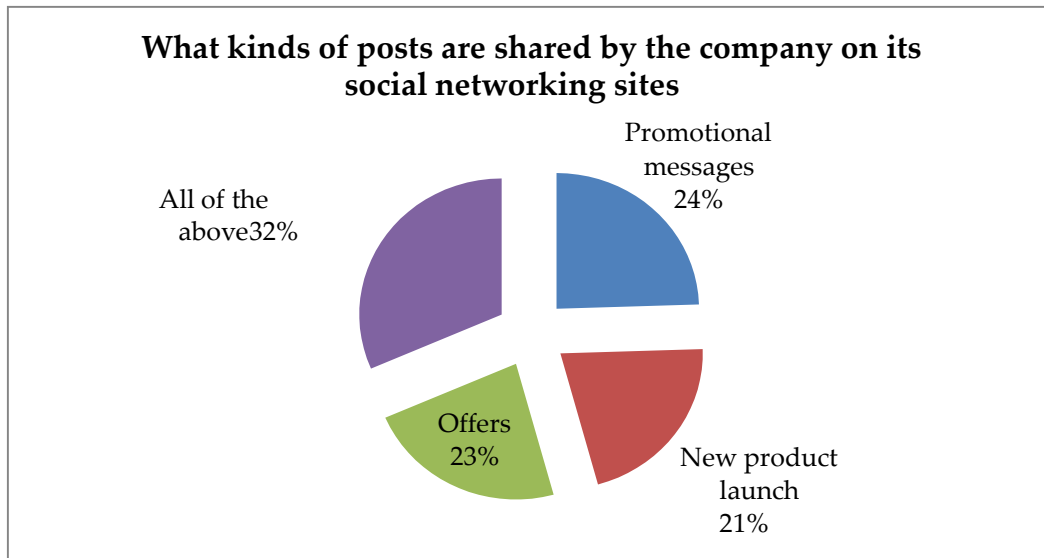


Picture 5. Frequency of access to Facebook, Instagram and another networking page of P&G India

Customers of P&G India have been found to access the company's social media accounts once a month on Facebook, Instagram, and other platforms. The majority of the respondents, or 67% of the total respondents, access P&G India's social networking pages once a month, according to the data gathered from 300 distinct customers who use the products and services the company offers. In addition, 14% of the respondents access P&G India's pages twice a week, while 15% of the overall



respondents view the pages once a week. The remaining 4% of respondents said they visit the pages three times per week.



Picture 6. Types of posts shared by P&G on social media sites

It has been determined from the data acquired from primary sources that P&G India now shares a variety of posts and content on its social networking websites. According to a survey of 300 people, 24% of those who responded thought that P&G India's social media and media posts primarily focus on promoting its goods and services (See Picture 6). However, 23% of all respondents claimed that P&G India posts are about impending sales and discounts. The remaining 21% of respondents claimed that P&G India's social media posts are varied and related to marketing messages, the introduction of new products, and future deals and promotions. The remaining 21% of respondents claimed that P&G India's social media posts are varied and related to marketing messages, the introduction of new products, and future deals and promotions. NTS has also argued that at present, the social media marketing practices and posts of P&G India are not effective in the context of communicating the ideas and messages clearly to the customers or the people in the target market.

## Conclusions

A company's brand, profits, website traffic, and productivity can all be improved by the use of social media, the websites on which users create social networks and share information. This practice is known as social media marketing. Effective marketing strategies are important for the success and growth of a business. Social media marketing is becoming increasingly popular, allowing companies to interact with customers and gain insight into their changing needs. However, there are challenges such as decreasing organic reach and negative feedback. P&G India's social media marketing strategy is not effective due to issues with making authentic connections with the audience and developing engaging content. It can be inferred that the issue within the social media marketing practices of P&G India is also related to the frequency and timings of the advertisement posts. It can be inferred that the advertisement-related posts are not updated frequently and timely by the organization. A survey found that 24% of respondents believe that most of P&G India's social media posts are related to promoting its products and services, while 23% believe they are related to upcoming offers and discounts. Another 21% believe the posts are diverse and cover promotional messages, new product launches, and upcoming offers and schemes. However, respondents also feel that P&G India's social media marketing practices are currently ineffective in communicating ideas and messages clearly to customers or the target market. Customers are aware of social media marketing practices but perceive

P&G India's social media pages as less attractive. P&G India's social media marketing practices may be ineffective due to infrequent and untimely advertisement posts, which do not encourage repeat purchases. Low engagement levels on social media platforms also contribute to this issue.

The following actions might be recommended:

1. Increase engagement with customers: Procter & Gamble, India should focus on increasing engagement with customers through social media platforms. This can be achieved by responding to customer queries and feedback promptly, sharing relevant content, and running social media campaigns that encourage user-generated content.
2. The company should identify relevant influencers in its industry and collaborate with them to promote its products.
3. Monitor social media conversations: Procter & Gamble, India should monitor social media conversations about its brand and products to understand customer sentiment and identify areas for improvement. This can be done using social listening tools that track mentions of the brand across various platforms. Use visual content: Visual content such as images and videos are more engaging than text-based content. Procter & Gamble, India should use visual content to showcase its products and create a strong brand image on social media.

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# FACTORS AFFECTING EMPLOYEE MOTIVATION AND IMPROVING EMPLOYEE PERFORMANCE IN MCDONALD'S LATVIA

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## **Abstract**

*This study focuses on the factors that affect employee motivation and how to improve employee performance within McDonald's Latvia. The research aims to identify the key factors that influence employee motivation and performance and to propose strategies to enhance motivation and performance. The study will involve conducting surveys and interviews with employees, managers, and customers to gather data. The research findings could potentially provide valuable insights into improving employee motivation and performance within the fast-food industry, specifically within the context of McDonald's Latvia. This paper focuses on identifying the factors that affect employee motivation and improving employee performance in McDonald's Latvia. The study utilized a mixed-methods approach, including surveys and interviews with employees and managers, to gather data on the key factors affecting motivation and performance. The results indicate that several factors play a significant role in employee motivation, including fair compensation, recognition, and career development opportunities. The study also found that effective communication, training, and feedback are critical in improving employee performance. Based on these findings, several recommendations are proposed, including increasing employee involvement in decision-making processes, providing training and development opportunities, and implementing a performance management system that provides regular feedback and recognition. Overall, this study highlights the importance of understanding the key factors that impact employee motivation and performance to improve the overall effectiveness and success of organizations like McDonald's Latvia.*

**Keywords:** employee motivation, human resource management, McDonald's, Latvia

## **Introduction**

Organizational management (OM) and human resource management (HRM) are critical to the success of any firm. HRM is the term used to describe the strategic management of a company's workforce, which includes hiring, choosing, training, paying, and evaluating employees' performance. HRM aids businesses in creating and retaining a motivated and productive staff, which is essential for attaining organizational objectives.

To remain competitive in the current global economy, firms must be able to attract and keep top personnel. Effective HRM practices can assist with this. HRM may encourage a culture of innovation and continual improvement by giving workers chances for personal and professional development. To reduce the risk of legal and reputational problems, HRM is also essential in assuring compliance with labour laws and regulations.

The aim of the study focusing on factors affecting employee motivation and improving employee performance in McDonald's Latvia is to identify the key factors that influence employee motivation and performance within the organization and to propose strategies to enhance them. By achieving these aims, the study intends to contribute to the literature on employee motivation and performance within the fast-food industry, specifically in the context of McDonald's Latvia. Additionally, the study aims to provide practical insights for managers and decision-makers within the organization to

enhance employee motivation and performance, ultimately leading to increased productivity, customer satisfaction, and overall business success

#### Tasks

- To study theoretical aspects of organizational management /HRM/talent management)
- To give a brief description of McDonald's
- To analyse the HRM system at McDonald's
- To develop the recommendation for improvement of talent management at McDonald's

To conduct a study on the factors affecting employee motivation and improving employee performance in McDonald's Latvia, the following research methods were used. *Survey*: A survey can be conducted to gather data on the factors affecting employee motivation and performance in McDonald's Latvia. The survey can be designed to collect information about the employee's job satisfaction, motivation, work environment, training and development, compensation and benefits, and other related factors. The survey can be administered to all employees in the organization or a sample of employees can be selected using random sampling methods. *Interviews*: Interviews can be conducted with managers, supervisors, and employees to gather in-depth information about the factors affecting employee motivation and performance. These interviews can provide insights into the perspectives of different levels of the organization and help to identify potential areas for improvement.

Factors considered in creating the questionnaire:

- **Relevance**: Ensure that the questions are relevant to the topic of employee motivation and performance improvement in McDonald's Latvia. They should directly address the factors that can affect motivation and performance.
- **Clarity**: Formulate clear and concise questions that are easily understood by the employees. Avoid ambiguity or confusion in the wording.
- **Specificity**: Ask specific questions that target particular aspects or areas of interest. This will help gather more precise and actionable information.
- **Objectivity**: Frame the questions in an unbiased and neutral manner to avoid leading or influencing the responses of the employees. This will help ensure the reliability and validity of the data collected.
- **Balance**: Include a mix of positive and negative statements in the questions to capture a comprehensive view of the employees' experiences. This allows for a more nuanced understanding of the factors impacting motivation and performance.
- **Limited response options**: Use yes/no or multiple-choice response options when appropriate to make it easier for employees to answer the questions. However, be mindful of providing enough response options to cover the range of possible answers.
- **Sequence and flow**: Arrange the questions in a logical and coherent order. Start with general questions and gradually move towards more specific or sensitive topics. This helps maintain a smooth flow and improves the survey experience for the employees.
- **Length**: Keep the questionnaire concise and avoid overwhelming the employees with too many questions. A manageable number of questions will increase participation and reduce respondent fatigue.
- **Confidentiality**: Assure the employees of the confidentiality and anonymity of their responses. This will encourage honest and open feedback, leading to more accurate insights.

## **Review of the theoretical literature on motivation factors**

Non-monetary incentives are tangible rewards, social practices or job-related factors that are used in an organization to motivate employees without direct payment of cash. For this study, non-monetary incentives are classified as tangible Nonmonetary Incentives, social non-monetary incentives and job-related non-monetary incentives (Sati & Arrawatia, 2017). In line with this classification, on-the-job rewards breakdown. Job-related non-monetary incentives have the potential

to motivate employees intrinsically. Jobs with a variety of tasks, responsibilities, autonomy, flexible working hours, participation in decision-making, development opportunities etc. are very important in satisfying employees' certain needs and they may lead to a feeling that the job itself is worth exerting more effort without the need to any external incentive. Bowen and Radhakrishna posit that different individuals have different perceptions of rewards and believe that such factors are the main driving force of satisfaction and that they help boost the employee to work harder and better, due to the motivation that it brings about. Some specific non-monetary incentives are reviewed here.

Research shows that employees show greater enthusiasm and appreciation towards non-monetary incentives. A lunch with a manager, a trip to a hill station, or an extra day off is much more impactful than an extra amount of money. Cash awards tend to easily get lost in the shuffle. It may get spent on bills or routine expenditures with no long-lasting association with the behaviour for which employees got the reward. Non-monetary incentives leave a more emotional impression on employees and they feel more recognized and engaged. Besides, principles of psychology suggest that people perceive non-monetary incentives to be more valuable than the retail value of that award in cash. (Sakshi, 2016). Cash awards for exceptional performances do not stand out anymore. You see, psychologically, people tend to categorize sources of income. They'll combine salary and cash bonuses as part of the same source of income since they are both monetary and they earn both of them at work. (Gan et al., 2012). But non-monetary incentives, like paid leaves, social recognition, or vacations, stand out and are easy to separate. These create experiences and add more value for the employees rather than a cash amount, which they won't even remember spent it. Non-cash rewards are more memorable and have emotional value. Recognition at the workplace like a meaningful 'well-done', a personalized thank-you note, or a special shout-out on social media can be more memorable than receiving an extra cash amount. An invested employee will always find a non-cash reward more emotionally valuable. When employees receive something which they can keep and show or experience, it adds more emotional value to the reward.

## **Financial benefits influence employee motivation**

Recognition and reward plus a sense of achievement are central to the motivation process. Managers need to address how they reward staff, as each member of staff is indifferent and will react in different ways to reward and recognition. recognise the importance of addressing the individual needs of staff: If the abilities and motives of the people under them are so variable, managers should have the sensitivity and diagnostic ability to be able to sense and appreciate the differences. Rather than regarding the existence of individual differences as a painful truth to be wished away, managers should learn to value differences and value the diagnostic process which reveals differences (Rashid & Minot, 2010). To take advantage of diagnostic insights, managers should be flexible enough and have the interpersonal skills necessary to vary their behaviour. If the needs and motives of subordinates are different, they should be treated differently Consistency and fairness in distribution are important and managers also need to be conscious of demotivation. Eighty-five per cent of workers said compensation was important or very important to their job satisfaction, according to the U.S.-based Society for Human Resource Management's 2016 Employee Job Satisfaction and Engagement report. There's little doubt that company payment structure plays a big role in employee satisfaction and motivation. 92% of respondents in the same survey said that overall benefits were important or very important, indicating that benefits have their role in employee motivation. A good benefits package can separate different employers who offer similar pay (Sati et al., 2012).

An employee reward is a bonus, gift, or incentive that an employer gives to an employee in recognition of their contributions, good work, or loyalty. It can be monetary or non-monetary and is usually given on an ad hoc basis. The most common type of employee reward is performance-based. That means they are given based on either individual or team performance. Other types of employee rewards include spot bonuses and privileges. Employee rewards can motivate employees and help to improve their productivity and job satisfaction. They can also help to retain talented employees and encourage them to stay with the company for the long term. However, care should be taken not to

overuse rewards as this may lead to employees becoming complacent and expecting rewards for every small task (Dobele & Pietere, 2015). The most effective reward programs are well-designed and tailored to the company's goals, objectives, and workforce. When designing a reward program. It is essential to consider what motivates your employees. As different workers may respond better to different types of rewards. Recognition and celebration do not work as an alternative to base pay, they are only adders, not replacements for pay. However, together with a solid pay approach, recognition and celebration is an effective ways to make rewards communicate effectively. Used properly, these two factors allow the company to communicate the role that employees should play in making the organization a success. When traditional pay solutions fail to acknowledge issues such as business opportunities, organization design and competency, recognition can be a great tool to address them. An intrinsically motivated individual through a given bonus will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her. An extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job. He further suggested that for an individual to be motivated in a work situation there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. According to 33, employees who can experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for. Thus, there is a need for the employer to make an effort in showing the employee that his/her well-being is of concern to the organization and the management and that the contribution of the employee towards the organization is highly valued (Seng et al., 2012).

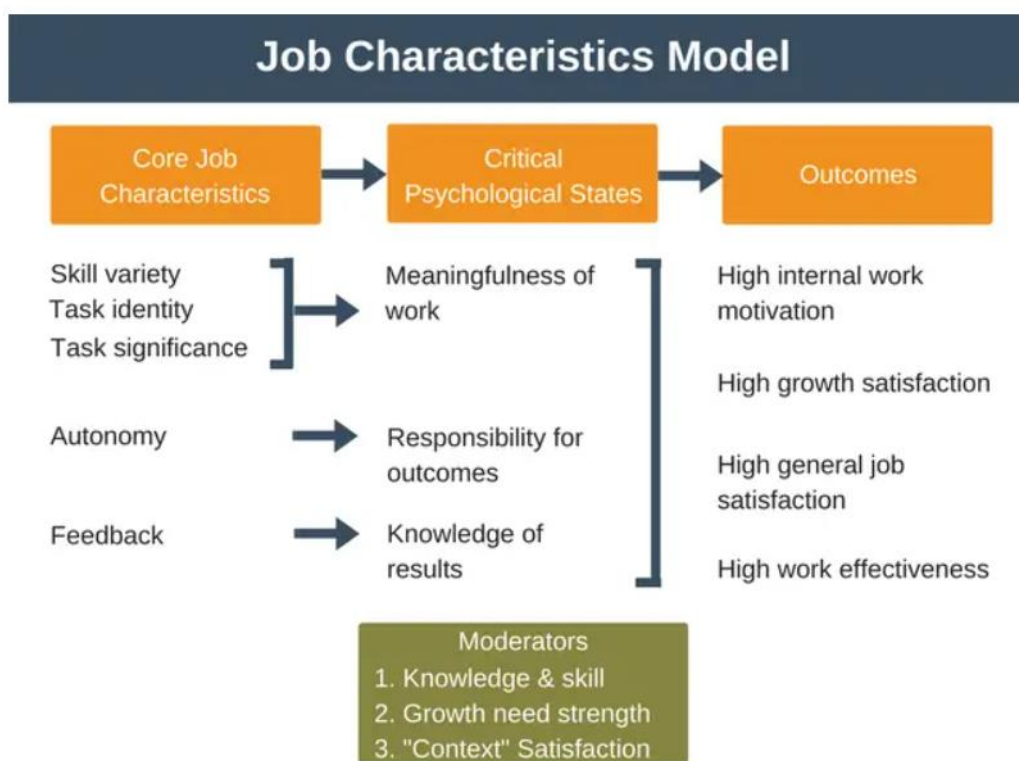
### **Working conditions influence employee motivation**

Employee motivation is influenced by the employee, the management and the condition. Motivating the employee is the manager's job. It is therefore the manager's job to understand what motivates the employees. Based on Locke and Latham's integrated model of work motivation, various theories of work/employee motivation will be discussed, including Maslow's need hierarchy, McClelland's personality-based approach to employee motivation, Vroom's theory, Locke and Latham's goal theory, Bandura's self-efficacy theory, Weiner's attribution theory, Herzberg's job characteristics model, the organizational commitment theory and Adam's equity theory. These theories attempt to explain employees' behaviour. They provide understanding to both managers and employees of how to motivate others and/or become more involved in one's motivation Green's belief system of motivation, Glanz's model for motivating employees, Lindner's approach to understanding employee motivation, and Nelson's ten ways to motivate today's employees are some newer approaches to employee motivation. mentions that all of the above Employee motivation is influenced by the employee, the management and the condition. Motivating the employee is the manager's job. It is therefore the manager's job to understand what motivates the employees. Based on Locke and Latham's integrated model of work motivation, various theories of work/employee motivation will be discussed, including Maslow's need hierarchy, McClelland's personality-based approach to employee motivation, Vroom's theory, Locke and Latham's goal theory, Bandura's self-efficacy theory, Weiner's attribution theory, Herzberg's job characteristics model, the organizational commitment theory and Adam's equity theory. These theories attempt to explain employees' behaviour. They provide understanding to both managers and employees of how to motivate others and/or become more involved in one's motivation Green's belief system of motivation, Glanz's model for motivating employees, Lindner's approach to understanding employee motivation, and Nelson's ten ways to motivate today's employees are some newer approaches to employee motivation. mentions that, all of the above (Sati & Amit Arrawatia, 2017).

Early research into performance at work identified the importance of the social aspects and the influence of workplace colleagues. If a high level of motivation is to be achieved, managers need to focus on relations between peers. Although library managers may not have the financial resources to take staff on "away days", good relationships can be achieved through strategies such as effective staff meetings that allow opportunities for discussion and interaction. Teamwork can be especially

useful in bringing together the different types of people within a library, such as a library assistant recently appointed and a professional librarian with many years of experience. Group training and briefing sessions can help to raise self-esteem, confidence and even motivate an employee who is currently de-motivated. The creation of social spaces for shared lunches and breaks where possible, can also contribute, even when space is limited. Some managers also encourage social outings and celebrations to further maintain or improve working relationships.

The Job Characteristics Model (also known as Jobs Characteristic Theory) enables you to improve employee performance and job satisfaction using adjusting the job itself. The model states that if you do this successfully you can create the conditions for an employee to thrive in their role. By thrive, we mean that the employee will be motivated, perform to a high level, and be satisfied by their role. Earlier in the 20th century, jobs had been systematized and simplified to increase productivity and maximize production. Job Characteristics Theory (JCT) came about because the intended benefits of increased systemization often never materialized because of increased employee dissatisfaction (Taylor & Alla, 2019). See Picture 1.



Picture 1. Job Characteristics Model

There are many leadership styles such as authoritarian, paternalistic, democratic, laissez-faire, transactional and transformational. To narrow down the research I will discuss only transactional and transformational styles. According to transactional leader doesn't involve regularly with the workers unless a mistake or deviation occurs. He maintained that transactional leaders want the same procedures in the company to be followed flawlessly every time the job is done. Additionally, transactional leaders don't motivate their employees or help them in career growth. On the other hand, transformational leadership is inspirational, challenging, charismatic, stimulating and always developing the capability of the employees. As a result, employees willingly work towards their full potential inspired by transformational leaders. Job enrichment is a method of motivating employees by providing them with variety in their tasks while giving them some responsibility for, and control over, their jobs. At the same time, employees gain new skills and acquire a broader perspective on how their work contributes to the goals of the organization (Brown, 1992).



This can be very motivating, especially for people in jobs that are very repetitive or that focus on only one or two skills. Combined work activities provide a more challenging and complex work assignment. This can significantly increase "task identity" because people see a job through from start to finish. This allows workers to use a wide variety of skills, which can make the work seem more meaningful and important. The Incentive Theory of Motivation is a theory that is supported by many behavioural psychologists, the most distinguished one being B.F. Skinner. Skinner and other radical behaviourists believe that a person will be more likely to do an action that is positively reinforced, while he will more likely avoid an action that is negatively reinforced (i.e., brings negative reinforcement). The Incentive Theory is said to be different from other theories of motivation in such a way that it views the stimulus as something that attracts a person towards it, rather than something that prompts a person to reduce it or eradicate it. The incentive theory of motivation was developed by Burrhus Frederic Skinner (1904-1990), known as B. F. Skinner was an American psychologist, behaviourist, author, inventor, and social philosopher. He was the Edgar Pierce Professor of Psychology at Harvard University from 1958 until his retirement in 1974 (Rashid, 2010).

## **Current motivation theories**

Following are the two recent theories of motivation which are CPT and TMT. Cumulative Prospect Theory (CPT) Cumulative prospect theory, or CPT, was introduced in 1992 by Amos Tversky and Daniel Kahneman. CPT differs from the standard prospect theory by adding weight to the cumulative probability distribution function. It suggests that people think of possible outcomes based on a certain point of reference instead of a final status or outcome. This creates what is called the framing effect. The goal is often to maintain the status quo, which means there are different risk perceptions when looking at gains or losses from their point of reference. One of the greatest influences is the most extreme, but most unlikely, events that occur. In CPT, people add more weight to what might happen and less weight to what will probably happen. That skews their perception of what can happen and that changes their reactions and behaviours to life events. In other words, everyone is always trying to plan for the worst-case scenario economically under the cumulative prospect theory and Temporal motivation theory (TMT)

TMT is the latest development in the study of motivation. It is developed by Piers Steel and Cornelius J. Koenig in 2006 and they published an article in the *Academy of Management Review*. The main goal of developing TMT was to integrate the different theories of motivation and develop a common theory for academics and businesses. Most of the research that is carried out today is based on those old theories and therefore, they have not lost their relevance. Kotter (2011), suggests that attracting and encouraging people to move on the right track, even with some hindrance can be achieved "by appealing to basic but often untapped human needs, values, and emotions" However, it can be a critical task as Eccles and Wigfield (2002) suggest that every employee wants to be in control of their motivation and fostering such an environment would be a great challenge for today's leaders. It means that managers must acknowledge that all employee's early theories of motivation were different as they were developed from different points of view. For example, Maslow's need theory advocated that people have five different categories of needs whereas expectancy theory discusses the intrinsic and extrinsic motivation of employees. TMT wants to develop a common platform for motivational research (Adnan, 2019).

Motivating employees can help create a pleasant and productive workplace and increase job satisfaction. Herzberg's two-factor motivation theory identifies factors that inspire professionals to complete high-quality work. Understanding and implementing the two-factor theory can help you deliver supportive management to members of your team. In this article, we define Herzberg's motivation theory, list the steps for using it in a work environment and provide an example of the theory in action. Also known as Herzberg's motivation-hygiene theory, the two-factor theory or the dual-factor theory, the Herzberg theory states that certain elements within a workplace lead to job satisfaction, while others lead to dissatisfaction. Herzberg developed the theory to understand an employee's attitude better and drive toward the job. He interviewed employees about what pleased

and displeased them at work, studying both their good and bad experiences. He theorized that an individual's job satisfaction depends on two types of factors: motivators and hygiene factors (Le et al., 2021).

### **Economic theories**

These theories are based on the notions of Taylorism and scientific management. People operate in their economic self-interest. Payments are directly linked to measuring increments of work, as in payment by outcomes or results. There are some beliefs that Taylor and his followers espoused (Smith, 2005); generally, people disliked work and had to be forced into doing it. Employees were untrustworthy and unreliable and hence had to be supervised and directed. For maximum output or productivity, jobs must be standardized and divided into tasks and sub-tasks. Each of these was allocated to a different employee. A system of hierarchical authority was mandatory to execute management's policy. The 'one best way' is exposed and taught to employees. Every task had to be cautiously selected. Select the right person and tools. Ensure that employees use the 'one best way' by applying a payment by result /outcomes system, that is, the more you produce, the more you earn. Taylor's scientific theory is being implemented enormously by McDonald's recruiting managers to carry on activities known as task management. Managers always give instructions to the employees at work and impose task management (mainly cleaning), thereby reducing sluggishness and individual thinking. Present registers, grills and other different equipment facilitate the reduction of the need for individual thinking more to the point where all employees' actions are just like an instrument (Nawaz, 2011).

### **Maslow's hierarchy of needs theory**

Maslow propounded that man has a hierarchy of five needs, which begins with the basic need for psychological well-being and goes up to the realisation of one's potential. These needs are physiological, security, social, esteem and self-actualisation needs. Maslow separated these five needs into higher and lower levels. Physiological and safety needs were described as lower-order needs, while social, esteem and self-actualisation needs were described as higher-order needs. The differentiation between the two orders is that, while lower-order needs are satisfied externally by things such as wages, the higher-order needs are satisfied internally by the person. See Picture 2.

These are factors which are connected with the job and to the reward that results directly from properly doing work. They motivate employees to superior performance and accept challenging tasks, growth and development. Some examples of true motivators are achievement, recognition for work, etc. The belief in Herzberg's theory is that improved job satisfaction is a vital source of motivation and will lead to better performance because of its association with improved productivity (Nawaz, 2011). Equity theory proposes that employees compare their own output/input ratio (the ratio of the output they receive from their workplace and to the inputs they contribute) to the output/input ratio of another person. Unequal ratios create job dissatisfaction and motivate employees to restore equity. When ratios are equal, employees experience job satisfaction and are motivated to maintain their current ratio of outcomes and inputs or raise their inputs if they want their outcomes to get higher. Outcomes consist of pay, fringe benefits, status, opportunities for advancement, job security, job variety, flexible working arrangement and anything else that employees desire and receive from an organization. Inputs comprise special skills, training, education, work experience, effort on the job, time, interpersonal skills and anything else that employees perceive that they contribute to an organization (Nawaz, 2011).



Picture 2. Maslow's hierarchy of Needs

### Concept of “*McDonaldization*”

It is universally true that fast food jobs are greasy, ill-paid, temporary, untrained and without benefits among teenagers. According to Merriam-Webster's Collegiate Dictionary (2003), most fast-food employees are employed in ‘McJobs’. The term McJob is used in an impertinent manner to explain the type of job, which is usually related to the retail or service industry that is, a low-paid position for which skills are not generally required and the employee turnover rate is high. McJobs are related to low-trust and cost-cutting work contexts (Bacon and Blyton, 2000). “McDonaldization” is a term used by sociologist George Ritzer in his book *The McDonaldization of Society* (1993). One of the primary aspects of McDonaldization is that almost any task should be rationalized. McDonaldization takes a task and breaks it down into further smaller tasks. This is repeated until all tasks have been broken down to the minimum possible level. As a result, tasks are then rationalized to find the single most efficient method for carrying out each task.

Many young people have been engaged in work by the worldwide expansion of fast-food outlets which are often their first job and many are students having to finance their way through educational institutions (Felstead et al., 1999). In McDonald's, most of the employees are students, whereas 70% of them are under 20 years of age (Royle, 2000) and most of the McDonald's restaurants in the UK could not function without them as they are based on students in an enormous way. Moreover, a particular amount of people also believe McDonald's is the “job for students”. According to Lucas and Ralston (1996), ‘students are considered to be more flexible than other sectors of the part-time and casual labour market’. The students are not interested in full-time work or in acquiring long-term or secure employment because of the constraints of classes (Mizen et al., 1999). Students are keen and able to work the unsuitable hours required by retail and catering services that open for long hours (Curtis and Lucas, 2001). Many of the students consider McDonald's as a preferably suitable job, when compared to other fast-food restaurants because of several factors. One of the most important reasons why students prefer working with McDonald's is because of the amount of flexibility they offer. Students can choose hours that they are available for work in advance and their shifts are scheduled within this availability, giving them the ultimate flexibility, which helps them to adjust their college or university schedules and avoid conflicts. Working at McDonald's helps students to be financially capable of supporting themselves for studies and other needs, such as accommodation, socializing with friends, etc. According to Lucas and Lamont (1998), students working at McDonald's encompassed more things than just simply earning money, and this may be a

combination of social factors, such as making new friends, working with the same age group of people, mixing with customers and learning new skills, which are likely to help them become more confident in their future career.

McDonald's is one of the famous global brands that have spread its presence over the last 52 years. The company was started in 1955 by Roy Croc and the first restaurant was opened in Des Plaines, US. McDonald's brand mission is to "be our customer, favourite place and way to eat". The company's worldwide operations are bounded by a global strategy called the "Plan to Win" which concentrates on the five basics of an exceptional customer experience, people, products, place, price and promotion. McDonald's is the leading global food service retailer that has more than 32,000 local restaurants in more than 117 countries. McDonald's is one of the world's most well-known and valuable brands. McDonald's opened its doors in 1994 in the capital of Latvia, Riga. Currently, there are 13 McDonald's restaurants, eight McDrive transit restaurants and three McCafé™ cafes throughout Riga and Jelgava.

## **Economic performance indicator - McDonald's Latvia**

In 2018, the company employed an average of 739 employees, while its total payments to the general state budget amounted to 6.515 million euros. In 2018, Lursoft" statement shows that SIA "Premier Restaurants Latvia" currently has two current commercial pledges, including the one registered last week. SIA "Premier Restaurants Latvia" was founded in 1994, the share capital of the company is 4,237,289 euros and its sole owner is the company "Premier Capital BV" registered in the Netherlands. In 2017, SIA Premier Restaurants Latvia had a net turnover of EUR 36.120 million and the company's profit after taxes and income from the exclusion of deferred corporate income tax was EUR 1.623 million. It employed 691 people and its total payments to the general state budget of Latvia were 6.189 million euros Last year, the company was an employer of 740 employees and in 2019 it paid 7.77 million EUR in taxes administered by the SRS. n this year On May 7, the company had accumulated a tax debt of EUR 461.26 thousand (Lursoft, 2023).

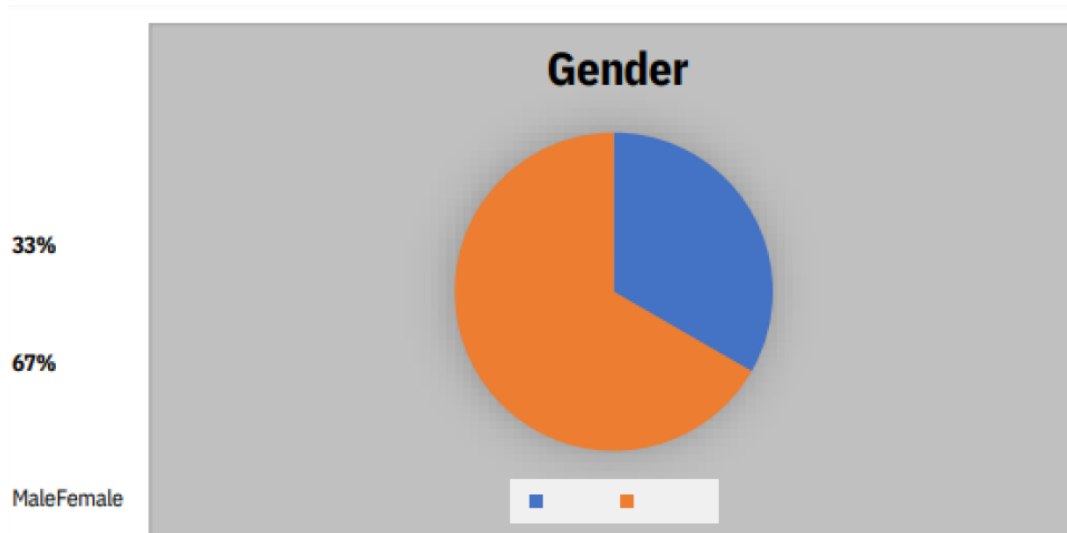
## **Training and development - McDonald's Latvia**

McDonald's crew members work in the kitchen preparing food and at the front counter helping customers through the ordering process. Team member job duties include operating a cash register, running the drive-thru, cooking Big Macs and other menu items, cleaning the restaurant, and completing other assigned tasks. From the initial training which is called skill training, employees can know the basic job knowledge of each position and can develop. Moreover, the ongoing training program provides a more advanced level of job knowledge and makes an economical employee. An ongoing programme of training evaluation enables employees to keep training up to date and according to the demand of the business. McDonald's training and development programme is an important part of the 100% customer satisfaction that the company aims to achieve the ultimate goal. McDonald's commitment to training and development plays a vital role in maintaining consistent service standards, ensuring customer satisfaction, and promoting the growth and success of its employees. McDonald's offers various educational benefits and scholarship opportunities for its employees to pursue further education and career advancement. The company has partnered with educational institutions to provide access to college courses, certifications, and other learning resources. McDonald's franchises and individual restaurants offer local and regional scholarships to students in their communities. These scholarships may vary in eligibility criteria, application process, and award amounts. Current motivation systems in McDonald's Latvia:

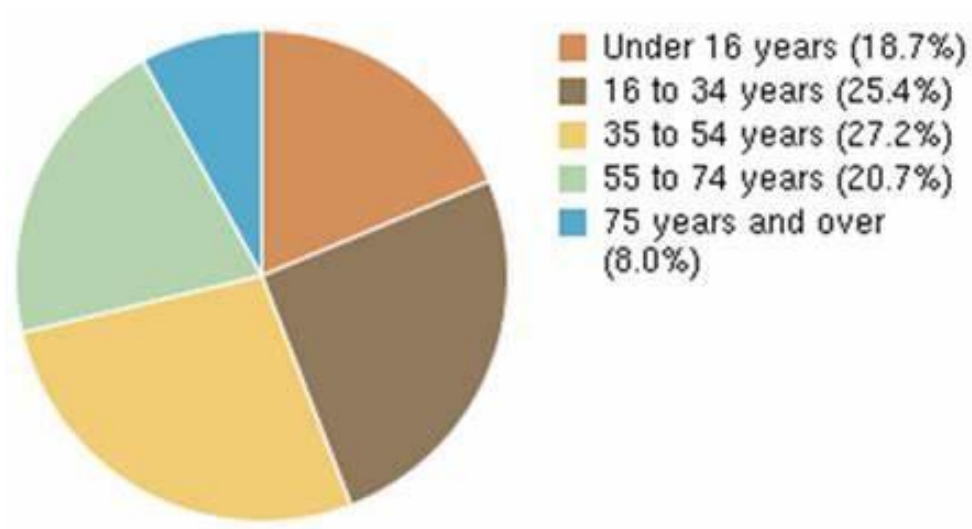
- Do your best for your customer and get the best present for your team.
- Happy meal coupons for employees' kids (2-12 years)
- Training for employees covering each employee's specific need
- 30% discount card for McDonald's products.
- 50% discount card for employees working at McDonald's for 15 years and more.

## Research results and discussion

The gender pie chart in Picture 3 presents out of the 48 respondents, 67% of the respondents were female, while 33% per cent respondents were male. This shows that both genders were represented in the study however, there was a gender gap.



Picture 3. Gender Classification



Picture 4. Age Demographics

On establishing how non-monetary incentives affected staff motivation, the study found that; 44% who were the majority indicated that non-monetary incentives highly affected staff motivation, 33% indicated that non-monetary incentives Very Highly affected staff motivation, 15% indicated that non-monetary incentives reasonably affected staff motivation, 3% indicated that non-monetary incentives lowly affected staff motivation while 2% indicated that non-monetary incentives negligibly affected staff motivation.

Table 1.

Distribution of respondents in non-monetary incentives in an McDonald's Latvia

|            | Frequency | Percentage |
|------------|-----------|------------|
| Very High  | 16        | 33%        |
| High       | 21        | 44%        |
| Reasonable | 7         | 15%        |
| Low        | 3         | 6%         |
| Slight     | 1         | 2%         |
| Total      | 48        | 1          |

People are the most important resources of an organisation. They ensure the interaction of financial, industrial, and other resources so that the organisation can function. Nowadays experienced managers realize that financial rewards cannot stay the only kind of employee encouragement. The employees' needs should be viewed as an entity that leads to the search for non-financial motives. There exist many non-financial motives that are connected with the employee's satisfaction of needs, such as his/her recognition, participation in the decision-making, self-fulfilment, personal growth and others. The practice shows that the full use of human resources of an organisation is one of the most significant advantages, which allow companies to occupy the leading positions in the world market. The McDonald's company flourishes owing to the logical integration of the staff into problem-solving.

Table 2. Rating of employees

| Factors                                  | <i>Least influential</i> | <i>Moderately influential</i> | <i>Fairly influential</i> | <i>Highly influential</i> | <i>Most Influential</i> |
|--|--------------------------|-------------------------------|---------------------------|---------------------------|-------------------------|
| <b>Compensation and benefits</b>         |                          |                               |                           | 8                         | 22                      |
| <b>Recognition and rewards</b>           |                          |                               | 4                         | 18                        | 8                       |
| <b>Opportunities for career growth</b>   |                          |                               | 19                        | 5                         | 6                       |
| <b>Work-life balance</b>                 |                          | 11                            | 9                         | 7                         | 3                       |
| <b>Training and development programs</b> | 2                        | 18                            | 7                         | 3                         |                         |

The company adheres to the principle: 'The result is done by a man'. McDonald's examines its employees as the primary source of progress in the field of quality and productivity. This organisation has based its success on the motivation theories having altered only some aspects of them. McDonald's adheres to four simple principles, which give the possibility to increase the performance of its employees:

1. The company must elaborate different systems of motivation for every department.
2. The personnel must have clear and attainable aims. It is better to have one aim per person.

3. The aims must change: managers should have one aim for half of a year. For example, at first, a manager examines the number of clients, then he/she examines the number of returning clients; and then he/she should analyse the increase in business sales. This method gives the possibility to find new abilities of employees and to check new methods of work.
4. The rise in salary amount must be sensible for an employee.
5. McDonald's company applies three components of the motivation system: financial encouragement, non-financial encouragement, and social policy. All three factors are described in Maslow's motivation theory. However, Maslow states that all needs must be fulfilled one after another. The research on the McDonald's company, its strategy and its structure shows that only a simultaneous fulfilment of employee's needs will increase an employee's performance. It is not necessary to fulfil all the needs of every level. In reality, an employee has a set of needs in every concrete moment.

## Conclusions

Summarizing, the McDonald's company has an effective motivation system that makes it possible to increase employees' performance, and hence the company's productivity. The situational approach applied by McDonald's administration staff has turned out to be the most relevant to the current situation. The administrators have used specific techniques based on motivation theories. Having applied the procedure of the assembly line in food preparation, McDonald's has ensured the standard quality of production and high performance. Besides, the company has implemented an effective motivation strategy that is based on the existing motivation theories. Consequently, based on the research we can say that every company has its system of behaviour explanation and every concrete case should be examined as the 'McDonalds' company case. Motivation theories, such as Maslow's theory and Self Determination Theory should serve as the basis for elaborating a strategy which will direct manager's forces towards the aim - employee satisfaction via intrinsic motivation and Maslow's Hierarchy of Needs model. Motivation is essential for a group as well as an organization. In the eyes of the leader of the organization McDonald's, authorizing and inspiring staff members to do the best in their job and they're capable of helping create job satisfaction, lowering gross revenue in an industry that has a standing for stimulating its employees. In addition, a glad, stable workforce does not just convey better customer service; it is likewise more compelling at building deals and attracting repeat business. There are five concentration benefits of employee motivation which McDonald's approached at:

1. Improved Productivity
2. Higher Quality of Service or Product
3. Monetary Savings
4. Better Employee Retention Rates
5. Pleasant Work Environment

When considering the above factors, it can be concluded:

1. Several key factors affect employee motivation and performance in McDonald's Latvia.
2. Providing clear goals and expectations is essential for employees to understand what is expected of them and work towards achieving those goals.
3. Offering opportunities for skill development and career advancement is crucial for employee engagement and retention
4. Promoting a positive work culture that values teamwork, communication, and respect is essential for creating a supportive and motivating work environment.
5. Fair compensation and benefits are essential for attracting and retaining top talent.

6. By understanding these factors and implementing effective strategies to improve employee motivation and performance, McDonald's Latvia can enhance its competitiveness and improve its bottom line.

7. By implementing these recommendations, McDonald's Latvia can increase employee motivation, improve employee performance, and ultimately achieve greater success.

According to the needs of Maslow's hierarchy theory, McDonald's applies the theory of Maslow projected that motivation is a function of five basic needs. The first need will be the physiological needs which are the most basic needs for a worker to achieve in an organization. At McDonald's the employees' physiological need is satisfied by being provided with basic needs such as a good working environment which is in a closed area, provided with air-conditioning and enough comfort. The employees are also provided with a uniform that represents McDonald's and a basic pay of RM900. The next need is the safety needs which consists of the need of the employee to be safe from physical and physiological harm in the organization. Most of organization provides the first aid kit for emergency purposes, and so does McDonald's too. This will be helpful to the kitchen helpers in McDonald's if there is any case of small injuries while working. This is to ensure the safety of the employees.

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