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Abstract

The following document gives a description of the issues going on in a sweet manufacturing unit, their causes, and recommendations for the same

Pak sweets: managing a diverse workforce

Case Study

**Executive Summary**

Pak Sweets is one of the major companies in Rawalpindi, Pakistan that manufactures popcorn, dried fruits, candies, etc. Various communal conflicts are going on due to which the company’s productivity is deteriorating, factory machines are getting damaged and hence the company is facing huge losses. The hierarchical management structure is also adding to the already existing rifts and needs to be changed. Some serious steps need to be taken to resolve the conflicts and bring back the company’s reputation and recover the losses.

**Introduction**

Pak Sweets is a sweet-producing factory along with various other products like popcorn, dried fruits, etc. which was established in 1984 and is based out of Rawalpindi, Pakistan. It started with a room, two machines, and only a few employees and then comprised of approximately 60 workers in 2014. The factory was highly dependent on its employees. Various skill sets were required in the factory and hence employees from various ethnicities were hired. The CEO of the factory, Shiekh Farruk Niaz, was worried about the increasing conflicts among the employees of various ethnicities. The conflict between them started growing day by day and it caused property damage, financial losses, and productivity to fall. The company’s reputation was getting deteriorated as it was unable to meet the expectations of its customers. The CEO had various short-term plans in mind like firing the employees who created a nuisance, but these ideas had their consequences. The CEO needed wanted a permanent for this problem which would eventually clear out the image of Pak Sweets in the market.

**Main Challenges**

* *Diversity* – The employees of Pak sweets are from various cultures, backgrounds and have different conducts. Employees from various races and ethnicities become rivals and left no stone unturned for bringing the other community down. The introduced faults in the machine, went on strikes, damaged the property, etc. This was causing Pak sweets to bear huge losses and its reputation was at stake. The production was going down day by day and it was not able to meet the customer expectations.
* *Hierarchical Management Structure* - Pak sweets has only one Operations Manager who manages all the workers, supervises production, handles the customer service, and various other aspects of the company. Handling such a huge responsibility is not a one-person job.

**Causes**

* *Limitation of knowledge and acceptance* – This is a worldwide phenomenon, that when people of different castes and creeds are put together, conflicts are bound to happen. And a similar situation was arising in the factory as it started expanding. The factory demanded different levels of skill sets and hence people from various ethnicities were recruited so that their strengths can be put to proper use. The workers working in the factory lack education and hence are unaware of the term ‘diversity and inclusion'. Education teaches us moral values and the way of accepting the strengths and weaknesses of a person. The workers, who are deprived of this basic knowledge, cannot be expected to work with each other in peace and harmony. Hence a rift gets created between them when their ideologies don’t match. Such people always want their community to grow and hence tend to pull the legs of the other. Also, sharing the same roof is aggravating the condition. This is a classic example where we see the effects of cultural differences and lack of education.
* *Limited management forces* – When a company is comprised of 3-4 employees, it is easy to manage. But as it starts growing, we need various people to manage the day-to-day ongoings as it is not a one-person job. Hierarchical structures generally centralize the power and authority with the person in charge. This can cause tremendous disaster as one person has the power to lift the company’s stakes or ruin it. This also burdens a single person with various responsibilities and he is very likely to take incorrect decisions under the pressure. The operations manager was not able to control the communal rifts, bring up the production, look over the damaged machinery, train the new employees, etc. Employees took advantage of this situation. They created damage in one machine and blamed it on the other community. The operations manager could never have known whose fault it was. Hence it is also an alarming problem that needs to be addressed.

**Recommendations**

* *Implement Cultural integration* – To combat the communal issues, we need to come up with ways of cultivating cultural integration*.* We need to make the employees realize the importance and acceptance of workplace diversity by educating them. One of the solutions for the same can be to hear the employees. The company can have a meeting per week where it will hear the various issues that the workers have and will try to give some relief regarding the same. Also in these meetings, the company’s management can start implementing the seeds of workplace diversity and its benefits into their workers. Once the company sees some improvements, it can reschedule these meetings to bi-weekly and then monthly and eventually once a quarter. This will give the employees a sense of security, they will feel they are heard and their communal values will also be respected. One model that fits perfectly is the ‘Developmental Model of Intercultural Sensitivity.’ The Developmental Model of Intercultural Sensitivity describes six developmental stages of intercultural sensitivity and communication, beginning with denial (the perception that one’s cultural perspective is the only real, accurate, or valid interpretation of reality) and culminating with integration (the internalization of multicultural awareness and the ability to interact productively across cultural differences). Below are the six stages:
  + *Denial:* Denial of cultural difference occurs when people fail to recognize distinctions among cultures or consider them to be irrelevant.
  + *Defense:* Defense against cultural difference occurs when people perceive other cultures in polarized, competitive, zero-sum, or us-against-them terms, when they exalt their own culture over the culture of others, or when they feel victimized or attacked in discussions about bias, bigotry, or.
  + *Minimization:* Minimization of cultural difference occurs when people assume that their distinct cultural worldview is shared by others, when they perceive their culture’s values as fundamental or universal human values that apply to everyone, or when people obscure, disregard, or neglect the importance of cultural differences.
  + *Acceptance:* Acceptance of cultural difference occurs when people recognize that different beliefs and values are shaped by culture, that different patterns of behavior exist among cultures, and that other cultures have legitimate and worthwhile perspectives that should be respected and valued.
  + *Adaptation:* Adaptation to cultural difference occurs when people can adopt the perspective of another culture, when they can empathize intellectually and emotionally with the experiences of others, or when they can interact in relaxed, authentic, and appropriate ways with people from different cultures.
  + *Integration:* Integration of cultural difference occurs when someone’s identity or sense of self evolves to incorporate the values, beliefs, perspectives, and behaviors of other cultures in appropriate and authentic ways.
* *Removal of the Hierarchical Management system* – Giving the entire power to one person is not the correct method of management. Hence the company needs to bring in more experienced employees who can join the management committee. Below are the four Keys to implementing a positive hierarchy:
  + *Build hierarchies based on expertise*: Choose the leaders for each department wisely. Recruit them based on their expertise and not on sentimental values, ex: a person who has complete knowledge of accounting should handle the accounting department, a person who can handle and increase the production should handle the production department, etc.
  + *Give employees areas of ownership***:** Give the experts of the departments the liberty to implement the changes that best suit the company’s upgradation.
  + *Create a triangle rather than a ladder:* Instead of creating a single line of people with less and less power, create a pyramid where lower levels get wider and wider.
  + *Reduce the power distance:* The most effective hierarchies are the ones with a short distance between top and bottom, both objectively and according to people’s perceptions.

**References**

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