



# Principles of Management

Final Paper

LAS 21

**Submitted by:**

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# **I. Company Background**

## **Brief Company Background**

[REDACTED] is a retail company founded in 2013 that supplies fruits and vegetables to be sold in supermarkets. As a corporation, it concentrates on marketing to customers who prefer to buy fresh fruits and vegetables in supermarkets. The company has [REDACTED] employees with [REDACTED] stores present in the Philippines. The main office location of [REDACTED] is in [REDACTED], with branches located in [REDACTED], [REDACTED] has acted as a direct concessionaire to supermarkets in Manila ever since its beginning in 2013. However, in [REDACTED], it began as a concessionaire to [REDACTED] and transitioned to outright sales when [REDACTED].

## **Company's History**

[REDACTED] was established [REDACTED], with both acting as presidents. [REDACTED]. As a company, its mission is to provide good quality products to end users, particularly in terms of fresh produce. Its vision is to provide accessible and worthwhile jobs for people who are looking to become employees of [REDACTED]. The company's main objectives include expanding the business to other provinces in the Philippines, continuing to be competitive within the country's supermarket industry, and remaining stable and liquid. This will be accomplished through maintaining its core values of total honesty and integrity throughout its operations and becoming a very lean and hands-on organization.

## **Products and Services**

The products of [REDACTED] Inc. consist of produce such as fruits and vegetables. Their products retail to supermarket clients such as [REDACTED], and they also conduct direct sales in [REDACTED].

## **Updated Financial Performance**

With all data corresponding to the past 5 years (2018-present), [REDACTED] has a gross annual revenue of [REDACTED]. The company's average net profit margin is as follows: [REDACTED]. They have a total of [REDACTED] in fixed assets such as warehouses, and other assets are either minuscule, rented, or revolving, such as the produce itself. In regards to liabilities, they currently have no debt or loans.

## **II. Focus of Review**

### **Purpose and Objective of the Study**

The purpose and objective of the study are to analyze the four main managerial functions of [REDACTED]. and how they impact the operations and performance of the company. Through holistically assessing the company's management, the researchers can identify potential weaknesses and opportunities, acting as a foundation for recommendations that can improve and progress the company. This is mainly in regard to the company's operations in [REDACTED].

Additionally, these four functions are crucial in determining a company's health, as they provide insight into how companies are managed and conducted. Planning is the first managerial function, wherein managers define specific organizational goals that must be met in a certain period of time. In organizing, a company constructs an organizational structure and design that reflects the needs, goals, and strategies of the company, in order to maximize its human resources. Through leadership, companies can lead and motivate employees to achieve defined objectives. Lastly, controlling ensures that the company's operations and activities are monitored, and corrective actions are taken to ensure that the attainment of goals is effective and efficient. Through this study, managers of the company can improve their implementation of the four functions in [REDACTED] which can be beneficial for the company's performance and operations.

## **Scope and Limitations**

This research is conducted for the purpose of gathering data on the selected company, [REDACTED] The scope of the study covers identifying and analyzing the profile, performance, strategies, and execution of managerial functions of the company, specifically in its [REDACTED]. The study specifically focuses on the utilization of managerial theories and concepts such as Planning, Organizing, Leading, and Controlling within the company, and the outcomes of the company's application of these concepts. Furthermore, the study will include an analysis, conclusion, and recommendation based on the data and results aligned with potential future outcomes.

The data gathered in the study is limited to the interviews of [REDACTED] employees. Therefore the data used for analysis may not be completely comprehensive or a fully accurate representation of the company as a whole and its employees.

## **III. Organizational Diagnosis**

### **Methodology**

To gather data on the chosen company, the group decided to conduct individual interviews with three (3) personnel from the business—all of whom are from varying ranks and positions. In collecting the necessary information from these interviews, the group formulated a series of questions revolving around the four management functions to further understand the system and operations of [REDACTED]. The interviews conducted were of a structured nature in which a single uniform set of questions was provided for all interviewees. Moreover, the group also prepared a data-gathering sheet containing more detailed questions forwarded for the President of the company to respond to. However, as the company declined to answer

questions regarding their finances, the group has opted instead to request estimated trends and statistics concerning their clients, employees, and average sales.

## Profile of the Sample

	<i>Job Title</i>	<i>Department</i>	<i>Tenure</i>
1	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]

## Result by Function

### a. Planning

On top of their already established presence in the industry, the company's [REDACTED] still see that there is room for growth in the company, and have strategies in place to achieve their goals and plans while still maintaining competitiveness in the market.

A strategic plan has already been in place not only to address the current priorities and goals of the company, but also to proactively keep the company competitive. An integral part of the plan is the company's vision and mission which it already has established. Moreover, the company also emphasized the importance of the values it holds in its operations as a whole. As such, the main goals and objectives of the company had then been developed with these as its principles. This can be evidently seen in how the company deals with its partners and employees wherein it prioritizes honesty and fairness. This strategic plan has been effective so far as it has resulted

in major partnerships with leading supermarkets, high employee satisfaction, and good employer-employee relations.

Aside from the strategic plan that encompasses its operations nationwide, the company also specified goals that are unique to each region. According to the company's operations supervisor for [REDACTED], a goal that is more particular to the [REDACTED] sector would be to establish direct connections with the farmers in the region for the purpose of streamlining the processes of supplying and quality control. This was put in place to further develop the company's market presence and production efficiency in sectors that may be advantageous and profitable.

Currently, several strategies have already been implemented in order to take the necessary steps towards the fulfillment of the company's plan of expansion and to effectively manage the company's stakeholders. The company's profit is heavily impacted by the prices of several factors—its competitors, basic goods, wet farmers, and retailers—government importation arrangements, and the weather. Despite having such a high degree of volatility, the company utilizes promotions and other marketing strategies in an attempt to stabilize and boost sales and profit. Moreover, the continuous observation of its stakeholders allows the company to regulate not only the price of its products to be at par or lower than the market average but also to provide better quality produce in comparison to its competitors and the government imports.

#### b. Organizing

[REDACTED]. follows a bureaucratic organizational structure. The top-level managers include the following positions and their respective functions and responsibilities:

- [REDACTED]: highest position within the company that are in charge of making decisions that impact the entire company; and
- [REDACTED]: supervise the operations of the company within their assigned regions, those being Metro Manila, and Visayas and Mindanao.

Next are the middle-level managers, which include the following positions and their respective functions and responsibilities:

- [REDACTED]: manage the actions and performance of the supervisors;
- [REDACTED]: directly oversee the operations of certain areas and stores; and
- [REDACTED]: coordinate with local farmers and suppliers to supply the company with fresh produce that is sold in supermarkets under their brand.

Last would be the first-line managers and the other rank-and-file employees, which include the following positions and respective functions and responsibilities:

- [REDACTED]: one assigned to each supermarket where Produce Co. operate and lead all Produce Co. employees working in their respective stores; and
- [REDACTED]: office clerks, warehouse employees, drivers, haulers, merchandisers.

Below is a chart to visualize the organizational structure of [REDACTED]

[REDACTED]

Table 1. *The Organizational Structure of [REDACTED].*

With this bureaucratic organizational structure, crucial decisions are made by the top-level management. This concerns matters such as, but not limited to the quality control of their products, quantity of their orders, and prices at which their products are being sold. These decisions greatly influence the sales and costs incurred by the company, which have a wider-scale impact on the company and its operations and are directed to the top-level managers to determine the best course of action.

Despite this, lower-level managers and employees are still given independence in making decisions so long as these decisions fall within their jobs' powers and responsibilities. These include basic day-to-day matters that have a smaller impact on the company. When faced with matters exceeding these, however, employees are expected to forward these to or ask for advice from the higher-level managers.

The following results for the human resource management of [REDACTED]. were also derived from the interview. First, the company gives emphasis to its recruitment

and selection process, ensuring that employees have a mindset and personality that are compatible with the company's culture. They also check their employment histories to determine their feasibility as an employee according to their previous records. Second, the company replaces traditional training and development strategies with a 3-month probation period, wherein new employees work under direct supervision. This is done to gauge the work ethic and performance of the employee, teach them in a more hands-on manner, and immerse them in their work and the company's culture. Afterward, employees are expected to meet the standards of the company, those being able to work well with others and being fast and efficient, especially due to the limited employee count of the company for the sake of profit maximization. Third, the company ensures to follow government standards when it comes to the pay and benefits of employees. Extra benefits and allowances are added for higher-level employees as a form of compensation for their added responsibilities. Lastly, the company constantly evaluates the performance and output of employees, ensuring that they are not slacking off or underperforming as each of them, no matter the position, impacts the company. If employees fail to reach the designated standards, they take actions such as mentoring or warning to help the employee improve, and if still unsuccessful, the company may move to more extreme punishments depending on the situation such as job termination.

#### c. Leading

The leaders of [REDACTED]. operate not as controllers, but as guides. They tend to take Laissez-Faire approaches and coach often, with their primary style being very affiliative. They have to prioritise profits and employees equally, and find a balance, as profits keep the company afloat and the employees need that more than anyone else. The way that they execute this goal is that the leading they do is one of loose, closely watched guidance, regulating and only slightly directing the actions of its employees. They try to track their employees to be self-sufficient and versatile for everyone's sake. This is to ensure that the company can narrow down the number of employees greatly, as to avoid redundancy and disaster if people go missing or have to attend to more jobs. It takes them a great deal of trust to give so much agency to those below, and for the middle managers to trust the front liners, which becomes reciprocal. Most of the synchronous communications therefore take place face to



face, with only rare usage of google meet or zoom. This was heavily impacted by the pandemic, though they were able to adapt in [REDACTED], and all office movements were unaffected in Manila.

The leadership of the company is well trusted and respected, as they act and operate like a family, as observed both from the mutual support noted in the interviews and some experience being around the office. They attend events, provide support, and act as necessary friends and allies to their employees, and vice versa. They take a combination of democratic, coaching, and laissez faire approaches to leading as they take advice and assistance from the employees, but stay close and coach them through the decisions they make. They value employee independence and agency greatly, as they value a very small employee count for their size and operations. Part of the philosophy they foster in the company to ensure this is the idea that each manager and employee has to consider the stores as owned by them, as of them, as opposed to merely being a workplace.

The principles used are that of liking and reciprocity, as the leaders try their best to integrate and mingle, to be liked by the employees, and of course, to give them their best to get the best in return. The best tactics they use are the tactics of Coalition, Inspirational Appeal, and Consultation, but largely Inspirational takes center stage.

#### d. Controlling

To ensure the quality of work done by employees, [REDACTED] assigns each employee a set of duties and responsibilities they have to abide by. As they perform these duties and responsibilities, they are supervised and monitored at a distance, so as to give them autonomy and room to grow, as well as to train them to be held accountable for their actions, regardless of consequences. In particular, [REDACTED]. evaluates the work done by employees through daily, weekly, and monthly reports, office forms and spreadsheets.

With all the standards employees have to abide by as they perform their duties and responsibilities, [REDACTED] strives to ease the emotional burden these standards place unto employees by treating each and every one of them like family. For instance, when these standards are not being met by employees, the first thing the

management would do is to invite their employees to have one-on-one meetings so that their contexts could be better understood. In fact, [REDACTED] encourages employees who are troubled by sickness, mental health problems, and/or family matters among other problems to take a leave of absence (LOA). And if these problems deem too much for the employee to handle that he/she is not able to perform his duties and responsibilities well, the management would even give them bonuses and advise them to resign from their job and/or position to focus on solving these problems. However, if an employee is caught slacking even after the one-on-one meeting without a valid excuse, they would take corrective actions in the form of punishments, starting with gradually stripping them off of the benefits they are currently receiving. For repeat offenders, heavier punishments are given in the form of suspensions, which may escalate to the termination of their employment depending on the number of times they commit offences.

On a different note, although the pandemic caused a drop in [REDACTED] overall sales, as well as a drop in tourism-related sales, not all stores were affected. In fact, some of their main supermarkets had a boost in sales due to the closure of public markets. In addition, given that they did not experience a shortage in terms of supply, their shift to online grocery was successful. However, as the restrictions of the pandemic eased, the wet market began to re-open, causing a drop in their sales.

In terms of their employees, because of the pandemic, everyone was forced to work from home. They implemented a skeletal workforce, wherein the secretary would work on-site 3 days a week, and both merchandiser and coordinators served as front-line employees with 2 days off per week. And despite this being particularly challenging for them, since they weren't able to check the stores regularly, they did not disclose on how they dealt with it. Nevertheless, most of the problems they faced were not really because of internal problems, but more so a product of transitioning and adapting to the shift from a full face-to-face to a skeletal workforce setup.

In addition, they cited several other issues they have faced (or are still facing at the moment), such as the challenge that comes with balancing the demands of the stores to the capabilities of the company, whose solution was not disclosed. However, what's more challenging is being faced with external issues which they

cannot control, such as the weather affecting both the quality and quantity of the fruits and vegetables they harvest, whose solution was also not disclosed.

Nevertheless, to cope with the challenge of the constant increase and decrease of prices and the costs of commodities, they revealed “always staying updated on the retail prices of their competitors and trying to deviate from their competitors by offering better quality products” as their solution.

## Analysis

### a. Planning

We can analyze the strategic planning of [REDACTED] via the SWOT analysis seen below:

Table 2. SWOT Analysis on the Strategic Planning of [REDACTED].	
<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"><li>• This strategic plan has a strong foundation considering that the company already has established a strong presence in key markets such as [REDACTED] in the [REDACTED] region.</li><li>• There is a clear vision and mission for the company as a guide for its future. It also emphasizes the values of honesty and integrity which may aid in enhancing stakeholder trust.</li><li>• The existing partnerships with established supermarkets enhance the company’s credibility and market presence.</li></ul>	<ul style="list-style-type: none"><li>• <b>Lack of Risk Management:</b> Considering that its supply chain is dependent on numerous factors, which include volatile ones such as weather, there is a lack of mitigation strategies that could proactively provide a safety net in the face of these unpredictable factors</li><li>• <b>Lack of Innovation in Processes:</b> There seems to be a limited integration of technology in its processes—such as internal communications, market analysis, and inventory management—which may hinder its ability to adapt to changing market trends and volatile shareholders.</li><li>• <b>Low Prioritization of Marketing and Branding:</b> There seems to be weak</li></ul>

	<p>visibility and low prioritization in the company's branding and marketing which could weaken its market position and awareness to end users and customers.</p>
<p style="text-align: center;"><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• The company could implement risk management strategies in its plans to further safeguard its financial stability by mitigating potential challenges that arise from the adverse weather conditions that the Philippines experiences.</li> <li>• The company could embrace e-commerce platforms to reach a wider audience than its current reach with supermarkets. There is a growing trend in online grocery shopping due to its convenience which the company could utilize. This provides another avenue for the company to directly sell good quality products to its customers.</li> <li>• The company could invest in technology to further streamline its processes. Technology solutions such as data analytics for market prices, inventory management systems, and supply chain optimization tools could improve operational efficiency and reduce costs.</li> <li>• The company could foster</li> </ul>	<p style="text-align: center;"><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• <b>Market Saturation in Target Regions:</b> The current level of saturation in the regions in which the company is planning to expand may vary. Demand may also vary which would heavily affect the success of the company's expansion.</li> <li>• <b>Government Implementations:</b> Being a part of the agricultural industry, the company is exposed to regulatory changes, compliance challenges, and import initiatives of the government which could affect its operations, processes, and financial stability.</li> <li>• <b>Economic Downturn:</b> Changes in consumer spending, pricing pressure from competitors, and public health crises could affect the performance of the company.</li> </ul>

<p>partnerships with local communities to which they are eyeing to enter through active participation in local events. This could build a positive image and enhance the company's reputation. Moreover, this could also aid the company in expanding its goal of reaching and establishing connections directly with local suppliers and farmers.</p>	
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By including proactive practices and technological solutions in its strategic plan on top of having a strong market presence and valuable partnerships, [REDACTED]. would be able to pursue its goal of expansion and growth while addressing its potential challenges in risk management, technology integration, and economic downturn among others. Moreover, a crucial aspect that the company seems to be lacking is the characteristics of time-bounded and measurable goals. As such, the company would be guided more accordingly by modifying its goals and objectives in such a way that it can be evaluated using a chosen metric throughout a certain period of time.

#### b. Organizing

We can analyze the bureaucratic organizational structure of Produce Co. via the SWOT analysis seen below:

<b>Table 3. SWOT Analysis on the Bureaucratic Organizational Structure of [REDACTED].</b>	
<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• This structure permits the establishment of a hierarchy within the organization that gives authority to higher-level managers, which serves two useful functions:</li> </ul>	<p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• This structure is rigid and faces difficulty in adapting to new challenges. This may be due to the following reasons:</li> </ul>

<ul style="list-style-type: none"> <li>○ Decisions, rules, regulations, and standards are centralized, being determined by the top-level management, and can thus be applied on a company-wide scale. Thus, the company achieves a level of consistency with its operations and performance.</li> <li>○ This creates a chain of command that clarifies who employees report to and ask for advice.</li> <li>● This structure allows for the division of labor and tasks into different departments. This means that the company can have more specialized employees, promoting efficiency and thus output.</li> <li>● This structure allows for the formation of a clear and efficient supply chain, from getting supplies to sales in supermarkets.</li> </ul>	<ul style="list-style-type: none"> <li>○ Company-wide matters are kept within top-level management, entailing that the flexibility of the company is contingent on the adaptability of these individuals.</li> <li>○ The vast specialization expected of employees entails that they and their skills are more difficult to replace. Thus, more resources must be allocated to find and/or train employees when new positions are opened, incurring more costs for the company.</li> <li>● The established authority entails that information must be disseminated up and down the chain of command for decision-making on crucial matters, thus being inefficient and time-consuming.</li> <li>● Specialization may adversely affect employee engagement and satisfaction due to the constant repetition of tasks.</li> </ul>
<p style="text-align: center;"><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>● Methods using technology may be integrated into the structure to hasten the dissemination of information and thus speed up decision-making.</li> <li>● Coordinators may be replaced in the future if the company is able to directly contact farmers and/or create its own farms, lowering costs for the company.</li> <li>● Rules, procedures, and processes may be made more flexible to cater to</li> </ul>	<p style="text-align: center;"><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>● Strict rules and standards, as well as centralized decision-making may hinder employee productivity and incite dissatisfaction within employees.</li> <li>● With an inflexible decision-making system and employees, the company may experience added costs and issues when dealing with various problems.</li> </ul>

[REDACTED] expansion and potential change.	
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Though standardization and the centralization of decision-making of the bureaucratic organizational structure help boost the effectiveness and efficiency of [REDACTED] operations, we observe that overall inflexibility may become a big problem for the company, especially when faced with situations such as resignation, expansion, external supply shocks, and the advancement of industries and technologies.

The human resource management of [REDACTED] can also be analyzed via the SWOT analysis seen below:

Table 4. SWOT Analysis on the Human Resource Management of [REDACTED]	
<b><u>Strengths</u></b>	<b><u>Weaknesses</u></b>
<ul style="list-style-type: none"><li>• The selective employment process ensures that all employees perform at a satisfactory and productive level, reducing the need to replace them in the future and increasing the overall output.</li><li>• The probationary period reduces costs otherwise required for formal training and is efficient in training employees.</li><li>• The added benefits for employees motivate them to stay with the company and work harder, given their satisfaction.</li><li>• Constant evaluation ensures that employees are always performing at a productive level, and acting to help employees instead of firing them away improves employee satisfaction.</li></ul>	<ul style="list-style-type: none"><li>• The high standards for employees prolongs the hiring process, hindering the company's output should there be any vacant spots or positions.</li><li>• Given that new employees immediately work without formal training, there is a higher likelihood for them to commit mistakes that may impact the company and incur costs.</li><li>• Added benefits may be costly for the company, and employees may be demotivated to work if these privileges are revoked.</li><li>• Corrective action may be perceived by employees as an excuse to underperform or be sloppy at their jobs.</li></ul>

<b><u>Opportunities</u></b>	<b><u>Threats</u></b>
<ul style="list-style-type: none"> <li>• The selection process may include assessments gauging the decision-making and independence of employees to further aid the selection process of competent employees.</li> <li>• Alongside benefits to compensate positive performance, more consequences can also be imposed to punish constant underperformance of employees.</li> </ul>	<ul style="list-style-type: none"> <li>• More competent employees may flock to bigger companies that have more manageable standards for their new hires and offer better pay compensation and benefits, overall being more enticing.</li> <li>• The retention of underperforming employees may perpetuate a substandard standard for employee performance and output.</li> </ul>

Given this, the existing human resource management of [REDACTED] allows the company to hire competent and compatible employees while ensuring their seamless integration into the company and motivating them to stay with the company and perform exceptionally. However, some aspects such as the high standards and benefits may possibly become counterproductive and fuel employee dissatisfaction instead of employee performance.

#### c. Leading

[REDACTED] leadership is very close and direct, but also very loose. We can analyze the style with a SWOT table to begin with.

<b>Table 5. SWOT Analysis on [REDACTED] Leadership</b>	
<b><u>Strengths</u></b>	<b><u>Weaknesses</u></b>
<ul style="list-style-type: none"> <li>• The high versatility in trained employees cuts down expenses on employees and thus company costs.</li> <li>• The caring style, having a lot of benefits and establishing more relationships with the employees, leads to a low turnover of critical</li> </ul>	<ul style="list-style-type: none"> <li>• The lack of online coordination synchronously leads to higher cost of transportation and more danger in outbreaks</li> <li>• The reliance on direct guidance and communication greatly limits future expansion and slows down operations</li> </ul>



<p>employees and a much more effective and loyal workforce.</p> <ul style="list-style-type: none"> <li>• Allowing employee agency allows the company to quickly adapt according to threats on the ground</li> <li>• The high democracy in the company leads to a cohesion and agreement in the employees that would not be possible with something more autocratic.</li> </ul>	<ul style="list-style-type: none"> <li>• The closeness of management to employees could lead to emotional bias and favored treatment, leading to resentment in the other employees</li> </ul>
<p style="text-align: center;"><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• The implementation of more forward management tools, such as online meets or better implemented operation tracking could benefit cost massively</li> <li>• Adding more formalized and standardized training would allow expansion instead of being limited by the teaching capacity of the leaders</li> <li>• Directing the actions of employees more clearly could lead to a more cohesive direction in action</li> </ul>	<p style="text-align: center;"><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• The leadership style is heavily compromisable by any disasters related to the managers themselves. If the primary leaders are compromised, there are no replacements to teach or guide. The company relies on them critically.</li> <li>• Natural or otherwise, disasters could easily compromise the primary offices and the lack of systems to handle that could lead to collapse in management</li> </ul>

To summarize, what can be seen in the leadership of [REDACTED] is that it is great for a small number of employees, and perfect for a small company, but wholly impractical if they plan to expand. In addition, the system is vulnerable to disasters such as COVID or any natural disasters that hinder direct meetings. While there is a significant redundancy built in so that any critical employees can be filled in for by others, this is, dangerously, not the case with the top management. There is a lack of redundancy with them and they are critical to the company's success, due to how close they are personally to all the operations and employees. Still, excluding

emergency measures, the company's current leadership system is appropriate, but may need to change soon as the company expands.

#### d. Controlling

The answers of the interviewees, despite not being the exact mirrors of each other, are highly similar and complementary towards enriching our knowledge of [REDACTED] as a company. For example, the [REDACTED] cites that there have never been any layoffs in the company. To add to this, the [REDACTED] states that they are very transparent when it comes to job termination. The alignment and consistency of standards, rules and regulations, and practices imposed across two different departments goes to show how connected and united the company is.

First, the company bases on the concept of setting a balance of hard and soft standards, by setting standards to ensure company-wide goals in terms of sales, costs, and output are met, all the while maintaining the satisfaction of employees. In particular, each employee is given a set of duties and responsibilities that he/she needs to abide by. To measure their performance, they are supervised and monitored, although at a distance, because the company wants their employees to grow as people who are responsible and accountable for their own actions. Ultimately, their performance is reflected in daily, weekly and monthly reports of the tasks they have done, and the deadlines that they have met. Afterwards, these performances will be evaluated based on the standards set in the beginning, and if standards are not met, as aforementioned, the company will take on a series of corrective actions through concurrent control, starting with scheduling a one-on-one meeting with the employee concerned, so as to better understand his/her context.

In relation to this, the company also strives to treat every employee like family, and this is exemplified by their practice of not reducing the salaries of employees, as well as their transparency when it comes to job terminations. Ultimately, the effectiveness of these strategies to maintain employee satisfaction can be assessed through their yearly employee turnover rate from 2018-2023, which measures how fast their employees are replaced and/or how fast their employees resign from their jobs.

On the other hand, although there were no definite standards disclosed when it comes to their target sales and costs, the company's financial performance can be evaluated through a review of their financial data from 2018 until the present, particularly their yearly sales to determine whether their sales improved or not and whether or not their sales were sustained despite challenges such as the pandemic. Additionally, it is also important to assess their yearly gross margin ratio to determine whether they optimized their resource utilization more and whether they improved their processes.

[REDACTED] measurement of performance of both the management and its employees in line with its standards can be visualized via the tables below, showing the Key Result Areas, Key Performance Areas, Key Performance Indicators (KPIs), and the Actual Performance of Produce Co in comparison to the KPIs.

<b>Table 6. Key Result and Performance Areas</b>	
<b>Key Result Area</b>	<b>Key Performance Area</b>
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

<b>Table 7. Key Performance Indicators</b>
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

**Table 8. Key Performance Indicators and Actual Performance of Produce Co.**

<b>Key Performance Indicators:</b>	<b>Actual Performance:</b>
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Assuming that [REDACTED] indeed treats every employee like family, which can be demonstrated by their practice of not reducing salaries, as well as their transparency when it comes to job terminations, along with their claim that many employees who worked for them since 2013 are still working for them in the present, all these reflect their employee turnover rate of [REDACTED]. Given that this is above the ideal employee turnover rate of less [REDACTED] this goes to show that while employee satisfaction may be present in the company, their strategies to maintain employee satisfaction can still be improved.

In relation to employee satisfaction, although daily, weekly, and monthly employee reports were not disclosed, the employee turnover rate of [REDACTED] also presents two possibilities: the first one being the company effectively imposing quality control onto their employees, as employee terminations are justified by the number of times the employees failed to meet standards. However, employee termination may also stem from employee dissatisfaction, which is why they need to rethink their strategies to maintain employee satisfaction.

Furthermore, although the operational cost control aspect of the company was not given much focus, since their gross margin ratio of [REDACTED] is within the ideal

number of [REDACTED], this goes to show that the company effectively optimized their resource utilization and improved their processes of supplying fruits and vegetables throughout the years. However, as time progresses, they must be open to adapt to new optimization strategies that may arise to maximize resources.

In terms of sales management, given that there is an average increase of [REDACTED] in sales per year from 2018 to 2023, this goes to show that the company effectively stayed updated with the retail prices of their competitors and adjusted their retail prices accordingly and/or they were able to offer better quality products in response to price changes. But then again, as time progresses, the company must also be able to find new ways to boost sales, may it be through marketing, pricing strategies, and more.

Additionally, since there is an annual increase in sales, this implies that the company's sales were sustained across 2018 through 2023. However, it is worth noting that the company did not disclose how they dealt with some of their challenges, including balancing the demands of the stores to the capabilities of the company, and the weather affecting both the quality and quantity of the fruits and vegetables they harvest. But since the company increased their yearly sales in a span of 5 years, this goes to show that despite the challenges they faced, they were able to thrive, either by mitigating the effects of these challenges or by focusing on other aspects that boosts both employee satisfaction and yearly sales. However, if there were some challenges that they did not have a definite solution for and instead relied on other aspects to mitigate the effects of these challenges, we suggest that they should strive to come up with an effective contingency plan for every possible challenge that may come their way.

## **Conclusion & Recommendation**

In just a decade, [REDACTED] has established itself as a leading produce retail company with successful partnerships with notable supermarket chains in the country. These partnerships have highlighted the company's skillful manpower, market dominance, and tactical intelligence—all of which were explored through an insightful analysis of [REDACTED]. By viewing the company's history and operations through the lens of the four main managerial functions, a holistic assessment and analysis has been achieved despite the existing challenges and limitations already in place.

The analysis revealed that the state of the company is sufficiently effective in performing the necessary functions that it currently has. Notably, the company has already set its goals, structure, culture, and standards allowing them to reach the degree of success it is experiencing, especially when it comes to its stable improvement in financial performance. However, with its plan of expansion and growth, several components of its strategic planning, organizational structure, laissez faire leadership, and mitigating strategies may not be as successful when it becomes a larger organization. The characteristics of the company's functions are specifically designed to work for a relatively smaller-sized organization. In a relatively larger organization, these mentioned characteristics would result in insufficient objectives, an inflexible organizational structure, a concentrated distribution of accountability, and an incomprehensive set of standards and strategies that would leave the entire organization vulnerable to internal and external changes.

Interestingly, the analysis also further defined the company's belief in continuous improvement. Even with its established success, the company recognizes that there is always room for improvement. Hence, [REDACTED]. remains steadfast in proactively maintaining its competitiveness. In line with this, our group have come up with five (5) recommendations that the company can apply in its operations moving forward to enhance efficiency and effectiveness, promote productivity and employee satisfaction, and overall benefit the company economically.

One recommendation for Produce Co. Inc. is to implement mitigation strategies for their supply. The primary issue faced by the company is the unpredictability of the agricultural sector due to external factors. When faced with supply shocks, supply

falls, thus negatively impacting the company's output and profit. To address this, the company can invest its resources in establishing healthy, direct relationships with local farmers and suppliers across different regions in the Philippines. Not only does this eliminate the added costs brought about by the area coordinators, but it also ensures that a disruption of supply in one area can be replaced by getting produce from another area. This thereby allows the company to stay competitive in the market despite external factors. Additionally, given that the company already monitors the market prices to stay competitive, it can also allocate resources to analyzing consumer demand patterns. This will give the company a better idea of which products to purchase and supply more or less of, and thus minimize potential surpluses and/or shortages. These are only a few of many possible mitigation strategies that would help the company remain resistant and competitive.

Aside from this, the [REDACTED] can invest in incorporating various technologies into its supply chain and overall operations. These include aspects like the communication of information to different individuals within the company, the analysis of price changes, consumer trends, and employee performance/output, as well as the automation of processes such as management and quality assessment of its inventory. Though costly, the integration of technology would make processes more efficient, mitigate potential human errors, and overall make the company more flexible in its operations and adaptable to potential changes in the retail and agricultural industry moving forward.

Another recommendation for [REDACTED] is to train the employees in their conceptual and decision-making capacities. The 3-month probationary period is already advantageous for the company in terms of effectiveness in training employees and cost-wise, especially given that most jobs within the company are labor intensive. This means that lower-level employees can independently make decisions without affecting the company too much. However, higher-level employees and managers are expected to raise matters that have a greater impact on the company to higher-level management—an understandable process that can be made more efficient. Especially given the nature of [REDACTED] Inc. as a retail company, managers and supervisors can handle matters such as the quantity and quality of orders, supply chain management, and eventually price control if given

enough training and practice. In the short run, such conceptual skills-building training 1) allows the reduction of bureaucracy, 2) lessens the number of employees needed to fill the organizational structure, and 3) promotes the independence of employees. Not only does this promote the efficiency of the company's operations, but it also reduces the rigidity of its structure by making employees more flexible. To help cater to this added training, the 3-month probationary period may or may not be extended in order for newer employees to be thoroughly trained by their assigned supervisors. Noting that [REDACTED] has a long-term goal of expanding its operations into more areas and supermarkets. Thus, by training employees to be more competent and knowledgeable of the company's operations, in the long run, this 1) lessens the positions and employees needed to fill the new positions as the company expands, and 2) current, more trusted employees can be reallocated to the newer positions created by the company's expansion.

Simultaneously, in line with the Disciplines of Focus and Leverage, respectively, we also recommend [REDACTED] prioritize improving their strategies to maintain employee satisfaction in the process of training employees, and by not focusing on the fact that they have an employee turnover rate of [REDACTED] which is higher than the [REDACTED] However, in the process of training employees and improving their strategies to maintain employee satisfaction, we also suggest that they should not totally neglect new optimization and marketing strategies that may arise in the future, as well as coming up with contingency plans as they encounter challenges along the way, in the process of improving the performance of the company as a whole.

Finally, one last recommendation that we have for [REDACTED] is to re-evaluate its vision. The primary aspects of its vision are 1) to supply jobs and 2) the expansion of its operations and sales to more regions in the Philippines. Though it is commendable that the company has already achieved the former, this may entail that the company would stagnate and maintain its status quo. Thus, the company may rephrase its vision to combine its nationwide expansion with its provision of labor to lay out a more concrete plan and vision for the company's future. As such, by employing specific and succinct characteristics in its revised vision, the company will be able to gauge the progress it is making with respect to the goals and plans



created based on the vision. This would instead guide the company with a clear pathway as to how it shall be in the future rather than limiting and hindering its growth just because of a vision that is already being accomplished.