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6 MANAGEMENT ANALYSIS

In today's business world, quality of products and excellent marketing plans are no longer enough for a company to achieve its goals. A company needs to develop better management in order to compete with other companies in a rapidly changing environment.

Jolie Femme, like any other organization faces the challenge of developing better management in order to achieve its business goals. Jolie Femme is one of the most famous Thai silk distributors in Northern area. In the past decade, Jolie Femme has developed much high quality Thai silk and constantly upgrades product style to serve all the market's need as its philosophy; our products are carefully manufactured from a high quality natural silk.

The following section will describe in to eight separate parts concerning with management factors, to begin with organizational background of Jolie Femme follow by company's vision, mission and goal, planning, organizing ,human resource planning, leading , controlling of organization and the last section is SWOT analysis.

6.1 Company Background

Since 1987, Cedro Production Co.,Ltd.(knowing as Jolie Femme) have become one of leader in Thai silk industry. Over the past decade Jolie Femme continued to produce high quality silk products to serve all the market needs.

Based on its philosophy of high quality product and satisfaction of customer and a desire to maintain the hand-woven craft, Jolie Femme has been extend its product line such as curtains and furniture fabrics so Jolie Femme's products are not only ideal for furniture ornaments, but also for other household applications such as drapes, bed linens, and table cloths.

Jolie femme factory is located at Sankampaeng in Chiangmai with an area about 3acres, with employees around 100 people.

The company policy is to produce both readymade Thai silk and made to order and tied itself with tourism so its sale will fluctuate by season. For other accessories Jolie Femme decided to import from China due to quality of product and bargaining price.

6.2 Vision, Mission and Goal

Jolie Femme's Vision, Mission and Goal are as follow;

6.2.1 Vision

Jolie Femme wants to develop it to be the number one brand in customer's mind especially in Northern market.

6.2.2 Mission

Jolie Femme's missions are to produce high quality hand-made Thai silk with trendy style and try to develop a high quality of life for people by hiring people in provincial and country areas.

6.2.3 Goal

Jolie Femme's goal is making Thai silk product to become one of the most wanted product in the mind of customer both Thai people and tourists, also catch up with the trend to satisfy all the need of customer

6.3 Planning

Planning is the initial function in management including policies and plan. In Northern area, Jolie Femme has a lot of competitors led Jolie femme to implement a good plan in order to capture more market share and maintaining satisfaction of customers

6.3.1 Policies

Policies are general guidance of an organization's role. Jolie Femme aims to produce high quality product and makes on time delivery. Furthermore, the company only uses high quality raw materials and also has strict quality control.

6.3.2 Plan

Planning is the management factor that involves setting goals and figure out how to achieve them, to start with a plan Jolie Femme using quality control during the production process to achieve high quality product, reduce number of raw material waste and duplicated task.

Jolie Femme emphasizes on trend of the market by look up new style from imported magazine and internet. These provide more competitive advantage and uniqueness for organization. Even though Jolie Femme is a garment business but its not only product they are selling because services is included in the package. So Jolie Femme focus on this factor also, this factor can bring customer to repeat purchase of the product and can be one of marketing tool for the organization (WOM: Word Of Mouth) which is very value in business world.

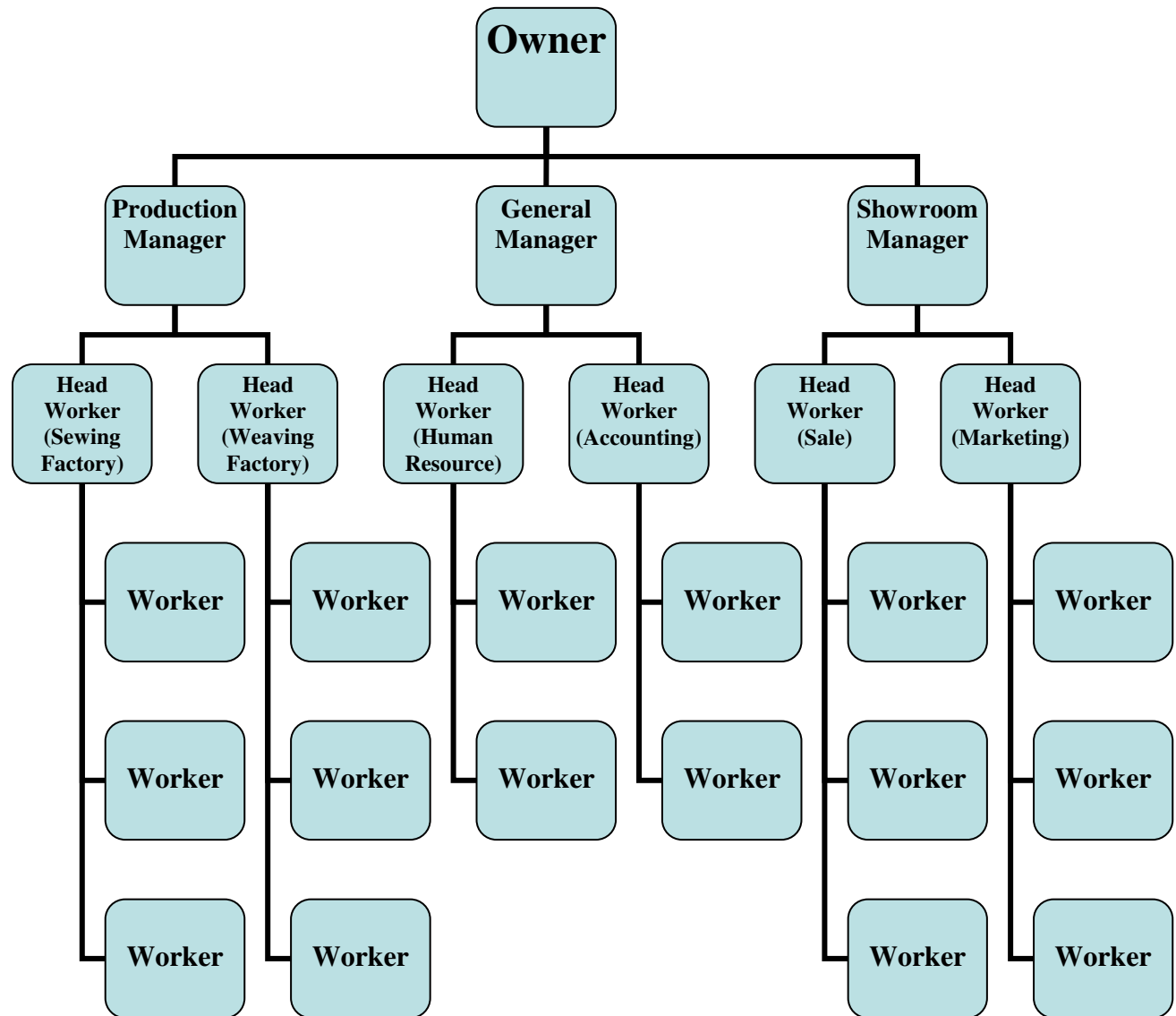
6.4 Organizing

Jolie Femme organized its organizational structure by defining areas of duties for each role separately. A hierarchy of responsibility is to set up responsibility for permanent and temporary staff with their position and be supervised by their head worker and manager accordingly. A fixed salary will be paid by position, production workers get wages on output basis and staffs get salaries on a monthly basis. These patterns are applied for all employees throughout the company

Jolie Femme using bureaucratic organizational based on a functional division of labor; employees divided into divisions based on their function with rigid boundaries (difficult to cross section or department) and work only specified in their job description

6.4.1 Organization Chart

The organization chart shows the owner of the company, there are 3 people directly below the owner who are production manager, general manager and showroom manager. Below the three divisions is department which has a head worker organizing and handling the tasks. The first division is factory division comprise of weaving and sewing factory. The second division is human resources and accounting. And the last division is showroom division which are selling and marketing.

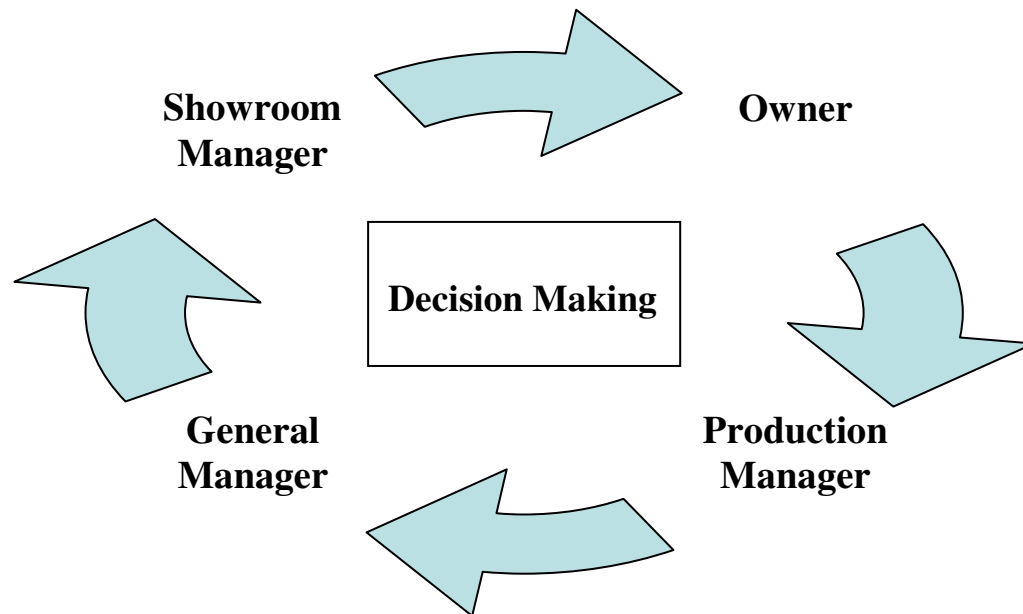


Source: Cedro Production Co., Ltd

Figure 6- 1: Organization Chart

6.4.2 Decision Making Process

Jolie Femme does not have a formal organization structure, the owner and managers of each department make management decision and control everything, this method is suitable for small organization due to decision making or problem solving will be made faster and easy than discuss with every level in organization.



Source: Cedro Production Co., Ltd

Figure 6- 2: Decision Making Flow

6.4.3 Organization Management

This section will demonstrate about how Jolie Femme organizes its main business process.

For readymade product salesperson take order from customer and service customer as needed also illustrate how to make Thai silk product for educating and adding value of product to customer, the last process is deliver product as customer request.

In case of made to order, the first main process is about purchasing and producing, when salesperson take order from customer, it checks raw materials availability then sending raw material to sewing factory normally it takes only one day to produce one dress or suit of Thai silk due to mostly customers are tourists who do not have much time for waiting such a long process. Unfortunately, if raw materials and workers unavailability (can not complete the job as limited time) Jolie Femme must reject that order due to lack of time and employees.

The following process is delivery process, after company makes a production control and checking final product then ready to deliver it to customers, in case of non in-store shopping(internet order) company promises to deliver the final product to customers within 2 weeks, by strictly control and rapidly produce custom-made is to maintain customer satisfaction to the company

6.5 Human Resource Planning

Human resource planning comprises of job analysis, job description, job specification and demand for human resource and supply for them.

Jolie Femme analyses jobs by interviews individuals with head workers and manager then prepare to develop a job description.

Head of human resource department prepares the job description and job specification for every position by specify duties, working condition and other significant requirements for each task and qualifications needed then declares in form of statement which makes the employees know the scope of their works.

In addition, human resource planning has to determine the demand and supply of employees in labor markets but there is a problem due to short of supply, mostly people in Northern areas tend to move and find a job or study in big city and not interested working in factory anymore, to eliminate this problem Jolie Femme needs government to intervene by changing the attitude of country people about working and proud for staying and working in their hometown.

6.5.1 Job Design

Job design is important to Jolie Femme for 2 reasons. Firstly, task activities need to be grouped in reasonable ways to function efficiently and match with employee's skill. Secondly, job configuration and job design have an influence on employee motivation and performance. According to that Jolie Femme try to consider both efficiency and motivational issue in designing jobs that will lead to effective performance.

Jolie Femme's job design consists of job simplification, job scope, job depth, working hours and holidays.

Job simplification is implemented at Jolie Femme by specifying tasks for every employee about what they are responsible for.

Jolie Femme use job scope to inform employee about the scope of their task and assign to each person so employee would understand what they are responsible for.

For job depth, Jolie Femme gives an opportunity for workers to manage their task by giving them task and deadline. Jolie Femme has worksheet for workers to fill in, including process of production, the amount and progress of productivity and period of time to do task so workers can plan and control their job.

The working hour starts from 8.30 am. to 5.30 pm. The company has lunch break one hour from 12.30 am. to 1.30 pm. In high season period Jolie Femme lets employee work overtime, employees must be paid overtime compensation at the

range of 1.5 times the normal wage rate. The maximum number of overtime working hours is limited to no more than 36 hours a week.

Moreover, Jolie Femme lets employees take paid day off by following schedule below:

Day Off Categories	Day Off / Year	Leave Request
Annual Leave	7	Written
Business Leave	10	Written
Sick Leave	30	Verbal

Source: Cedro Production Co., Ltd

Table 6- 1: Day off per year

The maximum number of work hours for non-hazardous work is 8 hours a day or 48 hours a week. In certain types of work as stipulated by law, the employer and the employee may agree to arrange the period of working hours which still must not exceed 48 hours a week. Hazardous work may not exceed 7 hours a day or 42 hours a week.

Employees have the choice to work overtime on holidays; female employees are entitled to maternity leave for a period of 90 days including holidays, but the number of paid leave shall not exceed 45 days.

All employees are entitled to a daily rest period of at least 1 hour after working 5 consecutive hours. The employer and the employee may arrange the daily rest period to be shorter than 1 hour at each time, but it must not be less than 1 hour a day in total. A weekly holiday of at least 1 day a week at intervals of 6 day period must be arranged by Jolie Femme.

The minimum age for employment is 15 years, and workers below the age of 18 are prohibited from dangerous and hazardous job. They are also prohibited from working overtime, on holiday or between the hours of 10 pm. and 6 am. , like pregnant employees.

6.5.2 Staffing

Jolie Femme knows that having committed employees with superior competencies will represent an important source of competitive advantage. A critical element in building competitive advantage through workers is to attract and hire the right people through recruitment and selection processes associated with staffing.

Jolie Femme recruits workers by using internal and external recruitment. For internal recruitment, the company posts information about job vacancies and places it on bulletin boards. Jolie Femme gives opportunities for employees to promote themselves and will select suitable people within the organization by considering their tasks, responsibilities, loyalty and experience. The internal recruitment program helps to motivate and encourage Jolie Femme's workers to perform well and increase their capacity of work.

For external recruitment, Jolie Femme finds potential candidates outside the company by using reference from existing employees. Resulting from this method are saving unnecessary expenses in recruiting and new employees who are younger, fresher and easily be trained will be welcomed and synchronized to the existing group of employees, reduce more conflict in organization.

Jolie Femme divides the selection process in to 2 levels, management and operative level. For management level top manager is the one who responsible for selecting a manager. For operative level human resource department will responsible to take an action in selecting process, firstly the company will get the name list of candidate from existing employees the company uses the application blank to find out the information about the candidate's background, education level work experience and their last salaries. Unlike other organization Jolie Femme not too much concerned about level of education of candidate but focus more on ability to fit it an organization and easily be trained.

Secondly, after screening and scanning candidates who do not pass qualifications, human resource department calls them for interview process asking candidate about their knowledge, personalities, leadership and attitude that are relevant for each job.

The third process is the decision process. There are three outcomes for the applicants; rejection, offer hold or job offer. The human resource department will make a final decision for operative level while the management level is responsible by top management.

The last process is medical and physical examination for all selected candidates, inform them about term and conditions and request them to sign the contract also give them trained in session that relevant to their job, usually Jolie Femme uses OTJ(on the job training) program.

6.5.3 Compensation

Performance appraisal or job evaluation will be held one time a year for every worker. The record is sent to the head of department to see whether department and organization targets are achieved.

Main purposes of evaluation are to learn the mistakes or drawbacks of the organization and its employees and reward the hard-working staff.

Job evaluation enables the company to decide on the reward, compensation and benefit to the workers. Compensation and benefit are one of the best tools to motivate employees. Money is important rewards to most people due to people tend to dedicate their effort to the things that are rewarded. Thus Jolie Femme motivates its employees by using compensation in form of the salaries, wages and bonus. The salary is a payment paid for employees on a monthly basis; wages are paid to workers on a daily basis and bonus payment paid for employees on a yearly basis (normally in April).

6.5.4 Job security

Jolie Femme provides job security in order to protect employees from risk that could harm their health and financial security also implement the non-lay off policy. The company provides coverage for sickness, injury, unemployment and death via Social Security Fund. Social Security Fund pays staff in case of accidents, death and unemployment also provides an annual medical check-up for all of employees.

Moreover, Jolie Femme provides such comfort of employees by offering dormitory for interested employees, giving all employees uniform with no cost and all employees can participate in selecting place for yearly outing.

6.6 Leading

Leading is the process of influencing employees to engage in work behaviors necessary to reach organization's goal. Jolie Femme's department managers have the right to evaluate and make a decision about employee's reward.

Efficiency communicate is the important factor in leading process; Jolie Femme uses both vertical and horizontal communications. The vertical communication is the communication between 2 or more levels of organization hierarchy. For example, a manager orders a worker to complete product within deadline or a manager holds a monthly meeting with workers in department due to management level might not know all the information as operation level. For the horizontal communication is the communication between people within the same level which means Jolie Femme use both top-down and bottom-up in its management.

Another important factor is work groups, Jolie Femme work group is functional group of each division. If a group is able to work efficiently and effectively together as a team, it will lead the organization achieving its goals.

6.7 Controlling

The last factor of management is controlling, there are 3 level of control; strategic control, tactical control and operational control. The strategic control of Jolie Femme is to reach company's goal. The top manager handles this control, tactical control is responsibility by department managers and head workers are in charge of operational control.

Furthermore, Jolie Femme try to encourage every worker to take initiative in addressing problems on their own which mean giving them self-control in their assignment. The self-control benefits the organization and improves the overall performance of Jolie Femme.

As for facilities layout controls, Jolie Femme uses the process of factory layout by configuring production area and grouping stations according to functions performed and separate them from showroom area.

6.8 SWOT Analysis

This section will discuss about the strengths, weaknesses, opportunities and threats of the existing management style of Jolie Femme.

Strengths

- Their loyal and high quality employees, Jolie Femme treats their employees like one big family which creates a strong harmony to organization.
- Jolie Femme decides to use internal promoted policy; this policy will encourage all of employees to continue improving their performance for achieving organization's goal.
- Using both top-down and bottom-up management, in every meeting Jolie Femme's managers motivate employees to state their own mind for adjust and improving organization process.
- Bureaucratic organization, making workers skilled and expertise in their area.
- Fast and easy decision making due to all of decision making come from only management level.

Weaknesses

- Insufficient labor in high season, use outsourcing to solve this problem but outsourcing employees would not pay attention to the job as company's employees.
- Clearly separate employees by divisions and not let employees work across function which means Jolie femme's not utilize their human resources as worth as it should be.
- Recruiting new employees by one channel (reference from existing employees), this method may not bring Jolie Femme new perspective and innovative from other cluster of people.
- Unskilled employees; need to be trained for a long time before starting job with no supervisions.
- All managers will have to spend a lot of time in making all decision and solving problem in spite of making strategic planning in order to achieve organization's goal.

Opportunities

- Thai government's support by providing low interest loans to small and medium enterprises it's a good source of capital at affordable rate.
- There are a lot of institutions such as Thai Silk Associates and THTI to support the entire firm in Thai silk industry.
- Thai government inviting foreign institutions of design to establish universities in Thailand for educating people in designing area such as "Academia Italiana Design Institute" and "Fashion Institute of Technology".
- Thai silk industry's in growth stage (market's not saturated) so still can attract people to join in this industry and improve its market share.

Threats

- Jolie Femme tied itself with tourism so it would affect the amount of sale in low season period.
- Big brand in Thai silk industry (such as Jim Thompson and Shinawatra) can create more creditability in customer's mind than Jolie Femme.
- Increasing in high level education trend of people in suburban areas, due to employees of Jolie Femme mostly from suburban an increasing of this trend must affect the number of workers in all industry.

6.9 Conclusion and Recommendations

In conclusion Jolie Femme has a good planning and organizing system and its employees are the most valuable assets thus Jolie Femme try to find the way to attract and maintain an effective and harmonic workforce through human resource management and attractive compensation packages. However there are some recommendations that Jolie Femme could consider implement to improve its performance.

First, because of its bureaucratic organization, all the problems depend on top management level hence Jolie Femme should find new workers in management level to share responsibilities and help out top manager to take care and solve the problem in detail, let top manager focus on most important issue without other problems concerns.

Second, implement job rotation method; job rotation is the process of switching workers from one to another different area of work this method can solve the absence of workers problem. Job rotation also considered as a promotion due to its boost learning experience, bring diversity and creativity and bringing harmony and reinforcing teamwork.

Third, recruiting method, even though using reference from existing employees is saving cost for Jolie Femme but there is no new perspective from external source so Jolie Femme should consider increasing number of new joiner from external source and focus more on their education in some department due to lack of education and unskilled workers are the problem that Jolie Femme facing now.

Last, proceed the controlling system method between working in both quantity and quality of the product by randomly screen checking, this method can help top manager to understand behavior of staff and problem during the job also knowing that standard of work that they set is suitable or has to be adjusted.

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