# JOURNAL OF BUSINESS AND MANAGEMENT

Vol. 4, No.5, 2015: 606-614

### **EXPLORATION IN START-UP ORGANIZATION THROUGH QUALITATIVE CONTENT ANALYSIS**

Adhi Waluyo Djati and Hary Febriansyah School of Business and Management Institut Teknologi Bandung, Indonesia adhi.waluyo@sbm-itb.ac.id

**Abstract** — A startup organization is a recently made organization that is in the development stage and still looking into the potential markets. Every startup has its own plan of action and different structures. The objects of the research are Goodism (est. 2013), Woodka (est. 2013) and Humblezing (est. 2010). This research is a qualitative study which uses one of the organizational development theories, which is appreciative inquiry (AI) which focuses on the organization's learning and positive presumption from its member. Job design factor and performance management system components are the literature that will be guided this study. Moreover, the researcher position in this research is the conductor of the appreciative inquiry method. Data collection is using the qualitative approach, which are semi-structured interview. The data will be collected through doing the semistructured interview with the Board of Directors' in each company. The questions that will be answered by the Board of Directors' are following the appreciative inquiry processes. The data analysis is using the qualitative content analysis with deductive approach. This research finds that in making the job design, Goodism should decide the objectives that will be attained in the working period, every member has to decide their own portion of work, the member is working based on their interest, also the implementation of working hour and rotation between divisions seen as appropriate to be implemented. In making performance management system, Woodka should consider that every member should be involved in planning the target and deadline and relating their own activities which interconnected with other activities, monthly review seen as the appropriate one because it can be customized with the production schedule, implementation of feedback can be face-to-face and the reward system that may be conducted is rewarding the good performance punishing the bad performance by the member. In making the performance management system, Humblezing should consider that the control system to the job that is ongoing is essential, the target and deadline can be derived from the company's objective and the measurement of the performance and return for a job should be clear, monthly & weekly review can be done to detect the problem in a job faster and every member has got to know the other member's work progress, and monetary (such as bonus salary) and non-monetary (such as member trip) compensation may be conducted. Keywords: organizational development, appreciative inquiry, job design, performance management system

### Introduction

A startup organization is a recently made organization that is in the development stage and still looking into the potential markets. Startup has such a large number of variations; it can be varied by sizes and structures. Every startup has its own plan of action and different structures. Moreover, a startup likely is taken care the business model independently, for example, marketing, operation, finance and human resources. Every unit is interconnected; however, startup frequently has an alternate point of view in terms of business units. The research objects are Goodism, Woodka and Humblezing, which are three startups have been operating with their own system and their product user has spread in Bandung region and outside Bandung. Right now, Woodka and Humblezing had a problem about its performance management (related to performance management system); meanwhile Goodism had a problem about its job design. In order to improve the effectiveness in organization, Goodism, Woodka and Humblezing should have planned the change first. They have not conducted a planned development which resulted to the loss of guidance in the development of the organization. An organizational development method can be used to be the find the aspects

that need to be implemented and that would be the guide that led to a better work performance within the organization's member.

#### Literature Review

## Basic Concept of Organizational Development

Organizational development is a wide application and exchange of behavioral science learning to the arranged advancement, improvement and fortification of techniques, structures and procedures that prompt organization viability (Cummings & Worley, 2009). An organizational development plan also include with the set of goals that describe what kind of development that an organization wants to achieve toward the process of the development itself. It attempts to understand what aspects that an organization should be develop to become more effective than before.

# Appreciative Inquiry

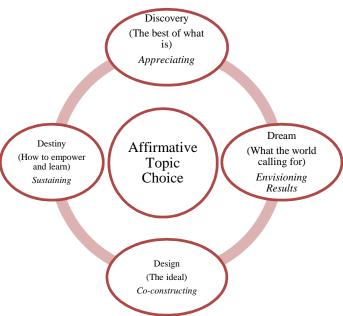


Figure 2.1: Appreciative Inquiry Processes

Source: Cooperrider & Whitney (2001)

The figure 1 showed the 4D model of Appreciative Inquiry. The data gathering processes of appreciative inquiry can be done through individual interview, partner interview or focus group interview (Votava, 2007). The discovery phase represents an inquiry system to the positive change; the dream phase represents a clear what purposes that want to be achieve toward the organization vision; the design phase is creating possibility an organization design that can fulfill the dream phase result; the destiny phase is how the purposes are keep getting better every time. Affirmative topic choice is an important part in the cycle as that will drive the every phases of the cycle.

# Performance Management System

According to Management Study Guide (2008), any effective performance management systems include these components:

- a) Performance Planning
   Performance planning is the first pivotal part of any execution administration process which frames the premise of performance appraisals.
- b) Performance Appraisal & Reviewing
  The appraisals are ordinarily performed twice in a year in an association as mid surveys and yearly audits which are held toward the end of the monetary year.

### c) Feedback & Counseling

Feedback and counseling is given a ton of significance in the performance management process.

# d) Rewards

This is an exceptionally indispensable segment as it will focus the work inspiration of a worker

# e) Performance Improvement Plans

The employee is obviously imparted about the ranges in which the worker is relied upon to enhance and a stipulated due date is additionally relegated inside which the employee must demonstrate this change.

# f) Potential Appraisal

Potential appraisal frames a premise for both sidelong and vertical development of employees.

## Job Design

Job design is process of gathering together wide range of tasks, responsibilities and duties to make a compound for organizational members to take the work and assume as that is their own work (Torrington et al., 2011). It also necessary for the working process since it will help the work to be more effective and efficient. According to Tapasi (2013), there are factors that affect job design:

# a) Organizational Factor

This factor includes:

## • Task Characteristic

An individual may complete one principle undertaking which comprises of various interrelated components or capacities.

#### Work Flow

The flow of work in an association is firmly impacted by the way of the product or service.

### Ergonomics

Ergonomics is concerned with planning and forming occupations to fit the physical capacities and attributes of people so they can perform their jobs goodly.

## Work Practices

Work practices are situated methods for performing work. These techniques may emerge from convention or the aggregate wishes of employees.

## b) Environmental Factor

This factor includes:

## • Employee Abilities & Availability

Effectiveness consideration must be adjusted against the capacities and accessibility of the individuals who are to do the work. Jobs are outlined basic and obliged small preparation.

# Socio & Cultural Expectations

There were days while getting a job was the essential thought. Proficiency, learning and awareness among workers have enhanced impressively, so additionally their desires from occupations.

### c) Behavioral Factor

This factor includes:

#### Feedback

People must get important input about their performance, ideally by assessing their own performance and characterizing the feedback.

## Autonomy

Autonomy is being in charge of what one does. The nonattendance of self-sufficiency, then again, can make employee's unresponsiveness or poor performance.

#### Variety

Absence of variety may bring weariness. Weariness, thus, prompts exhaustion and weakness causes mistakes.

#### Method

### Data Collection

Data collection will use the qualitative approach, which is semi-structured interview. The data will be collected through doing the semi-structured interview with the Board of Directors' in each company.

## Data Analysis

The data analysis will be using qualitative content analysis. Content analysis is depicted as a strategy to characterize composed or oral materials into recognized classifications of similar implications (Moretti et al., 2011). There are two approaches, which is inductive and deductive approach. According to Cho & Lee (2014): in the inductive approach, codes, classes, or topics are straightforwardly drawn from the information, in the deductive approach begins with preconceived codes or classes got from earlier pertinent theory, examination, or writing. In this research, the approach that will be used is the deductive approach, which has these steps:

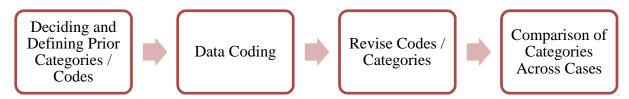


Figure 3.1: Deductive Approach to Qualitative Content Analysis Processes Source: Cho & Lee (2014)

### **Result and Discussion**

#### Goodism

The analysis in this company has been categorized according to the job design factor, Each factor will be interpreted here:

### Organizational Factor

The categories that have been discovered from this factor are task characteristic and work practices.

#### Task Characteristic

This research found that the readiness of the company can be started from deciding objectives that will be attained in the working period. This related to Management by Objectives (MBO) approach which according to Brim (2012) has these principles:

- Define company objectives.
- Create a course of organizational objectives. The objectives are ranging for top to bottom level of organization.
- Develop the role in the organization and specific objectives for each member. Action plan also has to be made and involves participative decision making.
- Decide the performance indicator for each objective.
- Assess the outcome of goals periodically.

The detail in job descriptions derived from the organization objectives. Other thing that has to be included is the integration between the interconnected working activities. Also, the reporting system has to be made; it is to make the member has a clear and concise work. Moreover, job indicators which can be explaining the expected outcome of the job and the consideration until a job can be stated as done are needed.

### **Work Practices**

The research found that the work practices result is member based means every member can decide their own work. Every members have the same opportunity to be the job crafter, which they can

recompose their job physically, by reclassifying job's limits, what their job is perceptively, by recomposing the way they consider the task's relationship and what their job is socially, by changing the relationships and collaborations with others at work (Wrzesniewski & Dutton, 2001). Willingness for help also becomes the consideration.

#### Environmental Factor

The categories that have been discovered from this factor are employee's ability and availability.

## Employee's Ability and Availability

The members can be having different interest in doing the work, however, it is important for members to work based on their interest. Putting the right person in right place is also the consideration for member to work based on their interest. According to Anderson (2013), group of talents are needed to get achievement in business. The determination of working hour can be from the mutual agreement or each member can decide when is the appropriate working hour for them. An appropriate system regarding employee availability is worth to be given a lot of thought (Fyfe, 2010). Working hour that has been decided will make the member exactly know when to work and vice versa, also avoid them from whining. Moreover, the member also has to be ready for doing the job that still left over.

### Behavioral Factor

The category that has been discovered from this factor is variety.

#### Variation in Job

Variation in job that is preferred is the rotation between divisions. The new things that will be tried by the members make them feel challenged. Although they will be doing the things that they are usually worked on, it makes them feel refreshed. Job rotation is seen as a way to motivate member and make their skills grow (Coy, 2013). Moreover, the variation may come from how the job is going to be done. The steps in doing certain job can be differ, since it will be producing the same result.

### Woodka

The analysis in this company has been categorized according to the performance management component. Each component will be interpreted here:

## Performance Planning

The category that has been discovered from this component is planning factor.

## Planning Factor

The entire member has to be given a chance to decide their target and the deadline on their own. It will be the base of their performance review, which the result can be discussed in a certain time. Participate in target-setting process can helped members to make a more achievable target (Franco-Santos & Bourne, 2008). In the process of making it, the other member can relate their activities to other activities that are interconnected. Then, members can give advice related to other member's decision toward the target and deadline to make the work run smoothly. Another thing that becomes the consideration is to let the members know about their obligations and rights.

# Performance Appraisal and Review

The category that has been discovered from this component is time period.

### Time Period

Monthly review can be done since it can be customized with the production schedule, which is per month. However, each division may have different target and it needs to be the consideration to conduct monthly review, each division may get the same time for performance review or it can be differ. According to Mayhew (2012), the purpose of timely is to address issues and inadequacies before they led to a serious problem.

## Feedback and Counseling

The category that has been discovered from this component is counseling types.

## Counseling Types

The counseling can be done in face-to-face, between the member and the member that got the counseling duty. A one on one type of counseling may give the members a clear review about them. Furthermore, it is important to give every member the same chance to counsel other member. The awareness of every member is aimed to be increased after the counseling session. This related to 360 degree feedback which an individual gets feedback from various people who frequently interact with the individual that is being reviewed (Alexander, 2006).

#### Rewards

The categories that have been discovered from this component are appreciation types and reward system.

# **Appreciation Types**

One of the types of compensation that can be used is monetary. Basic salary for every member can be the example of it. Another way that can be done is profit sharing which might be done in the end of working period. Also, an additional salary may be given to the member who has been working appropriate with the deadline and produce good result. This related to incentive, a pay increase related to performance, which can be tied to the individual or team of members in the company (Milkovich, 2008).

# Reward System

The reward system may contain positive and negative reward (punishment); also refer to things that employees value (Apeyusi, 2012). The members that are working well will get a reward then members who are not working well will get a punishment. With this, the members can be motivated and scared about getting punishment.

### Humblezing

The analysis in this company has been categorized according to the performance management component. Each component will be interpreted here:

### Performance Planning

The category that has been discovered from this component is planning factor.

# Planning Factor

Who will be controlling the work should be decided to make the members more aware about their work, since there will be someone who will be checking the progress. However, there is also a possibility that the control is conducted by the CEO. The CEO also should control every division equally, not only controlling one division. One other thing that should become the consideration is consistency. The work that is being controlled cannot be changed suddenly, if there will be any changes, the work that is being controlled also change to the related work. Target and deadline also become important; it will be customized with the company's objective. Moreover, the work distribution also may originate from them. From there, the alignment between the target and deadline can be made to make the company's progress going well. Furthermore, the CEO can measure the customization of the job, for example why a certain job gets this amount of salary. Measuring and assessing work plan and timelines are things that have to be considered in performance measurement approach (Salem, 2003).

## Performance Appraisal and Review

The category that has been discovered from this component is time period.

#### Time Period

Monthly review can be discussed about the progress of the job, how far until it is finished. Also, it can be followed with every product release because the workflow is the same, only differs in the products that are being sold. It can be divided into a weekly and biweekly review, which the weekly review is for each division and biweekly review is for the joint review. The focus has to be the targets that have been agreed which appear in the performance indicator (DeNisi & Pritchard, 2006).

## Feedback and Counseling

The category that has been discovered from this component is feedback factor.

### Feedback Factor

Every member should know about the other member's work progress. Also, it aims to make every division sharing more often. It is considered essential due to the limited team member. The feedback also can be done one by one, if the problem appears from a member. The purpose is to make the member feel down, for example declining in spirit. Moreover, feedback provides a clear picture about the weaknesses that the members had (Farooq & Khan, 2011). After that, a review with the entire member can be done.

#### Rewards

The category that has been discovered from this component is appreciation types.

## **Appreciation Types**

A bonus salary may be given to the member who is performed well. However, the bonus has to be appropriate and in accordance with the performance. Besides that, the non-monetary may has the purpose to increase togetherness between members. For example, after the company achieves the big target, the members go to a certain place together. Another thing that can be considered is a sincere thank you. The non-monetary returns have an important effect on member's behavior (Milkovich, 2008).

#### Outliers

In each company, there are findings which belong to outlier. Outlier is a statement one or a few that stated by the informants in a research (Sproull, 2004). Therefore, the statement can be not related to the literature. The researcher should choose the appropriate outliers which interconnected to the purpose and problem statement (Blum et al., 2006). This section will be discussed about those findings.

### Goodism

- The members have to get a new learning from a job that is done.
- A clear payment system and a career path for members can make them more motivated.
- Reward and punishment system for members can be the way to motivate them.
- Legal paper that stated a member is committed to the company is needed.
- Communication between divisions is important thing to consider.
- A bigger responsibility for each member will make them feel challenged to achieve the target.
- A proper work place will make members perform better.
- Task that related to the members' expertise is essential, to keep them enthusiast about the task.

# Woodka

- Objectivity in the performance management system is needed, in order to make it going well.
- A written feedback (such as warning letter) may appropriate to be given to the member who performed not well, to make them more aware about their performance.
- Same point of view, such as vision and purpose, can be the base of the work that will be evaluated by the members.
- Positive-based feedback for every member is important and the purpose is to develop the member.
- Weekly performance review can be about the job's progress.
- In-depth evaluation toward the member is needed. If it is good, members must admit that they are good and so does if it is not.
- Non-monetary returns such as members' of the month award, promotion and given a day off for work may be implemented to make the members feel appreciated.

## Humblezing

- There should be an appropriate measurement between performance and the return that the members will get.
- Outside source like business consultant can be hired to help taking care of the human resources, such as work regulation and standard operational procedure.

- Simple score card can be implemented, therefore any member who will be controlling the job can control precisely.
- The needs of training should be identified since the evaluation period.

## **Conclusion and Suggestion**

### Conclusion

Each company has its own condition that is emerged from the informants, which will be presented below.

#### Goodism

Task characteristic section shows that Goodism should decide the objectives that will be attained in the working period. Work practices section shows that every member has to decide their own portion of work. Employee's ability & availability shows that it is important that the member is working based on their interest, also the implementation of working hour. Variation in job shows that rotation between divisions seen as appropriate to be implemented.

#### Woodka

Performance planning component shows that every member should be involved in planning the target and deadline and relating their own activities which interconnected with other activities. Performance appraisal & review component shows that monthly review seen as the appropriate one because it can be customized with the production schedule. Feedback & counseling component shows that the implementation can be face-to-face, between the member and the member that got the counseling duty. Rewards component show that the system that may be conducted is rewarding the good performance by the member and punishing the bad performance by the member.

# Humblezing

Performance planning component shows component shows that the control system to the job that is ongoing is essential. Also, the target & deadline can be derived from the company's objective and the measurement of the performance and return for a job should be clear. Performance appraisal & review component shows that monthly & weekly review can be done to detect the problem in a job faster. Feedback & counseling component shows that every member has got to know the other member's work progress. Rewards component shows that monetary (such as bonus salary) and non-monetary (such as member trip) may be conducted.

# Suggestion for Future Research

This research attempted to increase the understanding in each company's condition. The result can be the base for future research. Future research should focus on analyzing the findings that are emerged in each company's condition. Conducting focus groups with the purpose to support the findings' validity and reliability can be done as a part of the future research. Furthermore, it can be done through statistical analysis by using the findings on this research as the hypothesis. For example, in the performance management system in a company is appropriate with the 360 feedback method, then the future research can be showing is it relevant or not by doing the statistical analysis.

### References

Alexander, D. M. (2006). How do 360 degree performance reviews affect employee attitudes, effectiveness and performance. In *University of Rhode Island, Schmidt Labor Research Center Seminar Research Series* [online] (pp. 1-12).

Anderson, A.R. (2013). Successful companies put the right people in the right jobs. Retrieved from http://www.forbes.com/sites/amyanderson/2013/02/27/getting-the-right-people-into-the-right-seats-on-the-bus-is-essential-to-a-companys-success/

- Apeyusi, P. (2012). The Impact of Reward Systems on Corporate Performance: A Case Study of Ghana Commercial Bank Limited (Doctoral dissertation, Kwame Nkrumah University of Science and Technology).
- Blum, K., Simon, M., Korrapati, R., Goes, J., Morelli, F., Salerno, C., & Edwards, R. (2006). Teaching students how to write a chapter four and five of a dissertation. University of Phoenix.
- Cho, J. Y., & Lee, E. H. (2014). Reducing confusion about grounded theory and qualitative content analysis: Similarities and differences. *The Qualitative Report*, 19(32), 1-20.
- Cooperrider, D. L., & Whitney, D. (2001). A positive revolution in change: Appreciative inquiry. *Public Administration and Public Policy*, 87, 611-630.
- Coy, C. (2013). Why rotating employees through your company is a win-win. Retrieved from http://www.cornerstoneondemand.com/blog/employee-rotation-works#.VdDDgLKqqko
- Cummings, T.G., & Worley, C.G. (2009). *Organization development and change.* Canada: Nelson Education.
- Denisi, A. S. and Pritchard, R. D. (2006). Performance appraisal, performance management and improving individual performance: a motivational framework. *Management and Organization Review*, 2(2), 253-277.
- Farooq, M., & Khan, M. A. (2011). Impact of training and feedback on employee performance. Far East Journal of Psychology and Business, 5(1), 23-33.
- Franco-Santos, M., & Bourne, M. (2009). The impact of performance targets on behaviour: a close look at sales force contexts. *Research Executive Summaries Series*, 5(5), 1-9.
- Fyfe, R. (2010). Allowing employee is a great way to boost staff morale. Retrieved from https://www.shiftplanning.com/blog/allowing-employee-availability-is-a-great-way-to-boost-staff-morale.html
- Jayaraman, R. (2012). Using appreciative inquiry for managing change in organizational systems. Managerial of the Contemporary Society, 3, 206-210.
- Management Study Guide. (2008). Components of performance management system. Retrieved from http://www.managementstudyguide.com/components-of-performance-management-system.htm
- Mayhew, R. (2012). Characteristics of performance management system. Retrieved from http://smallbusiness.chron.com/characteristics-ideal-performance-management-system-53409.html
- Milkovich, G.T., & Newman, J.M. (2008). Compensation. New York: McGraw-Hill.
- Moretti, F., van Vliet, L., Bensing, J., Deledda, G., Mazzi, M., Rimondini, M., ... & Fletcher, I. (2011). A standardized approach to qualitative content analysis of focus group discussions from different countries. *Patient Education and Counseling*, 82(3), 420-428.
- Salem, H. (2003). Organizational performance management and measurement. Beirut.
- Sproull, N. D. (2004). Handbook of research methods: A guide for practitioners and Students in the social sciences. New Jersey: The Scarecrow Press.
- Tapasi. (2013). Factors affecting job design. Retrieved from http://www.5elementsrpo.com/2013/03/factors-affecting-job-design/
- Torrington, D., Hall, L., Taylor, S., and Atkinson, C. (2011) *Human resource management*. 8th Edition. Harlow: Pearson
- Votava, M. (2007). Conducting an appreciative inquiry study [PDF]. Retrieved from http://nwacuho.org/files/ConferencePresentations/2007NWACUHO/appreciativeinquiry.pdf
- Whitney, D. (1998). Appreciative inquiry approach to organization change. *Career Development International*, 3, 314-319.
- Wrzesniewski, A., & Dutton, J. E. (2001). Crafting a job: Revisioning employees as active crafters of their work. *Academy of Management Review*, 26(2), 179-201.