

Key Issues:

- The sole proprietorship business approach and Mr. Walter Elton's personnel policies became unsustainable with the company's market expansion and the need for an increase in the workforce. These approaches isolated the company from attracting qualified personnel and limited its possibilities for further growth and innovation.
- The creation of a board of directors comprised of family members heavily involved in the corporation's daily activities compromised its success on the market. The structure of the board allowed the possibility of truncating the growth of the corporation in benefit of individual interests.
- The constant addition of family members to the company fulfilled Mr. Elton's original vision of becoming a family business. However, they generated instability in the structure within the organization by continuously adding roles without prior assessment.
- Lack of commitment in defining job roles generated confusion among supervisors and supervisees.
- The opening of a new branch without an organizational structure in place put the company's reputation in jeopardy since no proper channels of functions interaction existed.
- The influence of several members of the Elton family in the direction of the company limited the ideology and vision of the organization as a whole.

Possible Actions:

- Create a human resources department in order to address areas such as recruiting, personnel policies, organizational effectiveness as well as employee benefits and compensational responsibilities that were attained after obtaining the incorporated status.
- Assign a board of directors comprised of individuals independent of the daily corporation's activities with expertise in key areas such as business law, tax policies, technology, and business strategies. The broad range of expertise could provide direction without compromising any flank of the corporation.
- Tabulate all functions required by the corporation and create departments with areas of responsibility and supervision.
- Analyze the organizational structure and create roles for individuals to perform under the umbrella of the different departments. The role description must list their responsibilities and the outcome of their functions as well as their operational limits.
- Generate a chain of command chart for supervisors and supervisees that clearly defines who answers to who and where they fit in the ladder of decision making.
- Develop a mission statement that reflects the commitment of the Elton's family to the business yet can also provide guidance in the application of future business strategies.