Tall organisational structure and power culture commerce essay

Culture is a systematic programme run in the mind which can be used to differ one set of people from another, and an organization structure is a breakdown of the organisational subordinate entities to pursue a common goal. Different modes of the Cultures would be Power Culture, Task Culture, Person Culture and Role Culture. The importance of understanding these concepts is that an organizational structure leads the organisational culture to flow across the organisation. Therefor a proper understanding of the functionality of these concepts is vital. There could be several types of structures as follows.

Tall organisational Structure and power Culture

A tall organisational structure is where the span of control is narrowed due to the higher number of management levels resulting in many managers being employed by a company and the commands are first informed to the top level managers and then the information flows in to the subordinates. Under this structure, it is likely that culture is unchanged and the informal commutation is applied because of the lower level subordinated work under a tall structure. Most organisations especially manufacturing and task oriented uses this method to make sure without any interference the task is done the correct person is on the correct chair. Tall structure always provides the systematic approach to planning and controlling mechanisms this is because the decision making is done at the top and then the decisions are flown downward and being (Naoum, 2001: p. 165).

Figure1. Tall organisational Structure of a production company

Source: The times 100 web magazine (http://businesscasestudies. co. uk/british-gas/roles-responsibilities-and-career-development/introduction. html#axzz2Dl7IBSzR)

Power Culture is where one individual dominates the entire decision making only by himself. Power culture always allows the head of the business (Entrepreneurs) to make the decisions. Therefor power culture always bounded to a particular individual. In the current context Sir Richard Branson is a perfect example where he dominated the entire decision making of the group by himself and the success of the company is where he always retained the decision making power and the retention of the control under himself according toVirgin-Richard's Block website (2012). Under this culture it is very difficult for others to poke into the decision making and the subordinates always have to follow the decisions.

Figure2: Decision making represents the middle of the circle

Source: http://www. mindtools. com/

Flat Organisational culture and Role Culture

Flat organisational culture consists lower number of managers due to the lower number of management levels making the span of control wider. This might lower the interest of the top level managers feeling that they might lose out the control. Flat organisational structured entities are having greater innovation ability as the functional levels are given the authority from the top level. The swiftness of the communication is higher as opposed to other structures. The level of motivation of the employees will stay high as they

are not been pressured more and the formal level of communication arises because of that (Warner M., & Joynt P. 2002: p260).

Figure3. Flat Structure with minimum number of managers

Source: Madura J. (2007: p279)

Role Culture commands the employees to stick to their job description. This mainly happens in large entities where the particular job has its own guidelines. Under this approach the innovativeness is questionable as employees tend stick to their work boundaries and stifle the innovativeness. In this approach most of the Human Resource activities are done in order to chair the proper personnel. When every employee carries out their duties, the entire company's pillars are strengthening. Therefor in this approach the importance of understanding of the role of each person is highly important (Martin, 2005: P. 493).

Hierarchical organizational Structure and Task Culture

Hierarchical Structure represents a pyramid shaped structure i. e. the power and responsibility are defined according to the position they possess in the organisational hierarchy. Under this approach the main objective is to retain the power and to get the task done through the divisions. In this approach it is likely that the span of control is retained at the divisional levels which lead to better communication where one reports to the other (Turner and Simister, 2000)

Figure 4. Hierarchical Organisational structure in military organisation

(Source: God, Quantum physics, Organizational structure and Management style, 2009: p. 45)

Task Culture gets the correct people and getting them to work together will be the key aspect of this approach. This culture mainly focuses about the team work for the accomplishment of a company objective. Through this approach it is likely that the company moves forward with market dynamism and market complexity as this approach gets the company people to discuss the changes in order to meet the complexity. Managers must make sure the level of commitment is achieved because of the distance and freedom they are given (Smith and Mounter, 2008: p. 36).

1. 2 Organisational culture and performance

Organisational culture always has an impact on the organisational performance. In a strong culture (high norms, high Values) the bonds of the management with the employees are quite strong, the performance of the entity tends to be in a good position. According to Lussier and Kimball (2009) a weak culture will definitely stifle the connection of employees and management. Culture types such as Power and person, will limit the performance of an organisation due to the lack of democracy whereas role and task culture will improve the democracy. Employee performance will therefor directly impact the company performance the glue will be the culture. But it should also concluded that a strong culture will ease the mergers or alliances, where as a weak culture will be very difficult to maintain in a dynamic environment.

b) From the current context

Semco is a company build in brazil owned by Ricardo Semler who took the business from his father who are in to the manufacturing of mixers, pipes. Owner allowed employees to make use of the organizational resources in the way he would like make sure the correct inspection is provided at requirement. The considerations provided for the effort were well provided by Semler as a result company could increase profit up to 500 per cent. Therefor it is noticeable that a strong culture with more values and believes will contribute to a greater performance (Dickson, 1993: p. 13).

1. 3 factors which influence the behaviour individual at work

According to the Mullins (2009) he has noted several factors which could influence an individual's behaviour at work as follows.

Values

Skills

Personality

Leadership

Perception

Demographic Factors

Attitudes

When an individual possess good values towards the work, the work will become more and more easy. Having good skills will always make the

employee to feel comfortable with the tasks they carry out. When an individual comes with a better personality it is unlikely that the company influence the person but rather person will take it up by himself. Better leadership always has a significant impact over the work where the better leadership influences the person and getting the task done. According to Nelson and Quick, (2008: p. 128) Better work conditions will always improve the perception of the individuals towards work. Demographic factors such as age, gender, will create some awkwardness towards work if the working environment tends to be challenging to them. Motivational Factors such as better work conditions will always improve the attitudes of the individuals. Therefor it is evident that above factors will have an impact over work conditions.

Task 02

Introduction to Management and Leadership

In simple terms Management is the way of deciding what to be done through planning, organizing, communication and controlling and leadership is the way of getting things done from subordinates by providing directions. Therefor clear-cut understandings of these theories are vital and Kurt Lewin has identified several styles as follows (Armstrong and Stephens, 2005: p. 11).

2. 1

Authoritarian Style

Authoritarian approach is where the decisions are only taken by the leader himself and no input will be obtained for the decision making from the

employees. This type of leadership is mainly found in task oriented organisations such as military organisations. Leader must know in and out of the tasks very well and must be able to communicate clearly the job to be done. This type of leadership is so vital when the employees lack the desired level of knowledge about the task (Iqbal, 2010: p. 11).

Democratic Style

This is another way to lead people with more coordination, consultation and participation with the employees in the decision making process (Woods, 2005: P. 2). The main objective of this approach is to obtain the best practical solutions to solve the problems. Through this approach the innovativeness, cohesiveness among the group will improve and companies requiring a lot of coordination to their decision making, will adopt this approach as the decisions will be more practical in comparison to the autocratic approach. This will allow entities to come up with better solutions in a complex and dynamic environments.

Laissez-Faire Style

With reference to Bass and Bass (2008) the laissez-Faire French term means completely hands-off. This approach is much similar to a delegated, but yet the instructions from the leader are less and the effort from the group members will need to be highly improved. In this approach the focus will be to provide maximum freedom with very little margin of inspections. For a company with lot of Skilled labour whom aware of the task deeply, will be suitable to carry out this approach. But it is advised that this method is the least productive because rarely find highly skilled and efficient employees.

b) From the current context

A popular biker and an actor Paul Teutul Jr. together with his father Paul Teutul Sr. has started the Orange County choppers which has twisted the American modified bike market. Father and son have every time looked to penetrate the decision making all by themselves. This has mainly reasoned the experience and the charisma these two possess. The authoritative style has benefited them in many ways. Mainly the task oriented stuff are done at a larger scale. With their prior experience of the market and the sense they have on the dynamism has benefitted the success of this biking company (Official website of orange bikes).

Mr. Carlos Ghosn the President and CEO of Renault France; and the president and CEO of Nissan Japan has the approach of the democratic leadership. In tough situations especially when Renault and Nissan were faced by the high competition he believed his employees and the capabilities of them made the companies to profit from inception to now. He always believed that the decision making should always be generated from the lower levels. This has resulted Renault to come up with much better designs and the Japanese company could compete with Toyota and Mitsubushi perfectly with economical vehicle models (Magee, 2003: p. 13).

2. 2 Organisational theory and Practise of Management

Organisational theory explains how the study of the organisation should be done in order to solve problems prevailing in the current system and to meet the stakeholder likings with efficiency. One way of achieving the organisational theory would be the Classical approach where the emphasis is given to the scientific methods and bureaucracy to improve the productivity.

Under the neoclassical view the employee behaviour of the organisation and in the environmental view the contingency is looked at and the effectiveness of the leadership will be situational (Linstead, 2004).

Practise of Management indicates the ways in which management has controlled overtime and they should be subjected to high productivity and also the measurement must be done through indicators (Centrepiece Summer 2005 Magazine).

The organisational theory underpins the Practise of Management in the following way. Better organisational theory will look to improve the management practises more realistic and swift. This is mainly due to the perfect understanding will provide the platform for a better understanding of the behaviour of the company and the best practises then can be implemented. Especially under the scientific way the main focus is to attract, recruit and retain the employees in a systematic way and the management will therefor find it easy to carry out their policies. Under the bureaucratic way the management is fairly less complex as the correct person will chair. Having a good understanding of the human behaviour though it is quite unpredictable, the easiness is there for the managers' in terms of decision making (Crowther and Green 2004: p. 51).

2. 3 Different approaches to management

I) Scientific Management

F. W. Taylor has invented the approach of how the work should be done scientifically. This include the basic areas such as Recruitment through better job designs, better selection criteria, let the employees to carry out

the task and the scientific regular control mechanisms such as performance appraisal are provided in this approach (Sheldrake 2003: p. 15). This level of approach is mainly focused on the production where the remuneration is based on the performance of the employee rather than a fixed salary. The effectiveness according to the Taylor F. will improve gradually.

II) Classical Administration Approach

Henry Fayol (1841-1925) is considered to be the father of this method. He mentioned that every person has to perform management as a profession and found many administrative contributions such as distinguishing perfectly between the technical and managerial skills, elements of the management process such as division of work, leadership, unity of command, centralisation, and etc. Further he divided the organisations in to six categories and defined its common features such as planning, organising, commanding, communicating, and controlling. For an organisation whom into more and more complex and larger scales, can look at this method and can have a good result through the practises as the elements mentioned above provide a good stability to the controlling process as well as planning er becomes lot rational and logical (Singla and Singla 2009p. 58).

III) Bureaucratic Approach

The emphasis of this approach is mainly to identify rational forms of organisation. In the current context even though the term ' Bureaucracy' refers to many negative connotations, Max Webber's theory of bureaucracy understands how the management is successful under this approach. This approach mainly deals with the standard ways with employees. He preferred the specialisation, better organisational hierarchy, job roles and rules, full

time appointed officials to make sure better person chair the position and

division of labour in order to make sure too much work is not allocated.

Mainly the government entities who are more in to formal methodology uses

this approach because their main objective is to maintain the respect and

pride in the minds of citisen (Gene and Thakur, 1996 p. 196).

IV) Human relations Approach

Classical, bureaucratic theories improved the production though couldn't

realise that the employee stress and morale downfall. Elton Mayo under the

Hawthorne studies realised that the provision of the social needs improved

the efficiency as well as the productivity and the level of satisfaction.

Therefor under this approach main concentrations are decentralisation,

Participatory decision making, enhancing the self-motivation within the

human minds. In the current context, innovation and dynamism being

dominated the companies, the need of this approach is vital as this approach

mainly focus on the basic fundamentals of employee satisfaction every time.

Under this aspect employees are seen as human asset rather than human

machines (Coffey, 1990: p. 261).

V) Systems Approach

No organisation will profit without employees, assets, management, finance,

marketing, and etc. Likewise this approach considers the organisation to be

a system and the sub parts are to correlated to the main hub. The main

focus in this approach to improve the swiftness and interaction of

communication between separate divisions of the organization.

Organisations mainly divisionalised tend to adopt this approach as they can

result from being interrelated (Jackson, 2000: p. 12).

VI) Contingency Approach

Approach of having no approach to management could be identified as a contingency approach. Under this, the main idea is that the organisation is rapidly changing and the variables of the external market, resources, technology varies day by day. Therefor the correct decision therefor must be taken having considered the pros and cons of each management. Organisations who are in to much more dynamic and complex environments uses this. Sometimes the bureaucracy, sometime the human relations approach depending on the situation (Cole, 2004: p. 82)

Task 03

Introduction

Theories for motivation are highly essential as those have a clear connection to the level of output. Therefore, having a good understanding of the movement of the motivation with the productivity is highly essential.

3. 1) Leadership styles in changing environments

It is needed to have an understanding about the different leadership styles and their impact on the motivation in a changing context. The above discussed three types could be used to demonstrate this issue. (Johansson, 2004) In a changing context using the democratic approach is really productive where the people get together and negotiate their problems and within teams they tend to find the proper solutions for the dynamism. Unlike that approach, using Authoritarian approach is much different where the top management might not foresee the change which will be detected only at lower grounds. Therefor in such scenarios, using this approach is not suitable

as authoritarian approach doesn't improve the innovativeness to cope up with the level of change happening. Yet the Laissez-Faire approach doesn't give any sort of an idea to the subordinates yet the employees at ground levels can take up and do since the main idea of the ' Change' is visible to them (Crawford, Cartwright and Bennett 2004: p. 188).

Under the change of trends good leaders also must possess anticipatory skills where they should detect the change before the impact flows in. in such scenarios the level of motivation should be retained by activities such as quality circles, frequent meetings and also gather facts from the lower levels. With the changing trends the tasks may vague. Therefor using the above tasks are essential for the company progress and motivation retention (Christ, 1999 p. 280).

Therefor the leadership in changing environments are highly challenging and subjective

3. 2 Maslow's Motivational Theory

Abraham Maslow, who had been a psychologist for years, could generate his own way of a motivational style from the facts he had gathered. The main idea here is once you get the primary needs under control the motivation tend to skim to the secondary levels. Under the primary levels, the safety needs and psychological needs are found. In a business organisation just provision of the basic factors might not be sufficient. Most of the manufacturing plants operating in China, India are having the culture of providing free but that won't be good enough. For lower level of employees, these factors are essential (Hoffmann, 2006: p. 16).

Under the secondary category social, esteem and self-actualisation is found where the social needs are extremely critical. The basic understanding here is that there must be a good social work environment to the employees where the communication must back it up. Every employee comes up with the aim of career progression. In such a situation just providing the normal needs plus the social needs will not be enough. In such a context usage of promotional packages comes in to play as usually human asset would like to improve their state. In such context esteem needs are gradually arises as the esteem needs are looked for a better recognition. Reaching the top of the management will satisfy the self-actualisation resulting in a better satisfaction with the work they perform (Mcshane, 2008 p. 153).

Figure 5: Maslow's Hierarchy of needs

Source: Hoffmann, 2006: p. 16

3. 3. Motivational Theories for Managers

It is highly important for the managers to have a good understanding about the motivational levels of the employees. Mainly managers must focus what is the motivational limit. Having a good definition about the motivational levels of different employees, the easy platform is there for the managers to come up with good packages. For some employees, early leave, study leave, will be motivating where as some other employees would look for better recognition such as better career progression, better salaries, non-financial benefit schemes. Therefor managers must define what the best suitable package is for the employees having looked at the theories, experience and etc. (shanks, 2011: p. 23)

b)

I) Herzberg Two-Factor Theory

Fredrick herzburg carried out the mayo's findings and further investigated that there are two levels of motivation which will result in better satisfaction. He identified Hygine factors and Motivational Facors to be more effective. Hygine fctors are where the factors that employee must be given and any failure will result in demotivation such as team working, better supervision, better salaries and etc. On the other hand motivational factors are those will improve the level of motivation if they posses but the failure won't depress the employees like in the hygiene factors. These include features such as better career progression, better attraction, recognition at work, and etc. Therefor managers must pay attention to define the package each individual would like to have (Green, 2009: p. 56).

II) Douglas McGregor Theory X and Y

Theory X is where the managers believe that the employees are lazy and dislike to work and will be looking to exploit any loophole. Also employees must be carefully supervised and they must be followed day by day. In this context, managers would like to use the authoritarian approach to the work place and all the policy setting and management is based on that.

Theory Y is where the managers have the feel that employees enjoy the work they perform, and they are self-motivated, personal progression is another big factor that employees look to deal with. Therefor under this approach, managers like to use the democratic approach to their work place

and the concepts of team work will enjoy in this environment. (Koontz et al, 2008: p. 290)

Task 04

Introduction

Understanding of the mechanisms required to establish and to maintain the team work is much essential as the individuals consisting in the team are different to each other. Also the members may have different approaches to their leaders. Therefor a correct method must be formed.

4. 1) Groups and its behaviour within organisations

Group is a collection of members who interact with each other with better understanding and who would like to work together. A better group will have essential elements such as group better cohesiveness, high homogeneity, less alternatives which will make the members not to leave but to stay within the group. According to Tuckman (1995) and Cole (2004 p. 82) the stages of forming a group would be

Forming- Initial gathering of individuals and getting to know each other

Storming- Different individuals might contain different perceptions. Likewise with the group there could be many individuals with different ideas and they are clashed in this stage.

Norming-This is where the different ideas are blended, clashed and the formation of new ideas are done.

Performing- in this approach the group performance takes place.

There could be different types of groups as well namely Informal Groups and formal groups. Informal groups are those membership is voluntary yet the clear objective is not there whereas formal grous meet with defined objectives and formal membership is applicable.

Better teams will bring their ideas together, blend it and form new and innovative concepts. Organisational tasks will be easy to handle with good groups and special tasks which require coordination, will be the suitable advantages of having a good group for and organisation (Needham, 2004: p. 201).

4. 2) factors affect the performance of groups

There are three different factors which affect the performance of groups according to West (2007) and Hall (2005: p. 44)

Membership Factors

If there are similar people stay within the group then the thinking will be similar and then it'll be a good team to work with and the ideas are more improves and innovative. If there many clashes, then the team won't be a successful one. If there are many alternatives with members, then the people will try to leave and join with another. When more people leave, the task won't be productive. If the group is much larger , then the possibility of solving problems is less and vice versa (Hall, 2005: p. 44).

Environmental Factors

If the task of the group is heading, is incompatible and unsupportive with the current organisational philosophy, then the group won't be a productive one.

If the management thinking is about the groups are similar to theory X, then the chance that the group will flourish will be really less (West, 2007).

Dynamic Factors

Understanding the group's given work will make the group to be work well rather than the membership of individuals (Hall, 2005: p. 204).

b)

In the context which I have faced, the recent activity was organising an sports meet in the university, from which many practical aspects are possible. The group consisted close to 50 members and they were of different mind sets. When deciding the venue for the meet, the clashes began to happen. According to the Tuckman's model the storming era began where lot of conflicts arise. Also there were lot of disregards occurred. Therefor membership factors were at a high risk. Also the academic person who was in-charge always discouraged us about the group cohesiveness. The external factors made the task even worst.

4. 3) Technology and teams

Current technology has made a dramatic impact to the team development. With the penetration of the internet the concepts such as network teams where people with different geographical Ares are brought together, swiftness of communication though video calling and emailing, has increased significantly. Therefor the frequent meetings, quick decision making is now possible according to Gibson and Cohen (2003).

Conclusion

According to the facts gathered, the knowledge of relationships within an organisation, and its theoretical background, are essential for better human asset controlling. Specially in the parts of teams and leadership, the level of knowledge about the human behaviour in teams and the level of understanding about their motivation are so vital. Therefor the above facts provides a clear understanding about the relationship management essentials.