

Organization behavior assignment



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Executive Summary In assignment represent my research on The Ritz-Carlton and Marriot Inc structure, Culture and Values and the direct implication on the organisation Strategy, Staff, Skills and Style.

Using the Mckinsey 7S to highlight the direct consequence of the shared values, structure and culture on the any organisation. Followed by formal definition, methods and theory on organisation structure, culture and values, with analysis of each organisation and the evolving of its history includes analysis of the 3 elements and highlighting Organisation Behaviours and Management Change The findings suggest that these organisations are at similar ends of the organisation spectrum.

The Ritz-Carlton is keeping in step with the demands of its mission maintaining an organic, organisational structure and values, however lacks the understanding of the local culture. The Marriott is strong in culture however frustration and confusion in the international level of cooperation due to the Matrix structure. A proposal for change within The Ritz-Carlton highlighting the strategies of adopting the local culture to support the organisation strategy, and a proposal for Marriot Inc, for an international level restructuring which improves the management performance

Introduction In this assignment, the study will analysis two organisation The Ritz-Carlton hotel and The Marriott Inc Hotel, the nature of there organisation , with a view to determining the extent to which structure, culture and values impact on organisation al behaviours. Starting with Mckinsey 7s model we display the important binder between Structure, Culture and Shared Values

of the companies and analysis their effect on the organisation and the important role affecting on the 4 elements strategy, systems, staff and style.

A conceptual background outlines the theoretical principles, which underpin the interpretation given to there organisational attributes. This sets the stages for historical review of the evolution of the organisations and provides data for comparative analysis to be made. This assignment culminates in a proposal for change and change management within the Ritz-Carlton and Marriott Inc and summarizes the critical assumption, key action area and evaluation measures to be taken Data was collected from literature reviews, personal observations, and interviews with key respondent.

Research Methodology The assignment conducted using a variety of methods 1. Literature reviews 2. Interviews with key respondents 3. The Mckinsey 7S model to display the importance of Structure, Culture and values in the organisation 4. Introduction on each of those elements to clear the scope of each within the organisation al 5. Research on the company and their history and analysis the factors Theoretical Background Mckinsey 7S model was born at a meeting of the four authors in 1978.

It went on to appear in “ In Search of Excellence” by Peters and Waterman, and was taken up as a basic tool by the global management consultancy McKinsey: it’s sometimes known as the McKinsey 7S model. Figure1-the McKinsey 7s Model Source Peters and Waterman (1980) To be agile and responsive to the customer, the business processes need to be re-engineered and the new mediums exploited to the full. All parts of the organisation will need to make adjustments, with departments and

individuals reviewing their capabilities in the light of the new commitments to customers.

McKinsey's 7 S's Model provides a useful framework for reviewing the impact of change. Values form a common framework to guide decision making, a formula for success as exhibited in OB & CM5) Organisation Structure The traditional approaches to organisation structure are largely vertical or pyramid in form. They include what commonly called the functional, divisional, and matrix structure. Newer approaches are more horizontal in character and includes team and network structure According to Kotter and Heskett (1992), the structure is the system of network communication and authority that link people and groups together.

Organisation structure formally defined by Schermerhorn (1996) the system or network of communication and authority that links people and groups together as they perform important tasks. It is the way in which the various parts of an organisation are arranged to both divide up the work to be done and coordinate performance results. A “ good” structure dose both of these things well and are an important asset to an organisation. Reference to Shchermerhorn (1996) Restructuring a team refers to chaining an organisations structure in an attempt to improve performance.

Moreover, La Wrence and Larsh (1967) said that the structure of the organisation structure could be influenced by number of factor including size, staff, the nature of business, environment, age of the organisation and management. Organisation Culture Organisation Culture, defined by noted scholar and consultant Schein (1995) as the system of shared beliefs and

values that develops within an organisation and guides the behaviours of its manager. According to Kotler (1993) the corporate culture is the shared experience, stories, beliefs, and norms that characterized an organisation.

Moreover, Schermerhorn (1996) has called the corporate culture that can give the organisation important meaning and direction to the day-to-day behaviours of its member. It serves as a background force and has the potential to shape behaviours, reinforce common beliefs, and encourage members to apply their efforts to accomplish important organisation objectives. Organisation Culture, in this sense, can become a major competitive advantage- if it supports strategy and if it is properly aligned with challenges in organisations environment.

Managing organisation al culture on there terms is a formidable but important task. Moreover Pine (1993) introduces the culture as broadly stated; as two levels of culture in organisation –the observable culture and the core culture. Observable culture according to Schermerhorn (1996) is what one sees and hears when walking around an organisation- as a visitor, a customer, or an employee. It can be seeing as the way people dress at work, how they arrange their offices, how they behave toward one another, and how they talk about and treat their customer.

More specifically, it is found in the following elements of daily workplace affairs. •Stories •Heroes •Rites and rituals •Symbols At the foundation of what one directly observes daily in an organisation lays a second level of culture- the reason why things are this way. This is the core culture, it consists of values, or underlying belief that influence behaviours and actually

gives rise to the aspects of observable culture just described. Values are essential to strong culture organisation and are often widely publicized in formal statements of corporate mission and purpose.

Core organisational values typically emphasize special themes such as performance excellence, innovation, social responsibilities and ethics, worker involvement, and quality of work life. Organisation Values Hall (1990) formally defined values as broad beliefs, preferences, viewpoint, and inclinations forming a person's approach to the surrounding world. Moreover Hofstede (1984) has added one recent description of work-related values notes that individuals may vary in their basic inclinations toward achievement, concern for others, honesty, and fairness.

The sources of individual values tend to lie in the combined influences of family, friends, teachers, and other with whom someone is closely associated. Values also derive from culture and experiences, with important foundations set in one's early childhood. In contrast Conklin, Jones & Safrit, (1991) referred to similar arrangement " An organisational value is a concept or idea that is held in high esteem by the members of an organisation and that shapes the organisation ' s philosophy, processes and goals. Rocket (1973), observed that values are a product of our individual experience.

Consequently, we may organize separate values into identifiable groups or value systems based upon our daily experiences in our respective personal and professional roles. One value system guides our interaction with life partners and family members. Another values system determines how we behave in the work environment. And still another value system influences

our enduring nature of values and value system arises from the fact that they are neither completely stable nor unstable, but rather evolves continuously according to our changing physical, social, and emotional.

The organisation values come to describe the mission of the organisation and the reason of being, and the basis for development of all subsequent goals and plans reference to Daft (2003). The Ritz-Carlton LLC The Ritz-Carlton Hotel Company, L. L. C has structure evolved ones since it was established from Centralised to Decentralized structure. The history of the cooperation which was originates with the 1983 purchase of The Ritz-Carlton, Boston by William B. Johnson, and the purchase of rights to The Ritz-Carlton name.

The standards of service, dining and facilities of this Boston landmark serve as a benchmark for all Ritz-Carlton hotels and resorts worldwide'. (The Ritz-Carlton 1999, see appendix 2) The legacy of The Ritz-Carlton, Boston begins with the celebrated hotelier Cesar Ritz... the “ king of hoteliers and hotelier to kings. ” His philosophy of service and innovations redefined the luxury hotel experience in Europe through his management of The Ritz in Paris and The Carlton in London. In 1995, The Ritz-Carlton was jointly acquired by Marriott International Inc. o achieve their strategy of entering the luxury hotel segment of the industry; the takeover/merger occurred in 1997, the company quickly grew from this one hotel in 1983 to 51 Hotels worldwide (32 City hotels and 19 resorts). Values The Mission/ the Moto We Are Ladies and Gentlemen Serving Ladies and Gentlemen. (The Ritz-Carlton 1999, see appendix 2) The Vision / Credo The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission. We pledge to

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provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience.

The Ritz-Carlton experience enlivens the senses, instils well-being, and fulfils even the unexpressed wishes and needs of our guests. ” (The Ritz-Carlton 1999, see appendix 2) At The Ritz-Carlton, our Ladies & Gentlemen are the most important resource in our service commitment to our guests, by applying the principles of trust, honesty, respect, integrity and commitment; we nurture and maximize talent to the benefit of each individual and the company. The Ritz-Carlton fosters a work environment where diversity is valued, quality of life is enhanced, individual aspirations are fulfilled, and The Ritz-Carlton mystique is strengthened. With the organic style management, everybody was responsible and accountable for the entire project- this encouraged team work and created harmony among teams. This allowed the organisation to adapt more quickly to changes. The decisions were made fast because there was no need to get approval from the top of the hierarchy”, according to Daft (2003). Structure At The Ritz-Carlton all the General Managers were trained in the craft and qualified as examination to become craftsmen. The innkeeper – the master- then delegated much of the managing for quality to the craftsmen, subject to nspection and audit by the master reference the General Manager use to be involved and the main decision maker at the hotel. the size of a hotel and its organisation sharply increased. The resulting large hotels required functional departments therefore The Ritz-Carlton had evolved from centralized to decentralized organisation when the company entered the 20th Century, the innkeeper –

now a general manager-delegated to each functional department head the responsibility for quality, for performing the function correctly.

According to Daft (2003), “ decision authority us pushed downward to lower organisation levels” Moreover, with the emergence and growth of technology, hotel product and process became increasingly complex. To deal with there new complexities the hotel industry adopted the principle of separating planning from doing. Planning of the various department was delegated to division and department heads (e. g. food & beverage managers, Rooms executives, Purchasing Directors, etc.). This was the external pressures for change as exhibited in ORGANISATIONAL BEHAVIOUR & CHANGE MANAGEMENT (p. 2). Culture The Ritz-Carlton Culture is providing warm and sincere greeting. Use the guest name if and when possible, anticipation and compliance with guest needs, fond farewell, give them a warm good-bye and use their names, if and when possible. Because of the complex nature of the hotel business, problems are bound to happen. The Ritz-Carlton however has a unique way of handling difficulties. Each employee is requested to “ never lose a guest” instate guest pacification is the responsibility of each employee.

Whoever receives a complain will own it, resolve it to the guest satisfaction and record it” as in basic number 13 (The Ritz-Carlton 1999, see appendix 2) each employee is empowered of up to 2000 USD to solve any guest problem which make the organic system that the Ritz-Carlton have that “ permit the groups to make the decision within prescribed limits” as exhibited in Daft 2003. Focusing at Dubai Ritz-Carlton I have found during my interview with Ms. Jreissati (2003) that The Ritz-Carlton employees are highly motivated

and displayed high-quality technical problem solving and excellent coordination within their teams.

The energy and momentum of the launch was still driving people who continued with the “ sense of belonging” which has been translated to a great customer service, that we as an organisation at Dubai Internet City had a great experience dealing with the Ladies and Gentleman’s from The Ritz-Carlton. However one of them are having a problem with local culture , as exhibited in (OB & CM p. 90) when the operation started in 1998 all team member were recruited from abroad. In six months the management had culture-shock which put the management under.

According to Daft (2003) “ frustration and anxiety that result from constantly being subject to strange and unfamiliar cues about what to do and how to do it, even simple daily events has become source of stress”, the unfamiliar management with local culture and behaviours toward people has effected the management and developed a negative reputation, for example dealing with the Rulers Family across the UAE in the local culture is different to any guest of The Ritz-Carlton failing which had created a lot of conflicts between the management and the guests

Marriott International. The Marriot hotel company started in 1927 when J. Willard Marriot opened a nine stool A&W root beer stand, which they later called THE HOT SHOPE Structure

At this stage the organisation had flat and centralized structure, according to Daft (2003) “ this kind of structure is fast response, flexibility, foster concerned in customer needs, excellent coordination across functional

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departments, easy pinpointing of responsibility for product problem”, added to the “ centralization which support better decision that support the keep the balance between department in THE HOT SHOPE case was between shops, and standardized policies, procedures” Responding to the market demand the company started Airline Catering business begins at Hoover Field in 1937.

In 1939 Marriot lands its first food service management contract with the US Treasury. During the second war business demand had increased more; Marriot had several contracts signed with the government to cater hospitals schools and university as exhibited by Leicester university management people and organisation research (2003). In 1957 Marriot opens its first hotel in Virginia;. Later 1965 Marriot foundation established and changed the corporate name from Hot Shoppers Inc. o Marriot Cooperation, and opened 4 more hotels and resorts. By 1969 was the international expiation for Marriot when they opened their first international property in Mexico. In this stage the organisation structure has evolved from Flat “ small family business” structure to a holding company with Matrix structure Marriot has started obtaining management contracts, that was one of the external pressures for change for “ globalization “ as exhibited in Organisational Behaviours & Change Management (p. 2) the company evolved to Matrix structure, where the functional manager and a project or groups manager, all the hotel report to the General manager, however few functions had to be reported to the head office in the US as well, such as Sales and HR, the “ Matrix structure see Figure 2. Matrix structure supported the organisation to “ go over the complexity of multinational corporation, plus the flexibility offered by the

matrix concept helped accommodate cross-national difference as well as allow the for multiple product, program, or project orientations” as exhibited by Daft 2003.

Matrix structure are often found in organisation pursuing growth strategies in dynamic and complex environments more advantages such program manager for customer service to respond to question and provide status reports, and address problem. Better accountability which identifies program manager how can be held accountable for performance result, improved decision making by force it to team level, where the best information exists. ” Schermerhorn (1996). The Marriot Inc. Values analysis Marriott Mission Statement

To be the leading business and conference Hotel, we will surpass our guess expectations, by providing exceptional service through dedicated and empowered association With an interview with Mr. Ian Fleming , he believed that Marriott foundation puts people first—the foundation of Marriott’s success for 75 years. Marriott’s enduring belief is that our associates are our greatest assets. Marriott Culture is the experience we create for our customers which is demonstrated by the behaviour of our associates.

It is people serving people The Marriot Inc. Culture analysis Marriott’s core values drive the culture. Our culture influences the way we treat associates, customers and the community which impacts all our success. In the words of J. W. Marriott, Jr. 1964, “ Culture is the life-thread and glue that links our past, present, and future. ” It is the Marriott experience. We do whatever it

takes to provide our associates with the utmost opportunities, and our customers with superior service.

The Marriott's reputation for superior customer service rises out of a long tradition that started with J. Willard Marriott's simple goal for Hot Shoppers to provide " Good Food and Good Service at a Fair Price. " According to Clooms (1998) At the Marriot they do whatever it takes to take care of the customer and pay extraordinary attention to detail moreover take pride in their physical surroundings and use their creativity to find new ways to meet the needs of customers. There is a " Marriott Way. " It's about serving the associates, the customer and the community.

Marriott's fundamental beliefs are enduring and the keys to its continued success this is the core values of the organisation Comparative Analysis It's clear from the comparative analysis chart that Ritz that focus which delivers its strategy however due to the flat and organic system sometime produces loss of clear responsibilities and slows Innovation in response to environment the proposal is to understand and adjust to acquire the local culture which help creating better of view and not loosening the total system Perspective according to Schermerhorn (1996).

The flexible structure helps improve participation by management and staff; moreover it improves the quality of services with high degree of delegation it will help to immediate reaction to the customer need The Marriot Hotel has Frustration and confusion in the international level of cooperation due to the Matrix structure which that create sort of dual chain of command and a high

conflict between two sites of the matrix and power dominance by one side of matrix” Daft 2003.

The proposal to move to team based structure to improve their performance which improves decision making and all problem solved by down level teams that improves strategic management which keep the top management free from routine decisions and enables them to devote their time to more strategic management concerns” Schermerhorn, Jr 1996 The Ritz-CarltonMarriott Strategy Customer Focus Product and customer Focus Structure Flat Organic Flexible Decentralized Customer Focus Matrix structure Formal Flexible Centralised Hierarchical Customer Focus StylePlanned Planned

SystemVisible, shared system, function based Function based, integrated data open system Technology Staff Flexible, empowered Professionals dedicated to excellence in own discipline Skills Experts in relevant disciplinesTask-based, product specialization Shared ValuesShared Values Shared Values Culture Customer Focused Quality service focus People focused Independence Helpful Putting People First Best service focused Customer originated The company actively supports the community and encourages associate volunteerism through a variety of organisation s

Accommodatingly The Ritz-Carlton Culture Devise Proposal. Problem Statement Unfamiliar management with local culture and behaviours toward people has effected the management and developed a negative reputation Goal Devise a strategy for change with a view of the local culture to improve the customer service level and deliver the mission Objectives •Implement

staff training programmes •Revise the overall culture to adopt the local culture •Recruit local experiences Methodology

As per Mintzberg (1994) we are proposing the Emergent approaches:

•Manager cannot necessarily pre-plan change and foresees the consequences of their decisions in an increasingly unpredictable and turbulent environment Therefore, we would recommend the assign an outside consultant to plan and implement the change and train the staff, because General Managers need to become skilled both at scanning the wider environment and at reading their own organisation, in order to match The Ritz-Carlton capabilities to the demands of rapidly changing external condition according to Pettigrew and Whipp (1993) •Change must be driven from the bottom up as well as from the top down The change should conducts on levels, The General Manager middle line Manager “ department’s heads” and lower level or the organisation level.

Bottom-up and consultation are needed from early stages... This process will emerge a more thorough understanding of trends and changes in the environment, of the organisation capabilities, and of the specific characteristics that will help or hinder change. Bottom-up involvement increases ownership of and commitment to change. •It is an open ended and continuous learning process, as well as changes to organisation structure, culture and managerial behaviour This process in turns feeds back information in the light of progress. This process of emerging adaptation and change is ongoing, and should become part of the culture of the organisation. It involves a conscious learning process, as well as changes to organisation structure, culture and managerial behaviours The manager’s

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role within this proposal is not to plan and control change, but to nurture and facilitate change in an open, flexible structure and climate in which employees are well-informed about and committed to action to improve or change the organisation. Marriott Inc Restructuring Proposal Problem Statement Frustration and confusion in the international level of cooperation due to the Matrix structure Goal Devise a strategy for change with a view to raising the level of service delivery and customer care, empowering staff and meeting international best practice. Objectives •To overcome the difficulties in the MATRIX structure •Allows the organization to more quickly adapt to customer request and environment change •Speed decision making Methodology

I would highly recommending Lewin's Ice-Cube approach restructuring Marriott your company from the Matrix structure to Team based structure •Due the fast growth of your company it has sense of urgency to the change for the best of organisation •Support your Snr. Management role •Back up your funding at the organisation •Create an implementation plan •Develop enabling structure •Communicate, involve people and be honest •Reinforce and institutionalize change According to Peters and Waterman (1982), the new organisation is flatter in structure and its role as a directing and controlling mechanism is being taken over by cultures that stress the need for, and facilitate, flexibility and adaptation. The new organisation will seek to develop open, flexible and pragmatic culture, which help to maintain a learning environment that promotes creativity and entrepreneurship amongst all employees

Conclusion Overall, we can find the impotency of the three elements Structure, Culture, Values to the staff and their skills and the system to delivery the strategy and deliver the mission which is the reason of its existence. Culture is the system of shared beliefs and values that develop within the organisation and guide the behaviours of its members. It forms the organisation and provides an understanding to its management and employees of their position and way of dealing internally and externally. Any organisation consists of its structure, policies and corporate culture of which become dysfunctional in a rapidly changing business environment.

Where structure and policies can be changed, the company culture is very hard to change. Yet changing a corporate culture often is the key of successfully implementing a new strategy. According to Morgan(1998) stated, When we talk about culture we are typically referring to the pattern of development reflected in a society's " organisations" system of knowledge, ideology, values, laws and day-to-day ritual. Reference: B. Joseph Pine II, Bart Victor and Andrew C. Boynton " Making Mass Customization Work," Harvard Business Review (September-October 1993), pp. 108-119: Executive Diploma in Management (2000), Organisation al Behaviours & Change Management Cambridge, FT Knowledge Limited Conklin, N. L. , Jones, J. M. & Safrit, R. D. (1991). Ohio cooperative extension services organisation al values questionnaire. Reach instrument for organisation al values study. Columbus: Ohio State University, Ohio Cooperative Extension Service. Daft Richard L. (2003), Management, Sixth Edition, Harcourt College Publisher Edgar H. Schein, (1995), Organisation al Culture and Leadership, Reading, MA: Addison-Wesley. Edward T. Hall (1990), Hidden Differences,

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Appendixes 1 Leadership distribution Diagram 2 The Ritz-Carlton Application Summary 1999, Malcolm Baldrige, National Quality Award. 1999 & 1992 Award Recipient