

# Organizational level outputs



Organizational Level Outputs Outputs Diagnosis Executive Summary The Purpose for this summary is to provide you with the findings of my analysis on Skype's organizational outputs covering the Organizational, Group and the Individual level. Skype is a new Microsoft Division, which provides low cost fee calls to landlines and mobile phone not registered within Skype, using the Peer to Peertechnology and its latest version (5. 10. 0. 15) which has the capability to support nearly any computer operating system including mobile device with the ability to connect to the internet, giving the user the ability to make free Skype-to-Skype calls, Video, Instant Messaging. Skype's customers can be broken down into three main groups: Freemium service users, Low cost users, and the Business category, currently with over 40 million concurrent users online, (Malik, O. 9 May 2012).

With over 800 employees which consist of: Product Development, Sales and Marketing, Site Operations, Customer Support, with most of the development team at its headquarters in Luxemburg and 44% of the overall employees situated in Tallinn and Tartu, Estonia additionally Microsoft announce in mid April 2012 their intention to add 400 new employees which will spread across five major cities starting with London, and Stockholm along with Palo Alto Prague and Tallinn.

David Nadler's and Michael Tushman's congruence Model, explains that organizations are made up of groups and individuals each, responsible for his/her own for outputs in support the overall organization's strategy, (Nadler, D. A. & Tushman, M. L. 1980). Thus, this model will be useful in my evaluation of how Skype's outputs at each level interact with each other, while providing you with my determination of the level of congruence among

the same. Organizational Level Outputs Skype's provides low cost fee calls to landlines and mobile phone not registered within Skype, using the Peer to Peer technology and its latest version (5. 10. 0. 115) which has the capability to support nearly any computer operating system including mobile device with the ability to connect to the internet, giving the user the ability to make free Skype-to-Skype calls, Video, Instant Messaging world-wide, which includes individual and business groups, additionally, Skype sells its own products which include: Microphones, headsets, WiFi Phones to name a few. While Skype's Mission remains unchanged, and maintains its goal to continue to increase the number of users, revenue and profitability and includes four Objectives: 1.

Continue to grow the connected and paying user base. 2. Increase the usage of the free and paid products and to extend the relationship between Skype and its users. 3. Develop new monetization models, to include advertising. 4. Broaden user base to include more business users. Meeting the Goals The figure shows how Skype is meeting the intended goals through the number of individual users as well as business entities which vary from small to medium and the way it has been reaching new customers via the embedded application in appliances such as television sets and other mobile devices.

Thus at first glance it appears Skype is meeting the intended goals by reaching the two groups globally. Group Level outputs Skype's organizational structure is much defined as it differentiates each department: Product Development has consistently stayed up to date with technology and in some cases ahead of the competition since the introduction of video calling, which gained high penetration on handheld devices including personal

computers and other electronic devices, while continuing to develop products for business customers.

Allowing for Sales and marketing to diversify revenue through subscriptions premium accounts including advertising, which through the first six months in 2010 Skype earned \$13.1 million on \$406.2 million of sales representing 25% year over year revenue growth. (Frommer, D. Aug 2010). Site Operations, this team performs routine functions and solutions, these are the employees who ensure people have the roadmap in how Skype operates, as well as planning future operations working along with the development teams handling system interruptions.

Kaili Kleemer Skype's Site Operations Manager includes in the interview her desire to take Skype to the next level which is to move from away from manual software and hardware deployment. " We don't want to be the people who push a button manually and restart the server to fix problems. Instead, we have been moving everything we can to automated systems more closely integrated with the applications our product engineering teams develop. We've been pushing for a move towards Development Operations (DevOps) and working more closely with those teams at the application level. (Skype, June 2012). Customer Support, is Skype's weakest link yet, reports of dissatisfied customers that extend as far back as 2005 and as current as of 17 Aug, 2012. Figure 2. Shows Skype's ranking at 535 out of 553 companies that have a Customer Service Scoreboard.com rating, which depicts Skype's customer service as terrible, while the list of dissatisfaction goes on and on, by now you would have thought Skype could dedicate real people to provide

this service and not the automated response, which is better than no response at all.

Key Individual Functions Individual Skills and Knowledge vary from position and departments for example, software engineering who is assigned to the development department is charged with managing and leading a team of software engineers of greater than six people, improving and developing team processes and engineering practices while working closely with product managers which drive and implement product strategy. Thus the desired output is explicitly upfront in the job description.

Individual performance is sort of unique, specifically for those who are geographically dislocated from the supervisors and is set on goals and reachable outcomes agreed upon by the subordinate and supervisor. (Gonzalez, R; Koizumi, D; Kusiak, K. May 2011). Outputs Congruence Overall the congruence between the three levels, based on my analysis is low and that is because only two of the levels have some form of interaction, at the organizational level and the group level.

While the individual level doesn't seem to have as much interaction as it should, Naddler's concept of congruence requires consistency or fit between each pair of organizational inputs. (Nadler, D. A. & Tushman, M. L. 1980). Therefore to produce an output that meets the overall organizational strategy all groups must fit. In the case of Skype in which the customer service dissatisfaction indicates the individual group is not consistent with the others, in fact there is no clear definition as to who or what department handles such customer grievances.

On the other hand when one looks at the individual functions, the job description does fit into Skype's goals and objectives. However, it appears, when it gets to the actual execution, it is not followed through. Conclusion the Congruence model provides a way for organization to establish processes which allow departments to show that when working as a unit they results can be effective and provides the organization a better way to manage all groups or departments without leaving one behind, as in my opinion is the case with Skype.

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