

Organizational structure culture and leadership case study

[Business](#), [Company](#)



The ultimate decision making organ in the company is the Board of Directors. The primary function of the board is playing an oversight role in the company. In this regard, the Board selects the Chief Executive who has the overall responsibility of managing the company and its business. Two Chief Executives Officers run Chipotle. This is one of them, Steve Ells, couples up as the chair of the Board of Directors. The Chief Executive Officers manage the business on day-to-day basis. In addition, there is Chief Development Officer in charge of developing the company's cuisines. In addition, other developmental needs of the company. There is a Chief Financial Officers in charge of managing the financial and watching over the cash flows. Finally, top management has a Chief marketing officer.

The leadership of the company focuses on offering a focused menu. As such, this forms the culture of the company. It is in this regard that the company does not see the need of expanding its menu. In addition, the company's mission forms part of the organizational culture of the company. The company endeavors of offer food of high quality made from organic raw material. Organizational structure refers to the formal arrangement of people in a given organization together with the available resources and how they interact with responsibility for the available tasks. This is often represented in the form of a pyramidal chart where positions or titles correspond to their roles. The simplest organizational structure is manifested where there is single ownership and a small number of employees. In such a scenario, the arrangement of duties, responsibilities, and communication is quite informal and is normally accomplished through direct supervision. However, such an arrangement can be very demanding on the owner and may affect his

performance. This type of arrangement is however very common in this country and the world in general. It is the same structure employed in this company where the founder is also the chairperson and doubles up as the co-chief executive.

An organizational structure can be described as being functional only when all the tasks, human resources, and technologies that are critical for the work of the business have been grouped into separate operational entities. For instance, there can be marketing, operations, and finance, and all these must establish formal procedures requisite for coordinating and integrating their organizational activities to provide the core business products and services. In the event that one of the functional groups fails to operate smoothly, chances of affecting the other entities are high and may bring the whole organization to a halt.

Organizational culture on the other hand refers to a set of important assumptions that are often unstated that all members of the organization are expected to share. Every organization has its own culture where assumptions become internalized from continued interaction between individual members. It is very important to shape the organizations culture. Some of the avenues one can use in shaping the organization's culture include emphasizing the key themes and dominant values. Dissemination of stories and legends about the organization's core values should also be encouraged. Whenever certain values and beliefs are desired, it is necessary to institutionalize them and to adapt some common themes in their own way. It is up to the top management to shape the culture of the organization

through passion, reward systems and a careful execution of strategies designed to bring about change, regardless of the risks that may be inherent.

The role of leadership is to ensure commitment among all the people in the organization as well as all the stakeholders outside the organization towards embracing change and implementing strategies designed to bring about change and to steer the organization towards a very different and unpredictable future. With a rapidly changing business environment, there is every need for a new crop of leadership that can understand the dynamics easily, and to quickly adapt to ensure the firm's set targets and objectives are met. These new leaders will be global managers, agents of change, strategists, and collaborators and to provide motivation while making decisions to ensure the business not only survives, but also prospers. Also, with today's need for fluid, learning organizations capable of rapid response, sharing and cross-cultural synergy, there is incredible demand on leaders to ensure they bring competencies to the organization.

The company has failed to embrace change and expand the menu. This has affected negatively its ability to respond to a changing business environment since there is every need to be dynamic and responsive to the changing environment. The distinctive nature of the menu endears the company's restaurants to their customers. In addition, changing the customer experience in fast foods formed the basic reason for opening the restaurants. As such, the continual embrace of the same by the management and leadership has become a culture to the company.

Key Strategies Issues

The firm's structure is not facilitating effective strategy implementation. As such, there is stagnation in the sense that the company is not in a position to expand its menu and to diversify what it is offering. In due course, this strategy might see its competitors dig deep into its customer base and reduce revenue flow. This also implies that the top management lacks passion in the leadership sense, that is, there is no high motivation and commitment to what needs to be done. Similarly, the leadership has to look upon the managers as people who can execute these strategies regardless of the risks that are involved. They are needed to be risk takers and not necessary risk averse. This is in line with today's demands for a business to be ready to cope with the complexities that change inevitably brings.

Strategy Implementation

Strategy implementation refers to the translation of the strategy that has been chosen into action in order to achieve the set goals and objectives. To effectively implement a strategy, there is need to ensure that the company has the potential to carry out that strategy with guaranteed success. There is need to allocate enough resources for effective implementation and policies that support implementation must be put in place (Heathfield) . Many top managers also fail to link rewards with a successful implementation. For these reasons, any strategy will fail at the implementation stage however well it has been formulated. It is also very important for the organization to link implementation to the structure, culture, and leadership. What is needed for a strategy to be well implemented therefore entails full support from the top management in collaboration with all employees. There is need for clear

communication of the strategy as well as a detailed analysis of the organization's plans and the part to be played by employees.

A company's culture is crucial to implementation of any strategies (Wheelwright and Clark 34). The fact that the culture of the company has been followed since its inception is enough proof that the culture enables implementation of strategies. Thus, the top management is able to look at the managers of the restaurants as another source of leadership. In effect, the top management is able to accept risk. In addition, their ability to cope with the complexities that bring about change grows stronger. This factor underlines the importance of passionate leaders in the top management of the company that enhances easier implementation of the strategies aimed at growing the company. Moreover, the embedded culture becomes essential for the change factor.

The company's acceptance and recruitment of new leaders evidence enough of its ease in implementing strategies. It is evident that, new leaders are agents of change. In this regard, the company's policy of getting new leaders who came with other strategies underlines a culture of easy strategy implementation. However, new leadership alone is no panacea for effective strategy implementation. The company has to ensure that the problems that accompany change are addressed from the beginning. Employees generally resist change for different reasons and some may deliberately sabotage the management to ensure that the status quo is maintained.

In the course of these changes, the management must be aware that new power relationships will emerge, and they may be formal or informal. These

groups' chosen values, attitudes towards work, beliefs, and fears are not well known. The top management may therefore be called upon to confront them on this. The top management has to ensure that all stakeholders are incorporated in the eventual implementation of strategies.

Recommendation

The company's leadership, structure, and culture fully promote effective strategic implementation. There is no need to change any of its structure or culture since it is already open to implementation of new strategies. In addition, the leadership needs also not to be changed. The passion of the leadership is crucial to the culture and structure of the company. The fact that the Chairman/Co-Chief Executive Officer is the founder of the company works in favor of the company's culture in instilling a sense of implementing new strategies. It is also evidence that based on the success of the company; the culture of the company has been that of openness to risk and new ideas and learning how to cope with them.

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