

Sample essay on structure, change and stress

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



Structure, Change and Stress

Management, like any science, is based on the basic definitions and before revealing the content of this work it is necessary, first of all, to establish the content of such terms as "organizational structure" and "organizational culture".

The organizational structure is regarded as a logical relationship between management levels and functional areas, providing the most efficient ways of achieving the organization's objectives. According to Dauber, Fink, & Yolles (2012), "Structures are the manifestation of strategic orientations and regulate information flows, decision making, and patterns of behavior."

The general scheme of the company's organizational structure is essential for determining the status of the organization towards its economic, legal, administrative and management activities.

The organizational culture, in turn, is considered as both the atmosphere and social climate of the organization directly affecting the achievement of its objectives and influencing its structures' design.

Therefore, the organizational structure sets boundaries of the company's departments establishing formal links between them as well as it has the role of the company's "backbone" whereas the organizational culture is the company's "soul" which sets the invisible levers guiding the actions of its members. According to Schein (1985), "Organizational culture represents underlying, unobservable assumptions, which constitute the basis for every organization. Organizational strategy provides rules, norms, and regulations, which are set into effect through organizational structures."

The organization's culture is formed as a reaction to two groups of problems

faced by the company. The first group consists of the problems of integration of internal resources and efforts. The second group includes issues that have to be solved within the process of interaction with the environment. This broad range of issues is related to the formulation of the company's mission, goals objectives and their approaching. Thus, in a broad sense, the task of manager is to choose the structure that best meets the goals and objectives of the organization, and the impact of the internal and external factor on it. Considering organizational culture, one of the most commonly used models is the Organizational Culture Assessment Instrument (OCAI) proposed by Kim Cameron and Robert Quinn, where they described the four main types of culture: hierarchy, market, clan, adhocracy.

Meanwhile, management theory distinguishes several basic types of organizational structures, namely: linear - a simple hierarchical structure, which consists of the head and multiple levels of hierarchy; divisional - the organization is divided into separate elements (divisions), each of which represents a particular line of business with some divisions having sufficiently broad autonomy; matrix - the basis for building a company based on two areas of management: vertical (management of the organization's structural units) and horizontal (management of individual projects, programs).

At first glance, it is logical to assume that there is a strong correlation between the type of organizational structure and the type of organizational culture. This opinion is based primarily on the essential assumption that the primary organizational structure generates the appropriate type of organizational culture.

Management can pay more attention to flexibility, adaptability, agility or, conversely, control, stability and predictability; On the other hand, management may attach greater importance to the external representation of the organization (customer relations, image, etc.) or internal processes in the organization, integration. Thus, it turns out that the clan culture focus on flexibility, integration and identity, adhocracy - on high external positioning and flexibility, hierarchical culture - on stability and control, while the market culture focuses on differentiation and external positioning.

Hierarchy type of culture is characterized by a high structuring and formalization, great attention to procedures. The organization brings together the official policy and formal rules. This type is especially inherent in large organizations, mostly public ones, having many hierarchical levels and standardized procedures. Market culture is focused on the external environment, rather than on its internal affairs. In contrast to the hierarchy where the rules of internal control is maintained along with specialized tasks and centralized solutions, the market type of culture focuses is on transactions with external customers and achievement of competitive advantage. The main purpose of the organization is a victory in the competition, market dominance. Core values are competitiveness, productivity, entrepreneurship, aggressiveness, individualism. Clan culture is imbued with shared values, solidarity, partnership, teamwork. Commitment of staff becomes part of a culture's fundamental values. Adhocracy type of culture relates to organization capable to be flexible and react quickly to extremely turbulent external changes, combining the principles of innovation and encourage creativity. As a result, the linear organizational structure is

inherent to hierarchical type of culture, divisional - market and (or) clan type of culture, matrix structure - adhocracy type of culture, though such a division is not rigid.

At the present stage of economy and having in mind the recent world economic crisis, it can be assumed that changes in organizational structures, as a way of survival of the organization, will change the inherent pre-crisis types of organizational cultures. According to McCinnon (2013), " A strong and clear culture can give everyone the proper framework to work within." Thus, it can help to ensure better communication and improve decision-making process inside the company.

However, every organizational structure is formed on the people who carry basic cultural values of a particular society, and, thus, the civil society culture put pressure and forms the organizational structure and culture of the organization, according to Sagiv and Schwartz (2007).

Better Works, the company located in Palo Alto, California, which aims at improving companies' operational excellence is an example of the relationship between the organizational structure and culture. Part of the company's organizational structure is a special incentive system in which special algorithms analyze the behavior of employees in order to recommend management what they really want (for example, going to the bowling for the sales department). Special software analyzes the results of the work resulting in broad and developed bonuses system for staff. According to Business Wire (2014), " Better Works adapts to the needs of today's measurement and metrics driven culture by providing real-time feedback and powerful insights on how work gets done." In September 2014 the

company has announced \$15.5 Million Investment by Kleiner Perkins Caulfield & Byers. This result indicates the strong enhancement of organizational culture: improvement of communication between employees and departments, formation of basic understanding of the company.

One of the major problems faced by any organizational system is that at some point in time it is unable to cope with changes in the market and, therefore, is forced to abandon outdated forms of structural organization. Every few years, the organizational structure, procedures, approval of resolutions change with diminishing negative consequences as a result of partial functions reorganization at different time. The practice of constant reorganization shows that the benefits associated with this system are enormous. The system allows to shuffle organization's structure, enhancing it or removing unnecessary things while enabling many people to expand their professional experience. Hence, the main changes that may be used by the company are as follows: surveys of public opinion; skillful maneuvering of human resources through early workers retire, constant retraining and reallocation of labor between the various departments; stimulating workers' initiatives in solving common tasks; selection of new managers from among the employees, without outside searching; forming business climate through the use of project teams as the basic structural unit of the company and so on. McCinnon (2013) suggests, " Communicate your values and culture explicitly and continuously, both internally and externally. Employees must understand your culture, and why it's important. Reward employees who advance your culture, and be open and honest with those who don't."

Therefore, each organization, consciously or unconsciously, determines its

own system of values, which is the organizational culture. The organization usually seeks to have its own morality, customs and taboos, which ultimately forms inherent individual ways of conducting business. Accordingly, a certain type of organizational structure forms a type of organizational culture. As the organizational structure should ensure that the objectives (mission) of the organization, and in times of crisis even provide survival for the organization, the organizational restructuring will inevitably cause a change in the existing types of organizational culture. Consequently, environmental factors directly affect the adaptive mechanisms of the organizational structure adjustment, followed by the qualitative change in the pre-crisis organizational culture. Accordingly, a qualitative change in the organizational culture, as an essential element of its internal environment of the organization, is crucial for the organization's survival in times of crisis. Investigation of interrelated processes of adaptive changes in the organizational structure and culture in times of crisis is a promising and perspective areas of science management.

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