Good example of corporate culture preference essay

Business, Company

While organizational structure refers to the makeup of positions, responsibilities and power in a company, the design is the strategy employed to realize its goals. In a sum, structure is about long term plans as opposed to organizing. It must be understood that creating an organizational structure is a complex process that takes time and tedious work. Perhaps one of the biggest challenges in creating an organizational link in a company is the tasking duty of creating a highly organized system of supervision. The creation of supervisory roles enables the upper management positions to have the ability to oversee the junior employees. Effective organizational structure is helpful in the effective management as well as coherent worker relationship (Fineman, & Gabriel, 2010). This means that in order to create an effective organizational culture, a company must have an organizational culture also called corporate culture. The question is what is a corporate culture?

Corporate culture plays out in various ways. Company’s culture can be distinct in ways such as the way they handle communication, feedback, project coordination, or customer relations (Kotter, 1992). In some cases, corporate culture is visible in the way an organization is structured. Some companies emphasize servant leadership while others focus on teamwork; others promote basing on appraisals while others promote basing on future objectives. In many cases, culture is also defined by the nature of the competition and by the desire of the company to be like the rest or to form a unique identity (Schein, 2009). Schein (2009) argues that the articulation of a corporation’s culture would be meaningless if a strong leadership is missing. Leaders of a corporation must be aware of the required culture in a corporation and determine ways in which the culture is understood by all sections for the firm.

The control model of organizational structure refers to an organizational design where there is extensive departmentalization, high formal structures and clear chain of command. This system is also characterized by narrow spans of control, limited information and network. In short, control structures do not allow low-level participation in making decision that affects the company. Most state governments apply the system of mechanic organization design. The other example is called the relationship model of communication. The relationship model of communication works with cross-hierarchical methods and cross team functions. This process has low formal process and possesses quite a comprehensive information network. In some cases, high-tech firms that specialize in the early years before going big operate on more organic methods for making decisions. I will use the case of McKinsey and Co to illustrate how the idea of external environment can affect the structure and designs of corporations.

McKinsey & Co is a global firm of accounting and engineering advisors. It was founded in 1926 by James McKinsey, a professor at the University of Chicago whose business and creative mind was able to transform this small consultancy firm to be a leading global player. Mac's ability to change the company was made possible by his focus on training, use of skilled personnel, and his global orientation. After establishing his company, Mac started by hiring experienced executives that knew their way around managing. In order to ensure that the McKinsey & Co was successful, Mac created a systematic approach system that trained his new hires on how he wanted the company to be managed.

After almost three decades of unrivalled success in consultancy, McKinsey and Co faced challenges from an economic crisis of 1970 accruing from the famous oil spill, the changing dynamics of business in terms increasing number of sophisticated client demands, and mainly the rise of competition from the Boston Consulting Group. Although unanticipated, these changes caused a reduction in profits and growth of the consultancy company. The company had to change its strategy and design to sail through these changes.

A change of the strategy was thus imminent. As a result, a commission set up to investigate the cause of the company’s poor performance reported that the company’s woes were a function of neglect of development of professional skills as a result of unchecked expansion, and lack of specialized expertise for key cases. Ron Daniel was thus elected as the Managing Director for McKinsey & Co. The first thing Ron Daniel did was appointing a new director of training. In addition, Daniel adopted structural changes that he and his fellow directors had implemented in the New York office. Ron Daniel’s was able to reenergize the working system of McKinsey to adapt to the new system of doing things that was new to the company. He advocated for formal ways of doings things in the areas of strategy, organizations and operations to counter the completion from BCG. Ron Daniel also worked in a group that he called “ Super Group” led by a critic of the traditional method called Fred Gluck to work on new ways of consultancy. Together with hiring new recruits, for example, a PhD holder Tom Peters, Daniel was able to revitalize the growth of McKinsey and Co

Contemporary corporate management research, accruing from command theory, premise on identification of mechanisms that are pivotal to the alignment of interests between managers, owners, workers and influence of such mechanisms on the firm’s performance on strategic decisions. The success of this logic accrues from the understanding that efficient government mechanisms leads to reduced agency costs that increase financial performance. However, contemporary challenges arising from the need of social satisfaction has led to a school of thought reasoning that command theory is not complete, there are at least two agendas that must be completed before the full acceptance of the theory.

Corporate governance correctly directs its efforts on the firm’s resources and capabilities because of inefficient accumulation and deployment of the available resources that are key to the agency challenges. The presence of inefficiency usually comes as a result of misalignment of manager’s motivation that hinders utilization of firm resources and capability towards realization of full value. For that matter, corporate governance must be examined from the basis of the firms profile as well as its capabilities. Similarly, it is important to take note that firms work for profit. Firm must undertake competitive actions to achieve economic gain. While understanding corporate governance on the firm’s competitive ability, it must be understood that actions must not comprise the premise even as they seek ethical decisions. Perhaps one reason why many people quit their jobs has to do with the disregard with the company’s structure Weinstein, A., & Johnson, W. (1999). People would love to work where they belong, and if that is happening, productivity will be low and the general quality of work will reduce

Another important aspect of corporate culture is the measure of competency. Competency refers to the behaviors that individuals possesses or must possess to perform work. Competency, therefore, focuses on the individual's input and the outcome thereof. Measuring competency requires what is usually defined as competency structure. The competency structure is a framework that defines the company's expectation on each individual. According to Taylor (2007), contemporary frameworks are gaining ground in corporations all over the world. Over sixty percent of organizations have established company framework for their employees. Forty eight percent of companies that have not established competency are planning to do s in the coming years. Competencies framework cultivate skills such as communication skills, people management skills, team skills, and competency skills that are vital for the success of companies to today.

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