

The history of pluto telecommunications business essay



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Pluto Telecommunications. As a result of the 3 main departments within the company, namely, Sales, Marketing and Customer Service, working in isolation without the necessary interaction with each other and due to Pluto Telecommunications increasing in size quite considerably over the past year, Pluto is potentially losing sales accompanied with an increase in customer complaints.

The IT or Telecommunication industry is ever changing and evolving which requires the business to adapt to these changing conditions to compete and grow in this competitive market. To this end the various departments within the company, although performing separate functions relatively well, need to work as a collective to achieve these goals. It is clear there is a lack of horizontal communication and a lack of sense of unity between departments.

QUOTE!!!!

To this end the various departments are not updated on new product launch, resulting in poor customer service.

Each department offer a form of reward scheme but is somewhat unfair and need to be brought closer together.

Analysis

The four major factors which influence how an organization is structured is effectively the organization size, technology, the environment and lastly strategic choice and organizational design.

The contingency approach to organization structure argues that an organization, to be effective, must adjust its structure in a manner consistent

with the main type of technology it uses, the environment within which it operates, its size and other contextual factors (Andrzej A. Huczynski et al., 2007).

Uncertainties pose major challenges to rationality, and Thompson (1967) argues that technologies and environments are the basic sources of uncertainty for organizations and therefore requires teamwork from the different departments in order to solve the problems.

When looking at technology, Charles Perrow categorized technology according to the level of predictability of tasks. Perrow built on the studies of both Thompson and Woodward that challenged classical management's belief in the existence of universal principles to structure effective organizations. Perrow focused his research more on the non-routine aspects of technology than Woodward and Thompson. [Reference]

When analysing Charles Perrow's classification of types of technology, we can see that Pluto Telecommunications slots into the low task variety and high task analyzability category, resulting in the organization requiring a more structured form. This is further supported by the rapid growth of the company over the past 12 months, becoming structurally more complex. Perrow Quote!!!!

It is apparent that the departments do not have a clear view on the corporate strategy and therefore work only within their own departments boundaries. It should be the responsibility of top management to feed this strategy down through the ranks whilst setting the relevant targets to continue gaining market share.

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Although the goals and ambitions between the various departments differ, due to different behaviors and attitudes, which ultimately drive departmental goals, there is the need for some integration between departments to achieve the corporate strategy. It is clear from this typical isolation that none of the departments feel responsible for the overall results of the company.

As we are aware Pluto Telecommunication falls into the constantly evolving technology industry, the external environment would be another factor influencing the organizational structure. When operating in these environments, there is a constant change in product markets and process technologies which brings a degree of uncertainty.

According to Emery and Trist's four types of environments, Pluto Telecommunications would fit into two of these categories, firstly the 'Disturbed, reactive' category but more so into the 'Turbulent field' category. 'Turbulent field' is categorized as a fast moving technological uncertain environment where companies need to be ever evolving to maintain constant growth. Emery, F. E. (1965) states that the main problem in the study of organizational change is that the environmental contexts in which organizations exist are themselves changing, at an increasing rate, and towards increasing complexity.

Burns and Stalker further explored the effects of environmental uncertainty resulting in both the Mechanistic Structure and Organic Structure. The Organic structure would be the most effective structure to deal with Pluto Telecommunication's activities due to its dynamic and uncertain environment.

The common theme unifying the works of Barnard (1938), Lawrence and Lorsch (1967) and Duncan (1972) was the measurement of uncertainty as a lack of information available, the time needed to obtain definitive performance feedback and the uncertainty of casual connections in work-flow process, a flaw most certainly seen within the departments of Pluto Telecommunications. A contributing factor to the different levels of internal differentiation within the departments are the attitudes within those departments, i. e. the self-confident and arrogant manner of the sales team with their feelings of elitism and individualism, whilst the marketing staff, who more often than not work as teams, generally lack the sense of urgency felt by the sales department. This is further supported by the bonus schemes within the various departments, with the sales team having very high earning potential whilst the marketing department have ill-defined performance targets with their bonuses determined by the overall company performance. By no means is the customer services department any better with a maximum yearly bonus potential of £1k.

The leadership culture formed by senior management, in the case of Pluto Telecommunications, is one of completing tasks and not building relationships with the teams or even a combination of both. Leadership styles do differ with a certain style being more suited to some environments or situations than it is to others.

Fred Fiedler's leadership contingency model, created in the mid 1960's, advance the study of personality and characteristics of leaders. The model is used to show there is no best style of leadership but instead a leader's effectiveness is based on the situation. Which results in two factors being '
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leadership style' and 'situational favorableness'. As Fiedler believed that 'leadership style' was fixed, this could be measured by using his Least-Preferred Co-Worker (LPC) scale. This model indicates that task-oriented leaders would view their LPCs more negatively, calling these Low-LPC leaders. A Low-LPC leader could be described as very effective at completing tasks. If relationship orientated leaders viewed their Least-Preferred Co-Worker more positively, this would result in them being high LPC leaders. High LPC leaders would generally either manage or even avoid any form of conflict, and focus more on personal connections.

When determining the 'situational favorableness' of a particular situation, there are three factors to consider, leader member relations, task structure and leader's position power. Leader member relations refers to the level of trust and confidence between you and your team. Task structure effectively refers to the tasks you are doing, and lastly Leader's Position Power which refers to the amount of power you have over your team when providing punishment or reward.

When taking the above into consideration and applying it to the senior management structure of Pluto Telecommunications, we can see that the 'Leader-Member Relations' is poor, with 'Task Structure' high and 'Leaders Position Power' strong.

Leader - Member Relations

Task Structure

Leader's Position Power

Most Effective Leader

Good

Structured

Strong

Low LPC

Good

Structured

Weak

Low LPC

Good

Unstructured

Strong

Low LPC

Good

Unstructured

Weak

High LPC

Poor

Structured

Strong

High LPC

Poor

Structured

Weak

High LPC

Poor

Unstructured

Strong

High LPC

Poor

Unstructured

Weak

Low LPC

As the culture of the departments differ so much with having different interests, drive and commitment and what motivates them, must influence the different leadership styles. These different leadership styles is one of the barriers preventing the department from work cohesively and ultimately achieve the strategy of the company as a whole.

When looking into the various departments in a little more detail, these can be differentiated as quite unique and isolated. The sales department seems to be based on individualism rather than a well-structured and managed department. This is manifest in the self-confidence and arrogance of the sales team as they have no respect of hierarchy and absolutely no team work with their priority being to maximize their bonus.

On the other hand, the Customer services department has very strong hierarchal structure. Although the bonuses are driven by the annual service quality targets, and are monitored on a daily basis, the norm is more often than not focused on missing the targets, and punishing accordingly, as opposed to achieving these target, albeit for a very small bonus when compared to the sales department. This subculture is non motivational and due to the strict hierarchal structure, there is no promotion of trust on these employees, or even between the employees. This is further supported by the rigid and formal communication channels. Due to the rigidity of this department, it would be difficult to adapt to any changes within the environment.

The Marketing department consists more of a team based orientation with a very strong group identity. There is a distinct lack of urgency within this

department which is primarily driven by the length of time it takes for the delivery of campaigns. Bonuses, if any, are based on the overall performance of the company, so clearly not a driving factor. Leadership within this group would tend to have a loose control with a more participative role. As they are comfortable remaining in the current office environment, this would indicate isolation with very little links to the other departments or insight to the overall operation of the company.

When drilling a little further into the individual departments, it's evident that the culture between them differ immensely. This is seen mainly by the different management styles within these departments, as well as the atmosphere in which the departments work.

Culture has been characterized by many authors as something to do with the people and unique quality and style of organization (Kilman et al., 1985), the way we do things around here (Deal and Kennedy, 1982), or the expressive non-rational qualities of an organization.

Clearly there needs to be a better integration between the various departments. As the leadership culture of senior management is non-participative, and with the absence of a clear company strategy, immediate action is required in order to prevent customer dissatisfaction whilst continuing to grow within this evolving market.

Alternatives.

There are several approaches to the problems being faced by Pluto

Telecommunications. Firstly one could look at the leadership style and

implement a more hands on, participative leadership approach. (Hennessey. <https://assignbuster.com/the-history-of-pluto-telecommunications-business-essay/>)

1998) suggests that the ability to understand and work within a culture is a prerequisite to leadership effectiveness. A starting point would be to focus more on the company strategy as a whole and not be constrained by the activities within the individual departments. Departments need a clearer understanding on the overall expectancy of the company and one way of doing this would be to relook at the bonuses obtainable and possibly implement a more equal structure giving the two lesser departments the chance to be more motivated by this scheme. Don't base the motivation system on the company as a whole but possibly split into several measurements, being customer satisfaction, departmental performance and the company as a whole, etc. One other important requirement which should form part of any recommendation for their resolution is frequent meetings between departmental heads and occasionally including the MD. There currently lies a lack of communication between departments which has resulted in the departments working against each other. These frequent meetings should find and possibly resolve any operational issues apparent between the departments which could include product launches, product availability, customer dissatisfaction issues, etc.

Secondly could be the procedures and policies approach. Make each employee responsible for his actions. These policies should outline the key responsibilities for the individuals which should give the departmental head the necessary KPI's in which to measure them. Adding to this would be the introduction of a centralized management team responsible for overseeing the separate divisions from an organizational strategy approach. Their

responsibility would be to evaluate any customer service or departmental issues and recommend a solution from a company perspective.

Lastly would be