Pluto telecommunications

This text critically examines organizational behavior in Pluto Telecommunications through analysis of the relationship among the job design, motivation, structural form and the work culture. The Managing Director of Pluto Telecommunication came to understanding that the three departments within the organization: Sales, Marketing and Customer Service do not communicate with each other which have a direct negative impact on the company's performance.

Further investigations show that the three departments are different in term of what motivates the employees, the time span for achieving the goals, culture established within the departments and the structural forms within the departments. The organizational dilemma is how to balance out the individual or departmental aspirations with the organizational goals taking into consideration social, psychological and contextual aspects which affect the employee's behavior.

The organizational behavior, as terminology and concept, was introduced by Fritz Roethlisberger in the second half of 1950 (Roethlisberger, 1977), which continue to be a field of interest to many researchers and academics until today. The behavior employee's exhibit in the organization is result of how the work is designed, how the organization is structured, what is the work culture and the way the work culture is changed and managed.

The theoretical findings about work design can be grouped in two clusters. The first cluster captures the Frederick Taylor's (Taylor, 1911) theory so called " scientific management" and Harry Ford's view on work design. Both, Ford and Taylor are mainly focused on increasing efficiency through job

specialization, task standardization, financial rewarding systems and rigid hierarchical organizational structures. Although, their understanding of job design varied, yet, the same shred similarities.

The main difference between the two concepts is that Taylor believed that there is one best way of performing, whereas Ford promoted continues improvement rather than one-best-way approach. Nevertheless, the both theories were criticized for neglecting the social and psychological perspective of the human being. This perspective was further captured by the second cluster of theoreticians and researchers such as Frederick Herzberg (1987), Frank and Lillian Gilberth (1916) and others, who brought the social and psychological aspects into the job design.

Herzberg (1987) argues that there is an unbreakable link between performance on one side and motivation and job satisfaction on the other. According to Herzberg, there are two different types of factors that affect organizational behavior. He categorizes these factors into: " hygiene factors" such as : pay policy, job security, working conditions and management style. These factors can create job satisfaction or dissatisfaction; however they do not have any impact on motivation and performance (Herzberg, 1987).

The other set of factors, so called " content factors" include achievement, recognition, responsibility, growth and advancement and these factors impact job satisfaction, level of motivation and performance. Herzberg's model, known as " job enrichment" proposes that the content factors lead to intrinsic rearwards such as feelings for accomplishment, competence, self-esteem which are fully under control of respective individual. Moreover, the

rewards under control of others are called extrinsic rewards and they include: recognitions, promotions, pay raise, status ect.

Considering the above theories and reviewing the same through the prism of Pluto Telecommunications, it can be concluded that the level of task definition and specialization differ in different departments. While Sales department has clearly defined objectives and incentives related to the performance, other departments have vague incentive program or even ambiguous objectives. The information available in the case study implies that the hygiene factors may be the only one driving the group.

Very limited information is given about the motivator factors and their impact over the motivation and performance. In any case, a general notion can be drawn that the the motivator factor are measured in different terms. The Sales staff aggressively pursues more sales opportunities because its success, feeling of achievement and the large financial incentive depend on their individual performance. This does not exist in Marketing as the feeling of achievement or the vague bonus scheme depends on the company's performance rather than individual success.

Furthermore, the hygiene factors such as pay policy, supervision style, social status and working condition seem to play significant role in Pluto Telecommunications. These hygiene factors in Sales department create job satisfaction as the sale staff is well paid, with greater autonomy in making decisions, high social status awareness and self –esteem. Yet, these factors, up to certain degree do, not play important role for Marketing. Therefore, it is essential to understand what and how motivates people.

The job design and the motivation are not self-sufficient to increase the productivity and they require an organizational structure to further coordinate organizational activities. Organizational structure, through its chain of command, coordinates, motivates and monitors employees. Buchanan and Huczynski (2010) argue that the structure of the organizations serves 3 functions: 1. The organizational structure defines the reporting formation, span of control and layers in the hierarchy; 2. It arranges employees into respective departments; 3.

It enables proper communication flow and facilitate further integration among the departments; Based upon these three functions, the employees in the organization are managed in formal groups created by the managers who further lead these groups towards achievement of organization goal. Nevertheless, each organization has informal groups created by the employees in response to their psychological and social needs. The formal groups are managed by the managers through enforcement of authority. Max Weber (1947) argues that the legitimate authority can be applied only in bureaucratic organizational form.

While the bureaucracy was viewed for a long time as an effective way of directing employees' efforts, its rigidity and level of formalization had unconstructive impact on the level of motivation and performance and it tends to hinder the cross functional collaboration and strangle further innovation and improvement within the organization. The information given in the Pluto Telecommunication's case study insinuates that the organizational structure in the firm is rather flat with further functional departmentalization.

The structure is further characterized with non-collaborative relationship between the departments. The priorities and the objectives of the departments outweigh the priorities and the objectives of the organization (Child, 2005) and the departments in Pluto became self – functioning and rather independent units. Each of these units is further differently structured. For instance, the Marketing team is team based, Sales is divisionally structured on the basis of customers and without formal chain of command, whereas the Customer Service is based on the service provided with firm and formal bureaucratic principals.

Organizational culture is another essential element that can have significant impact on the organizational behavior and ultimately organizational performance. Buchanan and Huczynski (2010) defines the organizational culture as collection of customs, values, beliefs, norms and traditions that craft the way people think, feel or behave. Ann Cunliffe (2008) suggests four reasons why the organizational culture is important: 1. Organizational culture helps the public to create opinion about the organization; 2. Organizational culture has impact on the overall performance.

There is a believe that the alignment of the organizational strategy and the organizational culture influences performance; 3. Organizational culture gives directions where the company should go; 4. Organizational culture helps to attract and retain talented staff; The Management, or as Burman and Evans (2008) would say, the Leadership, is the one to create and nurture the work culture. Using the organizational culture, the leaders are to encourage the employees to be more effective and efficient striving towards achievement of organizational goals.

The leaders are to examine the existing organizational culture and determine how the same obstruct or contribute to the success of the firm. The culture may be found as: integrated, different or fragmented (Martin, 1992). The integrated culture is presented by unified set of values shared by the entire organization. However, considering the level of complexity in the organizations, more often, the organizations are characterized by different set on norms and values possessed by different individuals or groups. In such instances, these groups tend to act in a way that will enable them to accomplish their goals and objectives.

Fragmented perspective of the culture generates conflict among the groups as a result to the diversity of interests or vaguely defined norms and values which are subject to continues change. Pluto's organization exhibits differentiation perspective of the culture where different departments in the firm have established their own subcultures. Marketing, Sales and Customer Service strived to achieve their interest and departmental objectives without being aligned with organizational objectives or strategy which resulted in losing orders, increased number of complains and losing customers.

Although, the Managing Director of Pluto envisioned unitary culture within the organization, she failed to establish one. In addition, the senior leadership has discouraged participation of mid level managers to discuss constructive and innovative way of conducting business. Having said the above, it appears that an alternative course of action is to implement and manage organizational change in all spheres of organizational life within Pluto Telecommunication.

The proponents of organizational change suggest incremental organizational change (Stace and Dunphy, 2001) which should take place in participative and collaborative environment (Pascale, Millemann and Gioja, 1997). The great deal of conflicts noticed in Pluto Telecommunications may suggest that the company is growing and therefore moving through various lifecycles which on the other hand requires transitioning from one to other stage or one to other way of conducting business (Leavitt, 2007).

Leavitt argues that the crisis are inevitable and they lead to improvement. Arguably, the resistance to change is something to be overcome. In this context, Kurt Lewin (1951) argues that there are two types of forces that keep the organization in equilibrium. One set of these forces retains the status quo (restraining forces), and the other set causes the change (driving forces). Appropriate combination of these forces can lead the organization through three phases of change: unfreezing, changing behavior and refreezing (Lewin, 1951).

The following driving forces in Pluto's organization can be emphasized: changing values towards work, social transformation, increased competition and changing markets. On the other hand the following are the restraining forces which influence should be diminished: loss of status, inertia and rigidity of culture. Considering the three –phase change model of Lewin and the mix of restraining and driving forces following plan can be recommended: 1. During the unfreezing stage, it is imperative that the senior management creates an atmosphere where the change will take place.

The change is to be subsequently promoted by the employees at any level. The ever changing market conditions are to be re-enforced with intention to raise awareness of the employees that the organization's ultimate survival depends on everyone's collaboration. The cooperative business environment is to create the foundation for participation and innovation of processes and procedures. 2. Changing organizational behavior is several-step process. First and foremost, Pluto is to consider re-structuring the organization and replacing the bureaucratic with humanistic control (Mayo, 1933).

The humanistic approach promotes satisfactory working groups that meet their goal by meeting their organizational goals. In addition, this approach is to be taken in all departments where no structural difference will cause dissatisfaction. It is recommended that Pluto's set the departmental objectives in alignment to organization's objectives. The different subcultures are to be further aligned and the sharp differences in behavior are to be abounded by fairly equal and integrated treatment of all departments in terms of structure, and its bottom-up or top-bottom architecture. 3.

The change implemented during the second phase is to be frozen through properly established incentive program that will motivate the departments and the individuals to change and keep the new behavior. This process can be facilitated by empowerment of people and institutionalization of the revised processes and procedures. The departments across the organization are to be further incentivized by motivator factors based on same or similar criteria. Although this phase shall re-freeze the newly established work culture, yet, there is to be a space left for required continuous improvement.

In summary, the above analysis provides an overview of organizational behavior in Pluto Telecommunication through several theoretical concepts in this discipline. The organization in this text has rather been examined without the environmental consideration, although, in practice, the organizations are tightly related to its surrounding and react to deferent forces in the environment. This type of information was not accessible in the case study; therefore, it was further ignored.

The text gives elaboration on the organizational behavior in Pluto Telecommunication from several aspects: job design, motivation, organizational structure, work culture and its change. The text identifies the areas where Pluto's Leadership requires further consideration and alignment taking into account Lewin's principles of three- phase organizational change. The implications of organizational behavior over the organizational performance are immanent and the same require to be tackled in social, psychological and contextual framework.