**Answer the following questions.**

1. How should an organization design its structure and culture to obtain a core competence in manufacturing and in research and development?

There are different innovative ways required for the successful research and

development.

 Coordination for new product.

 Core competence in research and development need flat, organic and

decentralized structure.

 The culture should promote team work, corporation and innovation.

The core competence in manufacturing requires cost control, centralized, and

mechanistic structure. Organic structure help the employees to participate more in

decision making process. (Kashifstat 2015)

Culture impacts most aspects of organisational life, such as how decisions are made, who makes them, how rewards are distributed, who is promoted, how people are treated, how the organisation responds to its environment, and so on"  
Culture is an organizational feature that needs to be aligned with strategy and structure for success. A strategy that is at odds with a company’s culture is not worth in achieving any success in the organisation. for successful implementation of any strategy leader need to build a culture that support that strategy implementation.A strong organizational culture is one of the most sustainable competitive advantages a company can have because it is difficult to copy.

Organizations that remain flexible are more likely to embrace change and create an environment that remains open to production and communication. This provides a model that welcomes cultural diversity and helps clarify strategy implementation. Flexible, strong and unified cultures will approach strategy implementation and affect implementation in a positive manner by aligning goals. Goals can come into alignment when the organizational culture works to focus on productivity and getting the organization’s primary mission accomplished.

Culture has value that promote innovation , it will boost the status of employees in R&D and manufacturing department for creativity in their strategy to achieve competitive advantage. Organisational culture is another important factor which shape business level strategy by improving its value creation skill.

The value that an organisation creates at the business level ( Manufacturing and research and development department) depends on its ability to use its core competences to gain competitive advantage.This ability is depend upon how organisation design its structure. For example organic structure permits the development of a decentralized , cross functional team approach to decision making which is the key to speedy new product development. Majority of theory indicate that low cost companies should use the simplest structure because it will help to keep down the cost of value creation. Or When organisation want rapid product development and speedy response to competitors company can follow matrix structure .

So we can say that organisation must match its strategy for production and r&d to the organisation structure that allow to use its core competencies to create competitive advantage.If the organisation has structure that coordinates between R&D and manufacturing department then only they can communicate properly can forecast customer need and changes required.Culture and organisational structure has the major impact on the employees .

In order to reach long term goals and gain a competitive advantage. A well thought of strategy has to be created by an organization such that its structure and culture develop the core competencies. Core competencies come from specialized resources by personnel, organizational resources. These strategies for structuring and designing must be at all levels – corporate, functional, business and global.

Some of the core competencies that exist are manufacturing, marketing, R&D and materials management. Strategies need to be developed to outperform competitors in core competencies.

Any competitive advantage comes from organizational resources and functional resources. Functional resources come from skills of functional employees – R&D scientists. Organizational resources come from reputation, brand name. Both these offer a competitive advantage as they are unique and cannot be imitated.

**R&D** will require a structure that is flat, organic decentralized with mutual adjustment in order to facilitate innovation. Self-control and team control must govern the norms and values.

**In manufacturing,** the structure needed will be more organic, allow participation in decision making and incremental improvement. For example, this is observed in Japan. In the US, the culture that exists which helps in reducing production costs is – giving managers more control, and creating a mechanistic hierarchy. Empowering workers, promoting values improves product quality, as has been observed in Japan.

While structuring and designing, the organization must take care of hiring the right profiles for the R&D team who are competent, skilled, have hands on latest technologies, have a good understanding of the emerging market trends. Global expansion will help in knowledge transfer of best practices across countries and locations. Global expansion creates value – transfers and enhances core competencies, establish a network, gains more productive resources and skills.

Transferring core competencies (in R&D and manufacturing) abroad to international markets will facilitate product differentiation, facilitate low cost and provide a competitive advantage.

Economies of scale can be created by creating a global network in manufacturing. – This will enhance low cost advantage.

Concepts of Total Quality management, lean production can be incorporated in implementation in the manufacturing. US companies having Japanese divisions have seen this benefit.

New skilled learned in manufacturing and R&D are transferred in global expansion, hence enhancing competencies. These competencies in manufacturing and R&D can be used to compete globally.

2. Why would an organization choose a corporate-level strategy to expand its value creation activities beyond its core domain? Discuss how an organization’s structure and culture might change as the organization begins to enter new domains.