Introduction to Management Week 11 Study Group Sem 2

# Week 10 Concepts: Organisational Environments and Cultures

External vs Internal environment

External (defn, General vs specific)

General: PESTEL (political, economical, socioCultural, Technological,Ecological,Legal)

Specific(competition, customer, organisation, suppliers, Advocacy groups, Industry regulation)

SWOT Analysis

(Strengths, Weaknesses, Opportunities, Threats)

Environmental scanning is **a process that systematically surveys and interprets relevant data to identify external opportunities and threats that could influence future decisions**. It is closely related to a S.W.O.T. analysis and should be used as part of the strategic planning process.

Environment Scanning ( factor is threat/opportunity, organisation action, cognitive maps to link the factor to org action)

Five Forces:

* Customer
* Supplier
* Competitor
* Threat of new entrants
* Threat of substitution

Internal environment ( defn )

Org Culture maintenance( Company founder, org stories, org heroes)

Successful Org Culture has :(adaptability, Employee Involvement, Company Vision, Consistent Org culture)

Level of the org culture: (Seen {surface level}, Heard {Expressed values and beliefs}, Believed {Unconscious assumptions and beliefs})

Dynamic environments

Environmental complexity

Environmental uncertainty

Resource scarcity

1. Define four functions of management and briefly explain the importance of each of them in achieving organisational success.

The four functions of management are planning, organising, leading and controlling. Planning can be defined as: . Organising can be defined as …. Planning is important to achieving organisational success because it identifies goals, allows you to anticipate problems, helps develop strategies to success.

* Planning
* Organising
* Leading
* Controlling

Contrast mechanistic and organic structures and identify one example for each.

**Case Study Question 1**

What does it require to foster a more sustainable approach to avert a future global crisis in relation to global warming and climate change? How do we motivate individuals, households, organisations and the wider society to be involved in reducing greenhouse gas emissions and increase the level of recycling so that we can use our planet’s natural resources in a more sustainable manner?

One way would be to increase the level of knowledge and understanding through education. For instance, did you know that a ceiling light with a 75-watt globe left on for three hours a day generates 62 kilograms of carbon dioxide over a year, while an energy-saving 5-watt LED light generates only 4 kilograms of carbon dioxide? Using a hairdryer for ten minutes a day generates 123 kilograms of carbon dioxide over a year, while a mobile phone charger used overnight generates 16 kilograms of carbon dioxide. Some of you may be surprised to hear what your lifestyle is contributing towards greenhouse gas emissions. Awareness may create a desire to set goals to reduce our impact – for example, setting a goal to reduce our energy or water use by, say, 15 per cent. And do not forget that you can save money, too, in addition to reducing your carbon emissions! According to goal-setting theory, specific goals are a powerful motivating force. Another area could be to do more recycling by avoiding buying items with excessive packaging, and looking for brands that can be reused or recycled or which have an established recycling scheme. What about walking, cycling or using public transportation more, instead of using our car? It all comes down to our own motivation in setting goals and then making the behavioural changes that will result in lowering our own carbon emissions and use of resources.

The same motivational forces need to be in place in organisations to make them more sustainable, too. If organisations are willing to rethink the way they are operating by using employee education and engagement, together with other motivational strategies, to reward and reinforce desirable behaviours, there will be real opportunities to achieve positive outcomes. For example, simple changes such as general office lighting coming on an hour later in the morning and going off two hours earlier at night during those times of year with adequate natural light; installation of individual light switches so that staff can turn off lights if they deem them unnecessary; and installation of bike racks and showers for those who opt to cycle to work, can all make a difference. Of course, organisations can also set more challenging goals that require more innovation or new approaches to be pursued, but the most important thing is willingness to do something and setting specific goals to be achieved.

While we may not have all the answers to how we can drastically reduce greenhouse gas emissions, there are promising signs that the motivation to do so is increasing both at the individual and organisational levels, and that in itself is a step towards finding better environmental, social and economic models to live by.

1. How can managers use elements of goal setting theory to motivate employees? Provide examples from the case study where possible.

Goal setting theory is balh blah blah. Managers can use goal setting theory to motivate employees by….. Elements of goal setting theory that can be used to motivate employees are…..

2. Would you rather use **goal setting theory** or **three needs theory** to motivate unmotivated employees. Discuss the reasons.

**Case Study Question 2**

Zhang Ruimin,Chairman and CEO, Haier GroupZhang Ruimin worked as an industrial manager in the municipal government in Qingdao in 1984 when he was asked to take over the management of a state-owned refrigeration factory that was struggling.He soon discovered that the factory was producing poor-quality refrigerators, and that it would be a challenge to turn it around. The story goes that he gave the workers sledgehammers and ordered them to destroy 76 of the factory’s products in public view on the street. His message to the workers: Poor quality will no longer be tolerated. The incident earned him a national celebrity status and was the start of the company’s transformation.Using his business skills and some experience he had gained from having spent time in quality-obsessed Germany, Zhang successfully reorganised the factory in Qingdao for efficient mass production and focused on improving the quality. He also branched out the product range to include washing machines, stoves and air conditioners, which was the start of the expansion of the company to become the largest whitegoods manufacturer in China. He also defied the normal practice of Chinese companies at that time when it came to expanding overseas. Instead of going to the less competitive markets in Asia or Africa, he pushed for expansion into the United States and Europe – he wanted the company to learn to be successful in meeting the demands of the world’s most sophisticated consumers.Moving into the 21st century, he saw that there was a need for the organisation to be even better at responding to customers’ needs, and to be more innovative. So, he set about reorganising, removing middle managers and creating self-managed groups, each devoted to a customer or group of similar customers. This is a very different approach from the previous one, where the company’s 80 000 employees had been organised into the more traditional functional areas of production, finance, sales and so on. Instead, they are now organised into 2000zi zhu jing yi ng ti (ZZJYTs, or ‘independent units’) – self-managed teams that perform many different roles. Each team is responsible for its own profit (or loss) and is paid based on performance. Employees are also free to join or leave ZZJYTs, or as Zhang puts it: ‘An unsteady and dynamic environment is the best way to keep everyone flexible.’ Zhang clearly understands how an organisation’s structure and design can help it be successful.Zhang’s focus on quality and innovation has resulted in the company becoming one of China’s first global brands with annual sales of US$30 billion. Zhang is considered by many to be China’s leading corporate executive, comparing him to Western corporate legends like General Electric’s (GE’s) former chairman, Jack Welch, and IBM founder Thomas Watson.

1. Briefly describe self managed-teams.

2. Why do you think contemporary organisations increasingly use team structures?

3. Would you rather work for an organisation with a traditional organisational structure or a team structure and why?

4. Discuss advantages and disadvantages of team structures providing examples from the case study.