Mc Kinsey 7s Framework in Corporate Planning and Policy

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ABSTRACT : *The McKinsey 7S Framework is a management model developed by well-known business consultants Robert H. Waterman, Jr. and Tom Peters in the 1980s. This was a strategic vision for groups, to include businesses, business units, and teams. The 7S are structure, strategy, systems, skills, style, staff and shared values. The model is most often used as a tool to assess and monitor changes in the internal situation of an organization. The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing. So, the model can be used to help identify what needs to be realigned to improve performance, or to maintain alignment (and performance) during other types of change.Whatever the type of change – restructuring, new processes, organizational merger, new systems, change of leadership, and so on – the model can be used to understand how the organizational elements are interrelated, and so ensure that the wider impact of changes made in one area is taken into consideration. When introduced in the late 1970s, the 7-S framework was a watershed in thinking about organizational effectiveness. A previous focus of managers was on organization as structure—who does what, who reports to whom, and the like. As organizations grew in size and complexity, the more critical question became one of coordination.*
Keywords: Management, organization, restructuring, performance.

I.Introduction:

The 7s Framework is a powerful expository tool; however, it should be remembered that changing organizational culture is not an easy task. The changing organizational culture is not an easy task but, that should not deter a person from striving to bring about change; that is it should not stop him from striving to bring about change. So, this is a very important framework in that sense to the organization. This was a strategic vision for groups, to include businesses, business units, and teams. The 7S are structure, strategy, systems, skills, style, staff and shared values.

II. Objectives of the Study:

The main objectives of the study are:
1. To analyze how well an organization is positioned to achieve its intended objective.
2. When does an organization know whether the time is right for change in the organization?
3. When does an organization know that changes have to be effected in the organization.

III.Methodology :

The methodology adopted to study the impact of the Basistha river, necessitated the use of primary and secondary data. The observation has been confined within the study area of the river basin. The study being geographical, both primary and secondary data have been

collected in order to arrive at a clear conclusion. Secondary information were also collected from various sources like Water Resource Department, Central Ground Water Board. Satellite images of the study area are also used to make the land use/ land cover of the catchment area. Finally, the conclusion of the study have been drawn on the basis of the findings derived from the analysis of both primary and secondary data and also from personal observations in the field and report was prepared on the basis of all data collected from the field.

IV. Result and Discussion :

The usages of Mc Kinsey 7'S Framework are as follows:
- Improve the performance of a company
- □ Examine the likely effects of future changes within a company
- Align departments and processes during a merger or acquisition
- Determine how best to implement a proposed strategy

The Seven Interdependent Elements

The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful. Since the variables are interrelated, significant progress cannot be made in one area unless corresponding progress is made in other areas too. The seven interdependent elements of Mc Kinsey 7'S Framework are as follows:
- Strategy
- Structure
- Systems
- Shared Values
- Skills
- Style
- Staff

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This framework is called 7S framework, because all the circles here are starting with a S. In the Framework there is in the center the super ordinate goal or shared value; these super ordinate goals or shared values are bounded as in the top by strategy, structure and systems; in the bottom - skills, staff and style. So, the super ordinate goals are the S in the middle the other 6Ss are around these super ordinate goals.

Shared value or **Super Ordinate Goal** is the first **S** in the 7S Framework. A super ordinate goal in an organization refers to the set of values and aspirations that goes beyond the conventional formal statement of corporate objectives or fundamental ideas around which a business is built its main values.

In order to explain this point further, we take the example of business organizations with respect to IBM[1]. The IBM's marketing wing has its super ordinate goal as customer service. What does customer service mean? For a layman, it may so happen that every organization which is in the field of customers business or in the field of service to customers has to do customers service, what is so great about it? But it is not really so, for an insider the customer service which represents the super ordinate goal means differently from an outsider. Suppose,

there is a call made on IBM marketing department, the goal of this marketing department is to address or resolve that problem within 24 hours anywhere in the world; so that is the goal which this organization has set for itself[2]. In other words it represents the super ordinate goal or shared value.

The next **S** is what called **Strategy**. Strategy is the means to achieve organizational purpose. The third **S** is what is called **Structure**. What does structure do? Structure prescribes formal relationships among various positions and activities. Now, the question is why should we prescribe a formal relationship among various positions and activities? What are the reasons for doing so? The first reason is, reduce external uncertainty through forecasting; that means to say, you are through forecasting, research and planning in the organization. Suppose we say, this person is to do this job, we are specifying his role in the organization, he helps in these activities in the organization[3]. The second important aspect, which a structure helps in is reduces internal uncertainty arising out of variable, unpredictable, random human behavior within the organization through control mechanism.

So, the roles and responsibilities in the organization give to the individual certain amount of authority, in order to execute his roles and responsibilities. So, he can exercise certain amount of authority in the organization. This authority in the organization reduces the internal uncertainty about his role in the organization. The structure enables coordination of organizations activities and to have focus.

The fourth **S** in the organization refers to **System** which includes rules, regulations and procedures – formal and informal that complements the organization structure. This is also referred to as the infrastructure in the organization and includes sub system relating to production, planning & control, cost accounting procedure, capital budgeting, performance evaluation etc.

The next **S** in the organization is what we called **Style.** What is the style? Style is the lever to bring about organizational change, pattern of action taken by top management over a period of time. This is extraordinarily important for an organization. To make study about the style of business organization we can take the example of Tata steel; for a long time the person at the helm of affairs in Tata steel was Russi Mody[4]. He had a leadership style of his own; this leadership style of his own left an imprint on Tata steel and that is the Mody style of function. What was the result of this? The result of this was Tata steels extraordinarily catapulted performance during the period of Russi Mody's leadership. He brought about so many changes in Tata steel during his stewardship and the results were there for all to see and when a giant organization like the steel authority of India was finding the going very tough or very rough weather, Tata steel was able to wade itself through this rough weather to show consistent profits during his stewardship. So, this is what style means to an organization.

Now, we come to the next **S** that is **Staffing**. This staffing refers to selection, placement, training and development of appropriately qualified employees. The example that I have taken is that of Hindustan lever. This organization Hindustan Lever, places an enormous amount of effort in recruitment; so, the process of recruitment itself. When they come for recruitment to

different campuses in the country at different levels, they make it a point to explain to the candidate concerned. "How does his carrier look like if he were to enter Hindustan Lever and remain with them, where does he end up?" In other words, they trace the chart of the employee in the organization over several years; subject to, what is that is provide the candidate that his or her performance is not found wanting or if his/her performance is satisfactory, they should be able make up to this levels in the organization without much difficultly over these many years. This type of attitude from the organization gives to the staff or the prospective staff is tremendous amount of confidence or motivation.

Come to the seventh **S** in the organization is **Skills**. One of the most crucial attributes or capabilities of an organization, it is also referred to as the distinctive competence in the organization. Here we can again take the example of Hindustan Lever; the extraordinary skills of Hindustan Lever in marketing. That marketing skills in fact, is the distinctive competence of Hindustan lever. Contrasted to this, if we take the

example of TELCO again Tata Company, that is the Tata engineering locomotive company, and what is the distinctive competence of Telco is the engineering skills, which has catapulted this organization

V. Conclusion:

At the end we can say that the 7s Framework is a powerful expository tool; however, it should be remembered that changing organizational culture is not an easy task.

Repeating this statement, it should be remembered that changing organizational culture is not an easy task but, that should not deter a person from striving to bring about change; that is it should not stop him from striving to bring about change. So, this is a very important framework in that sense to the organization.

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