

Designing Work Organization
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Lecture-15
Framework for Response to Environmental Change

In this particular session, we will talk about the framework for response to the environmental change and under this particular session, we will talk about the planning, forecasting and responsiveness. Then the framework for the responses to environmental change, low uncertainty environment, low then the moderate uncertainty environment, high moderate uncertainty environment and high uncertainty environment that we will be discussing. We will also talk about the establishment, the formal relationship influencing the key factors, organization, environmental, integrative framework, and as usual the case study, research papers, book recommendations and references are there. Now, when we talk about planning, forecasting, and responsiveness. So, in the previous session, we will talk about the uncertainty of the environment, social, political, economic, legal and technological and these environment changes with the period and here we find that is planning and environmental forecasting become the more important as a way to keep the organization geared for a coordinated speedy response is there. So, therefore, in that case, if the environment is so uncertain, so simultaneously our planning and then our responses to that particular planning that is very, very important because when we plan, so we make the certain changes in our the existing procedure and as a result of which because the changes are to be applied.

So, therefore, in that case, we have to create an environment within the organization also, so that there will be responsiveness is there. When the environment is stable, the organization can concentrate on the current operational problems and day-to-day efficiency is there. So, here we will find out that is how this environment which is becoming the changes on this current whatever the operational problems are there. For example, when we are talking about AI or we are machine learning or when we are talking about the industry 4.

0, then, in that case, these current operational problems have to be looked into the different way and then the solutions will be different. Long-range planning and forecasting are not needed. Now, here when we are talking about the environment is so uncertain. So, therefore, if you remember I talked earlier the long term planning and the short term planning is there. So, in uncertainty in the era of uncertainty, the short term

planning will work, long term planning will not work and therefore, it will be you will find that is the it is needed that whenever we are talking about the this type of these issues, then here environmental demands that is to be fulfilled.

So, here when we are talking about forecasting and future environmental demands are there, so then we have to be ready for that we have to prepare and with increasing environmental uncertainty planning and this forecasting becomes necessary. So, earlier planning was done for maybe for 3 years, maybe for 5 years, but now even we plan for these 3 years or 5 years of the long-term planning, we have to keep in mind that anytime there will be the external environmental factors will keep on changing and when these factors will change, then we have to be ready with our solutions or how we will implement our planning in the given uncertainty that is to be understood. Now, here in this case of the framework for the responses to the environmental change, we will find it is the simple stable is there and therefore, in that case, when we talk about the uncertainty low uncertainty is there. So, in case of the low uncertainty is there, then the it is the simple and stable is there. So, small number of the external elements and elements are similar.

So, therefore, in that case, there are not the much differences into the current existing environment is there. So, therefore, in that case, we will say at the environment, small here and there changes will be there, but still we will say it is a stable environment is there and elements remain the same or the changes slowly and therefore, in that case, it is the elements are also not very dynamic. So, therefore, in that case, it becomes the stable examples are the soft drink bottles are there, cell storage leasing is there, container manufacturers are there, food processors are there. So, these are the industries there we will find it is a simple and stable and there is the low uncertainty is there. While complex plus stable is there and here we find the large number of the external elements and the elements are the dissimilar are there.

So, it becomes here that the situation becomes complex because there are the large number of external elements which are making the influencing the your manufacturing process or the business or organization not necessarily only manufacturing it may be for the service industries. So, elements remain the same or the changes slowly there. However, the elements the change elements the change that is become the stable are they are slow. Like examples are the universities, appliance manufacturers, chemical companies, and assurance companies are there. When we are talking about environmental changes the simple and unstable are there.

So, here small number of external elements and elements are similar is there as we have seen into the in the case of the simple and stable is there, but here the elements change

frequently and the unpredictable and as a result of this becomes unstable. So, examples are electronic games, fashion clothing, the music industry is there, social media and time manufacturers are there. So, here the small number of external elements are there which is influencing, but they are influencing very frequently and therefore, the unstable is there. When the situation is also complex and this environment is also unstable. So, large number of external elements and elements are dissimilar are there and elements they are also changing frequently and unpredictably.

So, therefore, here we will find this difference is there that is we have to consider the one side the elements and the other side is that is about the external environment is there elements external factors are there uncertainty is there. So, therefore, when we are talking about the external and the elements remain the same then in that case, if it is the small number of these elements are there we will say simple and stable. When the large number of external elements are there, then we will say low moderate the uncertainty and the situation is stable. When it is a simple and unstable is there small number of external elements and elements are similar while in case of these the change frequently and unpredictable elements are there. So, therefore, it will be the high moderate uncertainty is there and when your elements are also the are dissimilar and the frequency is also very rapid and very frequently you are changing your elements then we end this and unpredictably then we will say it is becoming the complex and the unstable is there.

Now, this particular environment for the environment as an uncertainty. So, there is the it is organizations can have the few departments and a mechanistic design. So, if low uncertainty environment is there what type of the organization structure is to be there. For the low uncertainty environment the organizations can have few departments and mechanistic design. When there is a low moderate uncertainty then the more departments are needed along with the more integrating roles to coordinate the departments is there.

So, some planning may occur and therefore, in the case of the from the low uncertainty environment here from the low uncertainty to the low moderate uncertainty there has to be departments are to be more. When we talk about the high moderate uncertainty but simple organization design is organic and decentralized planning is emphasized and managers are quick to make internal changes as needed is there. So, therefore, in that case of the organization structure design that you can plan and that will be making the internal changes and there is a requirement of the organic and the decentralized is there. When we talk about the high uncertainty environment is both complex and unstable and is a most difficult environment from a management perspective. So, organizations are large and have many departments but they are also organic are there.

So, here you will find that is the this type of the organizations are there the large

organizations are there and naturally because of the large size of the organization there will be the number of departments large departments they will be there but they are also the organic departments are there. A large number of the many main personnel are assigned to coordination integration and the organization uses the boundary spinning, planning and forecasting to enable a high-speed respond to the environmental changes is there. Dear friends in the current time when we are keeping an eye on the internal environment and external environment is and accordingly we are making the our planning and organizing. So, therefore, the external environment is become so dynamic it is so unstable that is the you are supposed to make the high-speed responses to environmental change. If your speed is slow then definitely in that case you will not be able to match those changes and then the organization will not be successful.

So, dependence on the external resources you can coordination and they reduce the freedom of each organization to make the decisions. So, there here it is very because the there are frequent changes are required. So, organization should be given to write to the make the decisions without concern for the needs and goals of the other organizations are concerned. So, here it is totally independence and authority and empowerment is required so that the organizations can make the changes. Inter-organizational relationships thus represent a trade-off between the resources and autonomy is there.

So, we have talked about the inter-organizational relationship also and then inter-organizational relationship we have talked about that is how these inter-organizational relationship can be made strong and therefore, you have to come out with your unique character. So, these to maintain autonomy organizations that already have abundant resources will tend not to establish new linkages and organizations that need resources will give up independence to acquire those resources are there and accordingly the decisions will be taken. So, how to make the dependence on the external resources are there? So, there are the several ways in which the organizations adapt to the lack of information and to the uncertainty caused by the environment changes and the complexity is there and the organization has to adopt the new changes and new ways is there. The environment is a source of scare and the value resource essential to organizational survival is there. But when you have the forecasting, when you understand that is the what is the trend is going on, when you understand it is how you are supposed to be proactive, you are supposed to be prepared, then in that case you have value added resources that will be also making the organization survival.

Research in this area is called the resource dependence perspective is there. So, naturally the organization is dependent on the resources. Resources dependence means that organization depends on the environment but strive to acquire control over resources the minimizing their dependency is there. So, therefore, in that case we have to minimize

our dependence on the environmental factors and we have to go with our own planning is there. Now, there here a contingency framework is suggested for these organizational responses is there.

So, when the low uncertainty is there, a mechanistic design, formal and centralized design, few departments, no integration roles and the current operation orientation and the low speed response is required. While the low moderate uncertainty is there, so mechanistic design, formal and centralized, many departments, some boundary spanning, few integrating role, some planning, moderate and speed responses are required. While in case of the high moderate uncertainty and unstable is there organization, then the our environmental practices should be organic design, timber participative decentralized, few departments and the much boundary spanning is there, planning or proorientation and the fast responses to be there. So, that you are making the high moderate uncertainty matching with that particular challenges, high uncertainty is there. Organic design framework participative decentralized, many departments differentiated external boundary spanning is there and many integrating roles are there.

So, extensive planning, forecasting, high speed response and that will make the changes into the organization to meet the higher responses are there. Influencing the external resources, in response to the need for resources, organization try to mention a balance between the depending on the other organization and preserving their own independence is there. Naturally, because of the uncertainty, you are making the key point changing the your elements and your internal resources, you have to maintain about that is the how you will be able to go for these such other organizations and making these organizations more competitive and responsive. Here, these external environments such as the other your competitors, government rules and regulations, technical changes, so you have to meet their needs are there, how to meet these needs, so strategies can be applied. So, there can be two strategies can be adopted to influence the resources on the external environment.

First is the establish the favorable relationship with the other organizations. Now, this is very important, we have talked about the inter-organizational relationships, please go through that very seriously because that is becoming a very new concept and making these organizations more sensitive. So, therefore, maintain a good relationship unless and until you are not having the good relationship with the other organizations, you cannot be successful because it is an era of uncertainty. So, it is not necessarily that is you will have the all the informations. So, the information will and environment is uncertain.

So, it is information will keep on changing. So, as a result of which you will find that is

the you have to keep the good relationship, you will come to know and you will make the necessary changes and you can coordinate or you can collaborate and you can join. Internally when we talk about then you have to shape the organization's environment is there, that is what is my whether it is a tall structure or flat structure or horizontal structure, dependent structure, independent structure. So, therefore, you have to shape the your organization is there, how to develop these formal relationships. So, building formal relationships includes techniques such as acquiring, ownership, establishing joint ventures and partnerships, developing connections with the important people in the environment, recruiting key people, and using advertising and the public relations are there.

So, here you will find that is whenever we are talking about such a relationship with the important people, naturally we have to find out that is who are the important people surrounding our organization with similar businesses and then you have to develop a connect with them and you have to also make the recruiting key people using the advertising and public relations are there. So, that the you are you are making the your internal strength very strong. So, acquiring an ownership stake is there. So, many times companies are used various forms of ownership to reduce the uncertainty in the area important to the acquiring company is there. So, therefore, we can take the example of the telecom industry and where we find that is this type of the ownership that is becoming very popular and common.

Lock in the key players are there. So, co-optation is the I have mentioned about this thing that is a collaboration with your competitors. So, cooptation occurs when leaders from important sectors in the environment are the main part of an organization, and when you are making this type of this collaboration with your partners, then definitely you come out as the overall leader of the industry is there in that particular sector. Another way for establishing the former relationship is that is about the from joint ventures and the partnerships are there. When there is a high level of complementarity between the business lines, geographical positions or skills of the two companies, the firms often go to the route of strategic alliance rather than the ownership through a merger or acquisition is there.

So, therefore, nowadays the common practice is this that is a developing a joint venture is there. So, whenever you develop this type of this joint venture depending upon the organizations, so here it is mentioned that is a geographical positions are there and the organizations are into the same industrial area or there are the firms often go to the route of strategic alliances, they may be geographically at the distance but they are making this particular strategic alliances are there and as a result of which the merger and acquisition and working togetherness that continues and such alliances are formed through the

contracts and the joint ventures are there. And therefore, when you go for this type of the joint ventures, you get the success for your organization in the era of uncertainty. Now, an interlocking directorate is there, it is a formal linkage that occurs when a member of the board of directors of one company sits on the board of the directors of the another company is there. So, that is the interlocking directions are called.

So, it is very important that is our employees especially learned and high-level top management employees or even middle management employees and they can join the board is a board of directors for the another company is there. And recruit the executives, transferring or exchanging executives also offers a method of establishing favorite linkages with the external organization is there. So, you have to develop a relationship establish the linkages with the external organizations are there and as a result of which you are recruiting such executives, those who are making this particular relationship with the other organizations are there. Get your side of the story out and here a traditional way of establishing a favorable relationship is the through advertising is through advertising. So, therefore, it is always there is how you develop the relationship with the other organizations are there and organizations spend the large amount of money to influence the test and the opinions of these consumers are there.

And therefore, in that case, you will be getting the organization in the even in there is uncertainty, but they are getting the at your side of the way out. Now, here is how the strategically aligned enterprises is there. The independence components in makeup strategically aligned enterprise. So, enterprise purpose and here I have talked about earlier the vision, mission and goal are there and the very enterprise has a certain purpose is there and that is the organizational goal. This organizational goal is the required a business strategy.

So, how to find out the business strategy? How well does your business strategy is there? So, is your business strategy is successful, whatever the long-term planning or short-term planning you are making are there it is becoming successful and enterprise and fulfill our enterprise purpose and whether this particular strategy of industries is it leading towards the your relationship with the enterprise development. If your enterprise purpose is there and you are taking certain actions that will definitely develop certain enterprises and that you can develop as a business strategy. When business strategies are there, then you have to also understand does your organization has that capability. One can design a very big strategy or we can that last strategy by having the number of elements, but does my organization has that capability, they support the delivery of our business strategy. If our organization is having that support, that strength go ahead, but if the organization is not having that strength and support, please do not go because then that will create the more and more problem.

So, organizational capabilities are there. So, how well do our resources enable and develop our required organizational capabilities and then there will be the resource architecture will be there. When resource architecture will be developed because of the organizational ability which you are able to identify because this is having the business strategy and organization stability that will make sure that is you have that particular aspect, how you are making this delivery of your business strategy towards the organizational capabilities are there. So, your strategies should make a strength, they should support. So, therefore, this capability support is very, very important for your organizational abilities are concerned. When we are talking about the organizational abilities, how will do our resources enable development of our required organizational capabilities.

So, this particular organizations when you are making it strong and you are giving him the business strategy, it should come out with the better the formulations because these your business strategies are good. So, then you have to convert your the ideas or planning resources enable development of your required organizational capability is there. Once you develop that resource architecture, this is men, machine, material, money, method, and minutes and when you are making the best use of them, how will our management system drive the performance of our valuable resources and therefore, then you have to evaluate. You have to examine that is the even you have planned business strategy, you have planned organizational capability, you suggest organization, you ask for the organization for respond also. And now these resources are achieved, how well do you have management system that has developed that issue, that the performance over valuable resources are there.

So, this is a management, the complete management system is there. So, right from the enterprise's purpose or objectives, developing the business strategies, organizational capabilities, and resource architecture will be there, identifying whether those resources are available or not and then the management system will be there. So, this will be the strategically aligned enterprise will be there. In addition to establish favorable linkages, organizations often try to change the environment and therefore, in that case, it becomes important that is for influence or changing a firm's environment is there. So, what is to be done? Change where you do business is there.

So, managers make decisions about which business to be in the markets of enter and suppliers, bankers, employees and locations to use and therefore, in that case, you see for your business, in which market where is the market, the city, then you also find it is whether there is a supplier or not, what the people are saying or there are the banks which are having the positive approach towards the particular market elements and the

location to use that is what is your location to use is there and this domain that can be changed if necessary to keep the organizational competitive. The second one is the get political. Political activity includes techniques to influence the government legislation and regulations are there. Political strategy and that can be used to erect regulatory barriers against new competitors or to squash unfavorable legislation is there. So, corporations also try to influence the appointment of agencies or people who are sympathetic to their needs are there.

So, always we have to try to see that is the whenever there is a this type of the changes are required, then political strategy has to be used against the new competitors so that you are getting the better solutions are there. Corporations also try influence the appointment. So, therefore, here either you can do that is your HR department and your top management they can make these changes into your organization or you can go for the sympathetic needs are there and you can make those changes are in your organization with the appointing an agency is there. Then they unite the others. Much of the work to influence external environmental is accomplished jointly with other organizations and that have similar interests are there.

So, do not fall into illegitimate activities. Illegitimate activities represent the final technique companies sometimes use to control their environmental domain and therefore, into here it is the this becomes important it is you are into the technique typically backfires are there. So, conditions such as the low profits pressure from the senior managers or the scarce environmental resources that may lead managers to adopt behaviors not considered illegitimate and therefore, to get the results the managers are so under so much pressure. So, therefore, to get the results they are making where changes are there which is not to be done. So, here we will find influencing a business environment. So, economic, political, social, environment and technical is there.

So, in economic we see the competitors who are our competitors and what are the we are having the alternatives resources. On the basis of these alternative products income of the customers economic cycle is there. Our customers whether they are getting that particular influence or not and the subsidiaries for the relevant sectors are there. So, if you are getting those subsidiaries then definitely in that case you will be able to control your economic uncertainty. Political or legal is there, sympathetic view is there or then the in the case management policies are changing or subsidiaries for the agriculture's you are asking for or maybe related to the import, export or the land reforms are there and these changes that will be made in the business environment and making the support for the organizations.

Social is cultural behavior that is how is the employees behavior is there, what is their

values and taboos. Attitude towards the waste or compost is there, how they are able to segregate the food and then their or demographic trends are there, what are the demographic trends. Then the education scales, environmental awareness is there. So, therefore, in that case this is the these are the social elements which you can take care and that is the as per the nature of your organization, you have to identify what type of the demographic variables are there, what are the trends are there, what type of the education skills are required, what type of the education and skills people you are getting in your organization and whether there is an environmental awareness or not. When we talk about environmental awareness it is necessary that you understand the climate and nature of the soil conditions, water availability in that particular place and agriculture activities and land use planning is very, very important.

The technical changes I always talk about these these are technological innovations that is a key for the success of mantras. And therefore, in that case, if you are able to get these particular changes then definitely in that case you will be able to make these meet those challenges. Then the changes of agriculture techniques are there and improved transport infrastructure is there and here you have to work on these particular issues. The relationship illustrated in the figure summarizes the two major themes about the organization environmental relationships. One theme is that the amount of complexity and change in an organization's domain influences the need for information and hence the uncertainty felt within an organization.

Greater information uncertainty is resolved through the greater structural flexibility and organic design and the assigned of the additional departments and the boundary role. When uncertainty is low management structures can be more mechanistic and the number of departments and boundaries roles can be fewer. The second theme which is pertains to the scarcity of material and the financial resources. The more dependent an organization is on other organizations for those resources the more important it is to either establish the favorable linkages with those organizations are control entry into domain is there. So, finally, we will talk about the organizational environment integrative framework and in this environmental integrative framework you will find that is the you decide that is the how environmental domain which is giving the high complexity, high rate of change and scarcity or the valued resources are there.

So, when we are having the high complexity and high rate of changes then naturally there will be the higher uncertainty and when there will be the higher uncertainty many departments and boundaries roles that in the organizations to see and greater influences the integrals of the internal coordination. Organic structures and systems with low formalization, decentralization and low standardization is unable to high speed responses are to be there. And resource dependence is their establishment of the favorable

relationships, ownership, joint ventures, strategic partners and here it is interlocking then the directorates are there, executive recruitment and there are so many other ways of the advertising and public relations are there. So, resource dependency also occurs in the case of the scarcity of valued is there, control of the environment and the domain is to be change of health, political activity, trade associates and the illegitimate activities are there. So, establishing a formal relationship and it is an acquiring an ownership state from joint ventures and partnerships, lock in key players, recruit executives as I have talked about earlier.

And use political activities influencing the key sectors are there, join in the trade associations, avoid illegitimate activities are there. So, finally, I would like to conclude that is the design essential, change in complexity have major implications for organizations. The organizational environment differs regarding uncertainty and resource dependence. The goal for organizations in managing efficiencies and survival. Managers must understand how the environment influences the structure of an organization and even in the whatever the strong organization is there, the data has to be ready for this particular strategy.

When the risk is great, organizations can attempt to change or influence the environment. Organizations can learn and adapt to the environment. This is a case study which you can refer Oxford Plastic Company and this is the research paper, Environmental Scanning, Supply Chain Integration, Responsiveness and Operational Performance and Integrative Framework from an Organizational Information Processing Theory Practices. I am sure this case study and this research paper will give an insight to understand this particular topic in a better way. So, this is a book of is recommended for organizational strategies, structure, and processes and here you can make the best use of your knowledge based on this that is how a dynamic adaptive cycle is there and how it keeps on changing with the period of time is there.

These are the references, please refer to these sources also so that you will get more insight on this particular topic. Thank you.