

**Designing Work Organization**  
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**Lecture-4**  
**Role of Strategy in Organization Design**

In the role of the strategy in organization design, we will be talking about that is the how to design the organization with the what will be the appropriate strategy will be there. So, strategic direction is very important. Now here we will talk about that is how the SWOT analysis of the organization has to be done. When you are making the SWOT analysis of the organization, then the mission statement is there and the mission statement you will find that is a strategic intent is to be there, the competitive advantage of making the strategies, operating goals are there, design essentials we will talk about and as usual, we will talk about the case study, research papers and the book recommendation and references. Now when we talk about the strategy in the organization design, so mission defines strategy and strategy defines the structure is there. In the beginning of the sessions, we have talked about the missions that is the vision and mission of the organization is very very important.

And whenever any organization which gives the mission or vision, then definitely the whole organization works on that particular strategy. And as the mission is very clear, then similarly the strategies will be giving you the structure that what is required to be the structure is to be there. Now strategy formulation, it is an art, everybody cannot make these particular just these strategies or the just designing the organization is there. It requires an understanding of the organization's goal.

Once you understand the vision of the organization, the goal of the organization, then definitely it will be making the reach to the what actions are to be taken. A goal represents a result or the endpoint towards which organizational efforts are directed. For example, many organizations they want to be the sustainable, flexible and growth, all the three factors they carry. Certain organizations they talk about only growth, certain organizations they talk only about that is what will be the productivity. So therefore, in that case, it depends on the organizational goal that is what is the goal of the organization is.

The top executives normally decide the end purpose of the organization that will strive for and determine the direction it will take to accomplish it. So the primary responsibility

of the top management is to determine an organization's what will be the goals, strategy, design and adopting the organization to a changing environment is there. Here in the role of strategy direction in this the organization design, first and foremost, it is every time you have to consider the external environment. When you consider the external environment, so that you can find out that what are the opportunities are there. In the external environment, technology is changing and whatever technology you have have will it create an opportunity or a technology is a threat that you have to decide.

So therefore, in that case in the environment of the uncertainty, because in the external environment nowadays also we see that is the you never know that is what will be the economic status at the global level, maybe the economic recession can be there or the economic supports are less or there are the physical conditions are making tough. So therefore, in that case that in these all situations, the resources availability that will be very, very difficult. So men machine I always talk about that is we should not forget that is in the designing of the organization, the resources are the men, machine material, like here when we are talking about the external environmental factors, the material availability that will be a big question. So when we are talking about and normally the organizations are concerned with the money. So men, machine, material, and money are the basically the 4 M's were there.

But now the research has talked about that is if you want to make the strategy for the sustainability of the organization, then your methods are very, very important. And these methods are to be adopted timely and that is why it is called the minutes are there. These 6 M's which are designing this type of this whatever these strategies are to be there. So, in external environment and this resource availability, whatever the resource is there, please ensure that is the you are having all these resources into considerations, when you are having these resources into consideration and that will give you that the strategic intent. But it is not only the external environment, the external environment has to be matched with the internal situations are there.

So when you talk about the opportunities and threats from the external environment, then you have to also consider your strengths and weaknesses from the inside. And this can be considered on the basis of these resources. So your manpower, the education of manpower, technical skill of the manpower, your methods, what are your methods are there, as you change the methods, nowadays we are talking about these industry 4.0 and if you talk about the industry 4.0, so your methods will be more dependent on the technology.

So you will be a machine learning, artificial intelligence and all. So therefore, in that case, what is your strength? So are you strong into these artificial intelligence or not and

therefore, in that case, you will find it will be difficult. Similarly the distinctive competence. Now in the businesses, you have to understand what is your USP? What exactly you are competing? It is the brand which you are competing, in my previous session I have talked about the Xerox Corporation and in the Xerox also, so once upon a time Xerox was the synonyms for the copying. So therefore, in that case, it is but the period of time you have seen that what is the fate of the Xerox is there.

So therefore, distinct competence that you have to develop. The new technologies which have been introduced and new environment, business environment which has been the influencing your business and that has to be realized by the leaders and in the organization design those who are at the top that is what is their leadership style. So, if their leadership style is a participative style, their leadership style is a collaborative style is there. We have talked in the previous session that is whenever we are talking about the collaboration rather than the giving just only the directions. So therefore, in that case, it is what is the leadership style is there in your internal strength is there.

Many organizations they have been revived, many organizations they were into the good conditions but because of the leadership style was not appropriate and organizations have been closed. So therefore, your internal situations that becomes very, very important is there. Now you have to also see the trend, trend analysis. Normally, whenever we talk about the research, organizational research, and then always we talk about the trend is there for any particular variable or a particular dimension that is we see the past performance that is how this has been challenged to society and what is the current status and what is the future is there. So therefore, in that case, always we have to see in the internal situation how we have performed and therefore, in that case, yes, I agree in a few cases there are miracles, my miracles do not happen every day.

So, therefore, in that case, we have to understand that is a what is past performance is there. In designing the organization structure, you have to consider the external environment and the internal situations. You have to identify the opportunities and threats, you have to also understand what resources you are having and these resources are you able to make this sure that is the how your resources are going to making the proper utilizations. Similarly, your internal situations are there. In internal situations, your strengths and your weaknesses you have to examine and then find out what was your past performance and how the leaders have responded to that particular environment is there.

This informations about the external environment and the internal situation and will create your intention is called the strategic intent and this strategic intent on the basis of your input, you will define the mission and the official goals are there. The end result,

what is the goal? Goal is the end result. So that end result will define about what is your strategic intent was there. So select the operational goals and the competitive strategies. So therefore, in that case, the goals which are to be decided on the basis of your the analysis external and internal, then you are going to be deciding the operational goals are there and then what will be your competitive strategy in the market.

So sometimes, it has been seen especially in the case of many FMCG companies that is the sachet. Sachet have been introduced and therefore, those sachets that has become the competitive strategy is there. Now these organization on the basis of their goals, they will decide a strategic intent and as per the strategic intent, they will design the organization. For example, learning versus efficiency is there. I have talked about learning organizations and in learning organizations, organizations learn from the environment and they respond, they become flexible, they become adaptive is there.

So every organization which is a good learner, which is flexible, adaptive, faster, and timely. So, therefore, in that case, that will be creating these particular efficiency also. If you are faster learner, your efficiency will increase. If your organization is having the slow response to the changes and not developing and then in that case, you will find that is there will be these efficiency has to be improved. The information and the control systems are there.

So therefore, in that case, you will find that is whatever the information you are having free flow of information and that will decide the organization design and where is the free flow of information? In vertical or horizontal? Yes, you are right in the horizontal. So therefore, this information which will be the free flow and the control system that is from top to bottom. So in the organization design, you have to ensure minimum control and maximum flow of information. What will be your production technology? And therefore, in that case, if your production technology is more autonomous, more technology based, then your number of manpower will be less. So your organization design will totally change.

And finally, it is about the your manpower and the organization culture is there. So whatever the manpower you are having, skilled, semi-skilled, unskilled, what is your natural organizations? What are the manpower you require more? When you are talking about the industries like the OO is there, when you are talking about the Ola, Uber or when this type of these service industries or when you are comparing with the your manufacturing industries, big automobile industries, then you will find that is it becomes very different structure of the human resource and policies and incentives are there. So your organization structure designing will totally change. When nowadays we are talking about the gig workers, gig economy. So therefore, in that case, these inter organizational

linkages that will become a very, very important.

So we have to, these organization design will depend on the what is the stage of the organization, what is the information and control system they want to adopt and that will be decided by the top management. What is the organization's production technology, human resources, culture and the linkages are there. Now, when you are having the appropriate organization design, you will have the effectiveness outcomes are there. Dear friends, those who are experts in organization design, definitely their goal attainment, maximization of the resources and high efficiency will be there. So those who are the good strategies adopted by the organizations in the designing this particular structure of the organization and that depends on.

So external environmental analysis and the internal situation and therefore, if you are a good analyst, if you are good analyst for the external environmental internal situation, then definitely you will find that is there is a strategic intent will be developed and your organization's effectiveness and outcomes that will be very, very important and you will be achieving your organizational goals. The direction setting typically begins with an assessment of the opportunities and threats in the external environment and including the amount of change uncertainty and resource availability is there. Top managers also assess internal strengths and weaknesses to define the company's distinctive and the analysis of these gain framework is one of the central concept in the strategic management is there. Now, when we talk about the strength, weakness, opportunities and threats, the SWOT analysis is there. So, what is the strength? The strength is the things your company does well.

So whatever the work you are doing and then your companies are doing in a very extreme well situations. So, therefore, then we will say it is our strength is there. Quality is that separate you from your competitors. So that impact factor you see, that impact factor of your product. So, if your impact factor of your product is higher, very simple example I will give and that is about the washing powders.

So, you will find there is a huge competition among the washing powders are there and some brands are they are putting in the example I would like to give. Some brands are putting that is our washing powder is more efficient for the top loaded washing machine. Some washing powders are saying that we are very good into the side loaded washing machine is there. So, therefore, in that case, so specific, if it is becoming so specific, then in that case you have to understand that is the what is your quality that separates from others and this is my footprint. This is my impact product impact and therefore, and nobody can stand before you and that is called this quality impact that is your strength is there.

Now, when we talk about the IT industries, so here, skilled knowledgeable staff, human capital, it is called the human capital. So whether you are into the pharmaceutical industries or you are into knowledge based organizations. So, when you are talking about the knowledge based organizations, you are talking about the pharmaceutical industries, you are talking about the IT industries and here it becomes your how much skilled is your manpower. Higher is the skilled is your manpower knowledgeable staff, your knowledge level is 5, this KM level is there. So, KM level 1, 2, 3, 4, 5 means the highest knowledge level of employees are there, then definitely that is your strength and the tangible assets such as intellectual property, capital, proprietary technologies, etcetera is there.

So therefore, the patents which you have, or that is intellectual capital already I mentioned that is intellectual capital is having the actually the organizational capital, human capital or that is called the social capital and the market capital. So therefore, in that case what is your assets are there. So this tangible assets, now which are creating the intellectual property is the biggest strength of your organization. In the previous model, when the strategies designs are to be there, we have talked about that is the how your human resource are the more impactful into the organization. If your resource availability is highly impactful, then definitely that is your strength.

Now, but every organization is not the perfect, like the no one is perfect, similarly the organizations cannot be perfect. So organization with the strengths will also have certain legs, so that you have to understand where you are lacking, things your competitors do better than you, you have to also understand the impact factor of your competitor, why it is high, why into your competition, they are into your competition means yes, their impact factor is also equal. So therefore, resource limitations generate the resources and the unclear unique selling proposition USP. So therefore, you do not know, somebody asked you, what is your USP? How you are different from others? Why should you be selected? Why you should be given this assignment? What is you, so one should know that is what is my strength and what is my weakness and then he has to improve on weakness and when he will improve on weakness, definitely the impact factor will be impression management will be higher. Similarly for the organization, when you are designing an organization, you should know that is the what is my strength and what is my weakness, because this will create the opportunities are there.

So undeserved market for the specific products are there, so that will be the opportunity. Few competitors in your area, so you find, oh, in my area there are very few competitors who can stand with me. The emerging need for your products or the services are there. With the product time, the many products that those have become obsolete. So therefore,

it becomes very important whether your products are the needed or they are not needed, like the pager was there, pager is no needed is there.

So land phones were there, now there is no technology for the place there. So therefore, in that case, with the changes in the environment, changes in the technology, you will find that is your product or services are required or not required. And the this also the press and media coverage of your company, how social media especially, your impression is how do you exist and if you are having the proper existence, so then you are having that opportunities. Then there are certain threats are there and these threats are the emerging competitors. And therefore, in that case, you will find that is these are the emerging competitors which are the always set is there.

So you have to be always on toes, you have to be the best, always to be best, but best cannot be always even to be the best, so efforts are to be made. Changing the regulatory environment are there and you see that is the government rules, regulations, the environmental regulatory, social regulatory, the technical regulatory, especially. So therefore, that will be a threat, laws will be keep on changing and then you have to make manager your resources accordingly. Negative press or the media coverage is there or the changing customer attitude towards your company and therefore, one image is created of the product. So if it is the image is not the best, then definitely it will take time.

So to avoid this, you should be very clear that is the you are able to create your image to your customers that is what you are. Here, a sample of the SWOT analysis, there strong financial position, competent work force, quality products are there, effective leadership and reputable is there. And the opportunities are the growth of the existing market, untapped markets, facilities from the government, decreased sales of the substitute products are there and new technologies are there. These are the opportunities are there. The weakness is the inability to meet the demand, company location, high turnover rate, out of debt equipment, high unit cost is there.

A new lower cost competitor is there that is a threat and therefore, in the real shortage of the manpower, economic issues, new costly regulations, rising material price is there. So therefore, in this case, you have to decide the strategies that what will be your strategies are there. So all organizations including the FUSI, eBay, Philips Electronics, Google, Harvard University, the Catholic Church, the US Department of Agriculture, the local laundry and the neighborhood Delhi exist for a purpose is there, organizational goal is there. The purpose may be referred to as the overall goal or a mission and different parts of these organization establishes their own goals and objectives to help meet the overall goal, mission or the purpose of the organization is there. So what is a strategic intent? So, all the organization's energies and resources are directed towards a focus,

unifying and the compelling overall goal is there.

So strategic intent provides a focus for management action. Three aspects related to the strategic intent are the mission, core competence, and competitive advantage is there. So mission, competitive advantage, and core competence is the operating goal, overall performance, resources, market, employee development, innovation and change and productivity is there and that will be about the strategic intent will be there. The missions overall goal for an organization and these that is mission and the organization's reason for existence is there, that why? Why organization should run? The mission describes the organization's shared values and beliefs and its reason for being existence is there. So mission is sometimes called the official goal, which refers to the formally stated definition of business scope and outcomes of the organization is trying to achieve.

One of the primary purposes of a mission statement is to serve as a communication tool and the mission statement communicates to current and prospective employees, customers, investors are there, suppliers, competitors, what the organization stands for and what is trying to achieve is there. And therefore, this is the primary purpose of a mission statement, which is to be served as a communication tool is there. Now, mission statements for example, for the machine saving bank is to be exceptional in every relationship, product developed in every service rendered and every promise made is there, so to be the excellent. To provide the most exceptional banking experience in the state of the man, so and principles driven to be the best. So, to be the best we must look through the lens of the customer to deliver the best products and services in a cost effective way is there.

So, therefore, in that case, actually it is a perception of the customer, you are the best, right, who should say that you are the best, not myself yourself are saying that I am the best, no, no, it is the other should say that you are the best is to be there. Build a winning performance culture and to create a winning performance culture we need to the first operate with the highest standards of integrity. They execute as one together, we will focus on a consistent strong financial performance during the good times and the bad times are there. So, competitive advantage that is as I mentioned that is a high skilled workers are there, getting exclusive access to the new technologies, therefore, you are developing new technologies are there, then the offering the unique products or services, USP, gaining exclusive access to the proprietary of the technologies are there. Cost leadership strategy that is nowadays has become a very visible that is the is your leadership is the cost effective or not, if your leadership is cost effective, you will remain competitive.

This strategy is necessarily changes over time to fit environmental conditions, as I



mentioned that is the strategies for a period of time, but as the environment changes, organizations are flexible and competitive and the good managers, they pay close attention to trends that might require the changes in how the company operates. And therefore, the managers analyze the competitors and the internal and external environment to find the potential competitive openings and learn what new capabilities organization needs to gain the upper hand against the companies in the industries are there. So, unless and until if you do not have any USP, you do not have any upper hand, then in that case, it will be very difficult for the survival. The survival of the organization will become a big question. So, core competencies, a company's core competence is something the organization does especially well in comparison to its competitors.

A core competency may be in the area of superior research and development, expert technological know-how or the process is very specific, efficiency or exceptional customer services at Apple, the strategy focuses on superior design and the marketing skills are there. So, therefore, in that case, it depends on the area organization, what core competence they want to develop. Now, the operating goals, the organization's missions and overall goals provide a basis for developing more specific operating goals and operating goals designing the end sort through the actual operating procedure of the organization and explain what the organization is actually trying to do. So therefore, productivity goals, innovation and change in goals are there, employee development goals, resource goals, market goals and overall performance goal is there. So, ultimately your overall performance goal is required to be strong.

Typical operating goals define what an organization is trying to accomplish. So that include performance goals, resource goals, market goals, employee development goals and productivity goals and goals for innovation and change is there. This overall performance profitability reflects the of the for-profit organizations, profitability may be expressed in terms of the net income, earnings per share, or return on investment. Other overall performance goals are growth and the output volume is there. Resources goals pertain to the acquisition of needed material and financial resources from the environment.

They may involve obtaining financially for the construct of the new plants finding less expensive sources for the raw materials. And therefore, in that case, it is hiring the top quality technology graduates that is become the very, very important resources are there. For example, Starbucks recently formed an alliance with India's Tata group to obtain the Indian premium Arabic coffee beans for use in Starbucks stores. Eventually, the alliance will also enable Starbucks to find the prime locations for outlets in India, which can also be considered valuable resources there.

So, this is becoming the very important operating goal. When you talk about the market, market goals are related to the market share or the market standing desired by the organizations. So, market goals are largely responsibility of the marketing, sales and advertising departments. Example is this L'Oreal, the world's largest cosmetic company has a goal of doubling its current clients, adding the 1 billion consumers by the 2020. As one step to achieve the goal, managers are making changes in marketing and the selling approaches designed to win over the customers in Brazil. So, the productivity goals concern the amount of output achieved from the available resources.

And they typically describe the amount of resources inputs required to reach desired outputs and others started in terms of the cost for a unit of production. In unit produced per employee, a resource cost per employee is there. Innovation and change, the innovation goal pertains to the internal flexibility and readiness to with respect to the development of the specific new services, products and the introduction processes are there. For example, Procter & Gamble. So, Procter & Gamble started a program called the Connect One in 2001 with a goal of getting the 50 percent of the company's innovation and through the collaboration and people and organizations outside the company by 2010.

The goal then represented an increase from about 35 percent in 2004 and only 10 in 2000. The ambitious goal was met and exceeded, resulting in innovations such as the where the Swiffer Duster, Olay Regenerist and Mr. Clean Magic Eraser is there and here the Procter & Gamble that got the success. Employee development, it pertains to the training promotion, safety, growth of the employees, it includes both managers and workers. So, therefore, the strong employee development goals are there, then definitely in that case, it will show that is in the Fortune magazine's list of 100 best companies to work for and that is also about a particular branding.

So, in conclusion what I can say, there is a design essentials. Organizations exist for a purpose, top managers and the organization's strategic intent including a specific mission to accomplish and the mission statement or the official goals makes the explicit the purpose and direction of an organization. Two other aspects related to the strategic intent are the competitive advantage and the core competence. The competitive advantage differs so that what is the organization apart from the others and provide it with a distinctive edge. A core competence is something the organization does extremely well compared to its competitors. Strategies may include any number of the techniques to achieve the stated goals.

The two models for formulating strategies are the portals' competitive strategies and the

mails and the there is no strategy typology is there. Organization design needs to feed from competitive approaches to contribute to the organizational effectiveness is there. This is the case study to which you can refer to the Madras Assignment Limited and you can find out that is how the company's information system that each at other plans was very different from each other, what changes they have made, what system they have developed and as a result of which you will find whether the organization has developed that particular success or not. This is the research paper, how organizational structure and strategic alignment influence the new product success is there. This re-examine the role of the organization level determined from the perspective of the competitive based views.

So, whether it is becoming the mechanistic structure or it is becoming the organic structure is there that in this paper we will talk about and therefore, in that case you will find that is the how firm that has developed a particular aspect for their designing of the organizations are there. This is the book to which you can refer the strategic leadership, how to think and plan strategically and provide direction in this case, you will find that is this particular strategic leadership book is talking about the renowned leadership experts John Adair encourages leaders to focus on tomorrow or rather than yesterday it expressed their nature and origin of the strategic leadership transferable skills and the art of inspiring others. Adair then describes the role that is what role of the managers that they have to play. These are the references for the further studies, please go through these references and you will find that is the how the organization design which we talk about is that that has to be dependent on the nature of the organizations, the SWOT, the external environmental, internal environment and strategic intent.

So, you will be able to develop the strategy for your organization. Thank you. Thank you.