Q1. Many organisations in certain sectors such as IT, Project Management etc. have relatively flatter hierarchies. In such organisations, how are the concerns of authority and accountability best handled?

Answer 1. Flat Hierarchical Organizations - The advantages of a hierarchy structure lie in its clearly defined roles and responsibilities, employees can see a clear path for career progression and employees develop loyalty to their team. Management thinkers such as Max Weber advocated organizations that started with a CEO and moved down through hierarchical management layers before reaching the person servicing the customer. A typical organization may have a head of sales, manager of the regional operation, manager of local sales, heads of each division within the local area, and finally salespeople. Flat organizations throw away this approach in favour of one which features people working in customer-focused positions with fewer management layers.

Customer-Centric Focus -People who service customer needs understand who the target audience should be, what their needs are, how they view pricing, and how to sell the product. In a flat organization, managers are brought into the process of accomplishing work for clients while workers are asked to make more decisions, bringing them more into the management arena. A flat organization moves everyone closer to the customer so that everyone understands the needs of those people using the product or service.

Employee Empowerment - Fewer managers mean that in many cases, employees need to be able to make decisions without intervention from a higher layer of authority. According to management expert Peter Drucker, this means more training of employees so that everyone better understands how a company can achieve its goals and keep customers happy. However, Drucker notes, in the long term, employees are freer to service the customer as they'd like, which leads to higher retention of employees with higher job satisfaction and also more satisfied customers.

Flexibility - Organizations relying on a flat structure need to cross-train employees to fill in for others quickly when special situations arise. This cross-training makes the organization more reflexive when problems arise, and creates a speedy growth business, which is able to solve customer problems and fix any complaints that arise faster in a traditional organization.

Accountability - Often in a traditional operation it's easy to "pass the buck" to another employee. Because a flat organization needs well-defined areas of focus, employee accountability is much higher. This makes it easier for managers to assess strengths and weaknesses of employees and look for sales or efficiency opportunities in the system.

Cost- A flat organization is less costly because there are less people in the management chain and more persons touching the end product or service. Cost per piece of product falls dramatically as layers of management overhead are reduced. New hire training costs also lower as retention levels increase.

Q2. There are certain pre-requisites for an intervention in an organisation which lead to 'rightsizing'. What are the steps which would be the pre-requisites for such an intervention?

Answer 2. Human Resource is one of the most important assets of any organization. It is the prime factor for driving the organization's growth and well being. The adequate requirements can be foreseen based on the diversification plans of the organization. The rightsizing can also be seen on the strategic front, whether the organization is planning for a diversification based on economies of scale or scope.

To maintain it in a precautionary manner, the organization needs to have a right succession planning. One of the options could be to seek functional partners within the company. It has to keep a definite and correct data about its employees', their skills and wages and based on its future plans, the adequate amount of manpower can be recruited. Moreover, the existing manpower could also be trained on the new technologies, tools and processes so that there is no need to hire employees on the managerial level from outside but from within. This could not only help in reducing the

hiring cost but also increase the efficiency of the promoted employees who take it as their promotion. It also increases the loyalty and the belongingness to the organization. There has to sound focus on critical and high impact jobs. The best paying jobs should be from within the organization like Mz Chanda Kocchar from ICICI Bank etc.

There has to be adequate and uniform appraisal system and the measure of competencies of the individuals as this is the direct measure of the organization's current health.

So, in short, there has to be an integration of strategic workforce planning and the business planning which has to be done by the Human resource department in consultation with the management. Only then can the organization aim for holistic growth.

Q3. If legacy factors are inherent in the induction of any fresh entrant in an organisation, what are some of the precautions and approaches which it can take to ensure their better integration into the organisation that they join?

Answer 3. After working for sometime in an organization, there are a lot of things that an employee learns. Prominent among these are the culture, the structure and other learning that the employee takes along with him when he leaves. The legacy factors embodied in the employee are a result of:-

- Molding influences during the early stages of growth
- Contextual Factors
- Personality Variables
- Process Variables

The new organization that the employee enters into has so much to learn from the legacy factors that the employee brings along with him from his previous work place. To start with, the strategic initiatives that the previous organization has taken give the current organization a great lead. The current organization has managed to avoid several failures and also bring itself one step closer to the success it wishes to achieve.

This learning can be used to combat the competition offered by the previous organization as well as to avoid doing what they did but were unsuccessful at large. However there can be a pitfall in the sense that going down this lane may lead to loss of originality on part of the company.

There is another aspect related to learning, in the human resources context. The reasons for which the employee has left the previous organization to join the current one can very well be the reasons for him leaving the current one and moving on to some other organization. Why just this new employee, there might be other employees also who would like to move to some other organization because of similar reasons. After a talk with the employee, the reason can be brought in the light and necessary actions can be taken to eliminate them. Talking in the positive sense, the new employee can also help the human resources team of the current organization to implement some motivation policies that kept the employees of the previous organization happy. This way, we are not just eliminating the negatives, but also making a move towards the positive side on employee satisfaction scale.

Q4. What are the best ways in which an organisation-person can be helped to supplement the pre-conditioning of cross-sectional thinking with longitudinal thinking?

Answer 4. According to longitudinal thinking, the present state is a result of the past state and the future state would be the result of the present state i.e. nothing begins ab initio. It can help to establish a useful pattern or trend between a dependent and an independent factor over time and reveal the impact of other surrounding or circumstantial or peripheral factors. The trajectory of organizational growth can be plotted as

$$Y = mX + C$$

Longitudinal Thinking reveals 'c' i.e. the factors that impact the dynamics of the relation between Y and X. Longitudinal analysis is detailed examination of data and evidence to reveal trends over time which reveals patterns in target population's achievements, behavior etc over time.

When compared with trend analysis it gives a before and after picture and also switch from trend to longitudinal is simple. One has to focus on the individual's event. It is different from cross-sectional analysis in a way that people making up the population have to be changed according to who fits the criterion each year in cross sectional analysis but longitudinal analysis looks at the same people over time based on whether they fit the criterion at the selected time. Following things will help an organization achieve longitudinal thinking:

- Learning needs to be seen as part of every performance and every relationship within an organization.
- There is a need to move from a linear view of learning to one that is circular or spiral.
- Learning needs to occur on many levels and in different directions.
- View of learning also needs to change from one that is compartmental to one that is integrative. This means valuing Wisdom rather than Expertise.

Let us take example of an interesting study done on Swedish and Danish biotechnology start-ups. The study concluded that the founders' immediate prior experience affects the performance of their new venture. Following observations were seen regarding the founder and performance of the company.

•Firms produce innovations that have greater product development potential.

University Researchers

•Firms have better financial performance.

Pharmaceutical industry

•Firms perform well in product innovation and financial performance.

From prominent Biotechnology firms

•Firms do well in financial terms only.

From Downstream Markets

Q5. Human relationships, and including professional relationships, can be often overlapping and diffused in their nature, with intra and interdependencies. How does Maslow's hierarchy of needs model account for this typical characteristic of human relationships?

Answer 5. If Maslow's theory holds, there are some important implications for management. There are opportunities to motivate employees through management style, job design, company events, and compensation packages, some examples of which follow:

- Physiological needs: Provide lunch breaks, rest breaks, and wages that are sufficient to purchase the essentials of life.
- Safety Needs: Provide a safe working environment, retirement benefits, and job security.
- Social Needs: Create a sense of community via team-based projects and social events.
- Esteem Needs: Recognize achievements to make employees feel appreciated and valued. Offer job titles that convey the importance of the position.
- Self-Actualization: Provide employees a challenge and the opportunity to reach their full career potential.

However, not all people are driven by the same needs - at any time different people may be motivated by entirely different factors. It is important to understand the needs being pursued by each employee. To motivate an employee, the manager must be able to recognize the needs level at which the employee is operating, and use those needs as levers of motivation.

While Maslow's hierarchy makes sense from an intuitive standpoint, there is little evidence to support its hierarchical aspect. In fact, there is evidence that contradicts the order of needs specified by the model. For example, some cultures appear to place social needs before any others. Maslow's hierarchy also has difficulty explaining cases such as the "starving artist" in which a person neglects lower needs in pursuit of higher ones. Finally, there is little evidence to suggest that people are motivated to satisfy only one need level at a time, except in situations where there is a conflict between needs.

Even though Maslow's hierarchy lacks scientific support, it is quite well-known and is the first theory of motivation to which many people they are exposed. To address some of the issues of Maslow's theory, Clayton Alderfer developed the ERG theory, a needs-

based model that is more consistent with empirical findings.In fact ERG theory combines some of the layers given in Maslow's theory because of the overlap.

Q6. The contingency theory does not specifically prescribe any plan of action, but only curative measures under contingent circumstances. How does the organisation account for the risk factor inherent in such a non-prescriptive theory of management?

Answer 6. Contingency theory states that "there is no best way of organizing". The appropriate way depends upon the kind of task and environment one is dealing with. Contingency theory is directly dependent on environment, task and technology, which makes other theories (Weber's bureaucracy and Taylor's scientific management) a special case of contingency theory.

What is important is that there be a fit between the organization's structure, its size, its technology, and the requirements of its environment. This is what contingency theory provides. According to it, the organizations change mostly due to these factors:

1. Size

- This refers to capacity, number of personnel, outputs (customers, sales), and resources (wealth).
- Increasing size is also related to increased structuring of organizations activities but decreased concentration of power.
- Managerial practices, such as flexibility in personnel assignments, extent of delegation of authority, and emphasis on results rather than procedures, are related to the size of the unit managed.

2. Technology

It appears that certain activities naturally "go with" certain structures. Joan Woodward found that by knowing an organization's primary system of production, you could predict their structure:

- Unit Production

- Mass Production
- Continuous Production

3. Environment

- Adaption

Organizations actively adapt to their environments. For example, organizations facing complex, highly uncertain environments typically differentiate so that each organizational unit is facing a smaller, more certain problem.

- Natural Selection

If the environment is stable, this selection process will lead to most organizations being well-adapted to the environment, not because they all changed themselves, but because those that were not well-adapted will have died off.

- Dependence

The economy is a giant network of organizations linked by buying and selling relationships. Every company has suppliers (inputs) and customers (outputs). Every company is dependent on both their suppliers and their customers for resources and money. To the extent that a company needs it's suppliers less than they need it, the company has power. That is, power is a function of asymmetric mutual dependence.Organizations that have power over others are able to impose elements of structure on them.

- Institutionalization

Under conditions of uncertainty, organizations imitate others that appear to be successful. This can cause whole industries to adopt similar structural features.

In nutshell, according to contingency theory, plan of action itself depends on curative measures, which makes this complete process dynamic as well as cyclic.

Q7. 'Umbrella' conglomerates are often wide-ranging in spectrum and immense in terms of organisational size. How do Indian conglomerates such as the Tata Group, Aditya Birla Group, Reliance Industries etc. Account for the problems arising from their organisational size?

Answer 7. Combating Organization Size - For decades, there has been a body of literature which argues that when it comes to organizations, small is beautiful. There is also increasing evidence that in today's highly competitive rapidly changing world, large organization size often does not produce the advantages that it once did. Many of the large, highly admired corporations of the past today are smaller as a result of extensive layoffs and downsizing.

Although it appears that in today's hyper-competitive business environment, large size may have more disadvantages than advantages associated with it, size in its own right does not mean that an organization has to be slow and distant from customers. New developments in organization design and information technology may be able to enhance the responsiveness of large organizations so that they can compete with smaller firms.

Thus, before we reach the conclusion that large, complex organizations are obsolete dinosaurs and likely to disappear, we need to look much more closely at the advantages and disadvantages of organization size in today's business environment.

Advantages of Size

There are many advantages that can result from large size. Most of them have to do with marketing, finance, product development, purchasing and technology. A brief review of the major advantages follows.

Market Share

In many markets, particularly those that are global, large size is necessary in order to capture a significant market share. This is particularly true in industries such as consumer products, pharmaceuticals, automobiles and high technology.

Access to low cost capital

Size in the minds of many investors means financial stability and thus, larger corporations are often able to get the better debt ratings and superior access to capital both through equity markets and through loans from major institutions. Size also often

means large financing deals whether it is stock offerings or loans and this often means lower financing costs since there are some economies of scale in this area.

Brand Recognition and Advertising

With many consumer products, there are significant advantages to having a recognizable brand. Among other things, it helps reduce the perceived risk to customers of new products and product line extensions.

Research and Development

Conducting research and development in many industries, particularly those in high technology arenas, is becoming a prerequisite to developing new products and marketing breakthrough technologies. To fund major investments in research, organizations need to be able to amortize these costs over a large base of consumers.

There are different approaches to manage immensely large organizations

- Traditional large organizations
- Small/large approach
- Large/small approach

Q8. Organisations always have to, at some point or the other, choose between the organizational fit within its environment, or the individual's fit within the organisation. In such cases, what should determine the organisation's agenda?

Answer 8. How an organization fits within its environment is defined by its ccompatibility with customers, government, union whereas the issue of Individual fit within the organization is defined by ccompatibility of individual's personal values, political orientation, hobbies, style of dress with other organizational members.

Most of the contingency theories argue that organizations must tailor their structures and decision making processes to fit the demands of their external environments. What constitute the external market can range from customer, union, government- mainly the exigencies of their markets. These theories mainly suggest that the organisations that have ever-changing characteristics due to unpredictability of environment in technology, customer and competitor behaviour are required to have greater level of environmental fit to survive in the market.

In order to achieve that they require more responsive decision making and a higher delegation of authority to highly trained specialists. Together with that the environmental uncertainties that may require an organisation to endeavour for an organisational fit can be organisational differentiation and specialization, scanning of markets and flexible, informal decision making. But this endeavour to fit to environment usually lead the organisation to be less rated on employee satisfaction grades. Therefore experts usually favour a slower, more analytical approach. Here, internal and external requirements appear to be inconsistent. These and similar inconsistencies indicate that the alignment among structural and process variables needed for good environmental fit seems sometimes to violate the dictates of internal consistency.

It is reasonable, therefore, to expect that where such inconsistencies occur, organizations will choose between achieving internal match and external match: firms that closely match the demands of their environment will lack internal complementarily, and vice versa. Organizations that achieve the best fit with environmental uncertainty have the weakest linkages among structural and process variables. So it basically depends on the requirement of the organisation whether to be an environmental fit or an example of individual's fit within it. However, internal and external fit are not always incompatible. For example, that fit with environmental diversity usually doesn't have any implications for internal fit. So the managers may have to perform their adaptive tasks sequentially striving for a harmonious alignment among their internal variables in order to achieve smooth functioning, but periodically disrupting this harmony to adjust to a changing environment.

Reference:
Environmental Fit Versus Internal Fit
Danny Miller
Ecole des Hautes Etudes Commerciales, Montreal, Quebec, Canada

Q9. Modern organisations have 'techno-administrators' or 'technocrats', often leading from right helm of affairs (CTO, CIO etc.) Where do they fit into the traditionalistic institutional-administrative-technical structure of hierarchy? Should the structure be modified in any manner to accommodate these new positions for the technocratic-managers?

Answer 9. The effective integration of technology into firm strategy is essential for the success of firms in technology-driven industries. Uttal et al (1992) proposed that if a firm is in an industry in which technology is not an important strategic differentiator then technology should not be given high strategic importance and the CTO should not be significantly involved in setting firm strategy. In that case the CTO's role should be confined to functional leadership. In industries in which technology has very little strategic importance a CTO may not be needed at all. But if firm is an industry in which technology plays a major role, then CTO fits into institutional level of structure.

Over the past decade, the roles and responsibilities of the corporate information officer (CIO) have continued to expand rapidly in both magnitude and scope. This expansion matches the dynamic changes in today's business climate, so that the job accountabilities of the CIO position are vastly different. The job responsibilities of the CIO have transformed a mid-level technical manager into a high ranking corporate executive. Consequently, CIOs of today are now faced with the difficult and time-consuming job of juggling their time to handle both managerial and technical information systems issues.

ESTABLISHING A CIO/CTO ORGANIZATIONAL STRUCTURE
The first step in recommending change to accommodate the CIO/CTO-based organizational structure is to first review a typical CIO-based organizational hierarchy. One of the more typical designs has the CIO responsible for managing all facets of information systems. Reporting to the CIO is a series of managers and directors that are responsible for specific information systems functions: Director of Telecommunications, Director of Administration, Manager of the Information Center, Manager of Office Automation, and the Data Processing Director. Under the Data Processing Director,

there are three key functional managers: Managers of Systems Development, Manager of Programming, and the Operations Manager.

Any number of possible organizational designs could allow for the introduction of the CTO position into the existing business hierarchy, but only a few are likely to produce high benefits and low risks of disrupting established operating dynamics. One of the approaches places the CTO in a direct line under the CIO, while a second places the CTO on a parallel footing with the CIO. Beyond these two, a third possible scenario follows. This one recognizes that information is already being managed with different structures in all organizations and that it is the technology that must be managed differently. Thus, there is no longer a need for the traditional CIO position within organizations and executive leadership of the IT function should be given to the CTO. (Source: CIO/CTO Job Roles: An Emerging Organizational Model, Robert C. Beatty, Kirk P. Arnett & Chang Liu)

Q10. The mechanistic and organic models of organisation structure both have their own sets of advantages and limitations, with no perfect fit evident in either of the cases. Expected to find the right balance between the two models, where and how do organisations find a trade-off?

Answer 10:- Mechanistic Structure:

The characteristics of mechanistic organization structure are:

- Extensive departmentalization: In a mechanistic organization, positions are grouped together into specialized work units and, ultimately, into specialized functional departments such as production, marketing, or finance. Each organizational unit has clear and specific responsibilities and objectives.

- High formalization: Mechanistic structures are highly formalized, which simply means that nearly all processes and procedures have been administratively authorized.

- Limited Information Network: Communication is primarily vertical, with more emphasis on down-ward directives than on upward communication.

- High centralization: Top management makes key decisions. Lower level managers merely carry out top management directives. Decision making responsibility is moved upward in the hierarchy

  Due to these characteristics, mechanistic organization has following disadvantages

- Employees dislike rigid designs, which makes work motivation problematic
- Unions may further solidify rigid designs
- Key employees may leave
- Low organization's capacity to adjust with environmental changes or emerging of new technologies i.e. lower flexibility
- Organic Structure:

Advantages of organic structure:

- Low hierarchical differentiation
- Collaboration (both vertical and horizontal)
- Adaptable duties
- Procedures are minimal, and those that do exist are not highly formalized
- Decentralized decision authority
- Good for problem solving and serving individual customer needs
- Good at detecting external changes and adjusting to new technologies

An organic structure has following limitations:

- Lower level of rules and regulations
- Sacrifices ability to respond to central management direction
- No fixed duties
- Less control of higher authority to the lower authority

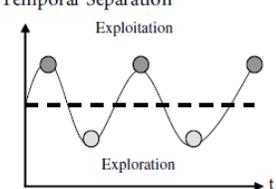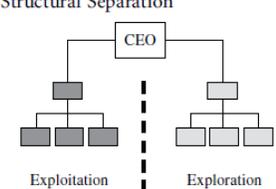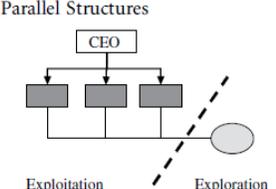Balanced trade off between mechanistic and organic structure:

Profitable growth requires an organizational design that pursues seemingly contradictory demands: mechanistic structures to ensure the efficient exploitation of

existing capabilities, and organic structures to enable the exploration of new growth opportunities.

The organization can find balanced trade-off between mechanistic and organic structure by:

- Temporarily cycling through different structures (temporal separation): Temporal separation is required when organizations have to fundamentally realign their operational procedures to meet changing environmental conditions. These shifts in alignment represent major disruptions that affect the entire organization. The companies use temporal separation only for major change – rare events - in order to minimize the high implementation costs and risks of this solution. Temporal separation is also limited to operational functions, to avoid disruption of client-facing activities.

- Creating differentiated units (structural separation): Structural separation is used frequently in the organizations when they launched new businesses to generate revenue streams outside stagnating core businesses. These new ventures may involve fundamentally different activities from the companies' existing businesses, both in terms of products and target clients. The newly established units may enjoy high degrees of autonomy, and may be externally focused in order to gain fresh ideas and capabilities that might be lacking within the firm.. Overall, this design option is characterized by supply and demand-side exploration logic in the new businesses, while the core businesses remains unchanged, continuing to exploit the firms' existing capabilities.

- Enabling employees to move back and forth between different structures (parallel structures): Parallel structures are deployed when the firms intend to upgrade or recombine existing products to develop solutions that could target new customer groups. The focus is on incremental innovation by exploiting existing capabilities and technologies. While the product-related and operational activities remains close to existing capabilities, the supplementary structures enjoyed significant autonomy in setting up their own market-facing activities. Overall, this design

option is characterized by demand-side exploration logic: while fundamentally new marketing and sales processes are established, the demand-side activities rely strongly on the exploiting of the existing capabilities.

Category	Description	Related Theoretical Concepts
Temporal Separation	■ Organizations change back and forth between different corporate structures. ■ Decentralization is used to ignite innovation and change; centralization to increase coordination and efficiency. ■ Exploitation and exploration are emphasized *sequentially* rather than simultaneously.	■ Cycling (e.g., Cummings, 1995; Eccles & Nohria, 1992) ■ Sequencing (Siggelkow & Levinthal, 2003) ■ Vacillation (Nickerson & Zenger, 2002)
Structural Separation	■ Organizations are divided into two (or more) separate units with different structures. ■ Flexible 'innovative units' explore new areas for growth; more formal 'operational units' ensure efficient operations in the existing business. ■ Exploitation and exploration are addressed by *different* employees and organizational units.	■ Ambidextrous organization (e.g., Duncan, 1976; O'Reilly & Tushman, 2004; Tushman & O'Reilly, 1997) ■ Plural form (Bradach, 1997) ■ Loosely coupled organization (Christensen, 1998; Levinthal, 1997)
Parallel Structures	■ Organizations create supplemental network structures to complement the formal primary structure. ■ Employees switch between the two types of structures depending on their respective tasks. ■ Exploitation and exploration are addressed by the *same* employees, but in *different* structural environments.	■ Collateral organization (Zand, 1974) ■ Dualistic structures (Goldstein, 1985) ■ Hypertext organization (Nonaka & Takeuchi, 1995) ■ Parallel learning structures (Bushe & Shani, 1991; McDonough & Leifer, 1983; Stein & Kanter, 1980)

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- Sebastian Raisch, Balanced Structures: Designing Organizations for Profitable Growth, Long Range Planning , Volume 41, Issue 5, October 2008, Pages 483-508.