

# Principles of management

## Week 2

### Environments:

- Types
- Components of general environment
- Components of specific environment
- Environments and change management
- Making sense of changing environments

### Organizational culture

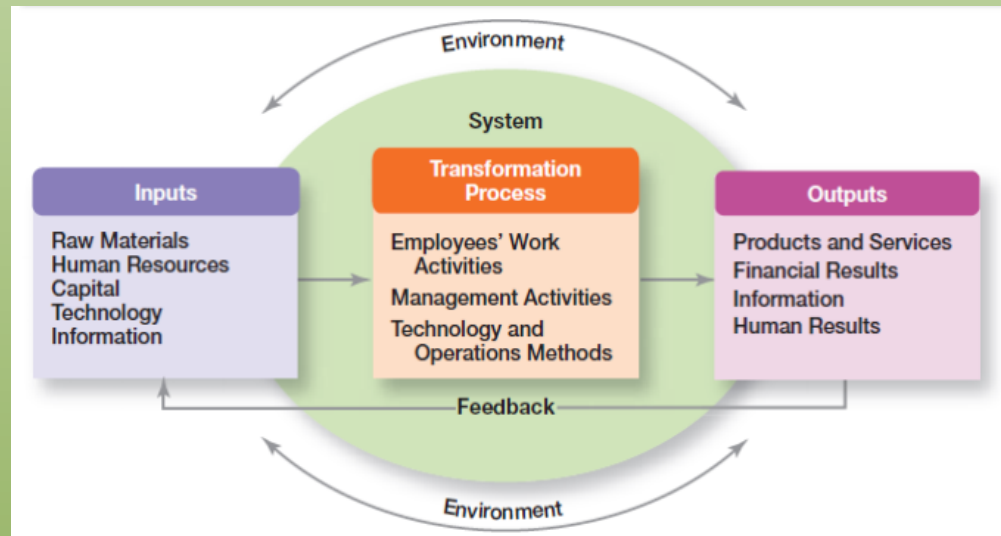
- Conceptualizations
- Features
- Levels
- Types



# Environments Types

As per the Open Systems approach:

- Internal to the organization
- External to the organization:
  - General
  - Specific



# Environments Types



## Environments

### Types – General – Porter - forces

- Economic: monetary and demand conditions influencing the organization in terms of its supply capacity
- Technological: knowledge, tools, techniques transforming inputs into outputs
- Sociocultural: demographic, behavioral and beliefs of a people
- Political and legal: laws and regulations delimiting economic, technological and sociocultural forces

## Environments Types - Specific

### Customers

- *Purchase products and services*

### Competitors

- *Firms in the same industry that sell similar products or services*

### Suppliers

- *Companies that provide material, human, financial, and informational resources to other companies*

## Environments Types - Specific

### Industry regulation

- *Regulations and rules that govern the practices and procedures of specific industries, businesses, and professions*

### Advocacy groups

- *Concerned citizens who band together to try to influence the business practices of specific industries, businesses, and professions*

# Environments

## Change management

Environmental change:

- Rate at which general and specific environments change

Types:

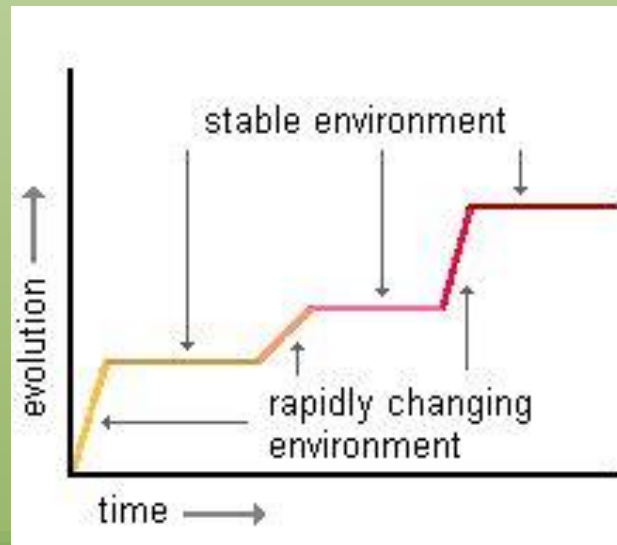
- Stable: slow rate of change – low degree of turbulence
- Dynamic: fast rate of change – high degree of turbulence

# Environments

## Change management

Punctuated equilibrium theory:

- Organisations go through long periods of stability during which change occurs at a slow rate. These can be followed by short and dynamic periods followed by calmer periods

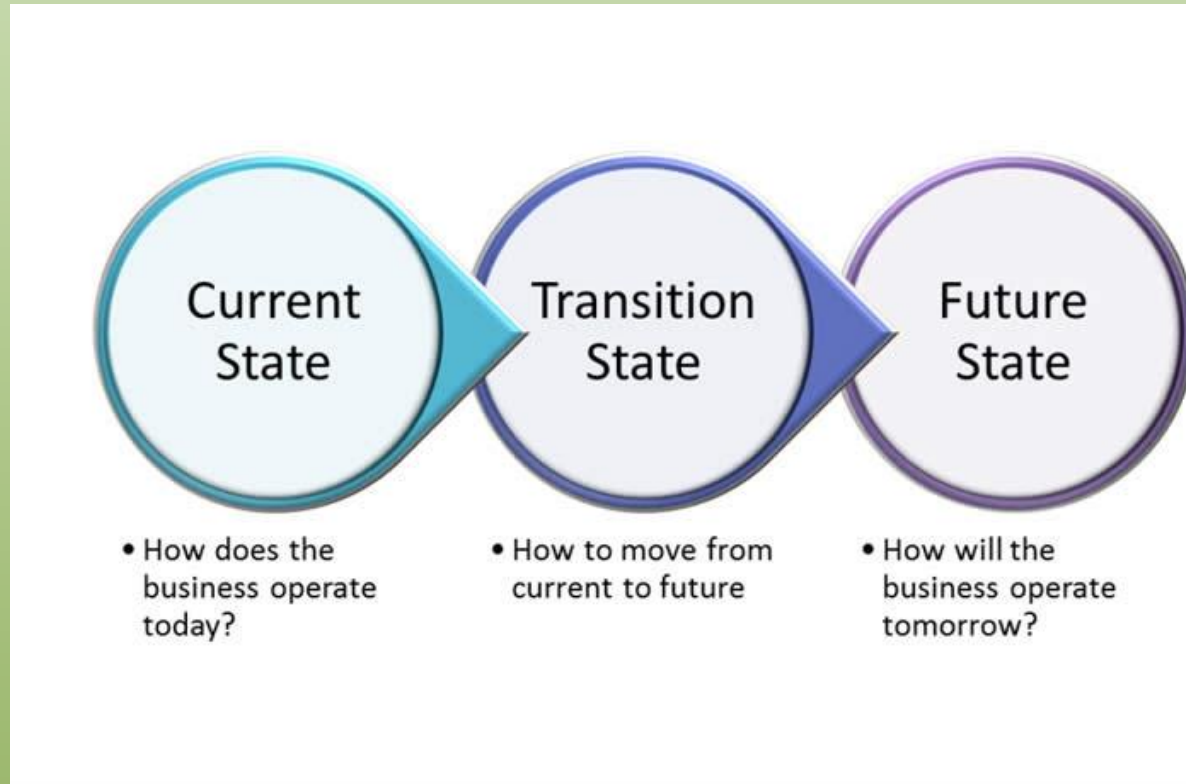




# Environments

## Change management

The impact of environmental change on the organization:



# Environments

## Change management

### Environmental complexity

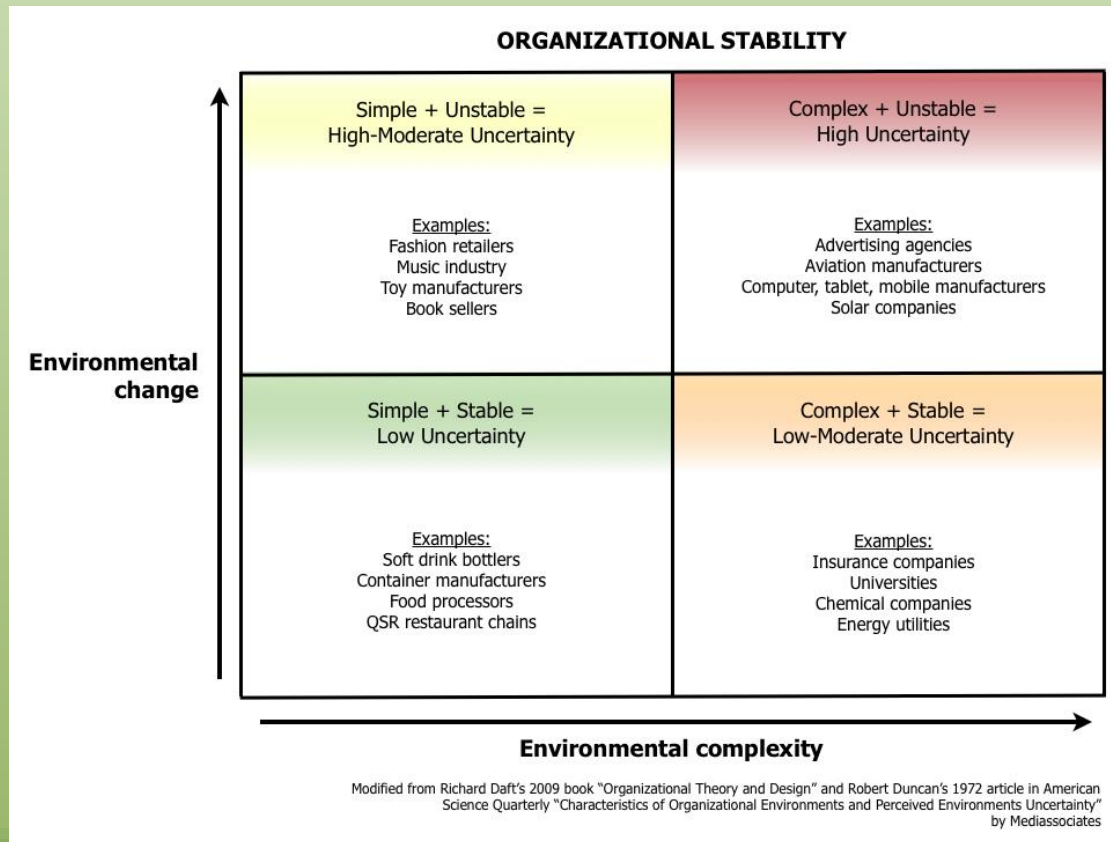
- Number and intensity of factors in a given environment

### Types:

- Simple: few factors
- Complex: many factors

# Environments Change management

## Environmental complexity and change:



# Environments Sensing

The methods for making sense of environments include:

- Environmental scanning: understanding important events and identifying trends, opportunities and threats
- Environmental analysis – SWOT: using organizational strengths to weather identified threats and opportunities to reduce the impact of weaknesses
- Economic data: published by statistics bureaus e.g. [Office fédéral de la statistique](#)

# Organizational culture Conceptualizations

Conceptualizations include

- a shared perception of reality, regarding how things are and how things should be (Davenport & Prusak)
- the way it is around here (Wellman)



# Organizational culture Features - O'Reilly

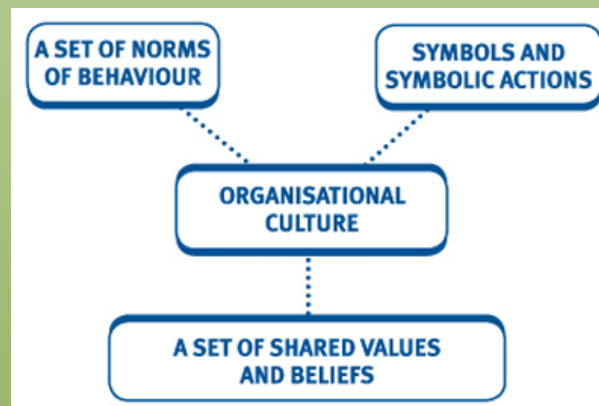
## Organizational Culture Profile

Org Culture Dimensions	Dimension Characteristics
<b>Innovation</b>	Experimenting, opportunity seeking, risk taking, few rules, low cautiousness
<b>Stability</b>	Predictability, security, rule-oriented
<b>Respect for people</b>	Fairness, tolerance
<b>Outcome orientation</b>	Action oriented, high expectations, results oriented
<b>Attention to detail</b>	Precise, analytic
<b>Team orientation</b>	Collaboration, people-oriented
<b>Aggressiveness</b>	Competitive, low emphasis on social responsibility

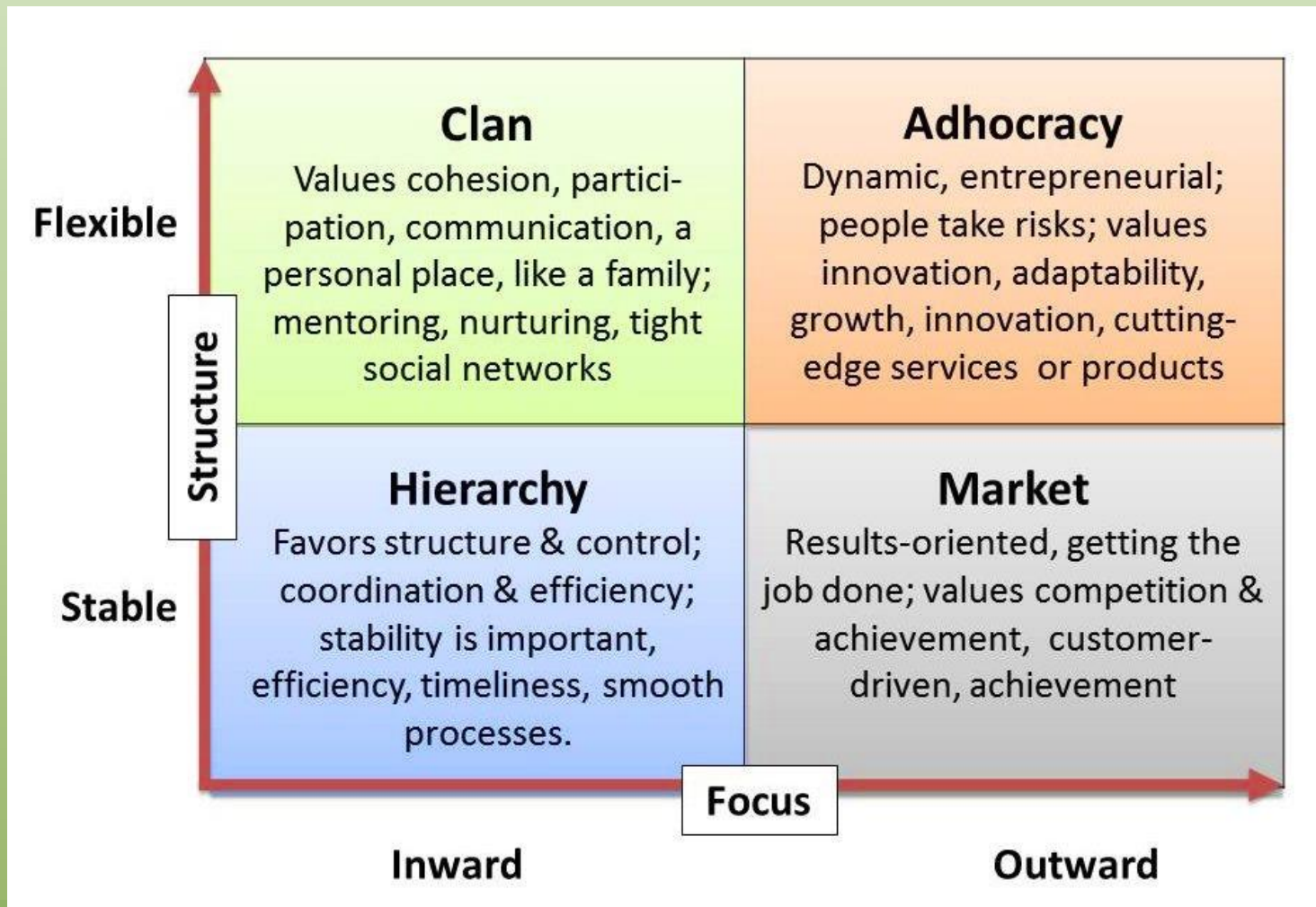
Source: O'Reilly et al (1991)

## Organizational culture Levels - Schein

- Artifacts: the visible elements such as processes, structures, goals, climate, dress codes, furniture, etc.
- Espoused values: the values espoused by the leaders.
- Assumptions: These are the actual values of the culture. They refer to the (often tacit) views of the world itself (e.g. human nature).



# Organizational culture Types – Cameron & Quinn





# Organizational culture Types – Cameron & Quinn

## IFM visits & conferences

Bank?

Finance?

Watch manufacture?

HR consultancy?

Car manufacture?

