

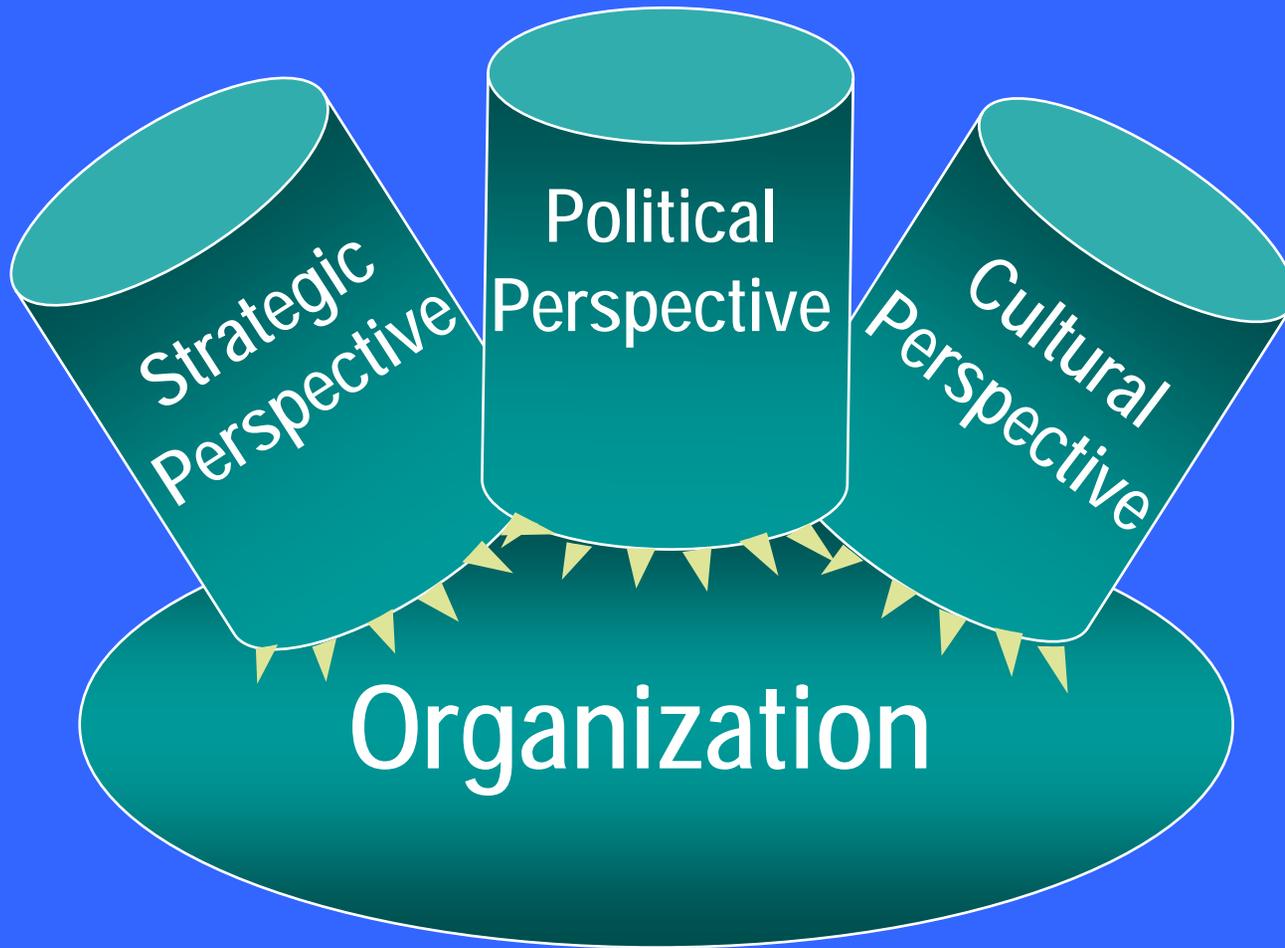
Technology Policy Organizations

Session 3:

Organizational Lenses

Joel Cutcher Gershenfeld

Three Perspectives on Organizations



Organization as Strategic Design: Overview

- **Key Concepts:** Formal structures (the “boxes”), systems (information, accounting, incentive, etc.)
- **Key Processes:** Grouping (differentiation), linking (integration)
- **View of the Environment:** Opportunities & threats, resources
- **Role of the Manager:** “Organizational architect,” strategist
- **Stimuli for Change:** Lack of internal congruence, lack of “fit” between organization & strategy, between organization & environment
- **Barriers to Change:** Inadequate analysis or information

Grouping & Linking

- **Grouping**

- By activity - e.g. functional
- By output - by service or product (SBUs)
- By market - user, customer, geography

- **Linking**

- Reporting structure
- Information systems
- Planning systems
- Managerial roles - liaison, integrator
- Cross unit groups - informal/temporary groups (e.g. task forces, projects), formal structures (e.g. councils, steering committees)
- Shared socialization processes - cultivation of informal information networks

Strategic Design: Focus on Aviation and the Environment

- In what ways do the environmental challenges facing the US aviation system involve structure and design issues?
- How many of these issues can be addressed by each stakeholder acting on their own and how many require joint decision making and coordinated action?

Summary Points: Strategic Design Perspective

- **Need for Fit**
 - Environment, Strategy, Structure
- **Need for Linking**
 - Integration Structures
- **Structures Necessary**
 - Integration only occurs when *INTEGRATING PROCESSES WORK WELL*
 - Structures create interests, power, identities -- analyzing these require political & cultural lenses

Organization as a Political System: Overview

- **Key Concepts:** Power & influence, interests, dominant coalition
- **Key Processes:** Conflict, negotiation
- **View of the Environment:** Stakeholders
- **Role of the Manager:** Forging coalitions, identifying and leveraging interests, negotiating
- **Stimuli for Change:** Shifts in dominant coalition, in power of stakeholders
- **Obstacles to Change:** “Entrenched interests”

The New Organization & Sources of Conflict

- **Flat**
 - Responsibility exceeds authority
- **Flexible**
 - Change means dealing with resistance
- **Networked**
 - Cross-functional collaboration means conflict at site of decision-making
- **Diverse/Global**
 - Challenges of working across differences

Analyzing Interests

- **Substantive**
 - Costs, resources, quality, time
- **Organizational**
 - Protect function, promote career, look good, save face
- **Relational**
 - Maintain relationships, short v. long term
- **Individual**
 - Commitment to work, personal life, community, personal identity

Sources of Power

- **Formal Authority**
- **Control of Scarce Resources**
 - » funds, skills, knowledge, information
- **Control of Decision-Making**
- **Ability to Cope with Uncertainty/Crises**
- **Alliances/Network**
- **Symbolism & Management of Meaning**
 - » Ability to define reality for others; style/charisma

Forms of Negotiations/Change

- **Negotiations:**

- » **Forcing:** Domination, the use of power and position; hard bargaining; “Position Based”
- » **Fostering:** problem solving, working toward integrative outcomes; “Interest Based”
- » **Smoothing/Avoidance/Compromise:** Gloss over differences, play down disagreements, let problems pass, avoid the other, split the difference

Conflict Management

- **Manager as Arbitrator:**
 - » Makes decisions when others can't agree
- **Manager as Mediator**
 - » Helps others resolve their differences voluntarily
- **Manager as Facilitator**
 - » Assists others in addressing their underlying interests
- **Manager as Negotiator**
 - » Represents interest of his/her group/unit/organization

Manager as all of the above!

Political Perspective: Focus on Aviation and the Environment

- In what ways do the environmental challenges facing the US aviation system involve political issues?
- How might stakeholders in this system mitigate the instability associated with political dynamics and how might they harness the political aspects to their advantage?

Summary Points: Political Perspective

- Politics usually lie under the surface
- Managing politics requires **legitimizing differences**
- To Analyze & Manage Ask:
 - Who are the stakeholders?
 - What are their interests?
 - Who has power?
 - How can power be changed: allies & blockers?
 - What options are possible for achieving interests?
 - What happens if interests are not met?
- Manager must be a **Skilled Negotiator & Conflict Resolver**

Organization as Cultural/Social System: Overview

- **Key Concepts:** Shared mental maps, organizational culture (artifacts, values, basic assumptions)
- **Key Processes:** Meaning and interpretation, legitimation, rhetoric, vision
- **View of Environment:** Social and cultural network
- **Role of the Manager:** Articulating vision, managing the culture
- **Stimuli for Change:** Challenges to basic assumption, contending interpretations
- **Impediments to Change:** Dominant culture

Culture Defined

“The shared understandings a given group has developed to deal with the problems of external adaptation and internal integration.”

- Historical: Passed across generations
- Moral force: Normative not utilitarian
- Associated with stability of a group
- “The way we do things around here”
- Differentiating/identity device: Relative to other groups
- Associated with the intensity of common problems
- Changes across time (usually small) related to the degree the internal and external environment shift

What is Organizational Culture?

Visible Artifacts

Visible organizational structures and processes (hard to decipher)

Stated Values

Strategies, goals, philosophies (espoused justifications)

Underlying Assumptions

Unconscious, taken for granted beliefs, habits of perception, thought, and feelings (ultimate source of values and action)

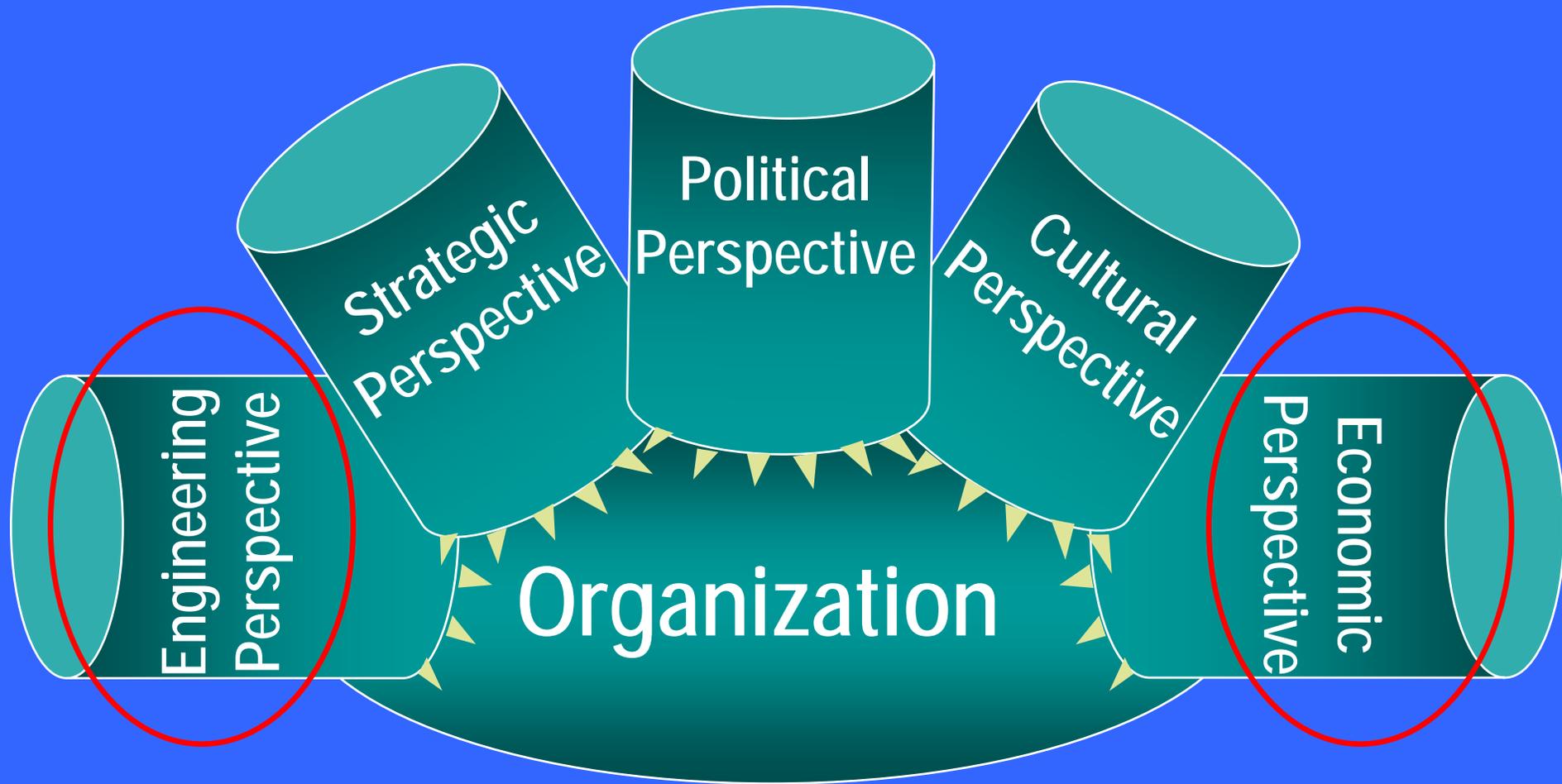
Cultural Perspective: Focus on Aviation and the Environment

- In what ways do the environmental challenges facing the US aviation system involve cultural issues?
- What core underlying cultural assumptions are central to understanding and changing this system?

Summary Points: Cultural/Social Perspective

- Cultures are established over extended periods of time and change over similarly extended periods of time
- While it is important to understand and appreciate the visible artifacts and the stated values, it is only by getting to underlying assumptions that you really understand organizational culture
- A skilled leader understands the culture and then either builds/extends the culture or is able to re-frame/re-direct cultural tendencies

Two Additional Perspectives



Selected Aspects of an Engineering Perspective

- **Key Concepts:** Systems Architecture, Innovation, Safety, Sustainability, Feedback/control systems
- **Key Processes:** Research, Design, Development, Process improvement, Standardization, Optimization, Physical/Chemical/Biological processes
- **View of Environment:** Technology trends, Regulatory constraints, The “laws of physics”
- **Role of the Manager:** Expert, Shield design/development from structure/politics/culture, Facilitate cross-functional integration
- **Stimuli for Change:** Advances in science and technology, innovation opportunities, Technical analysis
- **Impediments to Change:** Technical feasibility, Complexity of interdependencies, Disciplinary “chimneys”

Selected Aspects of an Economic Perspective

- **Key Concepts:** Competition, Cooperation, Product markets, Labor markets, budgets, Investments, Returns on investments, Value streams, Substitutes/complements
- **Key Processes:** Cost/benefit analysis, Impact assessment, Market projections, Negotiations, Alliances
- **View of Environment:** Markets, Resources, Externalities
- **Role of the Manager:** Establishing incentives, Determining “rules of the game,” Representing shareholder/corporate interests
- **Stimuli for change:** Market shifts, Value creation opportunities
- **Impediments to change:** Downside risks and costs, scarce resources