

Organisational Structure and Culture

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EXECUTIVE SUMMARY

Organisational structure is a method through which work can be done in a formal way. There are different types of organisational structure such as functional, divisional, matrix, geographical and many more which affects the success of company in carrying out its goals and strategies. The company's culture defines a set of shared beliefs, values or ethics that are set by leaders to communicate and inform the actions of all group members.

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INTRODUCTION



Organisation behaviour can be understood as an academic study of human behaviour that is how a person is interacting within a group in organizational settings. The study of organizational behaviour is primarily attempted to operate the business activities in an effective way. This study also helps to examine the impact of social and environment factors that impact the individual or teamwork in the organization (Anastasiia, 2018). The way employee communicates, interact, or collaborate with others signifies the success of organisation. The report is prepared on the NET-A-PORTER Company which is an online fashion retailer. After merger with YOOX Group, it is known as YOOX Net-A-PORTER Group. The Net-A-PORTER Group was introduced in 2000 by Natalie Massenet. The headquarter of company is in London, UK. The merger between both groups creates a global e-commerce presence which deliver their services in more than 180 countries. The company has offered a seamless shopping experience to the customer via mobile, laptop or tablet. They provide their merchandise and content through their shopping apps, websites, and the World of Porter.

MAIN BODY

TASK

Organizational Structure and different types of organisational structure.

The term organisational structure defines how certain tasks and activities has been directed to accomplish the organizational goals and objectives. In context to Net-A-PORTER Group, these activities can involve roles, responsibilities, and rules of members in the company. It also determines the flow of communication between different levels. For examples, for centralized structure of organization, communication from top level to bottom level.

Different types of organizational structure:

- **Functional Structure:** This structure is also known as bureaucratic structure of organisation which divides the organisation into specific groups with certain rules and responsibilities (Aulia). This structure commonly practised by small to medium-sized businesses. The company classifies the various departments such as sales, finance, marketing, or operations in order to smoothing the activities. This department has a potential to put barriers between different functions. This barrier also limits the knowledge of people and communication as well with other departments. In context to Net-A-PORTER Group, they are using this type of organisational structure to divide different departments with specific roles and responsibilities where a manager is appointed to oversees multiple departments.

Pros	Cons
• It enables employees to concentrate on their specific roles. • It is easily measurable in any size of the organisation.	• It can create silos. • It obscures strategies and processes for different products and different markets in an organisation.

- **Hierarchical Structure:** It is the most used structure of organisation in which the chain of command or orders are delivered from top executives to the general employees. This structure involves different levels with the highest level who holds the highest power. This represented in a pyramid shape (Borisuth, 2019). It has a predetermined flow that is from top to bottom.

Pros	Cons
• It better signifies levels of authority and responsibilities. • It defines that who each individual talk to reports or to about specific projects.	• It can slow down the changes or innovations because of the increased bureaucracy. • It enables lower-level employees to think about less ownership to communicate their ideas.

- **Matrix Structure:** In this type of organization structure, employees are classified to report to managers which means product or project manager with functional manager. It is a combination of different types of

organisational structure. Employees in this structure get a chance to enhance their skills and knowledge as they are assigned with different projects (Botelho, 2020).

Pros	Cons
• It promotes sharing and duality. • It provides more dynamic view to the company.	• It may tend to create conflicts between project and department manager. • It can change more frequently.

Organisation culture and its different types.

Organisation culture defines the proper way of behaviour within the company. This is consisting with shared attitudes, beliefs or values that features an organisation. It signifies the personality of the company through its culture and the level of employee's satisfaction. In context to NET-A-PORTER Company, the culture of company includes the policies, procedures, values, ethics, employee attitude and behaviour, code of conduct, goals and many more. When company having strong culture, it will attract the right candidate for vacancies and keep them engaged as employees.

Types of organisational culture:

- **Clan Culture:** Clan structure of the company is rooted in collaboration. In this culture, members feel that they are involved and active with the one big corporate family. Also, companies are bound by traditions and commitments, where leadership takes the form of mentorship (Elsanadidy, 2019). This culture exists in the more traditional companies in comparison with digital ones. Most of these firms are family owned so that they majorly

focus on their employee by making inter-personal connections and through mentoring programmes. This is created with a purpose of creating extended family. For example, Toms of Maine is using this type of organisational structure.

- **Hierarchical Culture:** In this culture, the work environment of company is formal with strict rules and procedures. They are highly structured where leadership is based on monitoring and organized coordination. Somehow in this culture, employees feel powerless and undervalues as the decisions are made at top. This are focusing on to prevent mistakes, managing failures, sticking to rules and regulations and so on. Organisations those who are taking high risks such as oil and gas, healthcare, finance industries often using these types of culture.
- **Market-driven culture:** This is focusing on to getting market. Market-driven culture of company is hard-working, highly-competitive results-oriented and demanding (Krajcsák, 2018). It may less focus on employee satisfaction and experience and more on overall performance and productivities. YOOX Net-A-PORTER Group is focusing on this type of organisational culture. The company is united with shared aims to succeed and beat the competitions. The main value drivers are profitability and market value.
- **Androcracy Culture:** This kind of culture is based on creativity and energy. In this culture, leaders are seen as entrepreneurs or innovators and employees are influenced to take risks. The core values are based on agility and change.

Organisational performances influenced by the structure of organisation.

Organisational structure has a major impact on the employee as well as organisation performance. These structures can promote or inhibit the performances which is highly dependent on the supervisor that how he develops relationship effectively and workflow that influences the productivity of company. This defines reporting hierarchy and departmental structure. Performance management is consisting with goal setting activities and periodic reviews in the reporting hierarchy by the managers. In context to Net-A-PORTER Group, it is essential to have defined rules, policies, and procedures to accomplish the desired objectives of enhancing quality of services for end-user customers. The organisational structure clarifies the role of each member so that they would know what they supposed to do and whom they supposed to report their work. It also signifies the amount of control regarding the job within the company. Organisational structures have a significant impact on the accomplishment of organisational and strategical aims (Roberts). It also defines the departmental structure, supervisory relationships, and workflow within the organization. Performance management systems involves improvement of individual and group performance through regular performance reviews and goal setting. It also considers how information flows within the department and how employees communicate with each other. Employees will do effectively if they know the role, they play in cooperate activities and how their roles inter-relate with each other. There is also a tendency to improve the performance of organization by restructure and reorganize the reporting relationships between internal functional departments. The structure also affects the employee's performance through output, sales, and profitability. It is way to encourage employees to work together.

Organisational performances influenced by the organisational culture.

Organisational culture plays a very important role that defines that how employees within the company perform well, employee's engagement at work and bottom line of company. It also drives employee development, innovation, and retention, that ultimately drives company to achieve its goals (Rossoni and Et.al., 2020). Cultural assumptions and values build the mental frame for responding and reasoning to stimulus from the business environment. These determines the members perception on time in organisation, horizontal and vertical relationships, and nature of human activities. Successful organization like Net-A-PORTER Group, have a culture based on firmly set of values and beliefs supported by structure and strategies. This will result in employee know better what top authorities really want from them, employees know that they will be rewarded for respecting company' s values and employees believe the expected response. Company's culture is not easy to define and challenging to implement. In the organisation, employees develop positive relationship if they feel they are the part of company's culture. The create trust which is necessary to build a positive relationship. In John Kotter's theory of culture, he discovered the organisations that empowers their employees to live the culture. In his theory he examined how culture can affect the performance, productivity, and customer experience. Leaders of the companies should promote the diverse thinking where they required to share knowledge that produce a sense of collaboration within the organisation. Doing so creates a positive organisational culture, allowing members to work more productive, be more efficient and creatively solve problems.

Factors that influence employee's behaviour.

In context to Net-A-PORTER Group, there are various internal and external factors affecting employee's behaviour:

- **Relationship at work:** It is very essential to make friends and bonds within the company as well. This will help to communicate, share, and discuss life experiences. Work in isolation is not possible at all (Wang and Wu, 2019). It is necessary to allow employees to talk with their fellow members otherwise it leads to stress and frustration at the workplace.
- **Job Responsibilities:** It is also essential that employees must ask for their work that what they can perform well (Yazici and Karabag, 2019). Also, encourage employees to upgrade their knowledge and skills on regular basis, and do not put overburden on employees.
- **Work culture:** Employees require to feel comfortable to stay happy and motivated at workplace. Employees ought to be follow the code of conduct and encourage to respect their reporting managers. Transparency is also important at all levels.



Recommendations

Organisational structure and culture should be that reacts with changes positively. Planning is the best and appropriate way to create a structure of the company that helps business to develop. To improve the overall performance of individual and organisation, the goals must be clearly communicated so that they better know what they have to do to achieve those goals. The employees with specific skills and expertise should be divided and team up accordingly so that better perform their duties and roles. Also, the company must have clear policies and procedures that helps to engaged people at workplace.

CONCLUSION

It is summarized from the above report is that organisational structure is very important that provides clarity and guidance to all the members by laying out the formal relationships that govern the flow of work at workplace. On the other side, the culture of company decides how employee will interact with each other. It reflects mission, goals, values, and expectations that lead their employees.

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