

University of Wales Trinity Saint David

Introducing the Modern Workplace

Organizational Structure and Culture

BABM / UWTSD / LCBB4003

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Introduction

Organizational structure can be found in every business operating within the Global Business Environment. It represents the hierarchy contained within the internal environment of a business. Serves to strongly indicate the levels of authority through which the employees of the business can communicate with each other, transfer various data, and relate their work functions. The methods by which the organizational structure of a business is operating determine whether its interaction within internal or all together with external departments is going to be successful or not (**Kenton, 2022**).

A considered successful organizational structure serves to establish consistency in terms of operations, reassuring reliability for all stakeholders, and paying attention when taking actions specifically to behaviours and relationships going through its internal environment. Step further for business organizations is to understand and support the development of the existing business culture. In cases where it is not effective, it is the higher authority's responsibility to manage the actions and behaviours of the employees towards accepting, supporting, and maintaining the desired business culture.

The structure and culture of an organization can often be subject to changes. The reasons might vary, yet these might be caused by the choice of leadership styles, constant role changes and shifts within the hierarchy.

Organizational Structure and Culture

When discussing organizational structure there is a set of initial factors pointing out whether the conducted organizational evaluation is accurate or not, positive, or negative. These are consistency, reliability, control, leadership styles, and strategies applied to manage the variable situations in which the business can meet.

When considering different organizational structures, should be taken in mind the various leadership styles implied by managers and business leaders impact the working process altogether. Typical sights representing those impacts are the power distribution methods and organizational dimensions development (**Carrell, et al., 1997**).

Research has shown that the distribution of power that is uneven or authoritarian can disrupt any organization's operational processes, thus affecting successful goal achievement. The concept of organizations is straightforward – It represents a group of people (varying by size) that shares a common goal. Therefore, in addition to being successful organizations should be

able to display straightforward the company vision, mission, and capacity, when recruiting employees, allowing them to evaluate for themselves whether they would like to participate in the goal achievement or not.

Within organizational structures – hierarchies, there are three major authority levels. Starting with the top of the pyramid, there are placed the business leaders – the ones taking the main decisions for the future development of the organization, specifically overall. Especially within larger companies, the strategic level of authority contains positions like CEO, COO, CFO, Board of Directors, and all major shareholders with voting rights. The main responsibility of the strategic level of authority is to discuss, develop and put into action strategies which are going to map out the steps which need to be taken each year to reach the predicted success in the following 5 or 10 years (Cannella, et al., 2009).

The organization under consideration in this report is HSBC. The company has been established in 1836 and operates till today's date. The company has grown significantly and employs more than 40000 employees across the United Kingdom. There are not major scandals formed around it regarding human rights obstruction of their employees, however, employees have shared their opinions on their experience. Many have shared that the working hours are extensively long, and they are unable to maintain a work-life balance (**Glassdoor, 2023**).

Impacts on Organizational Performance

If the organization leaders are not clarifying in advance the organization's outlook for future development, the employees responsible for the operational processes, who are considered the moving force, are most likely going to often switch. Constant changes within the workforce might affect the business leading to the inability to build a team or teams, and therefore cause obstruction and lack of trust within the work environment. This seemingly unarmful impact can lead to major losses in organizations in terms of becoming unable to maintain the required level and quality of operations, which can also impact the ability to maintain relationships with the rest of the stakeholders which are in the external environment of the organization.

Choosing an authoritarian leadership style can often damage the internal environment of an organization. It represents a leadership method that is strictly appointing the source of authority which often is the general manager or the business owner. In this type of leadership, the decision made about the business are coming from only one individual or one certain level of authority and the employees do not participate directly in the business development (**Cheney, et al., 1997**). This leadership style often restricts the creativity and willingness of employees to contribute to the common goal achievement, making them utterly dependent on the decision-making of their team leader. This approach can often negatively affect the organization, as a

singular opinion regarding vital decision-making can result in wrong actions, therefore leading to failure.

On the other hand, there are leadership styles which are reasoning with the work structure and prioritising task completion. This approach to employees often results in allowing the employees to visualize their opportunities within the organization and as well evaluate whether they are going to be able to contribute and complete tasks (**Kenton, 2022**). Prioritizing task completion however can result in forgetting the human factor which is related to employee validation, consideration and understanding of human needs and emotional compassion.

The opposite of this leadership style stands the one focused on maintaining the organization's social culture, employees, and their relationships. This means that prioritizing harmony within the teams is of high importance, but it is far from being the most key factor. Humanizing relationships with employees are proven to be helpful for the establishment of successful employer-employee relationships through loyalty. However, this built loyalty should be used through guidance and centralization towards the interests of the organization. Stimulating worker engagement allows organizations to assess available human performance. When developing their strategy for internal and external growth (**Barker & Camarata, 1998**).

Organizational leaders can develop a vision of the capacity and possibilities of their employees and measure their compatibility with the tasks assigned according to the business development plan.

According to the aimed harmonization within the internal and external organizational environments, business theorists and developers have managed to identify four typical configurations of business leadership styles. These are – authoritarian, bureaucratic, and laissez-faire.

Throughout the development of this analysis were developed certain conclusions that depending on the size of the business, the chosen leadership styles can vary. For instance, the communication between the Board of Directors and the CEO of the company would not be the same as between the CFO and the Managing Accountant, or the Head of Accounts and the Finance Assistant. The main point of establishing hierarchy within an organization is to ease the chain for transferring information according to the level of responsibility and decision-making according to the strength of the impact it makes on the business.

Employee Motivation

To motivate employees, employers are required to assess their individual qualities and choose management approaches. These approaches should maintain the balance between the needs of the organization and the needs of the employees as individuals. A theory developed by Abraham Maslow initiates that individuals have a set of needs in consecutive order which should be provided in addition to the individual reaching the ultimate level of self-actualization. Maslow's Hierarchy of Needs represents a pyramid-like scheme explaining the consecutive physiological and mental needs which are impacting the self-development and ability of an individual to be successful in social participation (**McLeod, 2020**). Such is going to work, sharing experiences within society, like attending gatherings, following cultural enrichment, and owning purchasing power which is going to support the local economy.

Organizational success requires the adequate use of good practices. Organizational employees are its moving force. Employees and their day-to-day actions and decisions are impacting the organization's long-term development. For instance, approximately 70% of the workforce in the United Kingdom works in retail. This industry is utterly based on customer service and relations. If a comparison is conducted, between employees in high-end brand boutiques and department stores – in almost all boutique customers are welcome warmly by the store attendants, whilst in the mass department stores, customers often are shopping on their own, and occasionally if asked questions are ignored or experience animosity. There is a psychology behind the actions of different shop attendants, and this starts with the approach of their line manager.

In cases where employees are treated with respect, not overloaded with responsibilities, and receive reasonable pay, they are more likely to do their job better. Therefore, employees in high-end boutiques are looked after providing higher quality services. On the other hand, are the employees from the department stores who are often judged by customers for their lower quality of service. Making an adequate analysis and comparison, employees in the department stores are receiving lower pay and face responsibilities like maintaining larger stores in terms of product representation, dealing with a higher load of customers, following up pricing changes, working the tills, and usually doing more than one thing at the same time. Often the mass department stores are understaffed, and single employees are required to take responsibility for as many actions as possible, therefore the priority of serving the customers individually goes away.

Analytics are showing that individuals who are required to take on more responsibilities than physically possible are experiencing higher levels of stress, and often lose their willingness to

achieve goals. Considering the way organizations work, employees' motivation and willingness to achieve their short-term goals, is impacting the long-term success of the business (Mcgregor, et al., 2008). It is utterly the manager's responsibility to increase work engagement to assess the available human performance. Analysing the required theoretical and practical knowledge is required in addition to letting in the workforce capable employees, and yet making sure that the set of responsibilities they own is reasonable, and the employees are not overworked or overstressed. In addition to doing so, managers are required to choose an effective approach on how to manage every employee or group of employees considering not only their goals and the organization's goal achievement, but also taking actions towards considering the human factor.

Conclusion

Employees are the most vital part of any organization's development. The human factor in any work environment is dealt with by the human resource department, guaranteeing that employees are entitled to receive every possible benefit by their human rights, referring to holiday entitlement, sick pay, maternity leave, paid overtime, accuracy in pay rates, recognition, and respect. Human resource empowers the willingness of employees to invest their time in doing a job for an organization, and the methods chosen by the managers to approach those employees are required to be chosen specifically to maintain harmony between responsibility and human factors.

Progress within organizations starts with the vision of the business leaders, the tactics applied by the business managers and the day-to-day achievements of the employees. Managers represent the tactical approach used to lead employees and motivate them in achieving their short-term goals in accordance with the strategies developed by leaders in addition to reaching the organizational long-term goals. Therefore, managers use the plans presented by the organization's leaders and divide the necessary actions among the available operations employees, reassuring that each employee is taking action towards the assigned direction.

Managers are also responsible to maintain the balance within the employee departments they are responsible to manage. This means that they must use specific approaches to manage their employees by their abilities, and expectations of the job, such as potential career development, time management, paying attention to the human factor, reassuring the employees are motivated and able to complete the assigned tasks and build a loyal employer-employee relationship.

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