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Organizational Analysis using Mckinsey's 7S Model

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ABSTRACT

This paper aims to analyze the organizational model of VSK University Ballari of Karnataka state in India using Mckinsey's 7S model of organizational effectiveness. The population comprised faculty of VSK University Ballari. Convenient sampling was used to select the sample from the population, and the sample size was determined as per Cochran formula, which was 42. Questionnaire was used as data collection instrument. To analyze data T-test was used. The results of the research showed that organizational effectiveness factors of Mckinsey's 7S Model of VSK University is unaligned. As per the findings, it is recommended to focus alignment of soft elements of the model to realize organizational effectiveness.

Keywords: Organizational Effectiveness, Shared Values, Style, Skills, Staff

1. INTRODUCTION

Organizational effectiveness being a major construct for various studies, it is one of the most widely researched issues since the early development of organizational theory (Rojas 2000). Despite some arguments, there is still significant lack of agreement on the definition and retrieval of this concept (Cameron 1986). In this essence, organizational effectiveness represents the outcome of organizational activities.

Organizational effectiveness emphasises construct perspective in which, the focus is on the definition of the concept in terms of assessment and conceptualization (Goodman, Pennings and Associates 1977). The aim was to identify properties and dimensions encompassed by the concept (Scott 1977). The explanation of effectiveness variation and the search for its true causal structure represent one of the most enduring themes in the study of organizations (March and Sutton 1997). Initially organizational effectiveness models focused on the achievement of goals (goal models) and gradually encompassed the resources and processes necessary to attain those goals (system models), the powerful constituencies gravitating around the organization (strategic-constituencies model), the values on which the evaluation of effectiveness are grounded (competing values model) and the absence of ineffectiveness factors as a source of effectiveness (ineffectiveness model).

Effectiveness is recommended to measure from the orientation of interest groups that gravitate around the organization (Connolly, Colon and Deutch 1980). Thus, the organization is perceived as a set of internal and external constituencies that negotiate a complex set of constraints, goals and referents (Goodman et al. 1977). That is, the owners, employees, customers, suppliers, creditors, community and government represent interest groups that must be satisfied in order to ensure the effectiveness and survival of the organization.

Organizational effectiveness and Higher Educational Institutions/ University:

Formal and informal education has been the driving force for socio-economic development of a nation that is from education, health, community development to technological advancements, inventions and innovations to political stability to GDP, per capita income and living standards.

India is looked upon as an emerging global power, which will contribute in shaping the global balance of power in the 21st century. To sustain its present trajectory of economic growth, India has to do away with numerous obstacles. One of the most significant obstacles is the quality crisis in India's higher education system.

Indian Academic sector and academicians live up their lives in support of the primary sectors of an economy. However, the academic sector is facing objective criticism of its responsiveness to the society, allied entities and employment. Our academic sector is characterized by low GER rate, incongruence teaching-learning, examination oriented curricular practices, unemphasized co-curricular and extracurricular activities, age old assessment criteria, unchanged/ slightly changed teaching aids, mechanistic structures in credits and graduation system, uncondusive research environment and culture, multiple regulatory bodies, no or less autonomy, etc. The preceding factors have been hindering the education system to failure of the economic development and recognition in the world map.

Some of the significant factors which have profoundable influence on Organizational effectiveness of an HEI or a University or current day building blocks of ACADEMICS, to be considered are

1. Academic leadership
2. Quality in Education/Teaching-Learning
3. Employability rate
4. Research and development

In the current situation, Academic Leaders who are the gate keepers of the quality standards, imagination and creativity of higher education need to urgently address the maladies and deficiencies of the higher education to enhance its effectiveness. Therefore, organizational effectiveness of HEIs or Universities is all about evoking high individual performance by all concerned - faculty, staff and students. It would also include taking decisions about the future intellectual directions in orienting research, innovative teaching, faculty recruitment and development, curriculum design and development, infrastructure and amenities which will overall enhance the academic quality.

In this regard, the current study tries to analyse the Higher Educational Institute with Mckinsey's 7S model of Organization Development in order to determine the alignment of seven critical factors of the model and suggest the institute for enhancing organizational effectiveness in line with the model.

Usage of 7S Tool for HEIs or Universities

McKinsey's 7s model is a model which is used to analyze organizational design from seven critical elements such as strategy, structure, systems, shared values, style, staff and skills, in order to determine their alignment and allow organization to realize its objectives. The following provides the general understanding of those seven key elements with respect to HEIs or Universities.

I. Strategy: A Progressive direction towards dreamt position

Formulate holistic and long term plan in terms of vision statement over the competitive advantage or competing strengths of the institution and communicating it effectively to all its stakeholders for unified efforts to the common direction.

II. Structure: A forward and backward linkage for collective and responsible efforts

In line with the strategy, establish flat or organic relationship and decentralized decision making against bureaucratic for interrelatedness and knowledge sharing among the departments or sections of the institution.

III. Systems: A value creation units

As per the strategy and structure, systems of teaching-learning, research and employability are to be designed with competitive advantage and value creation/addition.

IV. Staff: A life blood of the system

In accordance with the preceding principles, ensure human resources in right quantity and potential and develop them with regular rewarding system both formal and informal.

V. Skill: A crucial tool of competitive advantage

In association with the preceding elements, identify and develop core competencies and capabilities for teaching-learning, research and employability on par with the trending benchmarks of the globe.

VI. Style: A transformational stimulator

In unification with the preceding elements, inculcate Transformational leadership style across the institution against transactional one for collective and participate decision making to bring about synergetic performance for all the components of academics.

VII. Shared Values: A right track for destiny

Along with the lines of preceding principles, inculcate and instil strong values and culture such as creativity, dedication, industriousness, etc. in conjunction with the vision and competencies of the institution

Problem Statement

The preceding facts clearly portrayed that Higher education of India is in the cross roads. The same holds good for the VSK University and other HEIs, being its sub set. This calls for a need analysis of organizational effectiveness of HEIs or Universities. In this regard, the current study tries to analyse the HEI VSK University with Mckinsey's 7S model of Organization Development in order to determine the alignment of seven critical factors of the model and suggest the institute for enhancing organizational effectiveness in line with the model.

Hypotheses

- H0: University is aligned with all the seven elements of the model
- H1: University is unaligned with all the seven elements of the model
- Ha0: University Structure is aligned
- Ha1: University Structure is unaligned
- Hb0: University Strategy is aligned
- Hb1: University Strategy is unaligned

- Hc0: University System is aligned
- Hc1: University System is unaligned
- Hd0: University Skills is aligned
- Hd1: University Skills is unaligned
- He0: University Staff is aligned
- He1: University Staff is unaligned
- Hf0: University Style is aligned
- Hf1: University Style is unaligned
- Hg0: University Shared values is aligned
- Hg1: University Shared values is unaligned

2. METHODOLOGY

Type of the Study: Descriptive-Survey research

Population: Faculty of the University

Sample Size: 42 as per Cochran formula

Sampling Technique: Convenient Sampling

Data analysis and Hypothesis Testing: Descriptive and Inferential statistics and T-Test and Freedman test

Data Collection Instrument: Structured Questionnaire

3. RESULTS

As per central limit theorem, distribution of data is normal. In order to test research hypothesis, T- test and Freedman test were used.

H0: University is aligned with all the seven elements of the model

Table 1: T-Test of University with all the seven elements of the model

VSK University	P-Value	Mean	SD	t
All elements of 7S Model	0.000	1.91	0.2901	-32.987

As per the table, t is -32.987 and p is less than 0.05. Therefore the University is unaligned with all the seven elements of the model.

Ha0: University Structure is aligned

Table 2: T-Test of University Structure alignment

Element	P-Value	Mean	SD	t
Structure	0.000	1.67	0.4781	-28.543

As per the table, t is -28.543 and p is less than 0.05. Therefore the University Structure is unaligned.

Hb0: University Strategy is aligned

Table 3: T-Test of University Strategy alignment

Element	P-Value	Mean	SD	t
Strategy	0.000	1.87	0.4399	-23.571

As per the table, t is -23.571 and p is less than 0.05. Therefore the University Strategy is unaligned.

Hc0: University System is aligned

Table 4: T-Test of University System alignment

Element	P-Value	Mean	SD	t
System	0.000	1.91	0.4514	-22.116

As per the table, t is -22.116 and p is less than 0.05. Therefore the University System is unaligned.

Hd0: University Skills is aligned

Table 5: T-Test of University Skills alignment

Element	P-Value	Mean	SD	t
Skills	0.000	1.92	0.5705	-17.243

As per the table, t is -17.243 and p is less than 0.05. Therefore the University Skills is unaligned.

He0: University Staff is aligned

Table 6: T-Test of University Staff alignment

Element	P-Value	Mean	SD	t
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Structure	0.000	2.05	0.6017	-13.677
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As per the table, t is -13.677 and p is less than 0.05. Therefore the University Staff is unaligned.

Hf0: University Style is aligned

Table 7: T-Test of University Style alignment

Element	P-Value	Mean	SD	t
Style	0.000	2.08	0.6031	-13.899

As per the table, t is -13.899 and p is less than 0.05. Therefore the University Style is unaligned.

Hg0: University Shared values is aligned

Table 8: T-Test of University Shared values alignment

Element	P-Value	Mean	SD	t
Shared values	0.000	2.03	0.5976	-13.345

As per the table, t is -13.345 and p is less than 0.05. Therefore the University Shared values is unaligned.

The following table ranks the seven elements of the model as per Freedman’s Test

Table 9: Ranking of 7S factors of Mckinsey Model

7S Factors	Mean	Priorities
Style	4.67	1 st
System	4.34	2 nd
Skills	4.02	3 rd
Shared values	3.87	4 th
Staff	3.52	5 th
Structure	3.12	6 th
Strategy	2.98	7 th

As per the table, leadership, administration and human resources are in line with the objectives of the university. Goal, hierarchical structure and faculty strength fall setback to the institute.

4. DISCUSSION

University alignment with all the seven elements of the model

The study revealed that the internal elements as per the model are unaligned. However leadership practices, administration (rules and regulations) and human resources such as teaching skills and research aptitude of the faculty fall in line contributing to basic objectives of the higher education.

University Structure alignment

The university by and large follow mechanistic and hierarchical structure by virtue of being state university resulting rigidity over interdisciplinarity, informal norms and decentralization.

University Strategy alignment

The university and departments have formal vision and mission statements and objectives to integrate the efforts. However it is opined that practices rarely match the vision, mission and objectives of the university and the departments, which may be due to weakened employee involvement, formal communication and understanding.

University System alignment

General administration, teaching learning and research forms the aggregate processes of the university. It was found that the system is satisfactory and forms its relationship with other elements of the university.

University Skills alignment

The skills owned by the faculty such as teaching, coaching, mentoring, research, employability are satisfactory and having influence over other elements. However it may vary once it is integrated with the rest elements.

University Staff alignment

Teacher student ratio has got more impact on the performance of the institution, the university has sufficient strength faculty. However, it the university needs to fill the vacancies as opined by the faculty.

University Style alignment

The university exhibited positive leadership practices characterizing initiation, support and motivation in administration and academic fronts. This factor forms the highest strength in the model with some of the elements.

University Shared values alignment

Creativity, commitment, cooperation, coordination forms the shared values set of the university. However it failed to align it with other elements of the model, which may be due to failure in communication and general culture of the university.

5. CONCLUSION

The study found that the university or HEI failed to have alignment of its elements of Mckinsey 7S model with strategy, structure and staff in concern conditions. It is recommended to focus more on hard elements of the model to enhance its effectiveness.

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