

BUSA230  
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تلخيص تشابتر 3

## Chapter 3

### Managing the External Environment and the Organization's Culture

The components of an organization's culture are as complex as the different aspects of an individual's personality. Today's managers must understand how the force of an organization's internal and external environments may influence, and sometimes constrain, its productivity.

#### INTRODUCTION

Managers must realize that organizational culture and organizational environment have important implications for the way an organization is managed. Both organizational culture and external forces that can shape an organization are explored in order to gain a better understanding of the complexities presented by internal and external environments.

في نهاية الوحدة السابقة ذكرنا انه المؤسسة هي جزء من نظام مفتوح Open System وبالتالي بدنا نبني على هي الفكرة و على مدى أهمية البيئة المحيطة بالمؤسسة. لا يمكن فصل المؤسسة عن بيئتها لأسباب عديدة سيتم توضيحها لاحقاً.

#### THE MANAGER: OMNIPOTENT OR SYMBOLIC?

Two perspectives concerning the role that managers play in an organization's **success or failure** have been proposed.

- A. **The Omnipotent View** ( called **Dominant View** مسيطر ). This maintains that managers are directly responsible for the success or failure of an organization.
- هذه النظرية تحمل المدير كامل المسؤولية حول نجاح او فشل وفي حال النجاح يحق له صرف امتيازات وفي حال الفشل عليهم ترده واحضار دم جنيدي على الشركة
- This view of managers as being omnipotent is consistent with the **stereotypical picture** of the "take-charge" executive who can overcome any obstacle in carrying out the organization's objectives.
  - When organizations perform poorly, someone must be held accountable. According to the omnipotent view, that "someone" is the manager.
- B. **The Symbolic View**. This view of management upholds the view that much of an organization's success or failure is due to external forces outside managers' control.

Organizational results are influenced by factors **outside of the control of managers**, including the economy, customers, governmental policies, competitors' actions, the state of the particular industry, the control of proprietary technology, and decisions made by previous managers in the organization.

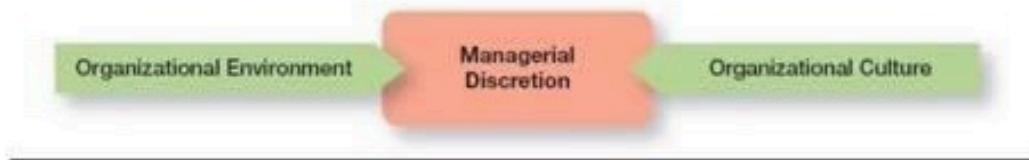
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هذه النظرية تتحدث ان هنالك عوامل خارجية لا يستطيع المدير التحكم بها وعليه تظهر نتائج الشركة مثل قوانين الحكومة او المنافسين وغيرهم

The more logical approach is to see the manager as operating within constraints imposed by the organization's culture and environment (see **Exhibit 3-1**).

في الحقيقة واستنادا للوضع الطبيعي في سوق العمل، المدير هو شخص يمارس عمله بتوازن بين النظريتان – هو ليس المسؤول الوحيد عن نجاح او فشل المؤسسة وايضا هو ليس فقط شخص مسلوب الإرادة. بالتالي قرارات المدير تقع تحت تأثير عوامل خارجية وعوامل داخلية.

### Constraints on Managerial Discretion



## PART ONE

### THE EXTERNAL ENVIRONMENT:

The **external environment**: consists of those factors and forces outside the organization that affect the organization's performance (see **Exhibit 3-2**).

The external environment includes the broad external conditions that may affect the organization: economic, political/legal, sociocultural, demographic, technological, and global conditions.

هناك 6 عناصر خارجية (بمحيط المؤسسة) تؤثر بشكل مباشر على كيفية اتخاذ القرارات عند المدراء. كما هو موضح بالشكل التالي:

### **Exhibit 3-2** **Components of the External Environment**



General Environmental Force/Factor	Description	Examples
<b>Economic Conditions</b>	Encompasses factors such as interest rates, inflation, changes in disposable income, stock market fluctuations, and business cycle stages.	العنصر الاقتصادي ويتمثل بغلاء المعيشة وارتفاع الأسعار مما يقلل الدخل لكلها عوامل تؤثر على قرارات المدير على سبيل المثال تكاليف التصنيع ترتفع سنويا وهي احدى المتغيرات التي تؤثر على ارتفاع الأسعار وبالتالي التأثير على قرارات الشركة...
<b>The Demographic Environment</b>	Including physical characteristics of a population (e.g., gender, age, level of education, geographic location, income, composition of family) can change, and managers must adapt to these changes.	الشرائح المجتمعية مهمة جدا في أي سوق لأنها تشكل عنصر أساسي لكيفية اتخاذ القرارات لدى أي مدير. هناك مجتمعات فيها أطفال بنسب تفوق كبار السن أو العكس، لا يمكن تعطية اسواق بشرائح مختلفة بنفس ألية اتخاذ القرارات مثال : أخذ مواصفات الشريحة التي تستهدفها الشركة اذا كانت الشريحة مخصصة للمواليد الجدد من عمر يوم الى سنين اكيد على الشركة تطوير منتج بما يتناسب الاعمال هذا مثال الحليب
<b>Political/Legal Conditions</b>	Include the general political stability of countries in which an organization does business and the specific attitudes that elected officials have toward business.  Local governments can influence what organizations can and cannot do. (local Laws)	القوانين المثبتة في كل دولة لها تأثير كبير على كيفية اتخاذ القرارات مثال 1: قوانين الحكومة في اختيار المناطق الصناعية لبناء المصنع وليس في الأماكن السكنية مثال 2: دخل الحكومة أيضا في التعينات فمثلا وزارة العمل تحدد تعين 5% من ذوي الاحتياجات الخاصة

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General Environmental Force/Factor	Description	Examples
<b>Sociocultural</b>	Include the changing expectations of society. Societal values, customs, and tastes can change, and managers must be aware of these changes.	أنماط الحياة المختلفة تؤثر أيضا على قرارات المدراء مثال تغير نمط حياة الناس وانواقهم فالبعض يتوجه الى الاكل الصحي والصديق للبيئة من هنا نعلم انه ينعكس على المؤسسة في اتخاذ قراراتها
<b>Global</b>	Include global competitors and global consumer markets.	العولمة والانفتاح والسوق العالمي كلها تؤثر على قرارات المدراء
<b>Technological Conditions</b>	which have changed more rapidly than any other element of the general environment such as innovations	وجود الانترنت وسهولة المقارنة بالاسعار والمواصفات للمنتجات الشبيهة تؤثر على قرارات المدراء سواء بعملية التسعير او طرح منتجات اخرى وغيرها

**How the External Environment Affects Managers**

The most important organizational factors affected by changes in the external environment is:

1. **Jobs and employment:** For example, economic downturns result in higher unemployment and place constraints on staffing and production quotas for managers. Not only does the external environment affect the number of jobs available, but it also affects how jobs are managed and created. Changing conditions can create demands for more temporary work and alternative work arrangements. The way jobs were created causing flexible work arrangements, freelancers, job sharing.  
**For example:** Global recession الركود العالمي caused millions of jobs to be eliminated causing unemployment.

2. **Assessing environmental uncertainty:** which relates to  
(1) The degree of change in an organization's environment and  
(2) The degree of complexity in that environment.

**Uncertainty has 2 dimensions:**

- 1- **The degree of change in an organization's environment:** is characterized as being dynamic or stable.
  - a. In a dynamic environment, components of the environment change frequently.
  - b. If change is minimal قليل, the environment is called a stable environment.
- 2- **The degree of environmental complexity:** is the
  - a. number of components عدد المتغيرات in an organization's environment and
  - b. the extent of an organization's knowledge about those components.

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- c. If the number of components and the need for sophisticated knowledge is minimal, the environment is classified as **simple**.
- d. If a number of dissimilar components المتغيرات الكثيرة and a high need for sophisticated knowledge exist, the environment is **complex**.

Because uncertainty is a threat to organizational effectiveness, managers try to minimize environmental uncertainty.

- 3. **Managing Stakeholder Relationships:** The more obvious and secure an organization's relationships are with external stakeholders, the more influence managers have over organizational controls.
  - a. **Stakeholders:** are any constituencies in the organization's external environment that are affected by the organization's decisions and actions. (See **Exhibit 3-4 page 111** for an identification of some of the most common stakeholders.)



**Stakeholder relationship management is important for two reasons:**

- 1) It can lead to **improved predictability of environmental changes** يمكن ان تساهم بالتنبؤ بالتغيرات, more successful innovation, greater degrees of trust among stakeholders, and greater organizational flexibility to reduce the impact of change.
- 2) It is the **"right" thing to do**, because organizations are dependent on external stakeholders as sources of inputs and outlets for outputs and the interest of these stakeholders should be considered when making and implementing decisions.

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### Stakeholder relationships are managed using four steps:

- Identify external stakeholders.
- Determine the specific interests of each stakeholder group.
- Decide how critical these interests are to the organization.
- Determine what specific approach managers should use to manage each relationship, based on environmental uncertainty and importance of the external stakeholder to the organization.

## PART TWO

كل انسان فينا عنده صفات خاصة فيه مثلا هادي، عصبي، مرح .... هي صفات منسيميا صفات شخصية personality traits و كمان المؤسسات الها صفاتها و شخصيتها منسيميا culture. كل culture بيأثر على تعامل الشركة مع موظفيها داخل المؤسسة. طبيعة ال culture الة تأثير ايجابي او سلبي على قرارات المدير داخل المؤسسة.

### ORGANIZATIONAL CULTURE: CONSTRAINTS AND CHALLENGES

Just as individuals have a personality, so, too, do organizations. We refer to an Organization's personality as its culture.

#### What is Organizational Culture?

is the shared values, principles, traditions, and ways of doing things that influence the way organizational members act. **This definition implies:**

- Individuals **perceive** organizational culture based on what they see, hear, or experience within the organization.
- Organizational culture is **shared** by individuals within the organization.
- Organizational culture is a **descriptive** term. It **describes**, rather than evaluates.

تم اقتراح 7 ابعاد ممكن ان تجسد ثقافة و حضارة أي مؤسسة:

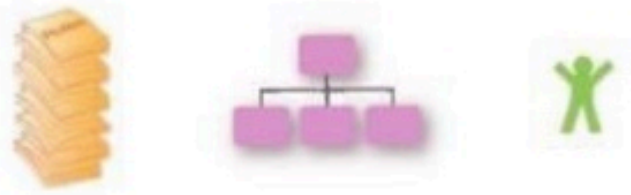
**Seven dimensions of an organization's culture have been proposed (see Exhibit 3-5 page 112):**

- Innovation and risk taking** (the degree to which employees are encouraged to be innovative and take risks)
- Attention to detail** (the degree to which employees are expected to exhibit precision, analysis, and attention to detail)
- Outcome orientation** (the degree to which managers focus on results or outcomes rather than on the techniques and processes used to achieve those outcomes)
- People orientation** (the degree to which management decisions take into consideration the effect on people within the organization)
- Team orientation** (the degree to which work activities are organized around teams rather than individuals)
- Aggressiveness** (the degree to which employees are aggressive and competitive rather than cooperative)
- Stability** (the degree to which organizational activities emphasize maintaining the status quo in contrast to growth)

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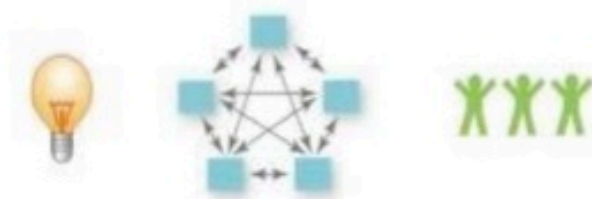
Exhibit 3-6 page 113 describes how the cultural dimensions can be combined to create organizations that are significantly different.

### Organization A



- ▶ Risk-taking and change discouraged
- ▶ Creativity discouraged
- ▶ Close managerial supervision
- ▶ Work activities designed around the individual employee

### Organization B



- ▶ Risk-taking and change rewarded
- ▶ Creativity and innovation rewarded
- ▶ Management trusts employees
- ▶ Work designed around teams



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**Strong Cultures**

**Strong cultures** are found in organizations where key values are intensely held and widely shared. يركزوا على القيم ويشاركونها.

Whether a company's culture is strong, weak, or somewhere in between depends on **organizational factors** such as **size, age, employee turnover rate, and intensity of original culture.**

**Why is having a strong culture important?**

- Employees in firms with strong cultures were **more committed** ملتزمين اكثر to their firm than were employees in firms with weak cultures.
- Strong cultures associated with **high organizational performance**. اداء اعلى.
- Employees know what they **supposed to do and what expected of them**. يعرفون ما عليهم القيام به.
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Exhibit 3-7 page 114 contrasts strong cultures vs. weak cultures.

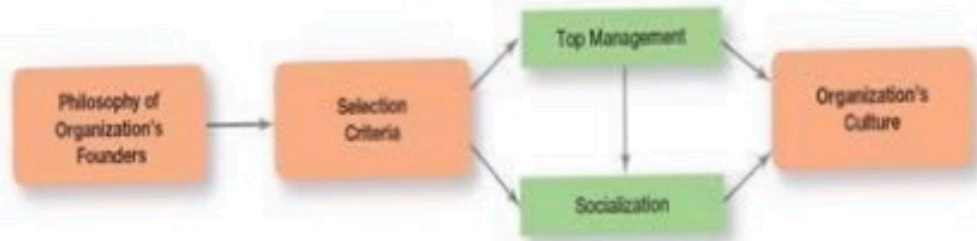
Strong Cultures	Weak Cultures
Values widely shared	Values limited to a few people—usually top management
Culture conveys consistent messages about what's important	Culture sends contradictory messages about what's important
Most employees can tell stories about company history or heroes	Employees have little knowledge of company history or heroes
Employees strongly identify with culture	Employees have little identification with culture
Strong connection between shared values and behaviors	Little connection between shared values and behaviors

**The stronger the culture the more it affects managers' decisions**

**Where Culture comes from and How it Continues**

1. The original source of an organization's culture is usually a **reflection of the vision or mission of the organization's founders** انعكاس لرؤية وهدف مؤسس الشركة. The culture is a result of the interaction between the founders' and what the first employees subsequently learned from their own experiences.
2. **An organization's culture continues when:**
  - a. A culture is in place, practices help to maintain it.
  - b. **Selection criteria** reflect the culture in terms of "fit."
  - c. Actions of **top management** help to maintain the culture.
  - d. New employees learn the organization's way of doing things through **socialization**—the process that helps employees adapt to the organization's culture.

3. Exhibit 3-8 page 114 shows how organizations establish and maintain culture.



### How Employees Learn Culture

Culture is transmitted principally through stories, rituals, material symbols, and language.

- **Organizational stories** are one way that employees learn the culture. These stories typically involve a narrative of significant events or people.  
 مثال: عند الحديث مثلا عن طلال أبو غزاله تاريخه فلسفته، طريقة بالشغل ماذا يحب وماذا يكره وغيرها أحد الطرق للتعرف على ثقافة المؤسسة
- **Rituals** are repetitive sequences of activities that express and reinforce the key values of the organization, which goals are most important, and which people are important or expendable.  
 مثال: طقوس أي ماذا تعمل جامعة بيرزيت بشكل دائم ومتكرر مثل حفل التخرج السنوي، يوم التوظيف، اليوم الهندسي وغيرها
- The use of **material symbols and artifacts** is another way in which employees learn the culture, learn the degree of equality desired by top management, discover which employees are most important, and learn the kinds of behavior that are expected and appropriate.  
 مثال: ممكن تصميم التيكور للمؤسسة وضع القواوير او الواحات استخدام نوع من السيارات التابعة للشركة وغيرها
- **Language** is often used to identify members of a culture. Learning this language indicates members' willingness to accept and preserve the culture. New employees are frequently overwhelmed with **acronyms and jargon** لغة الاختصارات that quickly becomes a part of their language.

**Example 1: Build –A-Bear workshop stores** : employees encouraged to use sales technique called "Strive for five "

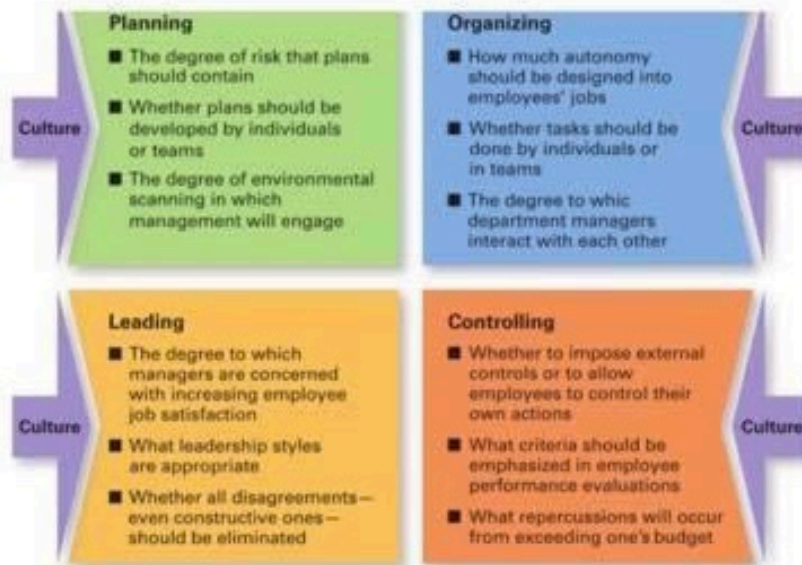
محل يقوم ببيع التيب بمواصفات معينة تستطيع تشكيل وإصدار شهادة ميلاد وتسوية وشراء اللباس والإكسسوار تقوم الشركة بتعليم الباعين مصطلح وهو بيع خمس قطع لأي مشتري (الشاطرة انهم يقدروا بيعوا)

**Example 2: BZU use Busa instead of Business ...**

مثال 3: الوصفات الطبية فقط الصيدلي يفهم لغة الطبيب

**How Culture Affects Managers.** An organization's culture is important because it establishes constraints on what managers can do.

1. The link between corporate values and managerial behavior is straightforward مباشر .
2. The culture conveys يوضح to managers what is appropriate behavior.
3. An organization's culture, particularly a strong one, constrains تقيد a manager's decision-making options in all managerial functions (see **Exhibit 3-9 page 118**).



End