

**Organizational Design Change and Transformation**  
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**Module - 04**  
**Lecture - 03**  
**Organizational Design and Strategy in a changing Global environment**

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The slide features a blue header with two logos: the Indian Institute of Technology (IIT) Kharagpur logo on the left and the Vinod Gupta School of Management logo on the right. Below the header, a blue banner reads "NPTEL ONLINE CERTIFICATION COURSES". The main content area has a light blue background with the title "ORGANIZATIONAL DESIGN, CHANGE AND TRANSFORMATION" in bold black text. Below the title, it says "DR. SANGEETA SAHNEY, PROFESSOR, VGSOM, IIT KHARAGPUR". To the right of the text is an image of a hand holding a globe with various national flags. Below the title and image, there are two colored boxes: a green one for "Module 4" and a blue one for "Lecture 3". At the bottom, a yellow box contains the following text: "Strategic direction and organization design; Frameworks for selecting strategy and design; Designing organizations for the international environment; Building global capabilities; Organizational design and strategy in a changing global environment."

We will be continuing with our discussion on Organizational Design and Strategy in a changing Global Environment this is module 4, lecture 3. In the previous lectures on this topic, we have discussed the strategic direction and organizational design the frameworks for selecting strategy and design and designing organizations for the international environment.

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**ORGANIZATIONAL DESIGN,  
CHANGE AND TRANSFORMATION**

**Organizational Design and Strategy in a  
changing Global environment**

- Building Global Capabilities
- Organizational Design and Strategy in Changing Global Environment

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In today's lecture we will be speaking about building global capabilities and we will begin our discussion on how organizations need to you know design themselves how they need to formulate strategies in changing global environments. In fact, the second topic is something which we shall be extending to our future lectures on this module as well. So, to begin with we start with building global capabilities.

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**BUILDING GLOBAL CAPABILITIES**

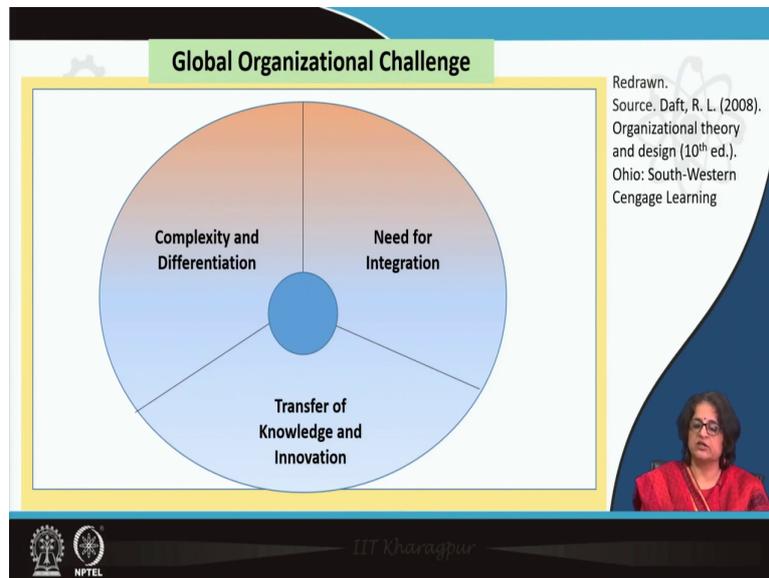
- Companies often find themselves challenged when it comes to taking advantage of the enormous opportunities that global expansion presents.
- According to Daft (2008), global organizational challenges lie in three primary segments:
  - a) Increased complexity and differentiation
  - b) Need for integration (coordination and collaboration) and
  - c) Problem of transferring knowledge and innovation across a global firm

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Now a companies often find themselves challenged when it comes to taking advantage of the various opportunities that you know that exist in the global environment pertaining to expansion pertaining to investments etcetera. And according to Daft, global and organizational challenges primarily lie in you know lie in three primary segments. And these segments are increased complexity and differentiation need for integration which is both coordination and coordination and collaboration.

And the problem of transferring knowledge and innovation across a global firm; so, according to Daft the global organizational challenge lies in three primary segments: one the increased complexity and differentiation two, the need for integration both in terms of coordination as well as collaboration and three the problem of transferring knowledge and innovation across a global firm.

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So, let us first start with a you know with a discussion on the first which is complexity and differentiation. Now, as companies cross their national borders and as they begin to operate internationally, they experience high levels of internal and external complexity then as compared to what they face in their home countries or in their home environments.

Organizations have to deal with different socio-economic, cultural, technological, political and legal environments. They also you know have; you know have different levels of you know infrastructure facilities which are available to them and the complexity coupled with uncertainty requires that organizations develop specialized and dedicated departments to actually deal with these different kinds of challenges.

And so, the of the organizations must design and implement strategies perform a variety of activities and offer diverse offerings on an international level and for that it is very very

important that they understand the complexity. And you know try to lessen it you know and have dedicated departments to deal with such problems and ultimately these organizations should be able to perform a variety of activities and provide to the people a large variety of goods and services at an international level.

The second is the need for integration now while it is important that organizations you know get differentiated and specialized and they have multiple divisions and departments and units and they have different kinds of products which they can offer to the market and to the international market.

You know and while it is important that they position themselves in different countries it is also important that they integrate and. So, while it is important that organizations become differentiation, they become differentiated and specialized across all countries where they operate there is this huge challenge of integration as well.

So, coordination and collaboration across organizational units across divisions across departments is very essential and the challenge lies in bringing in this coordination and collaboration, which is essential if the organization that operates globally would want to gain economies of scale and economies of scope.

We have spoken about the importance of economies of scope in the previous session. And so, if the organization you know wants to achieve economies of scale and scope it is very very important that you know that they collaborate that there is collaboration and coordination between different divisions, departments, units across products across you know countries.

And so, the organizations and so, the different units learn to integrate so, that they are able to you know achieve their goals efficiently and effectively and very important here is the role played you know by integration to bring about cost efficiencies through scale of through economies of scale and through economies of scope.

So, the challenge lies in bringing in the coordination and collaboration which is essential if the organization that operates globally would want to gain economies of scale and scope as

well as cost efficiency. So, achieving this coordination is very very essential if organizations you know want to succeed globally.

And of course, they have a huge diversity in terms of employees the land the values the language spoken by them, the customs, the traditions, the work attitudes and orientations and so, bringing about integration is very very important. The third is about transfer of knowledge and innovation.

So, diversity in international environment provides for opportunities, for learning and capability development and organizational units and divisions and departments in a country, acquire knowledge skills and abilities to meet the challenges specific to that location. However, the knowledge pertaining to the product and the process improvements or the technology etcetera may also be relevant across countries.

And so, knowledge transfer is very very relevant. And so, there is a challenge with respect to learning from international experiences with respect to transfer of knowledge and innovations across the organization. So, there is a huge challenge with respect to learning from international experiences and with respect to transfer of knowledge and innovation across the organization.

So, according to Daft organizations must work together to meet these challenges and the challenges can be met through global teams, through strong headquarter planning and control and through specific coordination roles. So, I have explained these concepts to you and the these three concepts are elaborated in the next three slides. I will slowly move those three slides so, that you can just have a look at them.

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➤ **Increased Complexity and Differentiation**

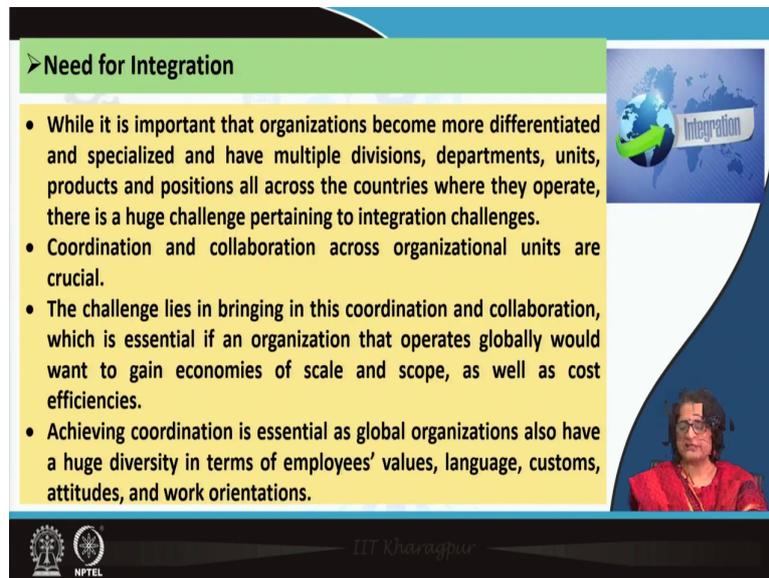
- As companies cross their national borders and begin to operate internationally, they experience higher levels of internal and external complexity than what they experience in their home environments.
- They deal with different socio-economic, cultural, technological, political and legal environments, as well as different levels of infrastructural facilities.
- The complexity coupled with uncertainty requires that organizations develop specialized and dedicated departments to deal with diverse challenges.
- They must design and implement various strategies, perform a variety of activities, and offer diverse offerings on an international level.


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So, here we see that complexity in the environment along with uncertainty requires that organizations, develop specialize and dedicated departments to deal with the challenges and they must design and implement various strategies perform a variety of activities, and offer a diverse offerings diverse product offerings on an international level.

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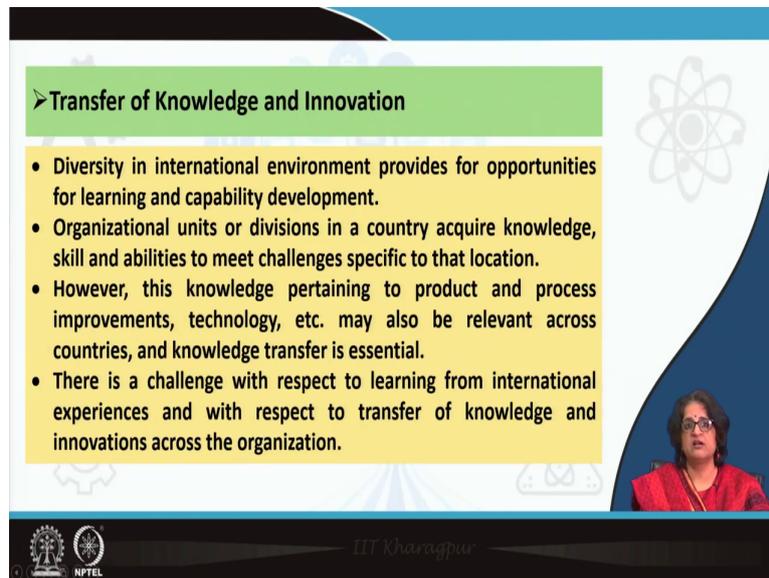
**➤ Need for Integration**

- While it is important that organizations become more differentiated and specialized and have multiple divisions, departments, units, products and positions all across the countries where they operate, there is a huge challenge pertaining to integration challenges.
- Coordination and collaboration across organizational units are crucial.
- The challenge lies in bringing in this coordination and collaboration, which is essential if an organization that operates globally would want to gain economies of scale and scope, as well as cost efficiencies.
- Achieving coordination is essential as global organizations also have a huge diversity in terms of employees' values, language, customs, attitudes, and work orientations.

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While it is important that organizations are differentiated it is also important that they coordinate and collaborate across units and divisions and departments and especially if companies want to gain economies of scale and scope and gain cost efficiencies. And this becomes even more relevant keeping you know this is a bigger challenge actually keeping in mind the diversity in the workforce in today's day and age. Nevertheless, coordination and collaboration is crucial.

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➤ **Transfer of Knowledge and Innovation**

- Diversity in international environment provides for opportunities for learning and capability development.
- Organizational units or divisions in a country acquire knowledge, skill and abilities to meet challenges specific to that location.
- However, this knowledge pertaining to product and process improvements, technology, etc. may also be relevant across countries, and knowledge transfer is essential.
- There is a challenge with respect to learning from international experiences and with respect to transfer of knowledge and innovations across the organization.

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And the third which is with respect to you know learning from international experiences and transfer of knowledge and innovation and transfer of learning of these of you know learning and knowledge and innovations across the organization because the knowledge pertaining to a product or a process improvement or technology in one country may also be relevant to other countries as well. And so, knowledge transfer is very very critical.

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- According to Daft, organizations must work towards meeting these challenges.
- The challenges can be met through *global teams, strong headquarter planning and control, and specific coordination roles.*

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So, going to Daft the challenges can be met through global teams strong headquarter planning and control and specific coordination roles coordination. So, here we will briefly discuss each one of these now.

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A) **Global teams:** help in the coordination of divisions and units across nations; also known as *transnational teams*.

- These are cross-border work teams and groups which comprise multi-skilled employees who work across multiple countries.
- Such teams could take forms as intercultural teams (people from different countries or locations who meet face-to-face) and virtual teams (people from various countries or locations across the world who do not meet face to face and work electronically or digitally).
- While global teams help meet the three challenges, building and fostering such teams is not easy.

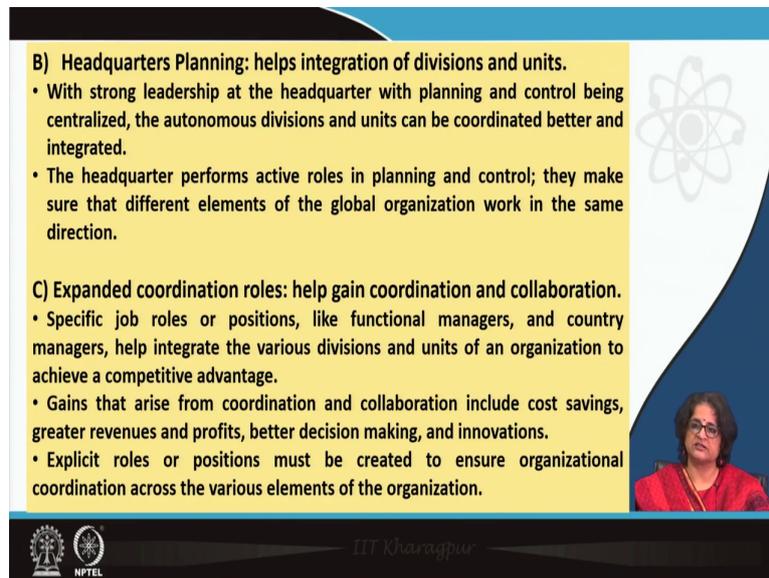


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So, when we talk of global teams they help in coordination of divisions and units across countries they also call them transnational teams they are cross border work teams and groups which comprise people with different kinds of skills and they and the these multi-skilled employees work across multiple countries.

So, such teams could take forms as intercultural teams you know or the and these who could meet either face-to-face or there could be virtual teams who are connected digitally and electronically. And while global teams help meet the challenges of pertaining to you know pertaining to complexity and differentiation, pertaining to need for integration and pertaining to transfer of knowledge and innovation building and fostering such teams is not easy it is a; it is a complex task.

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**B) Headquarters Planning: helps integration of divisions and units.**

- With strong leadership at the headquarter with planning and control being centralized, the autonomous divisions and units can be coordinated better and integrated.
- The headquarter performs active roles in planning and control; they make sure that different elements of the global organization work in the same direction.

**C) Expanded coordination roles: help gain coordination and collaboration.**

- Specific job roles or positions, like functional managers, and country managers, help integrate the various divisions and units of an organization to achieve a competitive advantage.
- Gains that arise from coordination and collaboration include cost savings, greater revenues and profits, better decision making, and innovations.
- Explicit roles or positions must be created to ensure organizational coordination across the various elements of the organization.

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The second is with respect to headquarter planning which helps integration of divisions and units. So, strong leadership at the headquarter with planning and control, being centralized the you know the autonomous divisions and units can be better coordinated and integrated.

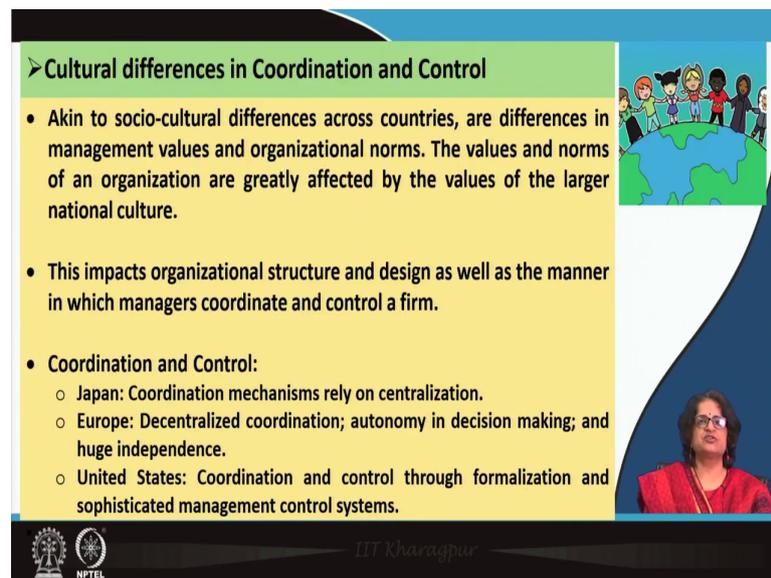
And the headquarter perform very active roles in planning and control; they make sure that the different elements in the global organization work in the same direction. And the third you know is through expanded coordination roles which can also help gain coordination and collaboration.

Specific jobs or positions like those of functional managers and country managers help integrate the various divisions and units of an organization to achieve a competitive

advantage. And gains that arise from collaboration or coordination you know include cost savings greater revenues and profits better decision making and innovations.

And explicit and you know roles or positions must be created to ensure that such coordination across various elements in the organization is can be brought about.

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➤ **Cultural differences in Coordination and Control**

- Akin to socio-cultural differences across countries, are differences in management values and organizational norms. The values and norms of an organization are greatly affected by the values of the larger national culture.
- This impacts organizational structure and design as well as the manner in which managers coordinate and control a firm.
- **Coordination and Control:**
  - Japan: Coordination mechanisms rely on centralization.
  - Europe: Decentralized coordination; autonomy in decision making; and huge independence.
  - United States: Coordination and control through formalization and sophisticated management control systems.

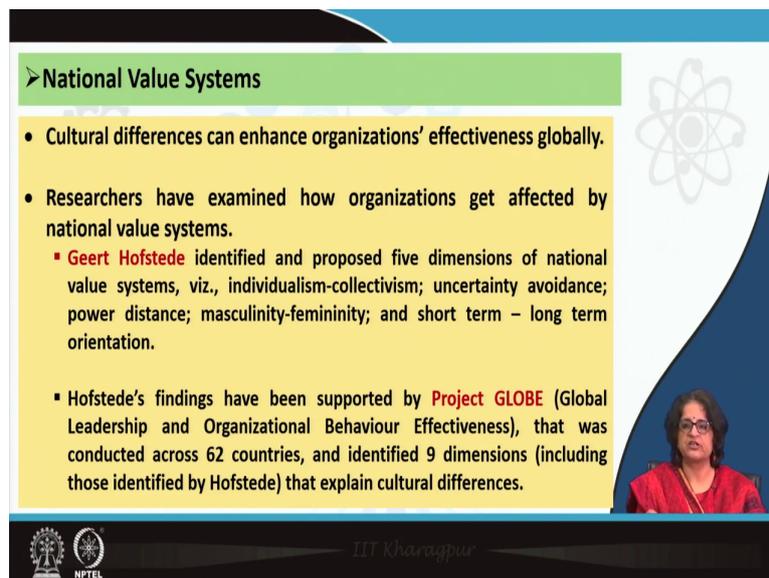
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And the next we discuss is about cultural differences in coordination and control now similar to socio-cultural differences across countries are differences in management and values you know management values and organizational norms across which is seen across countries. So, the values and norms of an organization are greatly affected by the values of the larger national culture.

And this impacts organizational design and organizational structure as well as the manner in which a managers coordinate and control a firm. So, if you look at the coordination and control you know in Japan the it is typically centralized. So, in Japan the coordination mechanisms rely on centralization. In Europe it is more it is decentralized.

So, there is a decentralized coordination autonomy in decision making in huge independence. And in the United States coordination and control is through formalization and very sophisticated management control system. So, a similar to socio cultural differences across countries are differences in management values and organizational norms, which exist across the world and the values and norms of an organization are hugely affected by the values of the national larger national culture.

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➤ National Value Systems

- Cultural differences can enhance organizations' effectiveness globally.
- Researchers have examined how organizations get affected by national value systems.
  - **Geert Hofstede** identified and proposed five dimensions of national value systems, viz., individualism-collectivism; uncertainty avoidance; power distance; masculinity-femininity; and short term – long term orientation.
  - Hofstede's findings have been supported by **Project GLOBE** (Global Leadership and Organizational Behaviour Effectiveness), that was conducted across 62 countries, and identified 9 dimensions (including those identified by Hofstede) that explain cultural differences.

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We like to quickly discuss something on national value systems here where we see that cultural differences can actually enhance organizational organizations effectiveness globally and researchers have examined how organizations get affected by the value systems of a country.

Hofstede identified and proposed five dimensions of national value system like individualism-collectivism, uncertainty avoidance, power distance, masculinity, femininity and short term long term orientation. And Hofstede's findings have been supported by Project GLOBE which is the Global Leadership and Organizational Behaviour Effectiveness index.

And this you know the GLOBE project or the Global Leadership and Organizational Behaviour Effectiveness, study was conducted across 62 countries and they identified 9 dimensions including those identified by Hofstede. And all of these explain cultural differences that exist which can affect organizations effectiveness globally.

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• Two major dimensions that strongly impact organizations are *power distance* and *uncertainty avoidance*.

- **Power distance:**
  - *High power distance:* Inequality of power among people and organizations is accepted.
  - *Low power distance:* Equality in power is the norm.
- **Uncertainty avoidance:**
  - *High uncertainty avoidance:* Uncertainty and ambiguity is regarded as uncomfortable, and people support beliefs that assure and lead towards certainty and conformity.
  - *Low uncertainty avoidance:* There is a high tolerance for uncertainty and ambiguity; people do not mind the unstructured and the unpredictable.

High power distance      Low power distance

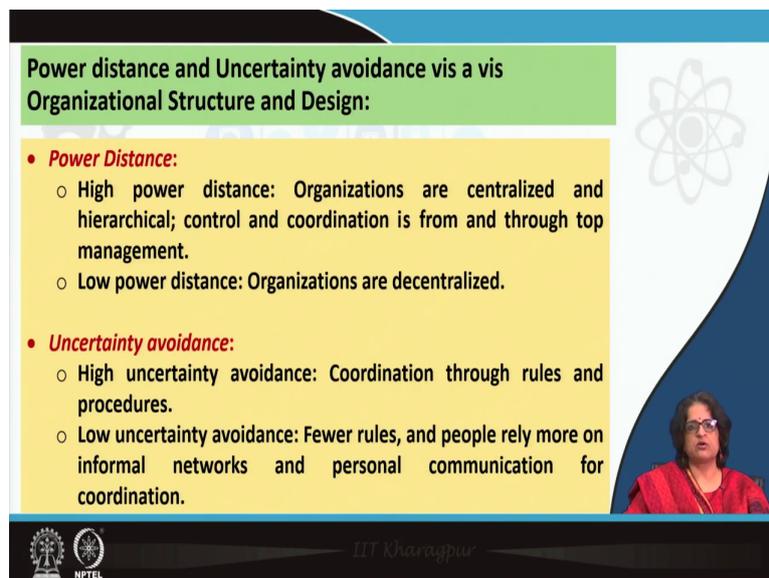
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So, two major dimensions that strongly impact organizations are power distance and uncertainty avoidance. And when we talk of power distance you know in high power distance inequality of power among people and organizations is accepted. But in low power distance equality in power is the norm.

Coming to uncertainty avoidance in high uncertainty avoidance uncertainty and ambiguity is regarded as is as uncomfortable in people support beliefs that lead them towards certainty and conformity. And on the other hand in the case of low uncertainty avoidance you know there is high tolerance for uncertainty and ambiguity people do not mind the unstructured and the unpredictable.

So, we see that you know how is values affect organizational culture and you know as well and this can also have an impact on organizational design.

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**Power distance and Uncertainty avoidance vis a vis Organizational Structure and Design:**

- **Power Distance:**
  - High power distance: Organizations are centralized and hierarchical; control and coordination is from and through top management.
  - Low power distance: Organizations are decentralized.
- **Uncertainty avoidance:**
  - High uncertainty avoidance: Coordination through rules and procedures.
  - Low uncertainty avoidance: Fewer rules, and people rely more on informal networks and personal communication for coordination.

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So, let us now see how power distance and uncertainty avoidance affect organizational structure and design. In cultures where there is high power distance organizations are centralized and hierarchical and control and coordination is from and through the top management.

On the other hand, in low power distance cultures organizations are decentralized. When we speak of uncertainty avoidance in those organizations and in those cultures where there is high uncertainty avoidance coordination is through rules and procedures. On the other hand,

when there is low uncertainty avoidance there are fewer rules and people rely more on informal networks and personal communication for coordination.

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➤ **Transnational Model of Organization**

- Traditional country-specific approaches to organization design are unsuitable when companies operate globally.
- Companies that enter foreign markets and experience rapidly changing, and complex global environments adopt a transnational model of organization.
- Transnational models are highly differentiated to meet complex global environments.

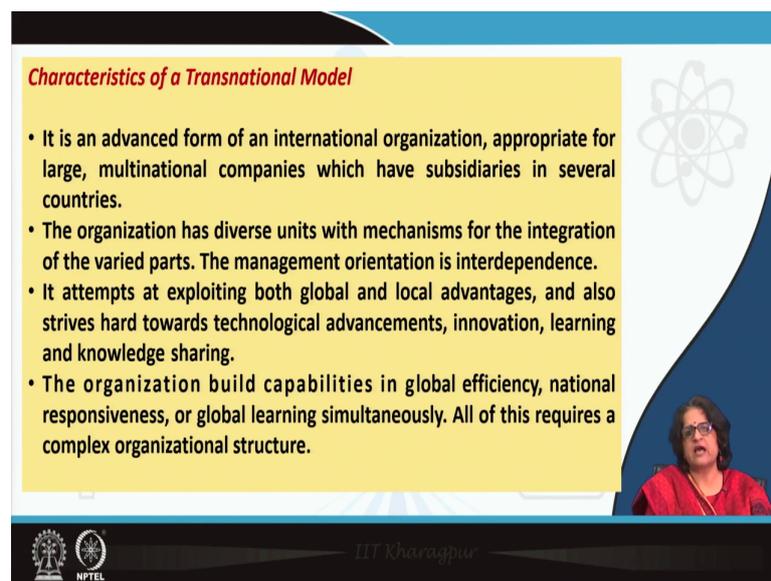
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Now, let us come to the transnational model of organization now you know that more traditional country specific approaches to organizational structure and design are unsuitable when companies decide to operate globally. Companies which we you know which move out of their domestic borders which and enter foreign markets experience very different kinds of environments and rapidly changing environments.

And the and you know the VUCA world is even larger in magnitude you know the volatility the uncertainty, the complexity, the ambiguity is even higher and you know the complex global environments keeping in mind you know such you know rapidly changing in complex global environments.

It is important that organizations develop a transnational model and transnational models are highly differentiated to meet the complex global environment. So, companies that enter foreign markets and experience rapidly changing in complex environments adopt a transnational model for of organization.

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**Characteristics of a Transnational Model**

- It is an advanced form of an international organization, appropriate for large, multinational companies which have subsidiaries in several countries.
- The organization has diverse units with mechanisms for the integration of the varied parts. The management orientation is interdependence.
- It attempts at exploiting both global and local advantages, and also strives hard towards technological advancements, innovation, learning and knowledge sharing.
- The organization build capabilities in global efficiency, national responsiveness, or global learning simultaneously. All of this requires a complex organizational structure.

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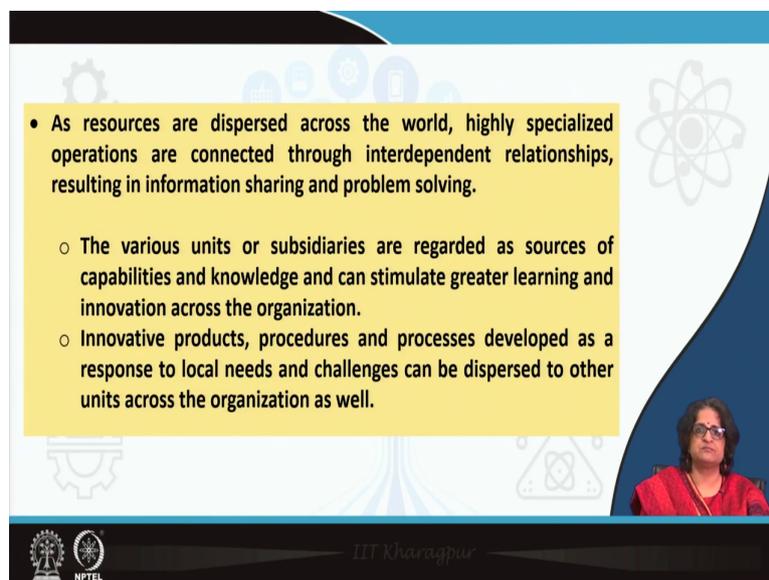
So, what are the characteristics of such a model it is an advanced form of an international organization appropriate for large multinational companies which have subsidiaries in different countries, in several countries the organizations have diverse units with mechanisms for integration of the various parts and the management orientation is one of is one of interdependence.

So, such you know models such structures aim at exploiting both global and local advantages and also strive hard towards you know innovations, learning, knowledge sharing and

technological advancements. So, the organization building capabilities in global efficiency, national responsiveness, or global learning occurs simultaneously and this requires a very very complex structure.

So, transnational models you know can be defined as you know a very advanced forms of you know international organizations which operate for large multinational companies which have subsidiaries in several countries. And it is very very important that you know they integrate with each other and management orientation is that of interdependence.

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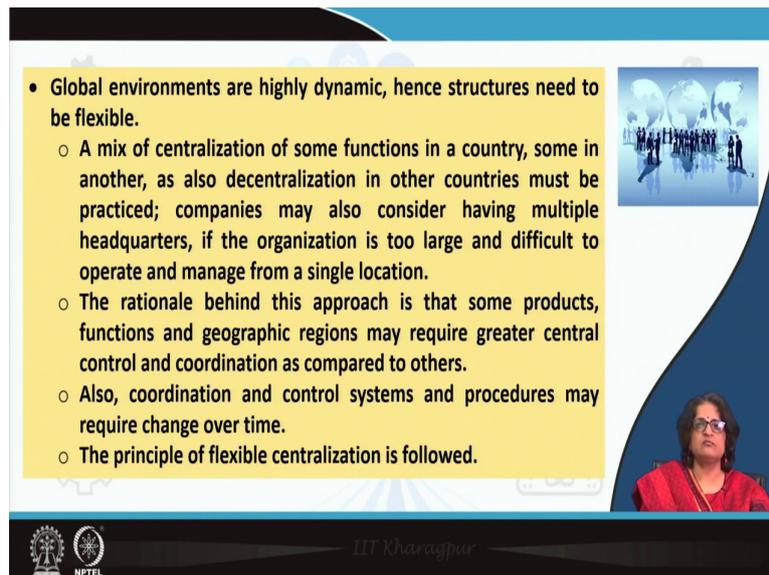


- As resources are dispersed across the world, highly specialized operations are connected through interdependent relationships, resulting in information sharing and problem solving.
  - The various units or subsidiaries are regarded as sources of capabilities and knowledge and can stimulate greater learning and innovation across the organization.
  - Innovative products, procedures and processes developed as a response to local needs and challenges can be dispersed to other units across the organization as well.

So, as resources are dispersed across the world highly specialized operations are connected through interdependent relationships resulted resulting in information sharing and problem solving. And the various units or subsidiaries are regarded as sources of capabilities and knowledge and can actually lead to a greater learning and innovation across the organization.

So, innovative products, you know procedures, processes developed as a response to local needs and these innovative products processes and procedures developed as a response to the local needs and challenges can also be dispersed to other units across the organization as well.

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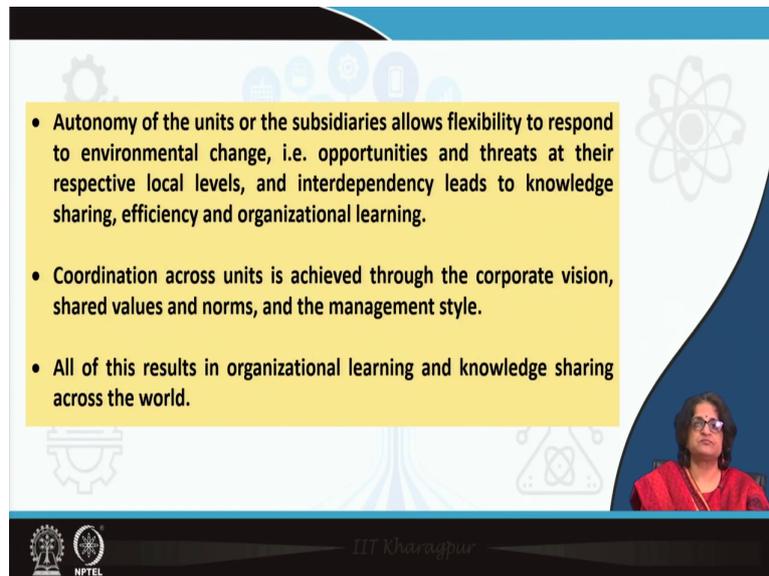
- Global environments are highly dynamic, hence structures need to be flexible.
  - A mix of centralization of some functions in a country, some in another, as also decentralization in other countries must be practiced; companies may also consider having multiple headquarters, if the organization is too large and difficult to operate and manage from a single location.
  - The rationale behind this approach is that some products, functions and geographic regions may require greater central control and coordination as compared to others.
  - Also, coordination and control systems and procedures may require change over time.
  - The principle of flexible centralization is followed.

So, global environments are highly dynamic, and hence the structures also have to be very flexible you know we have a mix of centralization of some functions in the country some in another as also decentralization in other countries, which is practiced companies may also consider having multiple headquarters, if it finds its very difficult to operate and manage from a single headquarter.

So, the rationale behind this approach is that some products, functions and geographic regions may require greater control and coordination as compared to others also the control and

coordination you know may require change over time. So, the principle of flexible centralization is followed.

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- **Autonomy of the units or the subsidiaries allows flexibility to respond to environmental change, i.e. opportunities and threats at their respective local levels, and interdependency leads to knowledge sharing, efficiency and organizational learning.**
- **Coordination across units is achieved through the corporate vision, shared values and norms, and the management style.**
- **All of this results in organizational learning and knowledge sharing across the world.**

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The autonomy of units or the subsidiaries allows huge amount of flexibility to adapt to the environment and you know and to respond to environmental change, which means that the that is the opportunities and threats at the respective local levels and interdependency leads to knowledge sharing efficiency and organizational learning.

Coordination across units can be achieved through the corporate vision through the shared values and norms and the management style. And all of this results in organizational learning and knowledge sharing across the world.

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**ORGANIZATIONAL DESIGN AND STRATEGY IN A CHANGING GLOBAL ENVIRONMENT**

**CORE COMPETENCES:**

- Core competences are skills and abilities that help an organization achieve superior efficiency; a company that possesses superior core competences can leave behind its competitors.

**Sources of Core Competences**

- The strength of an organization's core competences depends on its specialized resources and coordination abilities, which other organizations do not possess.
- Global expansion facilitates an organization to gain core competences.

capability  
service  
expertise  
skills  
quality  
competency  
knowledge  
advantage  
differentiator

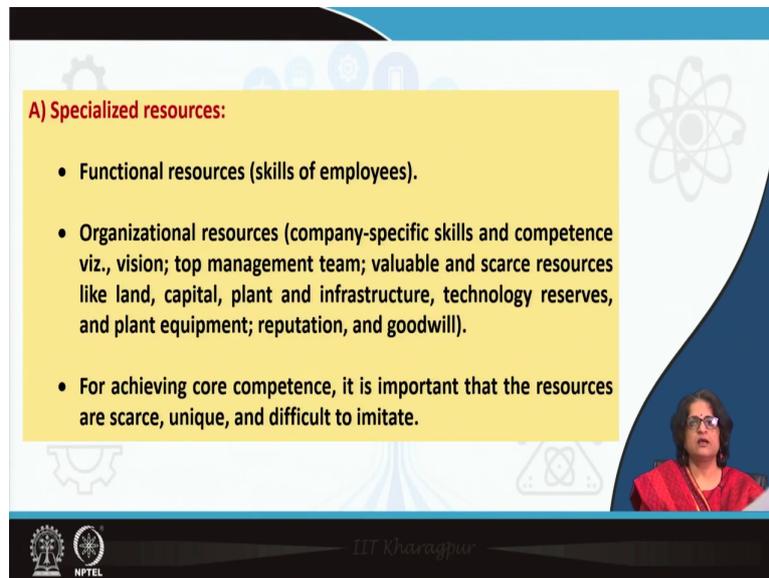
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So, finally, we come to the organizational design and strategy in a changing global environment as I said in the beginning of the lecture, we shall be starting this, but continuing it in the next lectures. So, we start with core competencies core competencies are skills and abilities that exist in an organization and help an organization achieve superior efficiency.

And in fact, a company which possesses a core competency gains a competitive and can leave behind its competitors. So, what are the sources of core competencies the strength of the organizations core competencies depends on its specialized resources and coordination abilities which the other organizations do not possess. So, global expansion facilitates an organization to gain core competencies.

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A) Specialized resources:

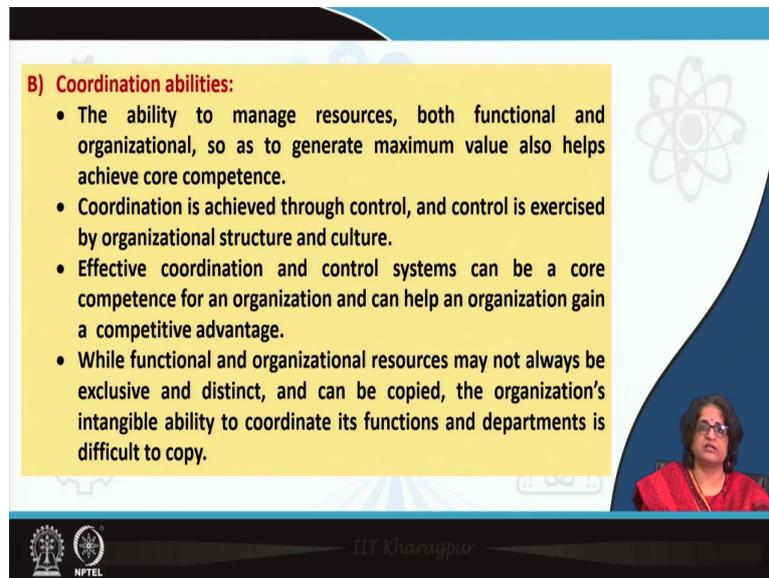
- Functional resources (skills of employees).
- Organizational resources (company-specific skills and competence viz., vision; top management team; valuable and scarce resources like land, capital, plant and infrastructure, technology reserves, and plant equipment; reputation, and goodwill).
- For achieving core competence, it is important that the resources are scarce, unique, and difficult to imitate.

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So, first is specialized resources functional resources it could also be skills of employees organizational resources which are company specific skills and competence the vision the top management team valuable and scarce resources like land, capital, plant and infrastructure, technology reserves, and plant equipment, and reputation, and goodwill.

For achieving core competencies important the resources are scarce unique and difficult to imitate. So, your specialized resources either as functional resources or as organizational resources must be scarce unique and difficult to copy or difficult to imitate.

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**B) Coordination abilities:**

- The ability to manage resources, both functional and organizational, so as to generate maximum value also helps achieve core competence.
- Coordination is achieved through control, and control is exercised by organizational structure and culture.
- Effective coordination and control systems can be a core competence for an organization and can help an organization gain a competitive advantage.
- While functional and organizational resources may not always be exclusive and distinct, and can be copied, the organization's intangible ability to coordinate its functions and departments is difficult to copy.

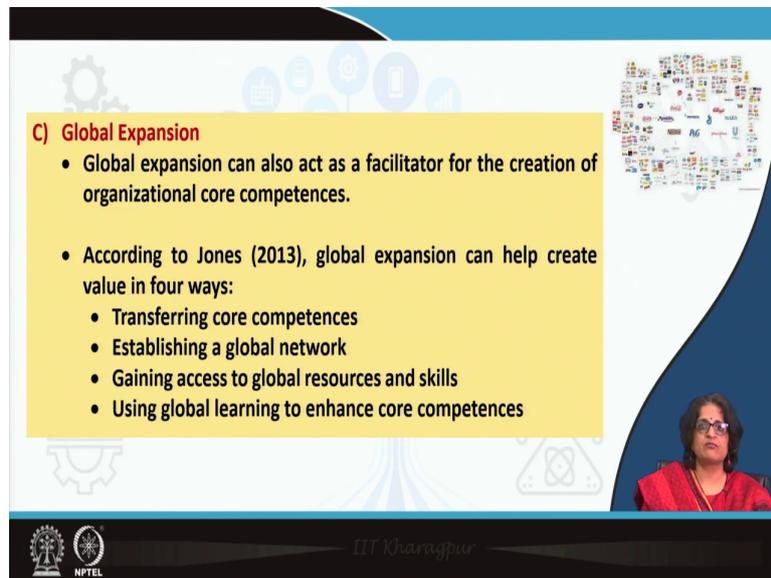
 

The second is with respect to coordination abilities which refers to the ability to manage both resources you know functional and organizational so, as to generate maximum value. Coordination is achieved through control, and control is exercised by organizational structure and culture.

Effective control and coordination systems can be a core competence for the organization they can help an organization gain competitive advantage. And while functional and organizational resources may not always be exclusive or distinct and may be copied.

The organizations intangible ability to coordinate its functions to coordinate its departments is something which is difficult to copy and so, coordination abilities can be a can be a source of competence it can be. In fact, it can actually be a huge source of core competence.

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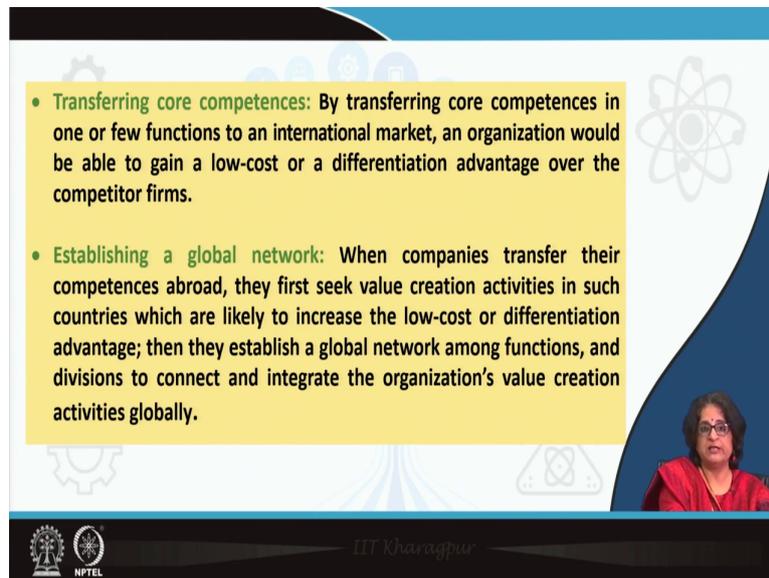
**C) Global Expansion**

- Global expansion can also act as a facilitator for the creation of organizational core competences.
- According to Jones (2013), global expansion can help create value in four ways:
  - Transferring core competences
  - Establishing a global network
  - Gaining access to global resources and skills
  - Using global learning to enhance core competences

The slide features a yellow background for the text, a world map graphic on the right, and a small video inset of a woman in a red top at the bottom right. The footer includes the IIT Kharagpur and NPTEL logos.

Third a global expansion: So, global expansion can also act a facilitator for creation of core competencies according to Jones global competition global expansion can help create value in four ways. So, global expansion can also act as a facilitator and it can help create value in four ways transferring core competences, establishing a global network, gaining access to global resources and skills, and using global learning to enhance core competencies.

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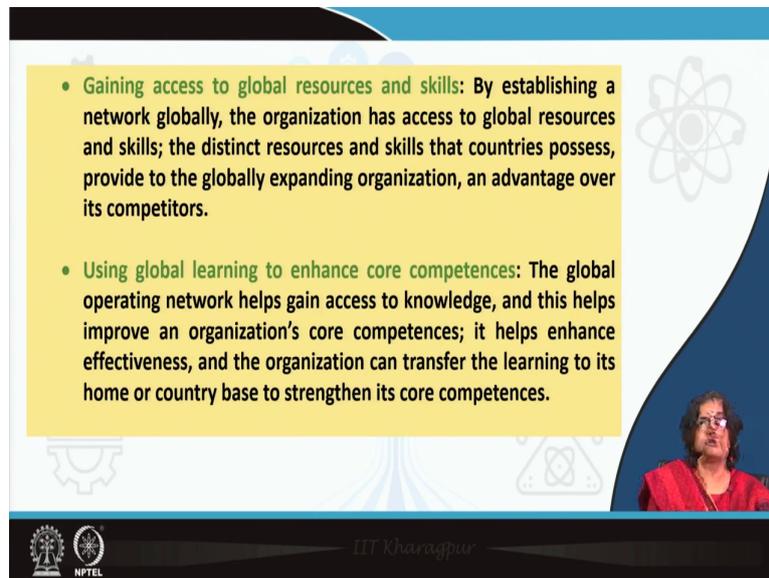
The slide features a yellow background with two bullet points. In the bottom right corner, there is a small video inset of a woman with glasses wearing a red top. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom.

- **Transferring core competences:** By transferring core competences in one or few functions to an international market, an organization would be able to gain a low-cost or a differentiation advantage over the competitor firms.
- **Establishing a global network:** When companies transfer their competences abroad, they first seek value creation activities in such countries which are likely to increase the low-cost or differentiation advantage; then they establish a global network among functions, and divisions to connect and integrate the organization's value creation activities globally.

So, coming to the first by transferring a core competencies in one or few functions to an international market, the organization would be able to gain a cost at a low-cost or a differentiation advantage over the competitors.

Second establishing a global network when companies transfer their competencies abroad the first seek value creation activities in such countries where they are likely to increase the low-cost or differentiation advantage; then they establish a global network amongst the different functions amongst the different divisions to connect and integrate the organization's value creation ability and competencies and activities globally.

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The slide features a yellow background with two bullet points. The first bullet point discusses gaining access to global resources and skills through a global network. The second bullet point discusses using global learning to enhance core competencies. In the bottom right corner, there is a small video inset of a woman with glasses wearing a red top. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom.

- **Gaining access to global resources and skills:** By establishing a network globally, the organization has access to global resources and skills; the distinct resources and skills that countries possess, provide to the globally expanding organization, an advantage over its competitors.
- **Using global learning to enhance core competences:** The global operating network helps gain access to knowledge, and this helps improve an organization's core competences; it helps enhance effectiveness, and the organization can transfer the learning to its home or country base to strengthen its core competences.

The third is gaining access to global resources and skills. So, by establishing a network the organization has access to global resources and skills; and the distinct resources and skills that the country possesses, provide to the globally expanding organization and advantage over the competitors and the fourth is using global learning to enhance core competencies.

The global operating network helps gain access to knowledge and this helps improve an organizations core competencies; it help enhance the effectiveness of the organization and the organization can will be able to transfer their learning to its home to its home country or to the country ways to further strengthen its core competencies.

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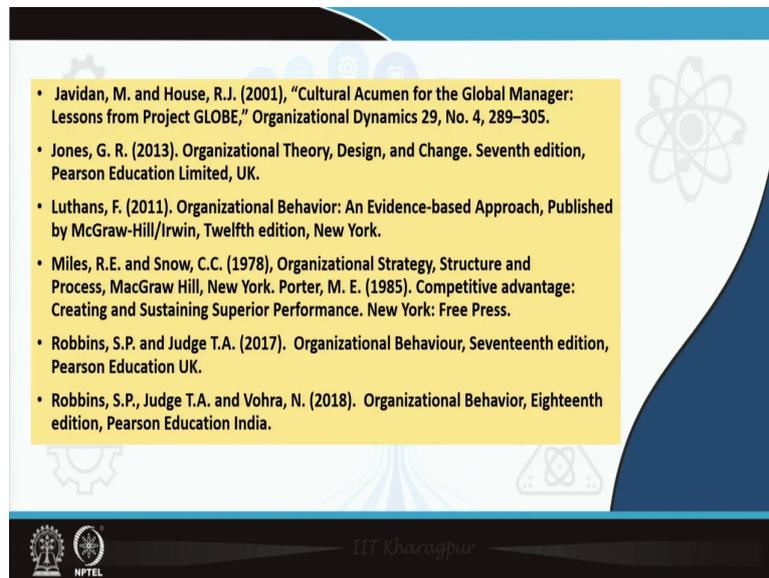
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So, with this I come to a conclusion of this session.

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**CONCLUSION**

This brings us to the end of the third lecture of Module 4.

We shall continue with the topic in the next lecture.

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These are the references. We shall continue with the topic in the next lecture.

Thank you.