

# Analysis of Organizational Behavioural Issues and Challenges at Procter & Gamble

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## Abstract

Organisations today are confronted with rapid internal and external environmental changes that have a substantial impact on organizational structure, employment relationships, and corporate performance levels. Not only does this scenario increase the external environment's uncertainty and difficulty, but it also affects how individuals of an organization interact with one another. To preserve corporate and social sustainability, the changing business environment caused by globalization and technology improvements necessitates a larger variety of workforce composition, flexibility, and agility of an organization, as well as an increase in complexity and capabilities. Using Procter & Gamble (P&G) as an example, this article analyses organisational behavioural concerns and challenges impacting the management of people, groups, and structures in order to increase organisational performance.

**Keywords:** diverse workforce, organizational management, leadership roles, organization structures, self-managed autonomous

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## 1. Introduction of Procter & Gamble (P&G)

### 1.1 History and Location

William Procter and James Gamble established Procter & Gamble (P&G) in 1837. P&G is based in Cincinnati, Ohio, the United States, and operates subsidiaries in more than 80 countries. P&G is an American multinational consumer goods corporation that manufactures toiletries, cosmetics, baby care items, pharmaceuticals, textiles, and home care products (Procter & Gamble, 2021). P&G established its first factory, the Central Avenue Factory, in 1840. In 1904, in response to

growing domestic market demand, P&G began establishing factories outside of Cincinnati. In 1935, P&G acquired the Philippine Manufacturing Company, establishing its first operation in the Far East and transforming the company into a large international conglomerate. P&G expanded its joint ventures in China between 1993 and 1994, establishing four consecutive firms and five production facilities. On August 18, 2010, P&G built its largest research and development centre in Beijing. By 2020, P&G have over 140 facilities in more than 40 countries producing products around world (Procter & Gamble, 2021).

### 1.2 Ownership

The company is led by David S. Taylor, who serves as chairman, president, and chief executive officer (CEO), and Jon. R. Taylor, who serves as vice-chair, chief operating officer (COO), and chief financial officer (CFO) (Procter & Gamble, 2021). The Procter & Gamble company stock symbol is NYSE - PG, stock price is \$ 140.83.

### 1.3 Financials

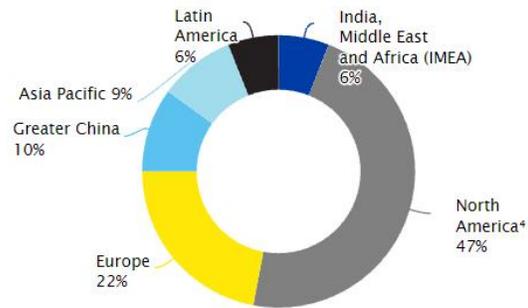
According to P&G’s annual report (2021), net sales were 76.1 billion dollars, operating income was 18 billion dollars, and net earnings attributable to P&G were 14.3 billion dollars. As of October 22, 2021, Procter & Gamble’s net worth is \$340.8 billion.

<b>FINANCIAL HIGHLIGHTS (UNAUDITED)</b>					
Amounts in billions, except per share amounts					
	2021	2020	2019	2018	2017
Net Sales	<b>\$76.1</b>	\$71.0	\$67.7	\$66.8	\$65.1
Operating Income	<b>\$18.0</b>	\$15.7	\$5.5	\$13.4	\$13.8
Net Earnings Attributable to P&G	<b>\$14.3</b>	\$13.0	\$3.9	\$9.8	\$15.3
Net Earnings Margin from Continuing Operations	<b>18.9%</b>	18.5%	5.9%	14.8%	15.7%
Diluted Net Earnings per Common Share from Continuing Operations <sup>1</sup>	<b>\$5.50</b>	\$4.96	\$1.43	\$3.67	\$3.69
Diluted Net Earnings per Common Share <sup>1</sup>	<b>\$5.50</b>	\$4.96	\$1.43	\$3.67	\$5.59
Core Earnings per Share <sup>2</sup>	<b>\$5.66</b>	\$5.12	\$4.52	\$4.22	\$3.92
Operating Cash Flow	<b>\$18.4</b>	\$17.4	\$15.2	\$14.9	\$12.8
Dividends per Common Share	<b>\$3.24</b>	\$3.03	\$2.90	\$2.79	\$2.70

**Figure 1.** Procter & Gamble 2021 financial highlights

### 1.4 Competitors

Colgate Palmolive, Church & Dwight, and Unilever are P&G’s primary competitors (Iguchi & Hayashi, 2009). P&G operates six business units focused on specific product lines. There are several categories, including Baby, Feminine Care and Homecare, Beauty, Fabric and Homecare, and Beauty and Healthcare. P&G is unquestionably one of the largest consumer goods companies in the world. However, numerous companies are attempting to cut their respective segments individually. North America accounts for nearly 47% of P&G’s revenue, while Europe accounts for about 22% (P&G Annual Report, 2021). Developed markets account for nearly two-thirds of P&G’s total revenue. This is a critical issue for P&G, as competitors such as Unilever are focused on driving growth and sales in emerging or developing markets.



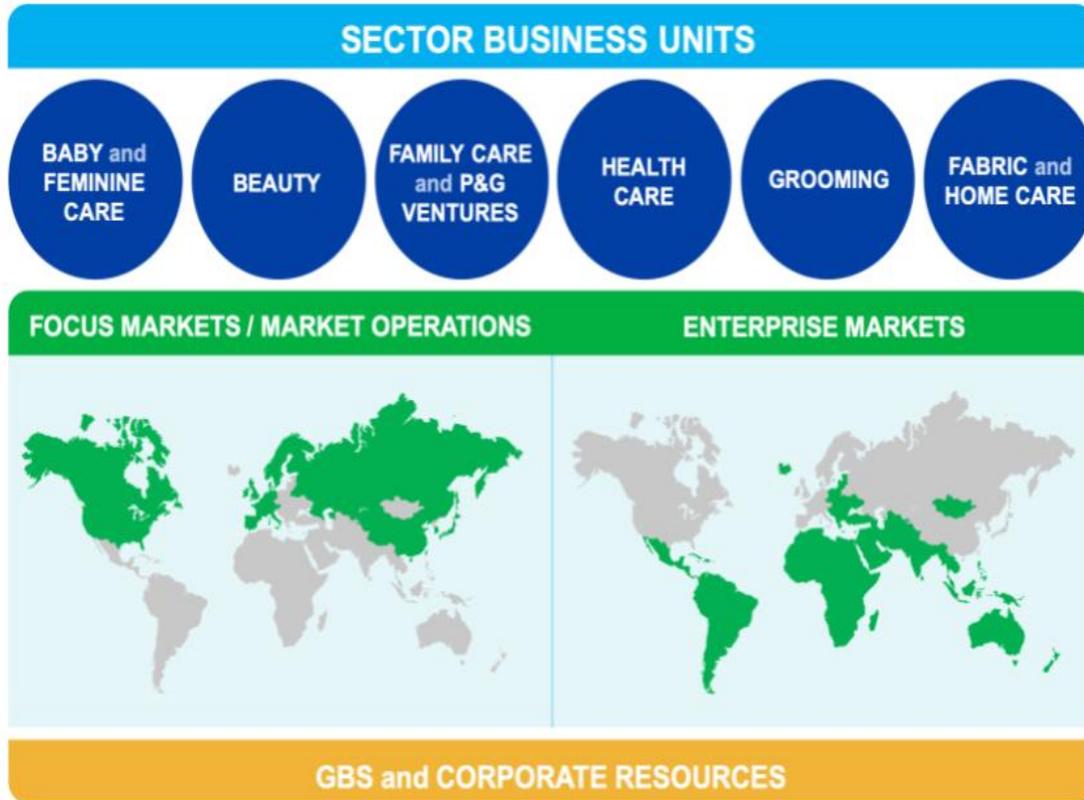
**Figure 2.** 2021 net sales by geographic region

### 1.5 Organization Structure

P&G’s organizational structure revolves around its product portfolio. This corporate structure also satisfies P&G’s needs based on organizational functions and market location. Procter & Gamble’s organizational structure is a series of arrangements or designs that define relationships between entities. Individuals and groups are included. A company’s organizational structure impacts how it addresses business needs and difficulties. Structural elements define how a

company can respond to its external environment. P&G has a product-based departmental organization. In this scenario, product-type departments impact P&G’s management decisions

and internal business procedures. Procter & Gamble bases management teams on product-based groupings (*P&G Annual Report, 2021*).



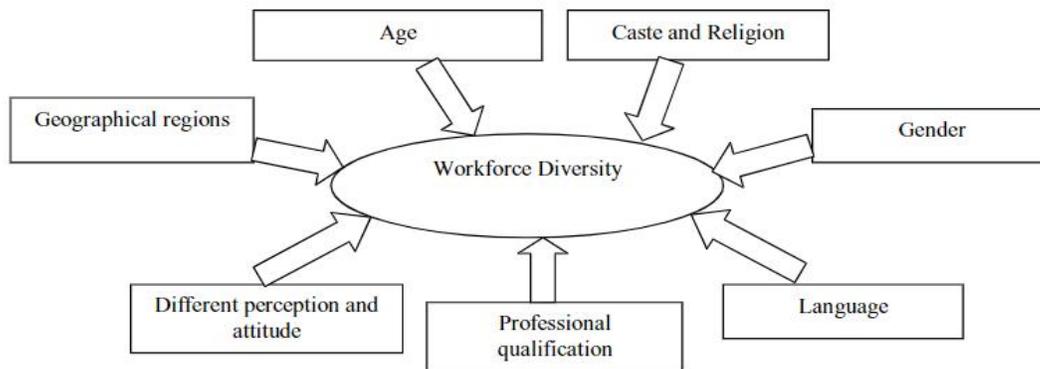
**Figure 3.** P&G corporate structure

## 2. Workforce Diversity in Procter & Gamble (P&G)

### 2.1 Workforce Diverse

Most major and successful organizations operate on a worldwide basis, and diversity in the workplace is more common today than it has ever been in the history of mankind. Diversity contributes to greater possibilities, greater innovation, greater use of abilities, and, as a result, greater performance for businesses. Managers in diverse workplaces lead more productive teams and have a broader range of interests, which is evident across a wide range of businesses and professions (Brett, 2018). Diversity has long been

the most talked-about topic in the business world. The diverse workforce not only the disparities, but also the similarities that exist within the workforce. Workforce diversity refers to the practice of employing individuals that are either different or similar to inside an organization and putting them together in workplace. Traditionally, diversity has been thought of as a phrase used by human resource departments to refer to issues such as fair hiring procedures, discrimination, and inequity (Dahanayake & et al., 2018). People of different ages, ethnicities, physical abilities, races, faiths, genders, and sexual orientations are brought together in one workplace to form a diverse workforce (Hight, 2017).



**Figure 4.** Diverse workforce

### 2.2 Why Need Diversity Management

When a group of like-minded individuals gathers, similar thoughts are formed united by common mindsets. Additionally, a diverse staff will be able to exchange various perspectives and inspire the development of new ideas (Deb S. & et al., 2016). This significantly increases the business's productivity; a varied team is more likely to comprehend client needs and develop solutions to suit those needs. Additionally, workplace diversity improves employee morale and instils a motivation to improve efficiency and production (Ely & Thomas, 2001). Employers who hire, value, accommodate, and reward both traditional and non-traditional personnel gain a competitive advantage by increasing productivity and catering to global customers. Employees will feel valued and accepted in an environment that values diversity and inclusion. By hiring personnel with diverse origins, languages, and foreign experience, the organization can ensure that it appeals to a broader target market. As a result of their diverse backgrounds, staff will be able to interact with consumers from all walks of life (Phillips & et al., 2021). Discrimination claims at work have substantial ramifications for management, diversity management provide employees with a work atmosphere that values and supports diversity and eliminates discrimination against minority groups.

### 2.3 Five Dimensions that Shape the Diversity of the P&G Workforce

The P&G Company's worldwide diversity vision is to be recognized as a lead in diversity. Equality

and justice across all aspects of its workplace, such as the staff and organization's culture. P&G strives to build a business and a world where everyone can accomplish equality and inclusion. Respect and inclusiveness are pillars of the Procter & Gamble culture, which ensures that everyone has an equal opportunity to learn, grow, succeed, and prosper (Equality & Inclusion, 2021). P&G's Chief Diversity and Inclusion Officer, Shelly McNamara, stated in the firm's 2019 Citizenship Report that the company believes in using its advertising and media platforms to raise awareness about bias and equality, spark conversation, and effect change in the world (Sow, 2020). Numerous P&G companies are pushing diversity and inclusion views through accurate as well as positive portrayals through daily marketing and by bringing attention to racial and gender bias.

### 2.4 Gender Diversity

Gender diverse workforce means that men and women are employed at comparable and steady rates, compensated equally, as well as provided equal opportunity for work for promotion (Fine, Sojo & Lawford-Smith, 2020). Gender dimensional variety encompasses a range of identities, including male, female, transgender, and various sexual orientations. Companies with a gender diverse workforce are more likely to perform better and provide greater value in terms of profitability. Certain individuals may begin to feel uneasy in the workplace as a result of gender diversity. However, gender diversity in the workplace has various benefits for firms. To begin, diverse ideas and perspectives, and workplace

diversity has numerous commercial benefits. To begin, women and men will have distinct thoughts and viewpoints, as well as unique market insights, which will enable them to address challenges more intelligently. It will ultimately result in improved business performance. Second, gender diversity in the workplace will increase women's employment opportunities and empower them more than before. Finally, gender diversity in the workplace benefits businesses by increasing their ability to attract top talent. When corporate teams are gender balanced, they perform more effectively in terms of growth and profitability (Sow, 2020). Comparing P&G's gender diversity in 2015 and 2020, it is clear that women have made strides in the company's management. In 2020, 48% of executives are female, up from 46% in 2015. Women now make up 41% of the Global Leadership Council, up from 26% in 2015. Women now make up 50% of board members, up from 33% in 2015 (Brownfield, 2021). P&G continues to devote time, money, and human capital in efforts to advance gender equality for women and girls worldwide. P&G and Seneca Women have launched a thought-provoking interactive display (Women in the Workplace: Myths and Reality), aimed at dispelling gender stereotypes that obstruct women's advancement in the workplace (Vij, 2018).

### *2.5 People with Disabilities*

Diversity in the workplace also refers to the employment of able-bodied individual's vs those that are disabled or have a physical disability (Saxena, 2014). The social and economic costs of employing people with impairments can be substantial and long-lasting. Nonetheless, their significant impact and effects on society resources, firm productivity, and organizational entities' inventive capabilities are valuable. Impairments labor has organizational and organizational consequences for opportunity equity, social inclusion, and workplace diversity (Khan & et al., 2019). P&G is committed to creating a more inclusive world for all people, including those with visible and invisible disabilities, both inside and outside the firm. Partnership between P&G and Gallaudet University and Rochester Institute of Technology to develop a talent pipeline for Deaf employees. The program result in the employment

of four deaf interns and two deaf full-time employees in the summer of 2020 (Scott, 2020). P&G also intends to attract individuals who are neurodiverse, such as those who have autism, ADHD, dyslexia, or dyspraxia. P&G operations in the United Kingdom, Boston, Costa Rica, and Cincinnati have launched initiatives to educate the company on how to recruit and harness this creative talent (Lakes, 2021).

### *2.6 Nationality Diversity*

Nationality diversity refer to different countries with difference in economic systems, laws and regulation, history, geography, climate, language (Saxena, 2014). P&G is an organization that values diversity and inclusion which employees from more than 140 countries. P&G's diversity enables the company to prosper with the consumers it serves worldwide (Procter & Gamble, 2021). P&G has seen its workforce rise from 22 percent "multicultural" to 25 percent between 2015 and 2020. P&G has established a goal to boost that to 40 percent (Brownfield, 2021). P&G's national variety is also evident in its talent acquisition and retention. P&G is retaining talent by generating opportunities and investing in programs that recruit, retain, and develop these individuals up to the executive level (Annual Report, 2021).

### *2.7 Age Group*

Age variety refers to the acceptance of individuals of varying ages in a professional setting. Employers promote a productive as well as diverse workplace culture through developing an age diverse workplace. An age diverse workplace boosts a company's overall success. A diverse workforce reflects a range of experiences and perspectives. Diverse perspectives can serve as a catalyst for innovation. By combining the diverse abilities of all personnel, the organization may create innovative and forward-thinking concepts (Profili, Innocenti & Sammarra, 2017). Like many multinational companies, age group diversity is well represented at P&G. P&G's workforce spans all stages of life. P&G offers college recruitment opportunities on an annual basis to keep the business dynamic and growing (Procter & Gamble, 2021).

### *2.8 Religion in Workplace*

People often consider business to be a secular endeavour, and workplaces unsuitable for

discussing religious faith or observance. Leaders are increasingly worried about how best to handle faith-based expressions by their employees, given the trend towards practices where more than 80% of the world's population professes some type of religious affiliation. Many religious persons relate their faith with firmly held beliefs that guide their activities and behaviours both at work and at home. Employees who feel comfortable discussing their religious beliefs can obtain a deeper understanding of their co-workers' motives and the values at work. But openness has its drawbacks. Employees may differ over a diverse workforce's beliefs once they are made public. Religious expressions may also collide with commercial requirements, causing firms to balance non-discrimination, customer service, and employee fairness (Michael & Tim, 2020). In terms of religion, P&G fully supports the religious beliefs of its employees and P&G's employees come from a variety of religious backgrounds. P&G fully supports diversity and non-discrimination, and in 2016 P&G refused to join the fight against religious freedom (Wilt, 2016).

### *2.9 Conclusion*

While workforce diversity provides some management challenges, it enables organizations to compete on a global scale and can boost innovation and creativity. P&G operates in approximately 70 nations and reaches consumers in more than 180 countries through its brands. With over 140 nationalities represented in its workforce, diversity enables P&G to reflect on and win over global consumers. This has allowed the company to achieve a competitive edge in order to continue growing. To maintain a certain degree of assistance from global consumers, P&G continues to diversify the organization in all ways. Through advertising and media, P&G draws attention to discrimination and peace.

## **3. Organizational Management and Leadership Role**

### *3.1 Defined of Management and Leadership*

Management entails the exercise of the authority inherent in a defined formal position in order to compel organizational members to comply. Management is the act of bringing people together to attain stated aims and objectives efficiently and

effectively by utilizing existing resources. Due to the fact that organizations may be considered as systems, administration can also be described as human effort, including design, that enables a system to produce beneficial outcomes (Kaehler & Grundei, 2019). Management is the process of coordinating and administering tasks in order to accomplish a goal. These administrative responsibilities include formulating the organization's strategy and organizing staff efforts to achieve such objectives through the effective use of existing resources. Management also can refer to the organizational hierarchy of staff personnel (Prasad & Gulshan, 2011). Management functions include the following: designing, arranging, hiring, managing or leading, and managing an organization or effort toward a goal.

The term "leadership" refers to the capacity to persuade a group to work toward a common objective. Leadership cannot be defined solely in terms of behaviour. Leadership entails collaborative relationships that result in collective action motivated by shared values of individuals working together to accomplish positive change. Leader creates direction by creating a vision and energizing the follower by articulating that vision and motivating to overcome obstacles. Effective leadership may be the consequence of displaying the appropriate behaviours at the appropriate time (Patnaik, Robbins & Templar, 2011). Leadership is a collaborative relationship between following and inspire efforts and commitments. It has an effect on how people feel and think about job, as well as how employee work fits into a broader whole. Effective leadership can be the difference between a team's capacity to execute and its inability to perform (Cyert, 1990).

Management is the process of exercising control over a group or a collection of entities in order to achieve a goal. Leadership is defined as an individual's ability to influence, motivate, and empower others to make significant contributions to the success of an organization. Leaders distinguish themselves from managers through their ability to influence and inspire others. Management is delegated specific functional responsibilities in the areas of planning, organizing, directing, and controlling in order to cope with the complexity of issues and implement routine efficiency methods and consistency

throughout the business. Leadership is defined as the ability to influence others toward the attainment of common objectives. A leader does not become someone who is in an official role or has a formal title to be effective. In a group, there might be individuals who emerge as leaders and bring vision and encouragement to those around each other (Gibson, 1994).

### *3.2 Management and Leadership in Organization*

Leadership and management are both essential qualities that contribute to the overall worth of an organization. The differences between the two do not make one better or worse to the other. Professionals manage the situation such as programs, budgets, agreements, projects, and procedures, but leader is leading people instead of managing things (Gibson, 1994). Leadership is primarily about instilling inspiration, empowering others, and cultivating innovative thinking. Managers are skilled at construction management and project completion (1999, Weathersby). While great managers could not have large influence in the region, those who are adept at managing projects and completing tasks. Excellent managers understand the importance of planning, organization, and coordination. When a business is faced with a complex project, a savvy manager understands how to execute. And from the other hand, a great leader may be significant and have amazing new ideas, and even though may be less adept at trying to manage the numerous ongoing details required to complete a project.

### *3.3 Management and Leadership in P&G*

P&G is driven to make life better—not just within the company, but across the globe. P&G has established an inclusion culture for leaders who want to foster an inclusive workplace that greets and embraces diversity and fosters a sense of belonging. P&G has a powerful dominant culture, which is evident in every country. Innovation is critical to P&G's success and unites the company's culture (P&G, 2021). Numerous factors can influence an organization's success. To be successful, managers in an organization must perform a variety of functions, including planning, organizing, staffing, directing, leading, and controlling. Management entails carrying out the leader's vision and strategy, coordinating as well as scheduling the organization's people, and

resolving day-to-day issues. Koontz and Weinrich define management as the process of establishing and maintaining an environment where individuals perform at their best in order to maximize efficiency in accomplishing goals (Koontz, Wehrich & Cannice, 2020). HENRI FAYOL defines the primary business management functions as technical, commercial, economic, security, accounting, and administrative. Additionally, he divides administrative functions into organization, coordination, direction, control, (Wren, 2001). P&G encountered some drawbacks in utilizing the Henri Fayol approach, and it was much more theoretical than empirical. Additionally, P&G desired to innovate and make a distinction its products through design, not just formulation.

As Jago (1982) points out, leadership is a universal phenomenon; this is the same for a corporate entity president and a clergyman. Leadership is universally applicable, which means that both of them must demonstrate certain essential leadership characteristics in order to achieve efficient. On the other hand, take into account the leadership contingency dimension. Depending on the circumstances, individuals can exhibit a variety of leadership styles. Certain leaders can be extremely effective, while others may fail, depending on the circumstances and characteristics of the group they are leading. The earliest contingency approach dates all the way back to Fiedler (1986), who asserts that group performance is contingent on three variables: group atmosphere, project structure, and the leader's power position. Thus, two critical factors exist: "leadership style" and "situational favourableness." To be effective as a leader, there must be relationship between leaders and the characteristics of the environment in which the leader operates. Meanwhile, it is critical to recognize that a successful leadership model is one that continues long after the leader has departed. Thus, the continuity of leadership is critical in determining effective leadership. For example, if a company's manager leaves and the company fails to introduce an assumed new product, this is an example of 'fake' effective leadership. On the other hand, if the company is successful in launching the new line of products and generating substantial revenue, this

demonstrates that the leadership was indeed effective.

The business world has developed its own set of rules for contest, and adaptation and innovation are necessary for survival and success. The key to successfully enforcing these rules is real leadership. Visionary leaders are accountable for ensuring that the business infrastructure is capable of rapidly responding to business needs and enabling companies to access information. The leadership model that an organization adopts is critical to its success. Procter & Gamble's build from within leadership development program is rigorous. This program prepares managers for all aspects of their operations and ensures that they are prepared for the upcoming period. At P&G, Ray Foley reports that three replacement candidates have already been lined up for each of the top 50 positions (Mina Kimes, 2009). P&G's culture encourages a high level of focus on its employees, which ensures the identification of potential talent. It is critical to highlight that leadership characteristics are not only inherited genetically, but also developed through consistent and appropriate training. Individuals who find the appropriate environment and tools for self-development may develop into potential leaders and achieve success. As a result, the P&G leadership model is focused on developing talent from within, and even the recruitment and selection process is rarely conducted externally. There are drawbacks to this approach, including the development of a culture in which all staff members think alike. The critical point is to recognize the disadvantages and devise a strategy for outweighing them. That presents a challenge again for leader, such a need to make changes under threat of losing market share.

Leadership is critical in ensuring businesses' long-term profitability, and P&G is one of the best examples of effective leadership. Contingency and continuity leadership were two critical factors in determining successful leadership. The former demonstrates that rulers can be development activities. Some examples on the environment in which they operate and the confluence of factors that influence that environment. The latter factor is indicative of effective leadership, as continuity implies that both the leader and prototype were successful. The P&G Company highlighted the

definition and characteristics of successful leadership.

#### **4. Bureaucratic Organization Structures and Designing Self-Managed Autonomous Work Groups**

##### *4.1 Bureaucratic Organization Structures*

A bureaucracy is a hierarchical command structure in management. The bureaucracy is highly organized and operates with a high level of formality. Every department has an organizational chart, and decisions are taken in an orderly fashion. At all times, a strict command-and-control structure is in place. Bureaucracies are supposed to be orderly, equitable, and extremely efficient. Bureaucratic structures have multiple level of bureaucracy, flowing down from senior managers to managers to managers and finally to shift superintendents who work side by side frontline employees. As a result, authority is concentrated at the top, as well as information flows downward (Buchanan, 1996). A bureaucracy's fundamental characteristics are that rules and job responsibilities are documented and clearly stated. A clear plan of power exists between a few senior managers. Officers are appointed and promoted in a formal manner because they will be held responsible. Bureaucracies are completely unwilling to adapt quickly to changing circumstances (Engberg, 2014).

When situations necessitate flexibility, adaptability, innovation, creativity, and initiative, bureaucratic systems stifle decision-making and effective response. P&G's bureaucracy has hampered the company's ability to respond quickly to consumer demands. According to Peltz (2017), P&G's difficulties stem in great portion from its organisational structure, which can be extremely resistant to change. Too many of P&G's decisions must pass through the company's top levels, which has resulted in P&G being slow in responding to changing consumer trends than its peers.

##### *4.2 Strengths and Weaknesses of Bureaucratic Organizations*

Bureaucratic work well and are well-suited to environments that are naturally stable, involve routine tasks, and involve little technological change. Bureaucratic organizational structures are

frequently centralized; they feature a distinct vertical pecking order of command, authority, and chain of command. Standardization of processes results in increased productivity and efficiency. Specialization of processes is emphasized and is frequently formalized. As a result of many factors, the duties in a bureaucratic structure frequently result in tightly defined jobs, processes, and technological applications that leave little, if any, room for creativity or creative inputs into the system. Due to the fact that all tasks and processes are entirely determined and predictable through the use of strict standard procedures, the system resembles a machine (Cockerham, 2015).

According to Max Weber (1978), the following are the advantages of a bureaucratic organization, strict regulations and rules governing work, behaviour, and the worker code of conduct. Tasks are assigned rationally, operations are uniform, and any changes to the management structure or management have a minimal impact. Due to the division of labour into various specialist functions, membership is a career. Generally, promotions are done on the basis of experience, technical knowledge, and competence. The following are the weaknesses of a bureaucratic organization: To begin, there is often little or no room for creativity or inventive input prices into the system. Second, a highly regimented decision-making process. Participation is restricted to those with defined authority. Thirdly, the origination process is strictly regulated by established rules and regulations, and effectiveness and quality are increased through process standardization. Rigidly defined jobs, processes, and technological applications. Finally, a tardy response to an unexpected crisis. Bureaucratic organizational advancement is incompatible with the needs of industry or businesses that are under intense pressure to succeed and compete in the market.

#### *4.3 Designing Self-Managed Autonomous Work Groups*

Organizations can boost individual and generally productivity by implementing a design management structure. The majority of organizations have taken the traditional approach of creating strong hierarchical top-down hierarchies. Self-managed autonomous workgroups are an organizational structure in which employees have decision-making authority

over their own work and standard of output. A self-managed autonomous is a group of employees who take complete responsibility for the delivery of a service or product without the guidance of a manager (Lee & Edmondson, 2017). The conventional organization will keep evolving as self-managed autonomous working groups within a framework of organizational design become the norm rather than the exception. Over the last few years, work structures have evolved rapidly, with employers increasingly relying on flexible team and task arrangements. Self-managed autonomous workers are frequently used to refer to these arrangements. A self-managed independent work group is a tiny group of individuals who collaborate on a task with shared power and mutually agreed-upon objectives, limited roles, as well as shared accountability for results. Above all, independent work group structures have been shown to increase organizational efficiency, work satisfaction, and commitment. They are also did believe to have an effect on how motivated workgroup members are, their level of trust, their job performance, and their stress levels, among other things. Despite what this paragraph implies, the precise nature and magnitude of the impact of independent work group structures are unknown.

Self-directed teams take complete ownership and accountability for the business outcomes associated with a particular process. Unlike operational teams, the majority of self-managed teams lack a hierarchy. Rather than that, self-designing teams have increased autonomy over their processes and roles within the bounds of what team members agree is necessary to achieve the team's agreed-upon outcomes (Castiglione, 2007). Additionally, a self-managed team has greater control over decision-making within their process and how the team as a whole is managed. While this presents some unique leadership challenges, it also provides opportunities for leadership development and skill development that are not available to a traditional team. Designing self-managed autonomous work groups characteristics. To begin, gather employees from a variety of different job functions to collaborate on a task that requires multiple perspectives. Second, autonomy over work allows for greater control over how work is

performed. Thirdly, there is a need for trust, for smaller teams, for opportunities to contribute, for significant tasks, and for a team that believes in itself. Then, you'll need to draw on a range of skills and abilities to complete the task. Finally, each member should be chosen according to the type of skills and abilities required to complete the assigned task.

An organization design is a set of social arrangements within work teams and the rest of the organization. It is a response to a competitive business environment. Competitive business environment refers to the external forces that frame the context in which an organization function. Today's organizations face faster competitors, shorter product life cycles, greater customer demands and less stable markets. This has forced managers to transform their businesses into highly flexible and responsive organizations that can change strategy and structure easily and quickly. The impact of integrating advanced thinking is changing the way companies manage their people and businesses. An efficient organization design is not just about strategies or programs that an entrepreneur can implement. Instead, there are certain people attributes that need to be built into the company structure. Mature individuals want autonomy, freedom to develop their own style of working, the freedom to learn and grow, peer recognition for work well done. Autonomous workgroups focus on satisfying broad needs; help employees to be effective; provide boundaries that support effective collaboration; and increase the ability of management to exercise appropriate controls.

#### 4.4 Indicators of Success

When assessing organizational success, the following are some of the most essential indicators to keep an eye on. Firstly, Employee performance has a direct influence on a business unit's efficiency and outcomes. The performance of each business unit has an influence on the company's overall performance. A variety of factors can impact workforce performance, including management in charge. The organization's culture, ideals, and goal. Employees' tool and technology knowledge, as well as the tools themselves. In conclusion, employees play a key part in a company's success and achievement of its objectives. Secondly, Organizational Effectiveness

one of the most useful indicators of organizational performance is how well an organization accomplishes its goals. Actual achievements are contrasted to the objectives that were set. The efficiency, cost-effectiveness, and speed with which corporate divisions achieve their goals. This is likely the simplest metric for measuring organizational success. Organizational effectiveness is a cost-benefit analysis in this scenario. Organizations that achieve or surpass their goals are thought to be more effective than those that do not. Thirdly, a high level of commitment and cohesion within the team. Cohesion refers to the degree to which team members collaborate and remain committed to a common goal. When members of a team share bonds that bind them to one another and to the team as a whole, this is referred to as cohesion. Cohesion is a common characteristic of high-performing teams; it quantifies the team's attractiveness to its members and their resistance to leaving. Individuals who work in high-cohesion teams are more cooperative and effective at achieving their personal goals (Molnau, 2013). Finally, there is a high level of satisfaction with each member's needs. Employee experience refers to all aspects of a worker's interaction with a business, from pre-employment communication to post-employment surveys. Employee experience is determined by a variety of factors, including corporate communication, the physical work environment, teamwork, and equipment. Positive employee experiences can improve employee motivation, commitment, engagement, and performance.

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