Learning Outcomes
Completing this chapter will allow the reader to:

• Conduct an environment scanning process
• Understand the impact from the different environments on the organization
• Understand how changes in certain environments can influence business decisions
• Gain the ability to plan and adapt to these changes
• Analyze the different types of organizational culture
• Evaluate the factors that influence the organizational culture
• Adapt to the culture for business objectives and change
Environmental Scanning

• Environmental Scanning consists of three major categories:
  • external environment
  • task environment
  • internal environment
Dimensions in the external environment

Economic
Legal
Technology
Political
Social
Organization
Scanning the External Environment

- Economic factors
- Legal-Political factors
- Technological factors
- Social factors
- Integrity factors
Scanning the Task Environment

- Customers
- Suppliers
- Competitors
- Business Partners
- Regulators
Scanning the Internal Environment

• Owners
• Employees
• Board of Directors
• Physical Assets or Resources
Cameron and Quinn (2011), Competing Values Framework

Exhibit 3.2: Cameron and Quinn (2011), Competing Values Framework

- Clan
- Adhocracy
- Hierarchy
- Market
- Flexibility and Adaptability
- Stability and Control
Types of Organizational Culture

• The Hierarchy (Control) Culture
• The Market (Compete) Culture
• The Clan (Collaborate) Culture
• The Adhocracy (Create) Culture
The Hierarchy (Control) Culture

This type of structured culture allows business leaders to:

- maintain strong stability and predictability in managing day-to-day operations.
- govern by level of authority, formal rules and policies.
- focus on internal rules and procedures.
- (Example: Samsung, a South Korean multinational)
The Market (Compete) Culture

This type of structured culture allows business leaders to:

• react based on market conditions, monetary changes, and economic factors.
• ensure profitability, customer base, market share and sales targets.
• orient itself to the external environment.
• (Example - Apple Inc., an American company)
The Clan (Collaborate) Culture

A family-oriented organization that focuses on:-

- family traits, for a family-oriented environment.
- employee involvement and engagement.
- work patterns which are team-based.
- (Example – Panasonic, a Japanese consumer electronics company)
The Adhocracy (Create) Culture

This type of culture is one that embraces:

- entrepreneurial spirit.
- risk-taking to promote innovation.
- fast and flexible adaptation in work processes.
- the will to thrive in an uncertain market and an ever-changing environment.
- (Examples - consultancy agencies, filmmaking and software companies)