

ONLINE COUNTERPOINT 6.5

How much control do managers exert? Can they dictate to governments, what should be done? Can they control markets? Can they always secure the resources – capital, people, materials that they need?

To suggest that managers can design the organization is to attribute an extraordinary degree of power and control. Managers may well attempt to predict and control 'the international environment' but their capabilities are necessarily limited so that many unanticipated outcomes can occur. Good design is perhaps more about understanding the complexity and uncertainty of 'the environment' and developing a capacity to react rapidly and effectively to eventualities that are not predicted.

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This sequential model becomes progressively less relevant, or disrupted, where markets can be international, if not global, from the outset. Use of the internet, for example, both through business-business networks and even directly with international consumers through outlets such as eBay, means that trading occurs across national boundaries much more easily. Through the internet, it can be easy to reach a global market, thus eliminating the need to begin with at the domestic stage where the market is primarily the home country.

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The notion that organizations have common goals frequently conceals major differences of objective and priority – between board members as well as between different divisions and specialisms that develop their own priorities and agendas. So, some may calculate that their dreams, preferences or 'interests' may be best served by pushing for increased global integration while others may favour greater national responsiveness. See Chapter 1

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The four types of structure presented in 6.2 are best understood as directions in which organizations can be seen to move. In practice, they are likely to comprise hybrid elements of two or more of the types of structure. See Chapter 3.

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Talk of teams is easy but are they necessarily any more than an assembly of individuals? To say that 'teams provide integration benefits, helping organizations achieve global efficiencies' is glib. It also confuses a wish with an outcome. What makes a team? Do its members play by the same rules? Do they agree on what their strategy is? Are they selected to be team members or is it simply their current position that puts them there? They may be 'multi-skilled' but do their respective skills combine to become more than the sum of the parts. Are the team members playing for team or for themselves? Simply being appointed to a team does not mean that the person will 'play' as a team member. See Chapter 3

ONLINE COUNTERPOINT 6.10

This description of planning and coordination of roles sounds as if it is happening in all companies and that there is only one effective approach to ensuring good communication and effective integration. In practice, what happens is much more messy and negotiated. What, in principle, may sound like an obvious or universally sensible way to organize complex operations will, in practice, be found to be unworkable. Instead of regarding deviations from prescriptions for good organization and management as pathological, it is often more insightful and enlightening to understand how they have been established and what can be learned from them. At the same time, an appreciation of the cultural context may sensitise one to the particular circumstances that make a particular approach viable or unworkable (see next section)

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How feasible is it to develop an organization that operates in accordance with the transnational model? Are there not inevitably trade-offs between 'global and local advantages, technological advancements, rapid innovation, and global learning and knowledge sharing'? Attempting to pursue all of these simultaneously may seem 'necessary' but it also suggests a lack of strategic prioritisation. 'Interdependence', like 'teamwork', is an appealing idea but can managers simply intervene in ways that 'forge interdependent relationships'. What resistance are they likely to encounter, and how will they overcome this without alienating the parties involved to the point of undermining what interdependence had existed before the intervention? What evidence is there to suggest that any 'mechanism' is capable of 'compel(ling) units to work together'? What is being described is an ideal, a wish-list or fantasy, without reference to the obstacles encountered in its fulfillment or any consideration of how these obstacles might be overcome other than through the provision of new 'mechanisms'. For example, it is claimed that the transnational 'operates on a principle of flexible centralization'. Do companies identified as transnational actually operate on this principle? Or is this principle something that consultants and textbook writers suggest that they should comply with? If the latter, then it is relevant to pay attention to the particular criteria which are applied when, for example, managers 'determine structural needs based on the benefits to be gained' with regard to where activities are located and the degree to which they are subjected to systems of centralized control. It might also be asked in which company classified as transnational 'hierarchy, standard rules, procedures and close supervision are (regarded as) not appropriate'?