

A Brief Discussion on understanding a Seven-S Framework

Dr. Kadambat Kumar

Professor, Masters In Business Administration (General Management), Presidency University, Bangalore, India,
Email Id-krishnakumark@presidencyuniversity.in

ABSTRACT:

The management consultants Tom Peters and Robert H. Waterman created the Seven-S Framework, a paradigm for assessing and enhancing organisational performance. This abstract offers a summary of the Seven-S Framework, showing its essential elements and how they relate to one another. The framework specifies seven crucial components: strategy, structure, systems, skills, personnel, style, and shared values. These components are essential for organisational success. Each component has a distinct function in determining the performance, culture, and behaviour of an organisation. The abstract goes through how these components are related and how changing one may affect other others. Organisations may evaluate their existing situation and pinpoint possibilities for development with the use of the Seven-S Framework. Organisations may improve their capacity to accomplish strategic goals, support innovation, and adapt to changing circumstances by aligning and integrating the seven aspects. The abstract also emphasises the significance of shared values as the framework's cornerstone and the need of an ethically sound organisational culture. Overall, the Seven-S Framework offers a thorough and all-encompassing approach to organisational analysis and growth, allowing organisations to flourish in today's complex and dynamic commercial environment.

KEYWORDS:

Components, Framework, Organisation, Structure, Values.

I. INTRODUCTION

A management model called the Seven-S Framework offers a thorough method for comprehending and evaluating organisations. In the 1980s, Tom Peters and Robert Waterman created it as a result of their investigation into organisational performance. The framework specifies seven crucial components that are essential for the development and efficiency of an organisation.

The framework's seven components are:

- 1. Strategy:** This is a reference to the organization's strategy for attaining its aims. It includes the organization's choices on its long-term course, competitive positioning, and resource allocation.
- 2. Structure:** An organization's official hierarchy, reporting arrangements, and job division are all defined by its structure. It decides how personnel and assets are arranged to carry out the tasks of the organisation.
- 3. Systems:** Systems are the formally established procedures, routines, and processes that direct an organization's daily activities. It consists of procedures for communication, performance management, and other crucial organisational operations.
- 4. Skills:** Employees' knowledge, competences, and skills are all included in skills. In addition to more general abilities like leadership, problem-solving, and cooperation, it contains technical skills pertaining to certain activities and job positions.
- 5. Style:** Style alludes to the dominant management and leadership philosophies inside the company. It includes the principles, customs, and conduct displayed by managers and leaders, all of which have an impact on the workplace environment and culture as a whole.

6. **Staff:** The term "staff" refers to the individuals who make up the organisation, including their skills, dispositions, and attitudes. It entails finding, developing, and keeping the best people to help the organisation achieve its objectives.
7. **Common Values:** The fundamental ideals, ideas, and moral standards that guide an organization's choices and activities are represented by shared values. They influence the organization's culture and provide each employee a sense of belonging and identity[1], [2].

The interdependence and connectivity of these components are highlighted by the Seven-S Framework. It implies that in order for an organisation to be successful, all seven components must be in harmony and supporting one another. A comprehensive approach to organisational analysis and strategic planning is necessary since changes in one aspect might have an impact on other components. When determining an organization's strengths, flaws, and potential areas for progress, the framework may be utilised as a diagnostic tool. It assists managers and leaders in finding areas of misalignment and formulating plans to build a more unified and efficient organisation. The Seven-S Framework is comprised of seven components, each of which will be discussed in further depth in the debate that follows. We will also go through the framework's useful applications in promoting organisational alignment, accelerating organisational transformation, and enhancing performance. Organisations may use the Seven-S Framework to better understand their internal dynamics and make choices that will increase their overall effectiveness and success [3], [4].

II. DISCUSSION

An organisational performance and effectiveness analysis and diagnosis tool is the Seven-S (7S) framework. Tom Peters, Robert Waterman, Richard Pascale, and Anthony Athos worked together to create the framework in the late 1970s. At the renowned consulting company McKinsey & Company, Tom Peters and Robert Waterman both worked as management consultants. Their work was focused on applied research in business and industry. The 7S framework came to be known as the McKinsey's 7S framework when McKinsey embraced it as one of its primary analytical tools. The framework consists of seven important organisational and management factors that may be classified as either soft factors or hard factors. Hard variables include strategy, structure, and processes, whereas soft factors are personnel, styles, abilities, and shared values.

The concept is predicated on the idea that organisations' logical, structural, and strategic components alone are insufficient to achieve organisational performance. Organisations are complex systems, and every initiative or programme aimed at improving an organisation must take into account all seven elements at once due to their interdependence and mutually reinforcing nature. Since its introduction, the framework has been extensively used by academics and practitioners alike for a variety of reasons, including as an analytical framework for organisations, a diagnostic framework for assessing organisational effectiveness and efficiency, a tool for strategic improvement, and more. The framework, which is still in use, has been used to analyse hundreds of organisations. The popularity of the framework is further aided by the simplicity and memorability/recognisability of the framework. This section summarises the historical context and contents of each framework variable before outlining the relevance and significance of a few management applications[5], [6].

Fundamentals

The seven variables are regarded as important organisational aspects that are interrelated, as was previously mentioned. These variables interact, dynamically impact one another, and affect how well organisations function. The architecture of the model effectively illustrates the interdependence of the components. All other variables are thought to link via the shared values variable. Initially, shared values were referred to as organisational superordinate aims. Shared values are the guiding principles and the reason for an organization's existence that all of its members agree upon; as a result, shared values serve as the cornerstone of the corporate culture. Shared values often exclude "materialistic" and quantifiable objectives like financial success or return on investment. Instead, they speak of "spiritual" or ethical components that have the power to stir the soul and give one's job a greater sense of purpose[7], [8].

Structure is referred to as the organisational chart's basic framework. Structure refers to how organisational units are connected to one another and how work activities are organised. Numerous organisational structures are possible, including hierarchical, matrix, network, centralised, decentralised, adhocracy, hub, chain, and so on. Plans or a course of action for allocating limited resources to accomplish the defined objectives over time are referred to as strategies. Making strategic choices will help an organisation get a competitive edge over rivals in both the long and short terms. It deals with how to move a company from its current state to the one that its objectives have outlined as ideal. Therefore, strategy has an impact on an organization's tactical and operational actions. The formalised procedures, processes, and routines that must be followed inside the organisation are referred to as systems. Some examples of internal systems are the financial system, the promotion and reward system, the recruiting system, and the information system. All procedures, information flows, and important activities are carried out via these organisational structures[9], [10].

Personnel, or the make-up of the workforce inside the organisation, is used to characterise staff. Some claim that a company is nothing more than its individuals, therefore the organisation can only conduct its operations and accomplish its objectives via its employees. In reality, the value of the people component is stressed by many top organisations. Skills are the unique talents that people, groups, and an organisation as a whole possess. The skills variable is a significant contributor to competitive advantages since it may be thought of as the organization's fundamental competences. Style is a term used to describe how important managers act in order to accomplish organisational objectives; as a result, this variable is also seen to include the cultural style of the organisation. Every organisation has a distinct culture and management approach. The prevalent values, beliefs, conventions, and traditions that are generally permanent characteristics that pervade organisational life are included in the styles/culture.

Importance

In an article titled "Structure Is Not Organisation," written by Tom Peters, Bob Waterman, and Julien Phillips, the 7S framework was first launched in the June 1980 edition of *Business Horizons*. Richard Pascale and Anthony Athos used the concept in their book *The Art of Japanese Management*, which was published a year later in 1981. In it, they explained how and why Japanese industry had been so successful. Pascale and Athos were able to pinpoint the traits of successful Japanese businesses using the 7S framework as a conceptual analysis tool in the 34 case studies of Japanese organisations. They discovered that Japanese businesses excelled in fusing the "soft" and "hard" organisational factors, but Western businesses often neglected the soft dimensions and focused on the hard ones. The key conclusions from their research were that Japanese businesses excelled in the soft dimensions, and not only in blending the soft and hard. The fundamental point of the original essay, "Structure Is Not Organisation," was supported by the results.

The book by Pascale and Athos was exceptional in a number of ways. The book was among the first to pinpoint and outline the crucial success determinants of Japanese businesses and emphasise the significance of the soft variables. Second, the book established the 7S framework as a conceptual analytical tool for those Japanese organisations under study and demonstrated the framework's value for deriving insights into and evaluating organisational performance and efficacy. However, it was Peters and Waterman's 1982 book *In Search of Excellence*, which sold 1.2 million copies and became a top seller in the United States as well as internationally, that helped the 7S framework gain global recognition. In the book, Peters and Waterman studied and examined 62 of America's most successful businesses using the 7S framework. Peters and Waterman came to the same conclusion as Pascale and Athos that the four soft S's of shared values, staff, style, and skills were the most important success elements for American businesses. The research found that American businesses tended to neglect these four factors in favour of strategy, structure, and processes, the three hard factors. The rationale was that, in comparison to the four soft ones, the hard S's are more readily identifiable, understandable, and, hence, simpler to deal with. Most businesses have organisational structures and strategy development that are well-documented. There are no such papers, however, for soft variables like common values, abilities, or styles. These intangible soft characteristics vary widely across organisation members and

are not simply of an intangible nature. For instance, people's skills vary and are continually evolving. These factors make it considerably simpler to alter organisational structure and strategy than to alter common beliefs, abilities, or behaviours.

Since most of these soft elements are immeasurable, they are difficult to monitor and quantify. "Hard is soft. Soft is hard," the catchphrase used by Peters and Waterman, metaphorically captures the contradictory traits of the hard S and soft S factors. The ability to integrate these criteria gives organisations a true competitive edge, as shown by the prosperous Japanese and American businesses. Using the 7S framework as a diagnostic tool, Peters and Waterman were able to pinpoint the eight qualities listed below that distinguished outstanding businesses:

- (1) A tendency to take action;
- (2) Being near the consumer;
- (3) Independence and entrepreneurship;
- (4) Productivity via people;
- (5) Value-driven and practical;
- (6) Stick to the task at hand (i.e.
- (7) Simultaneous loose-tight qualities (balancing between centralised and decentralised organisation),
- (8) Simple form, lean workforce, and (what you do best).

All seven organisational variables are connected to these eight important characteristics.

When most Western organisations tended to concentrate exclusively on strategy and structure, the 7S framework was established. It has four soft S and three hard S components. Despite the absence of any external or environmental aspects in the framework, it gave a wide and in-depth insight of an organisation. The simplicity and recognizability of the framework made it popular among practitioners. Organisation and management theory began to focus more on organisational culture as a result of the identification of and emphasis on the soft S elements. The results from prosperous Japanese and American organisations that employed the 7S framework as a diagnostic tool had a significant impact on the increase of interest in organisational culture among academics and practitioners starting in the 1980s. The ability to distinguish between hard and soft S elements and to acknowledge the significance of the soft S was the strength of the 7S framework. The latter would later serve as a fulcrum for a fresh management trend known as the "culture excellence school."

III. CONCLUSION

The Seven-S Framework provides a thorough and well-rounded method for evaluating and managing organisations. It acknowledges that a number of factors interact to affect organisational performance rather than being affected by a single issue. Organisations may function better by taking into account the seven essential components of strategy, structure, systems, skills, style, employees, and shared values. The Seven-S Framework's capacity to provide a comprehensive viewpoint of organisational dynamics is one of its main strengths. It highlights the interconnections and linkages between the different components, emphasising the need of alignment and uniformity across the organisation. A solid foundation for success is established when all factors are in harmony and working in unison. The Seven-S Framework implementation demands a methodical, comprehensive approach. Organisations must evaluate each component separately and identify opportunities for development. To create a seamless transition, changes made to one part must be carefully coordinated with other components.

The framework's adaptability is one of its key advantages. It may be used in a variety of scenarios, sectors, and sized organisations. The Seven-S Framework offers a flexible framework for analysis and action regardless of the size of the company, whether it be a huge corporation, nonprofit organisation, or small business. The Seven-S Framework also aids organisations in navigating change and adjusting to changing situations. It assists managers and leaders in determining the areas that need improvements to reflect evolving market dynamics, technical developments, or shifting client wants. However, it's critical to recognise that putting the Seven-S Framework into practise might be difficult. A concerted effort and

potential for trade-offs and compromises are needed to achieve alignment across all parts. Organisations must carefully strike a balance between their specific conditions and strategic goals. In conclusion, the Seven-S Framework provides a thorough and methodical method for examining, comprehending, and controlling organisations. It places emphasis on how different components are interrelated and how that affects how well an organisation operates. Organisations may improve performance, establish alignment, and effectively manage change by taking into account the seven aspects of strategy, structure, systems, skills, style, personnel, and shared values. The framework is a useful tool for managers and leaders looking to build a productive and cohesive team.

REFERENCES

- [1] Misnawati and Novita, "Improving The Students' Ability In Mastering Reading Comprehension Through Three-Two-One (3-2-1) Strategy (A Collaborative Classroom Action Research)," *J. Pendidik. Almuslim*, 2019.
- [2] N. Song, L. Zhao, M. Zhu, and J. Zhao, "Recent progress in LyP-1-based strategies for targeted imaging and therapy," *Drug Delivery*. 2019. doi: 10.1080/10717544.2019.1587047.
- [3] Z. Chen, Y. Zhou, X. He, and S. Jiang, "A restart-based rank-1 evolution strategy for reinforcement learning," in *IJCAI International Joint Conference on Artificial Intelligence*, 2019. doi: 10.24963/ijcai.2019/295.
- [4] I. del Moral-Sánchez and K. Sliepen, "Strategies for inducing effective neutralizing antibody responses against HIV-1," *Expert Review of Vaccines*. 2019. doi: 10.1080/14760584.2019.1690458.
- [5] J. Ukko, M. Nasiri, M. Saunila, and T. Rantala, "Sustainability strategy as a moderator in the relationship between digital business strategy and financial performance," *J. Clean. Prod.*, 2019, doi: 10.1016/j.jclepro.2019.117626.
- [6] N. A. Morgan, K. A. Whitler, H. Feng, and S. Chari, "Research in marketing strategy," *Journal of the Academy of Marketing Science*. 2019. doi: 10.1007/s11747-018-0598-1.
- [7] J. S. Gans, S. Stern, and J. Wu, "Foundations of entrepreneurial strategy," *Strateg. Manag. J.*, 2019, doi: 10.1002/smj.3010.
- [8] S. Merkus, T. Willems, and M. Veenswijk, "Strategy Implementation as Performative Practice: Reshaping Organization into Alignment with Strategy," *Organ. Manag. J.*, 2019, doi: 10.1080/15416518.2019.1611403.
- [9] E. M. Azevedo and E. Budish, "Strategy-proofness in the Large," *Rev. Econ. Stud.*, 2019, doi: 10.1093/restud/rdy042.
- [10] M. J. Pickl, "The renewable energy strategies of oil majors – From oil to energy?," *Energy Strateg. Rev.*, 2019, doi: 10.1016/j.esr.2019.100370.