

Chapter XXXVI

Globalizing a Function within a Company

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ABSTRACT

This case study presents the work done to develop and execute the global vision for a 24/7 matrix organization within a major multinational corporation. Following a literature review describing the opportunities and challenges of a global virtual matrix organization, it presents a McKinsey 7-S (Gluck, 1985) type analysis of this organizational change. At the time this is written, the organizational change is being implemented. The discussion is presented from the vantage point of two of the Change Management consultants that have been engaged to facilitate this work. Specifically discussed is how technology is employed as an enabling element to global collaboration working in virtual teams. While high tech is absolutely necessary to this globalization effort, equally necessary is a high touch approach to build relationships and trust across the organization.

INTRODUCTION

As with any case study involving an ongoing concern, this chapter presents a work in progress. The task at hand was how to globalize a single and central functional organization within a large multinational corporation. The function discussed has thousands of employees globally

and is found in the top third of the company's value chain. The task was how to move from being a function within a multinational organization based in the Midwestern United States that conducts business on six continents and dozens of countries to being a truly global function with the global headquarters in the Midwestern US. To achieve this task, the people of the organization

are learning to collaborate amongst themselves in ways that they have not previously done. The shift presented in this case study demonstrates how the organization has worked and continues to work to bridge time, distance, culture, language, and geography to become a single global entity operating as a global virtual team. In this regard, a global virtual team is a globally dispersed group with members in and from more than one country who are working to achieve a shared objective. The globalization effort of this case study examines the impact of collaboration through use of global virtual teams across six newly-chartered global centers.

In presenting this case study, there first will be a discussion of the initial operating state of the function and the intended vision. This will be followed by a review of the literature discussing the benefits and challenges of operating as a global virtual team. Finally, there is discussion of the steps taken by the organization in the study to take advantage of the benefits and address the challenges of shifting to operation as a global virtual team.

These specific steps will be discussed in a holistic analysis which incorporates the McKinsey 7-S model and will include how technology has been both a challenge and an enabler to globalization. The McKinsey 7-S model contains the interrelated elements of a shared vision, strategy, structure, systems, staffing, skills, and style. It would be logical to ask why an organization would use the 7-S model, a model that is over 20 years old, in developing cutting-edge work such as that examined by the case study. There are four reasons for use of this model. First, it is comprehensive. By covering the full spectrum of an organization, it assures that the organization is prepared to implement the globalization plan. By developing a plan that comprehends each of the 7-S elements and their interdependence, the organization can be sure that all aspects have been considered and are aligned with the others. Second, the value of a 20-plus year old tool is that

it has been widely used globally. This means that the people around the world who are required to implement the globalization plan are more likely to be familiar with the tool. Using a model that people are more likely to have previously seen increases the acceptance of its use and provides a common language for discussing the change. Third, the 7-S model incorporates both the elements of task and relationship. Some cultures have a greater task orientation. The 7-S elements of strategy, systems, and structure, appeal to the orientation toward getting the task done. Other cultures have a greater relationship orientation. The 7-S elements of staff, skills, and style appeal to the concern for harmony in people relationships. Having elements that appeal to both the task and relationship orientations increases acceptance of the use of the approach and tool. Finally, using a comprehensive model ensures that the less-favored orientation is addressed. In application, this means that task-based cultures which would find greater relevance with a review of strategy, systems, and structure are also able to consider their less favored elements of staff, skills, and style.

LEVERAGING THE GLOBAL FOOTPRINT

The global vision is to take advantage of the organization's size and global reach so that the workforce and workload may be optimized across the globe. Development of this global vision was created by the top executives in the parent company in concert with the board of directors. The strategies to carry out the vision were created by the senior leaders in the function who represented the major global regions. The major global regions were allocated and assigned to six geographic centers. This senior leader team then identified 11 major "practice areas" or "key functional deliverables" which would need to be made common in order to share work across the six centers and work on a 24 hour clock. That

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