NATIONAL UNIVERSITY OF SCIENCES & TECHNOLOGY (NUST)

NUST BUSINESS SCHOOL

FINAL THESIS REPORT:

"ALIGNMENT OF STRATEGY, STRUCTURE AND CULTURE OF MOBILINK"

BY:

SHIREEN ANIS

EMBA 2K11

NUST REGISTRATION NO: 34

Abstract

Organizational strategy, structure and organizational culture have a dependent relationship with one another. In the business world, management structure determines the behaviors, attitudes, dispositions and ethics that create the work culture. If a company's organizational structure is strictly hierarchical, with decision-making power centralized at the top, the company's culture will likely reflect a lack of freedom and autonomy at the lower levels. If a company's management structure is decentralized, with shared power and authority at all levels, the culture is likely to be more independent, personalized and accountable. The way a company allocates power and authority determines how employees behave. These choices manifest in a company's organizational structure and organizational culture. Organizational structure is the way a company arranges its management and lines of authority. It determines roles, responsibilities and the flow of information within the company. Work culture results from those decisions.

Thesis will incorporate a detailed analysis of Mobilink's current strategy including the way forward as described by the management. Review of the organization's structure and Culture and if both of these two legs are supporting the current strategy or not. What changes are required in structure or culture in order to achieve the maximum efficiency? Comprehensive literature review of the 3 pillars to fully understand their inter-linkages and dependencies, and how these have changed and developed over a period of time.

Acknowledgments

First and foremost I would like to thank Allah Almighty for giving me a body and mind to live and learn. Throughout this learning experience, there are so many people who devoted their time and effort to support & encourage me. They shared their knowledge and wisdom unconditionally. They made this journey most memorable.

I sincerely acknowledge the efforts of my family who completely and patiently supported me throughout this degree program.

I am especially indebted to my thesis committee members, who have been simply unreal, Ma'am Ayesha Pervez, my committee chair, I am grateful for insights she has provided in discussing ideas and the depth to which he forces me to think.

I would specially like to thank my teachers who really helped me learn and enjoy at NUST. Without these persons I probably wouldn't have even half the learning, which I had.

I am thankful to my friend Intisar Hyder for his constant support and feedbacks on my work.

I feel obliged and at the same time honored to have you all.

Table of Contents

Chapter # 1

Introduction

Strategy is about vision and structure is about authority, so both are critically important. But culture is about meaning, and meaning will trump both vision and authority over time. As Peter Drucker once said, "Culture eats strategy for breakfast." Strategies are continually forged paths needing course correction during the journey. The desired organizational culture is that set of behaviors which will deliver on brand promise, facilitate the execution of strategy, and be difficult to replicate. The integrity of the organizational structure/design is key to ensuring performance and work flow efficiency and must be aligned with both strategy and culture.

Why Strategy Structure and Culture?

Strategy is inevitable in today's world where competitive organizations thrive by adopting the appropriate courses of actions in order to thrive in their respective industries. For having a proactive and efficient strategy a firm needs to perform an environmental scan to have an idea about the atmosphere and to devise a plan in order to sustain in that atmosphere in the prevailing conditions at the time of scan along with future predictions. Hence no organization can exist without having a proper strategy. Strategy is also a continuous process and while smart organizations constantly revise and update their strategies, they also have to continuously go through a constant Change Management process.

Devising a strategy is a comprehensive process having several phases where the implementation phase is the most critical one. The implementation of the strategy involves a number of changes and is itself a Change Management process where the major change is brought in the "structure" and "culture" of the organization.

Structure refers to the typical hierarchal arrangements of lines of authority and the means of communication, duties and power and responsibilities assigned between the different levels of the organizations. An organizational culture provides a means of enacting the all-encompassing vision of what the organization wishes to be an offers a possible sense of direction for its members.

This thesis aims to evaluate how organizational culture and structure are related to corporate strategy and the role of the two in the overall effectiveness of the organization and their relationship with one another. The underlying logic of this report is to understand how strategy shapes the structure and culture, as organization's strategic options are bounded by the internal and external environment. Different strategies favor different combinations of the two. Both Strategy and structure are the hard elements whereas culture is the soft element. The scope of the project is to study the different types of combinations that support a certain strategy.

Organizational strategy, structure and organizational culture have a dependent relationship with one another. In the business world, management structure determines the behaviors, attitudes, dispositions and ethics that create the work culture. If a company's organizational structure is strictly hierarchical, with decision-making power centralized at the top, the company's culture will likely reflect a lack of freedom and autonomy at the lower levels. If a company's management structure is decentralized, with shared power and authority at all levels, the culture is likely to be more independent, personalized and accountable. The way a company allocates power and authority determines how employees behave. These choices manifest in a company's organizational structure and organizational culture. Organizational structure is the way a company arranges its management and lines of authority. It determines roles, responsibilities and the flow of information within the company. Work culture results from those decisions.

Thesis will incorporate a detailed analysis of Mobilink's current strategy including the way forward as described by the management. Review of the organization's structure and Culture and if both of these two legs are supporting the current strategy or not. What changes are required in structure or culture in order to achieve the maximum efficiency? Comprehensive literature review of the 3 pillars to fully understand their inter-linkages and dependencies, and how these have changed and developed over a period of time.

Telecom Industry of Pakistan

History
The introduction of mobile services for masses was made in Pakistan in sometime around 1993 when the Government gave licenses to couple of local and foreign groups allowing them to offer the services within the country (Wikipedia, 2015). These two emerged as Mobilink and Paktel. Initially due to the affordability and newness of the technology in Pakistan, the penetration was very slow and having a mobile phone became a symbol of status more than anything however, the potential was huge due to the growing population and those firms kept firm and slowly and gradually the penetration took pace and due to that few foreign firms as well as the Government of Pakistan realized that they could also venture into this field and hence since early 2000s three more operators were licensed and started offering mobile services within the country. As of now there are five major operators in the country offering cellular services namely:

- Mobilink
- Telenor Pakistan
- Ufone
- Zong
- Warid

All of the aforementioned companies have enjoyed a very healthy penetration for mobile services since their inception and continue to reap the revenues out of the market even today (Investopedia, 2013). Allowing several mobile operators in the country gave way to a health competition among the

players thus erupting price wars and aggressive marketing ploys all for the sole benefit of the existing and potential customers. The SIM card became cheaper than an average one time meal and the call rates are among the lowest in the world. The Industry life Cycle for Voice/SMS services in Pakistan is shown below.

Industry Life Cycle: Voice/SMS
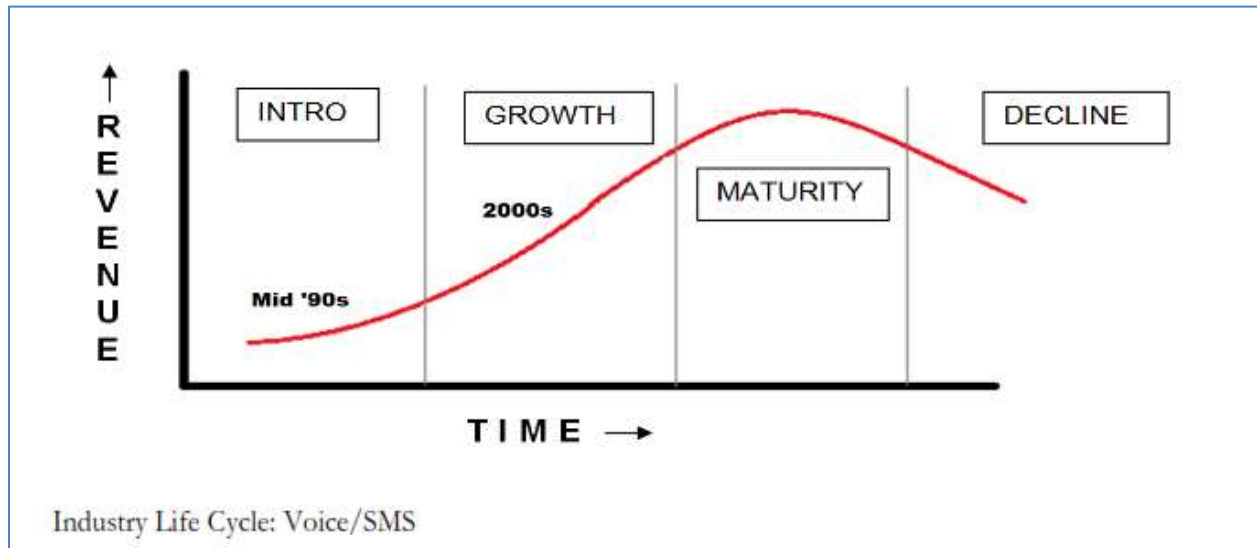
The Telecommunication industry was thriving in Pakistan as it was in the 'Growth' phase of the Industry Life Cycle hence the costs were high but the profits were humongous thus the profit margin was also heavy that allowed the firms to focus more on increasing revenues than on reducing the costs. Therefore the strategy at that time was more focused towards driving the revenues and as Pakistan is frequently listed among the Third World countries therefore the advancement in the cellular technology around the world and its upgrade requirements here were not of that importance because the mobile device was nothing more than a means of staying connected through voice and SMS services with peers hence the change required at that time was minimal and the strategy was primarily focused towards improving profits because sustaining them was not an issue. Also when an industry is in the growth phase the focus is on innovation, cultivation, nurturing and mentoring and since the profits are coming in the focus is to explore new ways of making the overall user experience better which usually results in firms coming up with innovative products. In this regard, Apple and Google stand out as the biggest examples. They have been innovative for such a long time that their respective markets always seem to be in the growth stage. Also during the growth phase, the focus also shifts towards benchmarking and comparing with competitors and being best in class.

As the penetration was very high in 2000s hence since the start of 2010s the growth had slowed down due to majority of the population owning a mobile phone with multiple SIMs if not one due to the aforementioned price wars. This is the reason why today the percentage of mobile subscribers in Pakistan is more than the literacy rate of Pakistan which means that an average person who cannot read or write might still own a mobile phone. Also the prices of voice/SMS packages is on an all-time low for all mobile operators hence it doesn't really matter which operator's SIM card one is using due to the call/SMS rates being almost the same. This drives the industry towards thinking of alternate ways of generating revenues hence now every major player in Pakistan had to think out of the box.

This is where a dramatic change in strategy was required for those who didn't align themselves with the ongoing environmental changes and hence a thorough and comprehensive change management process was required. (Schwab, 2012)

Present Situation

Looking at the Telecom industry of Pakistan from 2010 to 2014 the market and matured, and there was a dire need to launch 3G/4G data services in Pakistan, as the Voice, and Value Added services offered could not be further developed. Since the technology has been advancing all over the world the need for high speed mobile internet has also been recognized in Pakistan. As Rashid Khan (CEO of Mobilink) quoted "In the current era of technology, 3G technology is need of the hour as the volume of data transmission has increased tremendously, as today's Pakistani consumers is more aware." (PhoneWorld, 2014). Countries adopting 3G experienced higher levels of GDP per capita and job creation in the telecommunications sector. Moreover 3G was also necessary for Pakistan as it expands a country's opportunities in the business sector, contributing to increased competitiveness and promoting innovative new wirelessly enabled businesses and services. Finally, 3G provides the country's citizens with richer, more compelling communications services. Access to convenient, affordable and highly customizable mobile broadband devices and services makes life more productive, secure and meaningful and empowers people to transform the way they live, learn, work and play. (PhoneWorld, 2014)

Hence the Govt. of Pakistan auctioned 3G/4G Licenses in Pakistan in April 2014. All operators except Warid acquired 3G License, with Zong being able to acquire an additional 4G license.

Launch of 3G/4G Services completely changed the dynamics of the Industry. All the operators now focus on Increasing their Data Penetration and 3G foot print across the country. Mobilink and Zong having purchased 10MHz of 3G Spectrum have advantage over Telenor and Ufone for being able to cater to more customers in the long term with more Bandwidth.

In addition to the launch of very high speed Data, another challenge faced by the Telecom industry is the worsening political, economic and security situation in the Country. Due to these factors and the extreme measures taken by the Pakistan Telecom Authority after the Terrorist Attack on Peshawar the Operators are finding it difficult to generate profit margins.

VimpelCom Group

VimpelCom is one of the world's largest integrated telecommunications services operators providing voice and data services though a range of traditional and broadband mobile and fixed technologies (VimpelCom, 2014). The Company was founded more than 20 years ago and since that time has significantly boosted the power of its platform with the strength of its global scale and local market expertise. (VimpelCom, 2014)

Operations

It is operating in 13 countries and headquartered in Amsterdam, is one of the world's largest integrated telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Bangladesh and Pakistan (VimpelCom, 2014).

Brands

VimpelCom's operations around the globe cover territory with a total population of approximately 740 million people. VimpelCom provides services under the "Beeline", "Kyivstar", "WIND", "Mobilink", "banglalink", "Telecel", and "Djezzy" brands. As of March 31, 2015 VimpelCom had 218 million mobile customers on a combined basis (VimpelCom, 2014).

Shares and Businesses

VimpelCom is headquartered in Amsterdam, the Netherlands, and is traded on the NASDAQ Global Select Market under the symbol "VIP". VimpelCom's reporting structure is divided into eight business units – Russia, Italy, Algeria, Pakistan, Bangladesh, Ukraine, Kazakhstan, Eurasia, all of which report to the Company's headquarters in Amsterdam. (VimpelCom, 2014).

Vision

VimpelCom's Vision - Focusing Locally, Empowering People, and Connecting Globally - reflects not only our aspirations for the future, but what makes us unique today. (VimpelCom, 2014).

It is built around four words:

Local: We believe that all business is local. Our customers are local, our brands are local because our businesses and services reflect the cultures of the countries in which they operate, and the legal, regulatory and commercial environments we operate in are local. In the future we will continue to orient ourselves locally in each of our markets. (VimpelCom, 2014).

Global: We operate within a global ecosystem of vendors, peers, competitors and service providers, using our scale to create synergies in procurement and in commercial partnerships. In the future, we will continue to use scale and influence to generate more value and improved benefits for our customers everywhere. (VimpelCom, 2014).

Connecting: Connecting is what we do. We connect people to people, people to communities, and people to information. In the future, we will be connecting more people, cars, homes, offices and machines, in more places and in more ways. (VimpelCom, 2014).

Empowering: We empower our people through a decentralized business model, because we believe that empowered people take more responsibility for themselves, become more innovative and effective, and are more likely to discover and realize their potential. And we empower our customers by supporting and creating services that enable them to improve their lives as well. In the future,

empowerment will be embedded in what we say and do even more deeply than it is today, and we will say proudly, that this is what defines VimpelCom and its brands. (Vimpelcom Official Site, 2014).

VimpelCom's Organizational Structure

The organizational structure consists of 3 kind of boards Supervisory Board, Group Executive Board and Management Board.

Vision   **Organizational Structure**

Peer Landscape

The chart below shows EDITDA margin compared to global peers. (VimpelCom, 2014).
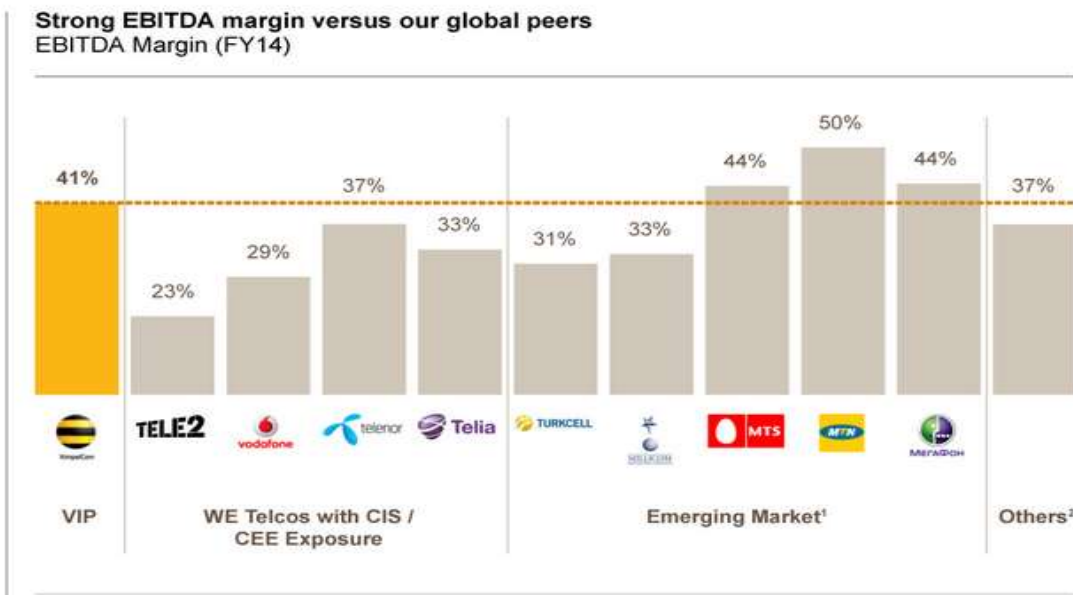
Mobilink (A VimpelCom Subsidiary)

Mobilink was initially subsidiary of OTH Orascom Telecom; a leading mobile telecommunication company operating in 6 emerging markets. Weather Investments S.p.A (Weather), a major shareholder of OTH joined hands with VimpelCom. This partnership led to 20% economic interest and an 18.5% voting interest in the enlarged VimpleCom group, in 2012. (VimpelCom, 2014).

At present Mobilink is Pakistan's leading provider of voice and data services, bringing more people together through service excellence and product innovation. With more than 38 million subscribers, Mobilink maintains market leadership through cutting-edge, integrated technology, the strongest brands and the largest portfolio of value added services in the industry, a broadband carrier division providing next generation internet technology as well as the country's largest network with over 9,000 cell sites making everyday a better day for its customers. (MobilinkOfficial, 2015)

Housing Pakistan's largest distribution and contact center networks and an unparalleled 6,500 kilometers fiber optic backbone, Mobilink has already invested over US $3.9 billion in the country to date, with another USD 1 billion being invested in network modernization. Mobilink provides uninterrupted countrywide connectivity, unmatched customer services and international roaming in over 140 countries. As a responsible corporate citizen, Mobilink offers a range of socially inclusive products and services dedicated to enhance access to information. Through Mobilink Foundation, the company passionately supports education, health and environmental initiatives and promotes sustainable business practices. (MobilinkOfficial, 2015)

Strategic Intent

Mobilink's Vision

To be the leading Telecommunication Services Provider in Pakistan by offering innovative Communication solutions that make each day better for our customers while exceeding Shareholder value & Employee Expectations. (MobilinkOfficial, 2015)

Mobilink has an inspiring vision: ideas that simplify. It is committed to creating, developing and launching new solutions that simplify our customers' workday. We believe that by simplifying our own organization and routines we can achieve competitive power and value-creation.

Mobilink's Values

Be Passionate: We at Mobilink, are passionate about fulfilling & exceeding customer needs and enriching their lives every day. (MobilinkOfficial, 2015)

Be Professional: We take pride in practicing the highest ethical standards and take responsibility for our actions. (MobilinkOfficial, 2015)

Lead with Purpose: We are committed to lead the market through innovations in new services, products, as well as cutting edge technologies and solutions. (MobilinkOfficial, 2015)

Business Model

Mobilink is Pakistan's No.1 Telecom operator in terms of Subscriber base as well as Revenue market share. Their Main revenue is generated from the Voice, Vas and Data services, along with these Mobile Financial Services, and LDI (Long Distance Interconnet- Leased Lines).

Business Definition

Mobilink Pakistan offers an extensive range of telecom-related services plus core services provided to its customers and enterprises all around the country

- Voice in mobile communication services
- Data in internet services (3G/2G)
- Content in TV services and mobile content

They also provide a wide range of innovative services such as Mobile Interaction (health-line, community information centers, child internet protection) Mobile Commerce (mobile banking, remittances, cell bazaar, and bill-pay) and Mobile Content Based Apps.

Strategic Objectives

Mobilink's overall ambitions are straightforward; we shall create growth by being preferred by customers, and we shall deliver the services required in a highly cost effective manner"

Profitable Growth

We aim to drive revenue growth that leads to higher profitability by focusing on gaining share in mobile data revenue and capitalizing on areas such as mobile financial services and partnerships with over-the-top players, while limiting cost of traffic. We seek to increase mobile data revenue by driving smartphone and tablet penetration through strong local distribution. We will also continue to introduce value-based commissioning, promoting tiered pricing for speed and time of data, partnering with internet players and improving network quality. We believe effective deployment of integrated bundles will allow us to monetize the strong growth in mobile data.

Customer Excellence

We are committed to creating a superior customer experience, optimizing distribution and developing superior pricing capabilities, while continuously modernizing our networks. We undertake a systematic effort involving dedicated analytics and research to continuously optimize the customer experience and drive superior pricing through integrated mobile bundles that combine traditional voice with SMS and, most importantly, data. This will provide value to the customer while at the same time protecting our revenue stream from cannibalization among various services, such as SMS and instant messaging ("IM"). In order

to optimize our distribution, we focus on the most efficient channels in each market. We expect these actions to reduce churn and limit our retention and commercial costs.

Operational Excellence

Operational excellence and cost management represents a company-wide strategy, and we seek to implement this strategy at all levels of the organization by taking a holistic approach at both our group and business unit levels and implementing a continuous improvement culture across our businesses.

Capital Efficiency

Our goal is to ultimately reduce the ratio of our capital expenditure to revenue over time by deploying capital more efficiently through increased network sharing, continued business portfolio optimization and capital structure optimization. An important element of this strategy is network outsourcing and sharing in order to improve network utilization and quality. We also have a centrally led procurement model that provides advantages both at the group and local level. As part of our finance function, we have implemented a systematic approach to managing working capital and optimizing our capital structure.

Environmental Scan

Political and Regulatory Forces

In 2013, Pakistan underwent its general elections. The new government that took office in June 2013 quickly signalled restoring economic sustainability and rapid growth as high priorities for its 5-year term which include dealing with the energy crisis, boosting investment and trade, upgrading infrastructure, and ceding most economic functions to the private sector. Two elected governments back to back bring solidarity in business and policy continuity. Domestic and foreign investment are gaining confidence to initiate new business activities on a peaceful democratic transition that aims to increase production, employment and stability in the economy.

But this was the situation in 2013, in 2014 the political conditions of the country worsened when the Opposition Parties got into prolonged processions to over throw the democratic government, this continued from August to December, and resulted in greatly slowing down the revenues for the entire Telecom Industry. Primary reason for the negative growth in revenues during this period is lack of activity, blocked motorways and roads during this period and Network shutdowns requested by the government.

In addition to this the year 2014-2015 have proven to be the worst for the entire telecom Industry. After the Peshawar Terrorist Attack on Dec-16 2014, Pakistan Telecommunication Authority decided to bring in New Rules and Regulations on Telecom. Starting with forcing all the cellular operators to get their existing Subscribers Biometrically verified through Nadra. In 2014, PTA had already imposed Biometric Verification (BVS) on New SIM Sales made by every operator that also had a huge cost

associated with it as the companies had to import BVS devices on their own without any help from the government. But the process of verification of existing base has been way more difficult and associated with it is High Capex and Opex. It started on 12-Jan-2015- and ended on ended on 12th April 2015. During this time the companies were asked to block all Non-BVS Verified SIMs, resulting in Revenue loss and Subscriber base, and also there was a restriction on selling new numbers from Jan-April.

Expected Revenue Loss of Telecom Operators due to BVS Blocking and Restrictions

Operators	Revenue Loss Millions PKR Year 2015	% Share in Loss
Zong	6,631	19%
Telenor	8,089	23%
Mobilink	9,185	26%
Ufone	6,466	18%
Warid	5,016	14%
Total	**35,387**	**100%**

In short the Telcos in Pakistan have to face new challenges every day because of the instability of Political conditions in our country, making it very difficult to maintain their profit margins.

Economic Forces

With GDP of US$ 222.7 billion, and GDP per capita: US$ 1,368, the economy of Pakistan is the 27th largest in the world w.r.t purchasing power parity (PPP), and 44th largest w.r.t nominal GDP. Stock market reached all-time high at 22,000 plus points in May 2013. Euro bond oversubscribed from $500 million to $750 million. Pakistan's service sector is currently the largest contributor to the nation's GDP, followed by agriculture. In spite of dire scenarios, the economy over the last five years grew on average at the rate of 2.9% per annum. (BMI, 2013)

Economic Conditions of Pakistan greatly impact the working of the telecom firms. To assess the local situation, we see that the wage rates of the people of Pakistan have not been increasing majority of the population is below the poverty line, disposable income in reducing day by day as the government imposes new taxes and increases in WHT, GST etc the purchasing power of the people is declining their pocket size is shrinking, unemployment is high, and the transportation is worst. The worst problems are of Fuel and Electricity. Due to extreme shortage of electricity Telco's have to rely on fuelling their sites which increases the operational expense manifold.

Social Forces

Pakistan is the sixth most populous country in the world, with an estimated population of over 180 million at a growth rate of 2%. The median age in Pakistan is 22 years, which means Pakistan is a young country. In recent years, many rural residents have been migrating to cities in search of better paying jobs. If the current pattern of urbanization continues, the urban population of Pakistan will cross the figure of 122 million by 2030, which is 50% of total population.

Social factors include the cultural aspects and include health consciousness, population growth rate, age distribution, career attitudes and emphasis on safety. Trends in social factors affect the demand for a company's products and how that company operates. For example, an aging population may imply a smaller and less-willing workforce (thus increasing the cost of labor). Furthermore, companies may change various management strategies to adapt to these social trends (such as recruiting older workers). In Pakistan, the health consciousness is low and the population growth rate is high which has resulted in young population hence the immigrants and combined that with low literacy rates, it is a very weak matrix. The corruption is frequently listed among the highest as stated by Transparency International.

The following are some of the key concerns in the social environment: ecology (e.g., global warming, pollution); demographics (In Pakistan the population growth is very high, majority of our population is young, because of which the educational demands of the country are very high that are not being fulfilled); quality of life of Pakistani's is poor, primary issues are lack of education, government is unable to provide safety to its people; terrorist attacks are increasing exponentially, health care system in Pakistan is being constantly neglected; conditions of government hospitals is unacceptable, standard of living is extremely different between classes, the rich are getting richer, poor are becoming worse and can't even fulfil their basic survival needs). Despite of all these and noneconomic activities such as charity and philanthropy are very high in Pakistan. All the telecoms are spending a lot of money on the CSR programs and trying to give back to the society in which they are operating.

Technological

Market

Pakistan's IT industry's global share is estimated at USD 2.8 billion The tech sector is primarily driven by growth in cellular business which has grown by 300% during last 6 years. With a skilled workforce of 110,000 English-speaking IT professionals in the economy, of which 24,000 are engaged in export. Telecom sector of Pakistan has attracted substantial investment after deregulation. For the last seven years, more than USD 12 billion has been invested in the telecom infrastructure and new technologies (Pakistan Telecommunication Authority, 2015)

Telecom and Broadband

Broadband growth has been exceptional in last few years, as subscriptions increased from a meagre 168,082 in June 2008 to 3.8 million in FY2013-2014. After the launch of Mobile broad band technology these subscribers have gone up to 17 M in April 2015. All telecom operators have seen significant growth in number of Data using subscribers. Internet Technologies: ADSL, EvDo, WiMax, GPRS/EDGE, 3G/4GData revenue for mobile operators has been increasing and in 2013, it accounts for *9% for the mobile industry revenue Availability of low cost (< $80) smartphones will help in further growth of the data market Internet Subscribers: 30 Million
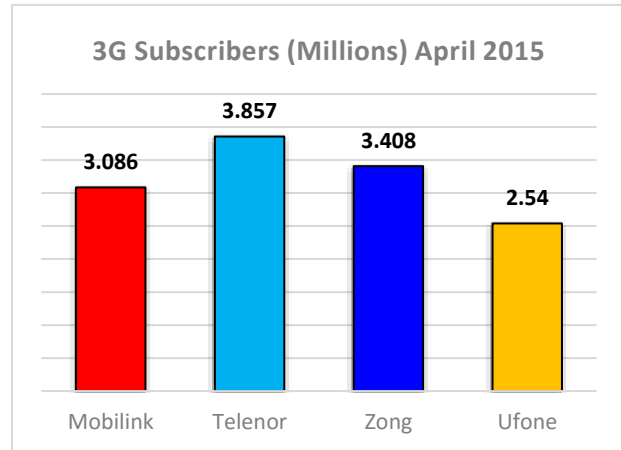
3G/4G license auction was held on April 23, 2014. Mobilink paid 100% upfront fee for the 10MHz spectrum along with Zong while Telenor and

3G Subscribers (Millions) April 2015

Mobilink: 3.086
Telenor: 3.857
Zong: 3.408
Ufone: 2.54

Ufone paid 50% upfront fee. Only Zong managed to secure 10 MHz of 4G spectrum from the 1800 Mhz Band during auction. 3G/4G technology has opened an era of prosperity and development in the country. According to a study, more than 0.9 million job will be created, which will accelerate business activities in the country

PORTER FIVE FORCES

Rivalry among Competing Firm

Mobilink has the following competitors UFONE, WARID, ZONG, and TELENOR. The intensity of competition increases as the no of competitor increases, and the competitor become expand their networks and become more mature. Rivalry also increases when customer start switching to other connection when cost is high. This is the major issue that the management of the company has to face all the times.

Potential Entry of New Competitor

There are already 5 operators in the telecom industry. Right now the potential entry of a new competitor cannot be that significant. The industries which pay higher returns attract new entrants in the market however this doesn't always apply in the telecommunications industry as the cost of capital for a new entrant is quite high because mobile services are supposed to be offered in the whole region where that new entrant wants to operate hence the network coverage requires capital requirement so the threat of new entrant is low, however bigger groups and conglomerates who can afford to launch mobile services can still jump into the business. In short, the overall threat is low.

Potential Development of Substitute Products

There is a potential development of substitute's product because all the competitors are provided almost same services at cheap rates as the Mobilink is providing so in order to be the most attractive it has to cover all those areas where the competitors have not yet covered in order to be the leading and the most favorites company of its users.

It is crucial for a firm to continually innovate in order to avoid substitutes. In the telecommunications industry, all of the means of digital communications are a substitute to the mobile services as the basic purpose of the mobile service is connectivity and the emergence of WiFi & VoIP at almost all of the places has become a substitute to the traditional mobile services. People today use Skype, Whatsapp, Viber, Facebook etc. to make calls instead of using their cellular operator hence the threat of substitutes is high here.

Bargaining Power of Suppliers

Suppliers can also influence the industry by either raising the rates or reducing the quality of the supplies. For the telecommunication industry, the supplier includes those providing technical equipment, SIM manufacturer, Business Support solution providers etc. and all of them can have a big impact both on the launch of the firms and its regular operations based on the voice and data quality which their equipment and solutions provide. Also the number of suppliers is also low hence the bargaining power is high.

Bargaining Power of Customers

Buyers have their own power of influencing the industry as they can increase the demand of a product or service and they can also demand for a higher quality thus pushing the firms to do what they ask for. In the telecommunications industry, the bargaining power of buyers is high because they are increasingly asking for internet related packages. The advent of internet and its usage has also pushed the cellular service providers to keep the prices low so that customers stay on their network instead of using substitutes all because of the power the customers have.

SWOT Analysis

Strengths
- Mobilink is the market leader with huge customer base in Pakistan market.
- It offers mobile services and 3G services in the majority of cities and also in remote areas which makes it largest coverage network.
- It has been enjoying successful journey in term of revenues, profits and market share.
- Strong marketing and advertising.

- Experienced Human Resources
- Powerful brand equity.
- The quality of service has been tremendous especially in the major cities of Pakistan.
- Only Mobile service in Pakistan offering coverage on M2 motorway.
- Mobilink has signed the agreement with 50 operators to provide the roaming services in 50 countries of the world.
- Joint venture with Waseela Bank to offer mobile banking services to customers.

Weaknesses

- Perception that it offers high calls rate to the customers as compared to the other competitors.
- Quality of service is not good in remote Northern areas.
- Bureaucratic culture
- Complacent Strategy
- Bureaucratic Culture
- Weak HR Department
- Lack of Discipline in following Policies and Procedures
- Wastage of Resources
- Lack of loyalty of employees towards the company
- No Strategic Human Resource Management
- Politicking and nepotism

Opportunities

- Low the call and messaging rates.
- It can offer the prepaid Internet packages to its customers.
- Focus on marketing of Internet, TV, Blackberry services and radio services to its customers.
- Improve the quality of services in remote Northern areas.
- Educating people about usage of data services.
- MobiCash financial services

Threats

- Facing tough competition from Telenor, Ufone, Zong and Warid.
- Telenor entered into new arena of Mobile commerce, it may attract more customers and fetch market share from Mobilink.
- Rapid rise in Taxes on telecommunication services.
- Inflation devalues the Pakistan currency.
- Security condition is the biggest threat.
- Power outage increases the cost of services due to heavy usage of generators.
- High turnover
- Other Operators attracting Good Human Resources

Chapter #2

Concept of Strategy, Structure and Culture

Strategy:

"The determination of long term goals and objectives of an organization, and adaptation of course of action and the allocation of resources necessary for carrying out these goals" (Alfred D chandler Jr, 2003)). It may also be defined as, "The action managers take to attain the goals of the firm".

Simply put, organizational strategy is a clear definition of how the organization needs to change – over time - in order to be able to deliver the strategy of the enterprise and an actionable plan of how to make the transformation. This requires both the thinking and analysis to compare current state to desired state and define the gap, and the execution capabilities to make the requisite changes happen.

Key strategic considerations include:

- The extended structure of the enterprise (and what re-configurations, reach extensions and strategic relationships will be necessary to deliver the espoused strategy)
- The new skills and capabilities that will be required (and how this will affect workforce composition and talent acquisition and development needs; which process and operational capability improvements will be necessary)
- The talent management practices necessary to create a high performance workforce (and what adjustments will be needed to create a climate that stimulates and engages the total organization for peak performance)
- The operating culture of the business (and how it might need to change to fit the value proposition and operating style required)
- The performance results that will be needed (and what will be necessary to achieve them)
- The purposeful integration and fit of all operating activities to assure total enterprise alignment to the cause

Concept of Strategy:

The term strategy is derived from a Greek word, Strategies, which means generalship that refers to the actual direction of military force as distinct from the policy governing its deployment. Literally, therefore the word strategy means the art of the general.

In business there is no definite meaning assigned to strategy. It is often used loosely to mean a number of things.

Strategy could be

- A plan or course of action
- Set of decision rules making a pattern
- A common set of rules related to the organizations activities which are derived from policies, objectives and goals
- Making trade-offs in competing to choose what not to do
- That involves fit among companies' activities
- Concerned with the resources necessary for implementing a plan or following a course of actions.
- The planned or actual coordination of the firm's major goals and actions.

In simple words a strategy means to achieve the desired goals. In complex terms, it may possess all the characteristics mentioned above. With so many different interpretations of a term, it is clearly difficult to understand what strategy really means.

Undoubtedly, strategy is one of the most significant and important concept to have emerged in the subject of any organization. Its practicality, relevance potential and relevance have been put to severe test. It has emerged as a critical input to organizational success and has come in handy tool to deal with the uncertainties that organizations face. It has helped to reduce ambiguity and provided a solid foundation as important pillar to conduct business; a convenient way to structure the many variables that operate in the organizational context and to understand their relationship.

Application of Concept of strategy:
- The application of the concept of strategy commits an organization to a predetermined course of action. While this is essential and important to chart out the path for moving forward, but on the other hand it often blinds the organization to the emergent situations as it goes along the path. Rigidity leads to an attitude of finality with regard to the situations that are actually not known at the time of starting the journey.

Components of strategy
A well-developed strategy contains five components, or sets of issues:

- **Scope**. The scope of an organization refers to the breadth of its strategic domain the number and types of industries, product lines, and market segments it competes in or plans to enter. Decisions about an organization's strategic scope should reflect management's view of the firm's purpose or mission. This common thread among its various activities and product-markets defines the essential nature of what its business is and what it should be.

- **Goals and objectives**. Strategies should also detail desired levels of accomplishment on one or more dimensions of performance – such as volume growth, profit contribution, or return on investment –

over specified time periods for each of those businesses and product-markets and for the organization as a whole.

- **Resource deployments.** Every organization has limited financial and human resources. Formulating a strategy also involves deciding how those resources are to be obtained and allocated, across businesses, product-markets, functional departments, and activities within each business or product market.

- **Identification of a sustainable competitive advantage**. One important part of any strategy is a specification of how the organization will compete in each business and product-market within its domain. How can it position itself to develop and sustain a differential advantage over current and potential competitors? To answer such questions, managers must examine the market opportunities in each business and product-market and the company's distinctive competencies or strengths relative to its competitors.

- **Synergy.** Synergy exists when the firm's businesses, product-markets, resource deployments, and competencies complement and reinforce one another. Synergy enables the total performance of the related businesses to be greater than it would otherwise be: The whole becomes greater than the sum of its parts (britten Associates , 2012)

Levels of Strategy:

There are three types of strategic planning that are essential to every organization.
- Corporate Level Strategy
- Business Level Strategy
- Functional Level Strategy.

Corporate level strategy

It deals with the overall firm. These strategic decisions cannot be made at a lower level without risking sub-optimization of resources. The first task is to conduct an environmental scan (study the business environment) in order to identify strengths and weaknesses. Next would be to scrutinize the firm's mission, the segmentation of its businesses and the integration of those businesses. Completion of these tasks yields answers to the questions corporate strategy must answer:

- What are the corporate performance objectives?
- How should the firm's resources be allocated to satisfy corporate, business and functional requirements?
- Should the design of the managerial infrastructure and the selection, promotion and motivation of key personnel change?

Business Level strategy

It focuses on competitive positioning (where to compete and how) in order to create an advantage over competitors. Business managers should run the business in a way that is in alignment with overall corporate strategy. The framework for building a business strategy includes developing the mission of the business, once again conducting an environmental scan and examining the key activities of the value chain. The action plan that results directs the business strategy, programs and budget.

At the ground level, the **functional strategies** of Finance, HR, IT and Marketing carry out the objectives and mission set at the corporate and business strategy levels. This is achieved by creating action plans and setting budgets.

Lastly, in regards to the strategic planning process, it is not a top-down or bottom-up flow of ideas. It is a flow of objectives from managers at the corporate level combined with a flow of program and budget alternatives from the business and functional levels. If sincerely executed, the strategic planning process generates broad participation, a wealth of ideas, consensus and clarity moving forward. Everyone knows what to do, when to do it and why he or she is doing it. (Utoronto Canada, 2009)

The Dimensions of Strategies

Explicitly or implicitly, these five basic dimensions are part of all strategies. However, rather than a single comprehensive strategy, most organizations have a hierarchy of interrelated strategies, each formulated at a different level of the firm. The three major levels of strategy as mentioned above, (1) corporate strategy, (2) business-level strategy, and (3) functional strategies focused on a particular product-market entry. Strategies at all three levels contain the five components mentioned earlier, but because each strategy serves a different purpose within the organization, each emphasizes a different set of issues. (Jstor, 2007)

Strategy components	Corporate strategy	Business strategy	Marketing strategy
Scope	Corporate domain: 'Which business should we be in?' Corporate development strategy: –Conglomerate diversification – Vertical integration – Acquisition and divestiture policies	Business domain: 'Which product markets should we be in within this business or industry?' Business development strategy: –Concentric diversification	Target market definition Product-line depth and breadth Branding policies Product-market development plan Line extension and product elimination plans

Goals and objectives	Overall corporate objectives aggregated across businesses: – Revenue growth – Profitability – ROI (return on investment) – Earnings per share – Contributions to other stakeholders	Constrained by corporate goals Objectives aggregated across product-market entries in the business unit: – Sales growth – New product – Profitability – ROI – Cash flow	Constrained by corporate and business goals Objectives for a specific product-market entry: – Sales – Market share – Contribution margin – Customer satisfaction
Allocation of resources	Allocation among businesses in the corporate portfolio Allocation across functions shared by multiple businesses (corporate R&D, MIS)	Allocation among product-market entries in the business unit Allocation across functional departments within the business unit	Allocation across components of the marketing plan (elements of the marketing mix) for a specific product-market entry
Sources of competitive advantage	Primarily through superior corporate financial or human resource; more corporate R&D; better organizational processes or synergies relative to competitors across all industries	Primarily through competitive strategy; business unit's competencies relative to competitors in its industry	Primarily through effective product positioning; superiority on one or more components of the marketing mix relative to competitors within a specific product market
Sources of synergy	Shared resources, technologies or functional competencies across businesses within the firm	Shared resources (including favorable customer image) or functional competencies across product market within an industry	Shared marketing resources, competencies or activities across product-market entries

(wikispaces, 2006)

Mobilink's Strategy

Mobilink's strategy is primarily formulated at the group level that is then trickled down accordingly to each business Head. The goal of the company is to retain its No.1 Position in the telecom industry in terms of revenue and subscriber market share while at the same time becoming cost efficient, giving best customer experience, and increase profit margins The four pillars on which the current strategy of Mobilink is based on are:

Profitable Growth

The company is primarily focusing now on increasing the Data revenue market share after the launch of 3G Services in Pakistan and Mobilink acquiring 10MHz of spectrum. The aim is remain the number one operator in the telecom industry in terms of revenue and subscriber market share. Along with Data the company wants to capitalize on mobile financial services and OTT Players partnership (over the top) like Skype, Viber, Watsap, while reducing the cost of traffic. Strategy of the company aims to increase mobile data revenue by increasing the penetration of Smart phones and Tablets in Pakistan, by creating a strong distributor and retailer channel. Providing 3G data services to the common man includes launching 3G handsets at affordable prices, which would include partnership with Mobile Phone Manufactures all over the world. Mobilink tends to introduce value-based commissioning, promoting tiered pricing for speed and time of data, partnering with internet players and improving network quality. Effective deployment of integrated bundles will allow to monetize the strong growth in mobile data.

Customer Excellence

Mobilink believes that creating a unique customer experience is one of the best ways to achieve sustainable growth, particularly in industries such as telecom that are stagnating. By providing a highly differentiated customer experience that turns dissatisfaction or indifference into delight, it will recruit an army of vocal advocates online and offline, gain market share, and generate revenue growth. For improving customer experience, there needs to be a company level focus and a systemic effort in understanding customer behavior and research. Mobilink is committing in investing in advanced analytics, through which the company would be able to develop superior pricing capabilities, at the same modernize the network. Continuous research is mandatory to optimize the customer experience and market integrated hybrid bundles that consists of conventions Voice and SMS services coupled with Data and Content offerings. In order to optimize company's distribution, the focus is on the most efficient channels in each market. These actions will in turn reduce churn and limit the organization's retention and commercial costs.

Organization's special focus is on Net Promoter Score that is based on the fundamental perspective that every company's customers can be divided into three categories: Promoters, Passives, and Detractors.

- Promoters (score 9-10) are loyal enthusiasts who will keep buying and refer others, fueling growth.
- Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

The primary purpose of the NPS methodology is to evaluate customer loyalty to a brand or company, not to evaluate their satisfaction with a particular product or transaction. The ability to measure customer loyalty is a more effective methodology to determine the likelihood that the customer will buy again, talk up the company and resist market pressure to defect to a competitor.

The path to sustainable, profitable growth begins with creating more promoters and fewer detractors and making your net-promoter number transparent throughout your organization. This number is the one number you need to grow. It's that simple and that profound

Operational Excellence

Operational excellence and cost management represents a company-wide strategy, and we seek to implement this strategy at all levels of the organization by taking a holistic approach at both our group and business unit levels and implementing a continuous improvement culture across our businesses.

Operational Excellence is an element of organizational leadership that stresses the application of a variety of principles, systems, and tools toward the sustainable improvement of key performance metrics (Wikipedia, 2015). There are several ways of achieving operational excellence which most of the intelligent organizations are aware of and are incorporating them into their routines. These include TQM, Six Sigma, SLAs etc. Speaking about Mobilink, the operational excellence mostly exists at the Technological angle where the extended load shedding and government regulations have enforced cellular operators to become intelligent and look for better and cost effective ways of operations. Be it using bigger UPS batteries to save fuel for a signaling tower or using solar power, Mobilink has done everything within its budget and reach to improve the operational excellence. Also the dependence of internet and Voice/SMS services all depends on the erection of a working signaling tower, hence operational excellence is independent of services due to signals for both internet and Voice/SMS being sent and received via the same tower.

Capital Efficiency

Our goal is to ultimately reduce the ratio of our capital expenditure to revenue over time by deploying capital more efficiently through increased network sharing, continued business portfolio optimization and capital structure optimization. An important element of this strategy

is network outsourcing and sharing in order to improve network utilization and quality. We also have a centrally led procurement model that provides advantages both at the group and local level. As part of our finance function, we have implemented a systematic approach to managing working capital and optimizing our capital structure.

Data Penetration

- **Marketing:**
  Value proposition
  CVM/CLM
  Communication

- **SnD:**
  Channel Strategy
  Acquisition Strategy
  placement

- **Terminal:**
  Enablers; Product
  Procuring and making available
  enabled devices
  Manage ecosystem from
  procurement till placement

MBB

- **Marketing:**
  Value proposition/developing
  Niche
- **SnD:**
  Channel Strategy
  Acquisition Strategy
  Placement

- **Terminal**
  Enablers; Product
  Ensuring availability of devices
  Manage ecosystem from
  procurement till placement

Customer Delight

- **Marketing**
  Value proposition: tariff/bundle
  offerings/data offerings/perception building
  campaigns, coverage strategy

- **Platforms:**
  VAS
- **CC:**
  Complaint management

- **SnD:**
  Retailer and franchise capability
  development
  Coverage requirement

- **Network:**
  Coverage
  OnM
  Optimization

Consumer Insight

- **Marketing:**
  Development of new DWH
  Requirement gathering and Sharing
  from all commercial
- **IT:**
  Infrastructure and Development

Key Business Targets
A. Revenue:
B. % Market Share
C. Ranking in Customer Experience

Mobilink's Strategic Plan –Where, How, Measures & Capabilities

Challenges to Mobilink's Strategy

There is one constant in the telecom world – change.

The technologies and services offered by leading telecom companies are ubiquitous, and new game-changing technologies continue to transform how consumers connect. Even through the most recent economic downturn, demand has been resilient, transcending consumer confidence polls. The proliferation of smartphones is a non-stoppable trend, bringing with it the transition from voice services to data services

The most significant challenges facing the industry are mobile data and its monetization. Unlimited voice and data plans are not sustainable. Instead, bundled services pricing, pricing speed and capacity to access the internet are likely the price plans of the future for the industry. If the industry can follow that path, it will be able to capitalize on and monetize the tremendous growth trend in mobile data in the coming years.

However, there are challenges to this path, including competition from over-the-top (OTT) content providers. Working with OTT providers is the new reality and one that the telecom industry is going to have to understand, much like the regulation that continues to be an important factor in the telecom industry.

Another challenge is juggling investments in infrastructure and network capacity against economic headwinds and lightning fast innovation. Carriers realize that they must invest to remain competitive.

However, given traffic is growing approximately 15 to 20 times over the next five years, investments must be judicious. The network operators that succeed will be those that balance their cost base with their capital expenditure plans.

Adding to further challenges the political and socio-economic conditions of our country make it extremely difficult for the companies to maintain their profit Margins. New rules and taxes are imposed every year that reduce the purchasing power of the customers. Pakistan is a country where people are poor and the Telecom industry has an average Monthly revenue per user of PKR 200 that is extremely low. People of Pakistan are extremely price sensitive and there are no switching costs from moving from one Operator to another. So it makes very difficult to enhance customer loyalty in this kind of scenario, where the deciding factor in most cases is the price. Majority of the population in our country resides in Rural Areas, where we still need to increase the smartphone penetration manifold. It is also a challenge because of the lower literacy rate, and low income class neither understand the data services nor can afford the smartphone.

Due to security concerns acquiring new customers is also a challenge. Because as per the rules of PTA also the SIMS have to Biometric verified and subscribers cannot have more than 5 SIMs per CNIC of multiple operators these have created restrictions of increasing the teledensity. As we also observe from the data of PTA that Teledensity % has reduced from 76 in Dec- 2014, to 73 in Dec 2013. The percentage of Women is considerably high in our country, and majority are residing in rural areas where they don't go out and buy SIMs. The bread runner has these responsibilities, imposing such rules from PTA have a negative impact on the overall business.

Structure

Introduction

When two or more people work together to achieve a group result, it is an organization. After the objectives of an organization are established, the functions that must be performed are determined. Personnel requirements are assessed and the physical resources needed to accomplish the objectives determined. These elements must then be coordinated into a structural design that will help achieve the objectives. Finally, appropriate responsibilities are assigned.

Any operating organization should have its own structure in order to operate efficiently. For an organization, the organizational structure is a hierarchy of people and its functions.

The organizational structure of an organization tells you the character of an organization and the values it believes in. Therefore, when you do business with an organization or getting into a new job in an organization, it is always a great idea to get to know and understand their organizational structure. Depending on the organizational values and the nature of the business, organizations tend to adopt one of the following structures for management purposes.

Although the organization follows a particular structure, there can be departments and teams following some other organizational structure in exceptional cases. Sometimes, some organizations may follow a combination of the following organizational structures as well. (Wikipedia, 2015)

Definition

Organization structure designates formal reporting relationships, including the number of levels in the hierarchy and the span of control of managers and supervisors. Organization structure identifies the grouping together of individuals into departments and of departments into the total organization.

Organization structure includes the design of systems to ensure effective communication, coordination, and integration of effort across department

These three elements of structure pertain to both vertical and horizontal aspects of organizing. For example, the first two elements are the structural framework, which is the vertical hierarchy. The third element pertains to the pattern of interactions among organizational employees. An ideal structure encourages employees to provide horizontal information and coordination where and when it is needed.

Organization structure is reflected in the organization chart. It isn't possible to see the internal structure of an organization the way we might see its manufacturing tools, offices, or products. Although we might see employees going about their duties, performing different tasks, and working in different locations, the only way to actually see the structure underlying all this activity is through the organization chart. The organization chart is the visual representation of a whole set of underlying activities and processes in an organization. The organization chart can be quite useful in understanding how a company works. It shows the various parts of an organization, how they are interrelated, and how each position and department fits into the whole. The type of organization structure that grew out of these efforts in the late nineteenth and early twentieth centuries was one in which the CEO was placed at the top and everyone else was arranged in layers down below. The thinking and decision making are done by those at the top, and the physical work is performed by employees who are organized into distinct, functional departments. This structure was quite effective and became entrenched in business, nonprofit, and military organizations for most of the twentieth century. However, this type of vertical structure is not always effective, particularly in rapidly changing environments. Over the years, organizations have developed other structural designs, many of them aimed at increasing horizontal coordination and communication and encouraging adaptation to external changes. (Business Dictionary, 2000)

Key Elements for Proper Organizational Structure

Work Specialization: To what degree are articles subdivided into separate jobs?
Departmentalization: On what basis jobs will be grouped?
Chain of Command: To whom will individuals and groups report?
Span of Control: Up to how many individuals can a manager efficiently direct?
Centralization vs. Decentralization: Who will be the sole maker of decisions?

Formalization: To what degree will there be rules and regulations to direct employees and managers? (Emaytrix, 2000)

Organizational Structure Types

An organizational structure defines how jobs and tasks are formally divided, grouped and coordinated. The type of organizational structure would depend upon the type of organization itself and its philosophy of operations. Basically the structure can be mechanistic or organic in nature or a combination of thereof. However, most organizational structures are still designed along mechanistic or classical lines. (Management Study, 2001). Following are the types of organizational structures that can be observed in the modern business organizations.

Bureaucratic Structures

Bureaucratic structures maintain strict hierarchies when it comes to people management. There are three types of bureaucratic structures:

Pre-bureaucratic structures

This type of organizations lacks the standards. Usually this type of structure can be observed in small scale, start-up companies. Usually the structure is centralized and there is only one key decision maker. The communication is done in one-on-one conversations. This type of structures is quite helpful for small organizations due to the fact that the founder has the full control over all the decisions and operations.

These structures have a certain degree of standardization. When the organizations grow complex and large, bureaucratic structures are required for management. These structures are quite suitable for tall organizations.

Post-bureaucratic Structures

The organizations that follow post-bureaucratic structures still inherit the strict hierarchies, but open to more modern ideas and methodologies. They follow techniques such as total quality management (TQM), culture management, etc.

Line Organization

Line organization is the simplest form of organization and is most common among small companies. The authority is embedded in the hierarchical structure and it flows in a direct line from the top of the managerial hierarchy down to different levels of managers and subordinates and further down to the operative levels of workers. It clearly identifies authority, responsibility and accountability at each level.

These relationships in the hierarchy connect the position and tasks of each level with those above and below it. There is clear unity of command so that the person at each level is reasonably independent of any other person at the same level and is responsible only to the person above him. The line

personnel are directly involved in achieving the objectives of the company. Because of the small size of the company, the line structure is simple and the authority and responsibility are clear-cut, easily assignable and traceable. It is easy to develop a sense of belonging to the organization, communication is fast and easy and feedback from the employees can be acted upon faster. The discipline among employees can be maintained easily and effective control can be easily exercised. On the other hand, it is a rigid form of organization and there is a tendency for line authority to become dictatorial that may be resented by the employees. Also, there is no provision for specialists and specialization that is essential for growth and optimization and hence for growing companies, pure line type of structure becomes ineffective. (Study mode, 2007)

Functional Organization

One of the disadvantages of the line organization is that the line executives lack specialization. Additionally, a line manager cannot be a specialist in all areas. In the line and staff type of organization, the staff specialist does not have the authority to enforce his recommendations. The functional organizational concept, originated with Fredrick W. Taylor and it permits a specialist in a given area to enforce his directive within the clearly defined scope of his authority.

A functional manager can make decisions and issue orders to the persons in divisions other than his own, with a right to enforce his advice. Some good examples of specialists who have been given functional authority in some organizations are in the areas of quality control, safety and labor relations.
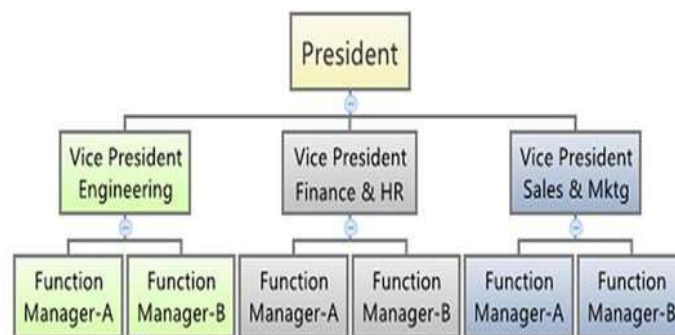
The functional organization features separate hierarchies for each function creating a larger scale version of functional departments. Functional departmentalization is the basis for grouping together jobs that relate to a single organizational function or specialized skill such as marketing, finance, production, and so on. The chain of command in each function leads to a functional head who in turn reports to the top manager.

The functional design enhances operational efficiency as well as improvement in the quality of the product because of specialists being involved in each functional area and also because resources are allocated by function rather than being duplicated or diffused throughout the organization.

One of the main disadvantages of the functional design is that it encourages narrow specialization rather than general management skills so that the functional managers are not well prepared for top executive positions. Also, functional units may be so concerned with their own areas that they may be less responsive to overall organizational needs.

Divisional Organization

The divisional or departmental organization involves grouping of people or activities with similar characteristics into a single department or unit. Also known as self-contained structures, these departments operate as if these were small organizations under a large organizational umbrella, meeting divisional goals as prescribed by organizational policies and plans. The decisions are generally decentralized so that the departments guide their own activities. This facilitates communication, coordination and control, thus contributing to the organizational success. Also, because the units are independent and semi-autonomous, it provides satisfaction to the managers that in turn improves efficiency and effectiveness. This division and concentration of related activities into integrated units is categorized on the following basis:

Departmentalization by Product

In this case, the units are formed according to the type of product and it is more useful in multi-line corporations where product expansion and diversification, and manufacturing and marketing characteristics of the product are of primary concern. The general policies are decided upon by the top management within the philosophical guidelines of the organization.

Departmentalization by Customers

This type of departmentalization is used by those organizations that deal differently with different types of customers. Thus, the customers are the key to the way the activities are grouped. Many banks have priority services for customers who deposit a given amount of money with the bank for a given period of time. Similarly, business customers get better attention in the banks than other individuals.

Departmentalization by Area

If an organization serves different geographical areas, the division may be based upon geographical basis. Such divisions are especially useful for large scale enterprises that are geographically spread out such as banking, insurance, chain department stores or a product that is nationally distributed.

Departmentalization by Time

Hospitals and other public utility companies such as Telephone Company that work around the clock are generally departmentalized on the basis of time shifts. For example, the telephone company may have a day shift, on evening shift and a night shift, and for each shift a different department may exist, even though they are all alike in terms of objectives.

Matrix Organization

Sometimes, an organization's structure needs to be multi focused in that both product and function or product and geography are emphasized at the same time. One way to achieve this is through the matrix structure. The matrix can be used when both technical expertise and product innovation and change are important for meeting organizational goals. The matrix structure often is the answer when organizations find that the functional, divisional, and geographic structures combined with horizontal linkage mechanisms will not work. The matrix is a strong form of horizontal linkage. The unique characteristic of the matrix organization is that both product divisions and functional structures (horizontal and vertical) are implemented simultaneously. The product managers and functional managers have equal authority within the organization, and employees report to both of them.
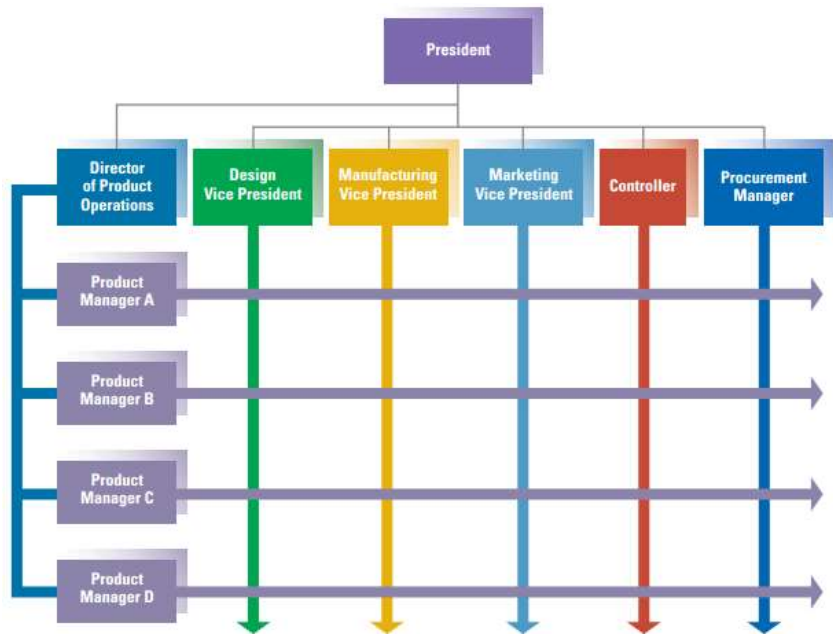
Conditions for the Matrix

A dual hierarchy may seem an unusual way to design an organization, but the matrix is the correct structure when the following conditions are present

First Condition

Pressure exists to share scarce resources across product lines. The organization is typically medium sized and has a moderate number of product lines. It feels pressure for the shared and flexible use of people and equipment across those products.

Second Condition

Environmental pressure exists for two or more critical outputs, such as for in-depth technical knowledge (functional structure) and frequent new products (divisional structure). This dual pressure means a balance of power is needed between the functional and product sides of the organization, and a dual-authority structure is needed to maintain that balance.

Third Condition

The environmental domain of the organization is both complex and uncertain. Frequent external changes and high interdependence between departments require a large amount of coordination and information processing in both vertical and horizontal directions.

Under these three conditions, the vertical and horizontal lines of authority must be given equal recognition. A dual-authority structure is thereby created so the balance of power between them is equal.

Strengths and Weaknesses

The matrix structure is best when environmental change is high and when goals reflect a dual requirement, such as for both product and functional goals. The dual-authority structure facilitates communication and coordination to cope with rapid environmental change and enables an equal balance between product and functional bosses. The matrix facilitates discussion and adaptation to unexpected problems. It tends to work best in organizations of moderate size with a few product lines. The matrix is not needed for only a single product line, and too many product lines make it difficult to coordinate both directions at once. The strength of the matrix is that it enables an organization to meet dual demands from customers in the environment. Resources (people, equipment) can be flexibly allocated across different products, and the organization can adapt to changing external requirements.

One disadvantage of the matrix is that some employees experience dual authority, reporting to two bosses and sometimes juggling conflicting demands. This can be frustrating and confusing, especially if roles and responsibilities are not clearly defined by top managers. Employees working in a matrix need excellent interpersonal and conflict-resolution skills, which may require special training in human relations.

Horizontal Structure

Horizontal organizational structure is a form of managing workers in which decision-making is spread among workers along horizontal lines, as opposed to a hierarchical or pyramidal management structure. The philosophy behind this form of management is that a collaborative model improves morale, productivity and creativity. It is a method often used in organizations that are heavily focused on product development or core business processes. Cross-functional work teams, where workers with expertise in different areas work together on one project, are a common feature of a horizontal organizational structure.

Geographic Structure

Another basis for structural grouping is the organization's users or customers. The most common structure in this category is geography. Each region of the country may have distinct tastes and needs. Each geographic unit includes all functions required to produce and market products or services in that region. The national organization provides brand recognition, coordinates fund-raising services, and handles some shared administrative functions, while day-to-day control and decision making is decentralized to local or regional units.

For multinational corporations, self-contained units are created for different countries and parts of the world. This structure focuses managers and employees on specific geographic regions and sales targets. (Cameron School Of business, 2004).

Organizational Structural Alignment

Ultimately, the most important decision that managers make about structural design is to find the right balance between vertical control and horizontal coordination, depending on the needs of the organization. Vertical control is associated with goals of efficiency and stability, while horizontal coordination is associated with learning, innovation, and flexibility. The functional structure is appropriate when the organization needs to be coordinated through the vertical hierarchy and when efficiency is important for meeting organizational goals. The functional structure uses task specialization and a strict chain of command to gain efficient use of scarce resources, but it does not enable the organization to be flexible or innovative. At the opposite end of the scale, the horizontal structure is appropriate when the organization has a high need for coordination among functions to achieve innovation and promote learning. The horizontal structure enables organizations to differentiate themselves and respond quickly to changes, but at the expense of efficient resource use. The virtual network structure offers even greater flexibility and potential for rapid response by allowing the organization to add or subtract pieces as needed to adapt and meet changing needs from the environment and marketplace.

Relationship of Structure with Organizational Performance
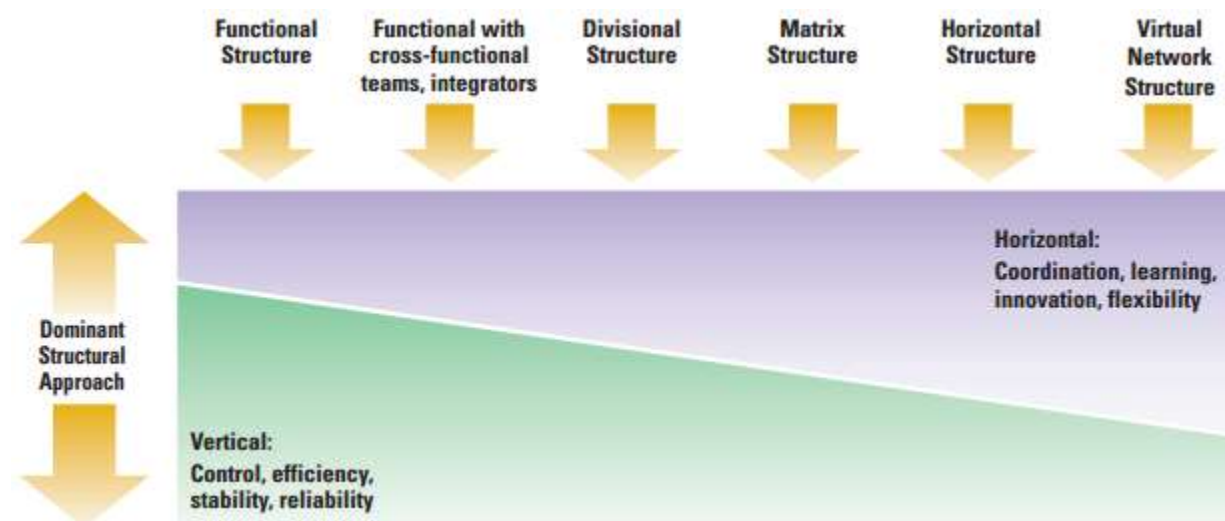
Organizational Structure of Mobilink

Mobilink has a Functional Organizational Structure where there are hierarchies for each function creating a larger scale version of functional departments. Functional departmentalization is the basis for grouping together jobs that relate to a single organizational function or specialized skill such as marketing, finance, production, and so on. The chain of command in each function leads to a functional head who in turn reports to the Chief Officers.

The functional design has enhanced the operational efficiency as well as improvement in the quality of the product because of specialists being involved in each functional area and also because resources are allocated by function rather than being duplicated or diffused throughout the organization.

Departments in Mobilink

In general the whole setup is centralized, all the matters are to be reported to the main company and all the policies and targets are approved at the higher level. But at the department level the structure is decentralized.

The Following departments are currently working:

1. Technical Division
    a. IT
    b. Engineering Access Network
    c. Engineering Core Network
    d. Network Operation Centre
    e. Quality of Service
    f. Project Management Office
    g. Technical Budgeting/Procurement
2. Commercial Division
    a. Marketing
    b. Broadband Service
    c. Business Analysis and Planning
    d. Sales and Distribution
    e. Customer Experience Management
    f. Data Warehouse
3. Customer Care Division
4. Human Resource Division
5. Finance Division
6. Corporate/ Legal
7. Office of Strategy Management
8. Mobile Financial Services

There are seven hierarchical levels and 6 Functional divisions defined in the structure of Mobilink as the size of the organization approaches to approx. 3000 and above employees. Roles and responsibilities are clearly defined at the time of joining the organization; employees are selected against defined criteria. Roles can be added later but employees have a fair idea about their job responsibilities from the beginning.

Hierarchical Levels

Chief Executive Officer

Chief Officers

Vice Presidents

Directros

Managers

Specialists

Associates
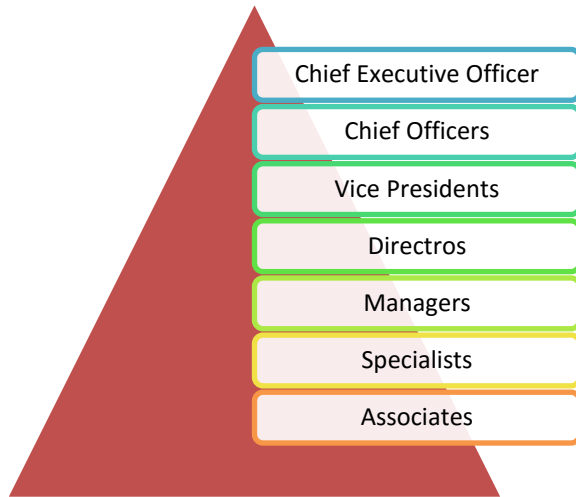
Sometimes these seven layers create communication barriers. Every Functional division behaves differently. For example in the Technical Division there are strict barriers as communications are according to the reporting lines, where as in Commercial division communication is comparatively open.

Span of Control

Span of Control is determined by the role and job responsibilities of managers. It varies from department to department. On average, the span of control is 4-5 people under a manager.

Integrating Mechanisms

Cross-functional teams are a major integrating mechanism. Further there are temporary project teams. No ad-hoc committees have been formed to date. Team-building is not enhanced in any way in Mobilink, where no efforts are made for the members of different divisions and departments to collaborate and communicate holistically. Formal team evaluation does not exist. Employees on teams, for instance finance teams, are rewarded individually. But there are inter-team recognitions awards where one team can nominate the other teams for their good performance.

Centralization and Decentralization

Apart from strategy, all other functions are de-centralized. People at Mobilink Pakistan are generally demotivated to take their responsibilities especially in cross functional projects. Managers in each department oversee that the employees take up their roles and duties and their performance is monitored accordingly. If an employee is losing focus from his core job by taking added responsibilities, he/she is instructed to re-adjust his/her priorities.

Standardization and Mutual Adjustment

At Mobilink, the level of standardization and mutual adjustment varies across functions. Generally strict obedience to rules is not required as long as results are not affected. As long as individual responsibilities and deadlines are met, there are flexible hours of work. Work is important along with the number of hours worked. Employees cannot select their work timings. They are bound to office hours, and late sittings are encouraged, and the perception is created that if you are sitting late you are doing more work. This brings a sense of discomfort in working in such organizational structure. Rules

and procedures are present to control the behavior of employees and to facilitate smooth working of the organization. But the policies and rules are not really followed, instead what is followed in the behavior appreciated by the Level up. A level of standardization is required to be maintained in certain vital functions such as Budget Control. SOPs are documented in the case of the financial control or HR related policies.
.

Formalization

Although the organization has a functional structure, the level of Formalization is not very high. Written Rules & Procedures do exist at the office Level, but at all the levels, Informal channels of communication are most visible. The Policy Manual currently needs to be updated. Mobilink has poorly defined job descriptions that give the details of every job. That is why we see a lot of redundancy in the work of teams despite of having a Functional Structure. Foremost reason for this is the lack of Strategic HR.

Specialization

The degree to which tasks in an organization are subdivided into separate jobs.

Mobilink is highly specialized, since the organizational tasks are subdivided into separate jobs and there is a visible division of jobs between employees.

Division of Executives

- Makes efficient use of employee skills
- Increases employee skills through repetition
- Less between-job downtime increases productivity
- Specialized training is more efficient
- Allows use of specialized equipment
- Can create greater economies and efficiencies – but not always
- Specialization can reach a point of diminishing returns
- Then job enlargement (increasing the scope of a job through extending the range of its job duties and responsibilities generally with in the same level and periphery.), job enrichment (Vertical loading' of a job) and job rotation (assigns trainees to various jobs and departments over a period of a few years) gives greater efficiencies than does specialization.
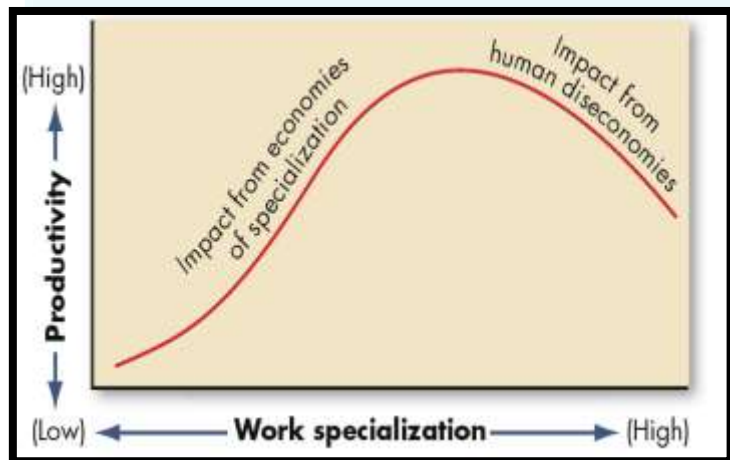
Standardization

Standardization is high at Mobilink, though the procedures are well defined, and the employees perform their tasks in a uniform manner. Standardization is mostly visible in lower and middle level of employees. Rules and procedures are present to control the behavior of employees and to facilitate smooth working of the organization but as new problem arises he discusses with his manager.

Centralization

Strategic Decisions are highly centralized, whereas certain decisions may be decentralized to lower levels. For example, HR decisions are highly centralized. On the other hand decisions taken for the marketing of brand are highly decentralized. The decision is done on the spot, whether to display the Billboard on that specific place or not.

Centralization is there but you can say to some extent there is decentralization. As employees are encouraged to give ideas but actions on these ideas require the agreement of top level management that see the feasibility of the idea.

Professionalism

Mobilink has a decent level of Professionalism. Formal education of the employees

Complexity

Since the organization has a Functional structure as described earlier and has several levels of Hierarchy.

Organizational Culture

Introduction

The culture of an organization is a set of norms, values and beliefs. These have developed over time, unplanned and emergent. However, the culture of an organization is something that can have an enormous impact on the way in which an organization operates, and its effectiveness. It is also something that can be assessed and, if necessary, changed over time. Organizational culture interventions are notorious for their difficulty and duration, but if culture change is needed this should not deter an organization from embarking on the process of change. Indeed, it may be the key to its survival. (Wikipedia, 2015)

Different cultures are reflected in different organizational structures and systems. Indeed, it is important that structures and systems are appropriate to the organization's culture. Also, different people prefer different organizational cultures.

Key Cultures

Management theory (Harrison) defines four key cultures: -

Power Culture

A power culture is frequently found in small campaigning societies. It involves a powerful central character or leader. Its structure is depicted by a web. Power culture usually operates informally, with few rules and procedures. Control is exercised by the center and decisions are taken on the basis of

power and influence. Size is a problem for power cultures, as the web can break if it becomes too large and complex. Then, the only way the organization can remain web-structured is to develop other 'spin-off' organizations, each web structure in their own right.

Role Culture

Role culture is what was previously known as a 'bureaucracy'. The structure can be depicted as Greek temple. Work is coordinated by a manager, or small number of managers, at the top of the structure. The pillars are strong functional departments. The work of these departments is coordinated and controlled by:

- Procedures governing roles e.g. authority definitions and job descriptions.
- Procedures for communications e.g. document distribution and circulation rules.
- Rules for settlement of disputes e.g. appeal to lowest crossover points.

With ultimate coordination and control by senior manager(s). Position power is the major power source in this culture: personal power is not welcomed and expert power only appreciated 'in its proper place'. Rules and procedures are all encompassing. The success of this culture depends on appropriate allocation of roles and responsibilities. Also, a stable environment is necessary for this culture to work – Greek temples tremble when the ground shakes, and collapse under an earthquake. Role culture is frustrating for individuals who are power orientated or want control over his or her own work and the way in which it is done.

Task Culture

The task culture is job or project orientated. Its structure can be depicted as a net. The matrix organization is one structural form of the task culture. Task culture arranges human resources around the project in hand, and lets the team organize themselves (self-determining teams).

Influence is based more on expert power than on position or personal power.

This culture is extremely adaptable, and appropriate for task-centered, mission driven organizations - particularly campaigning organizations – as it enhances creativity and motivation. It is flexible and enables reactivity. However, task culture finds it difficult to achieve economies of scale, or to replicate good success amongst different teams.

Management control is largely ceded, apart from determination of tasks and the allocation of people and resources. 'Control freak' managers would certainly be out of their 'comfort zone' in this culture!

This system can become strained when the organization is short of funding or people. Then, the manager can tend to attempt to wrestle back control, and team leaders can begin to compete for funding or staff resources – leading to a breakdown of team mentality and a move towards power or role culture.

Person Culture

Person culture is not usually found in most organizations. It is where the individual is the focus of the organization. Communes and partnerships (e.g. management consultants or architects) sometimes have this culture. It can be depicted by a cluster.

Determinants of Culture

There are various factors that contribute towards the development of organizational culture. These include:

Owner/Founder: Often the owner or founder will have an enormous role in establishing its culture, although the impact will wane over time. Organizations dominated by the owner or founder will tend to have a power culture.

Size: Culture often changes as an organization grows. For example, as the number of staff and functions of an organization expand, a move towards role culture is often seen.

Organizational Environment: In a rapidly changing environment, task culture may be appropriate. In a static environment, role culture may be preferable. A challenging environment (for example, in times of dictatorship or other challenge, power culture may be appropriate.

National Culture: Different nationalities may work better in different organizational cultures.

Function and Purpose: Different cultures may be appropriate for different functions or purposes. For example, as previously examined, a task culture may be more appropriate for campaigning and role culture for service delivery.

Goals or Objectives: Quality of service delivery is more likely to be achieved under role culture, whereas successful campaigning is more likely under task culture. A power or task culture ismore appropriate for growth goals.

Staff: Different individuals prefer working under different organizational cultures. It may be counter-productive for an organization to attempt culture change if key staff would feel uncomfortable or alienated in the desired culture.

Technology: The move towards increased use of technology tends to push organizations towards role culture, with associated procedures and protocols.

Policies: An organization's policies also become part of its culture, and impact strongly on its work. It follows that these should be formulated and agreed carefully, with full staff consultation.

Hofstede suggested several other types of cultures that are also important here to mention. He suggested things about cultural differences existing in regions and nations, and the importance of international awareness and multiculturalism for the own cultural introspection. Cultural differences reflect differences in thinking and social action, and even in "mental programs", a term Hofstede uses for predictable behavior. Hofstede relates culture to ethnic and regional groups, but also organizations,

profession, family, to society and subcultural groups, national political systems and legislation, etc. Below are his findings:

Power distance - Different societies find different solutions on social inequality. Although invisible, inside organizations power inequality of the "boss-subordinates relationships" is functional and according to Hofstede reflects the way inequality is addressed in the society. "According to Mulder's Power Distance Reduction theory subordinates will try to reduce the power distance between themselves and their bosses and bosses will try to maintain or enlarge it", but there is also a degree to which a society expects there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals wield larger amounts of power than others. A low score reflects the view that all people should have equal rights.

Uncertainty avoidance is the coping with uncertainty about the future. Society copes with it with technology, law and religion (however different societies have different ways of addressing it), and according to Hofstede organizations deal with it with technology, law and rituals or in two ways - rational and non-rational, where rituals being the non-rational. Hofstede listed as rituals the memos and reports, some parts of the accounting system, large part of the planning and control systems, and the nomination of experts.

Individualism vs. collectivism - disharmony of interests on personal and collective goals. Hofstede brings that society's expectations of Individualism/Collectivism will be reflected by the employee inside the organization. Collectivist societies will have more emotional dependence of members on their organizations, when in equilibrium - organization is expected to show responsibility on members. Extreme individualism is seen in the US, in fact in US collectivism is seen as "bad". Other cultures and societies than the US will therefore seek to resolve social and organizational problems in ways different than the American one. Hofstede says that a capitalist market economy fosters individualism and competition and depends on it but individualism is also related to the development of middle class.

Masculinity vs. femininity - reflect whether certain society is predominantly male or female in terms of cultural values, gender roles and power relations.

Long Vs. Short Term Orientation - which he describes as "The long-term orientation dimension can be interpreted as dealing with society's search for virtue. Societies with a short term orientation generally have a strong concern with establishing the absolute truth. They are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. In societies with a long-term orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.

Strong/Weak cultures

Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. In such environments, strong cultures help firms operate like well-oiled machines, engaging in outstanding execution with only minor adjustments to existing procedures as needed. (Wikipedia, 2015).

Conversely, there is *weak culture* where there is little alignment with organizational values, and control must be exercised through extensive procedures and bureaucracy. Research shows that organizations that foster strong cultures have clear values that give employees a reason to embrace the culture. A "strong" culture may be especially beneficial to firms operating in the service sector since members of these organizations are responsible for delivering the service and for evaluations important constituents make about firms. Research indicates that organizations may derive the following benefits from developing strong and productive cultures:

- Better aligning the company towards achieving its vision, mission, and goals
- High employee motivation and loyalty
- Increased team cohesiveness among the company's various departments and divisions
- Promoting consistency and encouraging coordination and control within the company
- Shaping employee behavior at work, enabling the organization to be more efficient

Where culture is strong, people do things because they believe it is the right thing to do, and there is a risk of another phenomenon. "Groupthink" was described by Irving Janis. He defined it as "a quick and easy way to refer to a mode of thinking that people engage when they are deeply involved in a cohesive in-group, when the members' strivings for unanimity override their motivation to realistically appraise alternatives of action." This is a state in which even if they have different ideas, do not challenge organizational thinking, and therefore there is a reduced capacity for innovative thoughts. This could occur, for example, where there is heavy reliance on a central charismatic figure in the organization, or where there is an evangelical belief in the organization' values, or also in groups where a friendly climate is at the base of their identity (avoidance of conflict). In fact, groupthink is very common and happens all the time, in almost every group. Members that are defiant are often turned down or seen as a negative influence by the rest of the group because they bring conflict.

Healthy organizational cultures

Organizations should strive for what is considered a "healthy" organizational culture in order to increase productivity, growth, efficiency and reduce counterproductive behavior and turnover of employees. A variety of characteristics describe a healthy culture, including:

- Acceptance and appreciation for diversity
- Regard for and fair treatment of each employee as well as respect for each employee's
- contribution to the company
- Employee pride and enthusiasm for the organization and the work performed
- Equal opportunity for each employee to realize their full potential within the company
- Strong communication with all employees regarding policies and company issues
- Strong company leaders with a strong sense of direction and purpose

- Ability to compete in industry innovation and customer service, as well as price
- Lower than average turnover rates (perpetuated by a healthy culture)
- Investment in learning, training, and employee knowledge

Additionally, performance oriented cultures have been shown to possess statistically better financial growth. Such cultures possess high employee involvement, strong internal communications and an acceptance and encouragement of a healthy level of risk-taking in order to achieve innovation. Additionally, organizational cultures that explicitly emphasize factors related to the demands placed on them by industry technology and growth will be better performers in their industries. According to Kotter and Heskett (1992), organizations with adaptive cultures perform much better than organizations with un-adaptive cultures. An adaptive culture translates into organizational success; it is characterized by managers paying close attention to all of their constituencies, especially customers, initiating change when needed, and taking risks. An un-adaptive culture can significantly reduce a firm's effectiveness, disabling the firm from pursuing all its competitive/operational options.

Corporate Subcultures

Corporate culture is the total sum of the values, customs, traditions, and meanings that make a company unique. Corporate culture is often called "the character of an organization", since it embodies the vision of the company's founders. The values of a corporate culture influence the ethical standards within a corporation, as well as managerial behavior. Senior management may try to determine a *corporate culture*. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extant internal culture within the workforce. Work-groups within the organization have their own behavioral quirks and interactions which, to an extent, affect the whole system. Roger Harrison's four-culture typology, and adapted by Charles Handy, suggests that unlike organizational culture, corporate culture can be 'imported'. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole.

Competitor's Cultural Analysis

When the discussion is about a subject, it is better to evaluate the surroundings and those who operate in the same environment as the subject in order to have an idea about the pros and cons of the subject. That's why it is important to study the culture of the competitors of Mobilink Pakistan before having a debate over Mobilink's own culture.

Telenor

The current culture of Telenor Pakistan is deemed one of the best within the country due to repeated stress on the openness of the employees including sitting arrangements and no physical hierarchy as well as promotion of an egalitarian system that encourages males and females to apply for every vacant position and that is why are given equal opportunity to compete. The culture at Telenor is top down,

the top employees establishes the tone of the organization. The top level employees take good care while performing any task or action, because it will have to be followed by the subordinates. Things are properly informed to everyone. There is no means of getting misinformation. The employees are provided with the recreational activities, by sending to hilly areas to get fresh and also perform certain work tasks which are to be completed in normal routine. They get motivated well by having recreational activities.

Ufone

Ufone has a parent firm which is a semi-government organization which means that bureaucracy exists there as well. The internal processes are not aligned well and getting the work done involving multiple teams requires extensive amount of effort and commitment. People at Ufone have realized that for having competitive advantage they have to come up with customer friendly solutions therefore, the HR has decided to bring a cultural change in order to better align the resources as per their strategy hence in coming days it might work its way out of the bureaucracy and implement an open and competitive culture.

Zong

Zong is the youngest of all of the operators in Pakistan. It is owned by China-Mobile which is the world's largest cellular operator by subscriber base. However, it has a very strong influence from the Chinese culture which requires being simple and straight forward and hardworking with minimal resources. This culture is largely at contrast with Pakistani culture in general hence adjusting in the organization for new employees require time and compromise. When compared to the other corporate cultures of the telecom industry, Zong has a culture which strongly promotes innovation.

Because of its parent firm's larger stream of profits, Zong can afford to play with the market and is already doing so. Employees at Zong know that if they come up with an idea that will cause disruptive innovation, it will be encouraged by the management therefore, Zong is not only disturbing the market in general but is promoting a culture where both innovation and hard work is considered an automatic trait for its employees and probably that is in line with its strategy of gaining customers faster than all other operators.

Warid

Having the lowest number of subscribers, Warid is in deep trouble on profits as well and because of that the culture has largely been affected by this. The employees feel frustrated and there is virtually nothing that the top management can do to bring a cultural change lead by a strong comeback potential in the market. They are low on resources and their market share was easily taken away by their competitors especially Zong.

Culture of Mobilink

Mobilink has been operating in the market since 1994. For a very long time it was the sole player in the telecom industry, and therefore enjoyed good profits and market leadership. As the telecom industry was deregulated later on and new competitors entered, problems started to arise for the company. Though the company is still leading in terms of market share, but the reality is that it is struggling now. The foremost reason is it inability to change with the rate of external environment. The speed of growth of the other competitors was not foreseen as effectively as it should have been. Mobilink's success bred complacency which in turn led to inaction for a number of years. As a competitor it did not play as aggressively as it should have and ended up losing a lot of it market share to Telenor and other operators. There are many stories of successful companies which eventually fall, because people in organizations fail to take to continue to take those necessary actions which they had done before. The downfall begin when they stop improving, changing and growing the organizations. Many leaders and staff who are in successful companies reach a point which they feel they no longer need to take those actions. They ride on their laurels. Instead of making things, happen, they are immobilized by status quo. They become passive and wait for things to happen. They hope that the momentum created by the success will move things forward on their own.

Over the years Mobilink has developed a culture of bureaucracy. There are a number of reasons for it. To begin with the company had been in the ownership of Egyptians (Arabs) for more than 15 years. This has reflected upon the way the higher management behaves with the rest of employees. Currently higher management is treated like a God in Mobilink, who have all the authority to do anything and everything. There is a special floor in the building where the Vice Presidents of the Company reside and it is not accessible to the rest of the employees. The point here is the way things are operating in the status quo, in case of an issue the with a person level up in hierarchy one doesn't stand a chance; regardless of whatever the policies say.

Another major reason for such kind of Government Organization like culture is a lack of powerful policy enforcing department. In an organization policy making and providing guidelines is the responsibility of HR Department. In Mobilink we see that over the years HR has played no significant role in this regard. With its role being just administrative; HR has just been personnel management. The role of HR depends also on the perception of their expected role. In Mobilink Line does not think highly of HR. In most of the practices we see that HR doesn't even have an advisory role, it is

more of a non-strategic, non interventionary; hand maiden kind of a role, where they are just required to reactively provide service on the request of line.

Culture and organization development as a whole is the concern of human resource function. Policies have been made in the company, but no steps have been taken to ensure that they are rightly followed. It is on the discretion of the management whether they want to follow it or not. Without facing any repercussions, rules are being broken. It is the mindset of line managers as they have had the power forever. Since the beginning line has been responsible for basic HR practices like recruitment and selection, rewards, and performance management. This has reinforced their belief of being the only powerful authority. The belief of the line that it's their right to act the way they do by the virtue of their authority, and their inability to understand that they have not been trained for the HR responsibilities has created a lot of problems for the company. People have become resistant to any form of cultural change or new ideas. An example of their rigidity was witnessed when HR initiated succession planning 2 years back with the line and the idea was met with an extremely negative reaction and rejected the initiative totally with the opinion that they are indispensable.

Furthermore something that is evident in the culture is lack of company loyalty. Every division seems to be working for their own agenda. Lack of acceptance of mistakes and putting the blame on each other is the way of working over here. There is no unitary perspective in the organization. The lack of company loyalty emerges from the missing emphasis on core values of the company. We don't see the basic core values of the organization being practiced, by the employees at any level. Examples where people are wasting the company resources and not working passionately for customer satisfaction are also readily available. For instance in a meeting with Technical Operations fuel theft on the cell sites was being discussed, and some people in the management were of the opinion to use double the amount of fuel required so that if some of it stolen it won't make much of a difference. This is the kind of careless attitude some people in the senior management have.

Mobilink management have developed complacent attitude that has created blind spots in people towards the need for growth and change. These spots refer to those critical areas that need to be taken care of, but are ignored because either people are not aware of them or they refuse to acknowledge them. Senior Managers who have been a part of the company for a very long time have developed blind spots in many areas because of their refusal to see the changes around them and their impact they have on their companies. The strings of achievements and successes they achieved in the past

when Mobilink was the only player in the market have "blinded" them towards areas of potential dangers. Often the success brings out the sense of arrogance and over confidence in leaders. These elements cloud their thinking and block their understanding of the actual issues that are happening. Blind spots developed because leaders are blinded by past successes and thus have the vision of their future blocked.

Chapter # 3

Alignment of Strategy with Structure and Culture

Relationship between Strategy and Structure

An organization's strategy is its plan for the whole business that sets out how the organization will use its major resources. An organization's structure is the way the pieces of the organization fit together internally. It also covers the links with external organizations such as partners.

For the organization to deliver its plans, the strategy and the structure must be woven together seamlessly.

Organizational structures need to be designed to meet aims. They involve combining flexibility of decision making, and the sharing of best ideas across the organization, with appropriate levels of management and control from the center. For too long, structure has been viewed as something separate from strategy. Revising structures are often seen as ways to improve efficiency, promote teamwork, create synergy or reduce cost. What has been less obvious is that structure and strategy are dependent on each other. You can create the most efficient, team oriented, synergistic structure possible and still end up in the same place you are or worse. (First Concepts, n.d.)

The Connection between Strategy and Structure

Structure is not simply an organization chart. Structure is all the people, positions, procedures, processes, culture, technology and related elements that comprise the organization. It defines how all the pieces, parts and processes work together (or don't in some cases). This structure must be totally integrated with strategy for the organization to achieve its mission and goals. Structure supports strategy.

If an organization changes its strategy, it must change its structure to support the new strategy. When it doesn't, the structure acts like a bungee cord and pulls the organization back to its old strategy. Strategy follows structure. What the organization does defines the strategy. Changing strategy means changing what everyone in the organization does.

When an organization changes its structure and not its strategy, the strategy will change to fit the new structure. Strategy follows structure. Suddenly management realizes the organization's strategy has shifted in an undesirable way. It appears to have done it on its own. In reality, an organization's structure is a powerful force. You can't direct it to do something for any length of time unless the structure is capable of supporting that strategy.

Marriage of Strategy and Structure

Strategy and structure are married to each other. A decision to change one requires an all-out effort to change the other. But that structural change must be well thought out and based on a thorough cause and effect analysis. You don't just change a structure to change it. You have to make sure the changes will support that strategy. At the same time, you don't just implement a better leadership and engagement approach in a company or alter the organizational chart without evaluating how that is going to affect the firm's ability to carry out its current strategies.

Impact of Strategy on Structure

Both Strategy and Structure are connected and dependent on each other, they can be separately and independently controlled. Top management can decide to change strategy and also decide to not make any changes to structure. Or they could revamp structure but not change strategy.

When you change one, it will change the other because of the dependent relationship and if organizations don't realize the relationship of strategy and structure they get in trouble. They change one and don't realize how it will alter the other. Then the other one changes and in a way that hurts them.

When we change a strategy, we need to review the entire organization structure to make sure the organization can do what the strategy calls for. If a firm decides to upgrade its service to become a top service provider, it has to look at what changes are needed in all areas that affect customer service. If the firm simply decides to embark on this new strategy and promote it without making structural changes, they will lose their market because they won't be able to deliver on the promise.

Whatever a firm does strategically whether it's to become a low cost provider, sell through multiple channels, become an innovator, deliver better service, change the markets it serves, or other major changes, it must make major changes in its structure to successfully perform these strategies. They all call for some type of investment, addition or change to what employees do, and much more. The structure must support the strategy for it to succeed. You can't change a strategy without changing the structure because the strategy won't be implemented.

Over time, a strategy can have a major effect on an organization especially if it has set out to be a top service or quality provider or leading innovator. These call for a continual improvement in how the firm performs. You have to keep finding ways to do things better and new ways to improve what you do. So over time, you keep adjusting the structure in order to maintain the strategy. If you don't, what started out as great quality or service will end up being just okay quality and service a few years later. Successfully running a business today means you have to be continually changing and improving it to stay with the market and customer. (Business Case Studies , 2007)

Impact of Structure on Strategy

The structure of the organization will determine if the strategy can even be implemented and under what conditions the organization can deliver the strategy. Structure is everything that makes up the organization including its people, leadership, infrastructure, capital, technology and more. It's all the parts and pieces that make up the organization and what it does.

If an organization changes its strategy and starts implementing it, the success of this endeavor depends on the structure. Organization can't successfully implement a strategy the existing structure doesn't support. The implementation of strategy starts by reconfiguring the structure so it will support the new strategy. That may involve creating new departments, hiring people with expertise the organization now lacks, upgrading the skills and attitudes of everyone working for the organization, changing the organization chart, accessing more capital, developing new technology and software, changing physical facilities by either increasing or decreasing them, developing new methods of logistics and distribution if appropriate and so much more.

The Strategy-Structure Paradox:

It is a Paradox between strategy and structure which came first; it is same like the chicken and egg paradox, that which comes first the chicken or the egg. For that question, the argument can go either way.

Strategy defines what business you are in, who you serve, how you serve your markets, and how you do this in a way that gets enough customers to buy from you a profitable price. There is no way to know what structure an organization needs until it defines its strategies. The organization structure including capital, people, infrastructure, assets, systems and so on can only be known once the strategy is known.

If you don't have a strategy, how in the world can you know what type of organization structure you are going to need? While strategy and structure are indeed married to each other, it's always strategy that must lead the charge.

Strategy always comes first. What is the purpose of a structure? Why does the structure exist? What result is the structure intended to produce? Creating a structure just to create a structure serves no purpose and requires the expenditure of money without any thought about a return.

Strategy defines what customers and markets an organization serves, what they are offering those markets, what makes them different and better than their competition, how they will offer this at an attractive price that they can make a profit at and much more. You have to know what you are offering, who you are offering it to and why you are offering it to them before you can create a supporting structure to carry out these strategies.

Once you have created that structure, you then have to closely monitor both the strategy and the structure over time. If you make any adjustments in the strategy, you need to adjust the structure to support those changes. If you discover that something needs to be improved in the structure, you need to carefully consider whether those improvements will help or hinder the firm's ability to execute its strategy.

Many firms work on improving their people, systems, organization, culture and more. This is a good thing because they want to always be the best at what they do and that means continuous improvement. Too often, this is done without considering its effect on strategy and that's where some firms get into trouble. Continuous improvement in how well things are done has to go hand in hand with continuous improvement in strategy.

Strategy-Culture Analysis

The alignment of culture as per strategy is a must-have in any organization and the same applies on Mobilink as well. The current strategy focuses on three main areas:

- Focus on Customer Centricity
- Focus on Operational Excellence
- Focus on Mobile Internet

As previously mentioned the voice & SMS services have reached maturity in the industry whereas the mobile internet and mobile financial services have only recently started to gain momentum and thus are in the growth phase.

Phase	Early Market	Growth Market	Mature Market	
Culture Types	*Cultivation*	*Competence*	*Control*	*Collaboration*
Cherishes	Self-Actualization	Achievement	Order and Security	Affiliation
Celebrates	Creativity	Top Performers	Making the plan	Team Work
Prioritizes	The Idea	The work	The System	The people
Asks	Why?	How?	What?	Who?
Leads By	Charisma	Expertise	Authority	Process
Organizes As	Little as possible	Work Projects	Hierarchy	Persistent Teams
Recruits for	Brilliance	Competitiveness	Loyalty	Trustworthiness
Strategy Disciplines	*Disruptive Innovations*	*Product Leadership*	*Operational Excellence*	*Customer Intimacy*

There may not be a single right answer now to what exactly the culture should be but perhaps a debate is required to reach a logical conclusion. And then of course, culture is only one part of the strategic execution puzzle, structure, goals, performance metrics, portfolios, programs, projects etc. all need to be aligned. The analysis is shown in tabular and comprehensive form on the next page.

When an organization is offering different services then the strategy also needs to be different for those however if there is a common ground between the two then the balance needs to be there among respective strategies. The common ground in Mobilink's case is GSM services. Both the Internet and Voice/SMS operate via the GSM channel hence where there is a need for having a different strategy for both, there needs to be a balance between both for optimal results. As evident from the above table and its preceding industry curve, the appropriate strategy disciplines are 'Operational Excellence' and 'Customer Intimacy' and as mentioned earlier, Mobilink's Strategy is exactly the same along with focus on mobile internet 3G along the lines. Similarly, it can also be observed from the table that the respective culture types should be 'Control' and 'Collaboration'.

Operational Excellence

Operational Excellence is an element of organizational leadership that stresses the application of a variety of principles, systems, and tools toward the sustainable improvement of key performance metrics. (Wikipedia, 2015)

There are several ways of achieving operational excellence which most of the intelligent organizations are aware of and are incorporating them into their routines. These include TQM, Six Sigma, and SLAs etc. Speaking about Mobilink the operational excellence mostly exists at the Technological angle where the extended load shedding and government regulations have enforced cellular operators to become intelligent and look for better and cost effective ways of operations. Be it using bigger UPS batteries to save fuel for a signaling tower or using solar power, Mobilink has done everything within its budget and reach to improve the operational excellence.

Also the dependence of internet and Voice/SMS services all depends on the erection of a working signaling tower, hence operational excellence is independent of services due to signals for both internet and Voice/SMS being sent and received via the same tower. It also deals with having repeatable and consistent processes that help sustain the operational excellence initiative.

Customer Intimacy/Experience

Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective.

Mobilink has recently started working on having a customer centric approach. The top management has realized that the maturity of the Voice/SMS services has pushed them to being customer centric hence they need to get a strong hold of their existing customers due to low growth potential left in the market. For this the company has established Department of Customer Experience working for the 'Usability' of products & services, and on improving the NPS Scores for the organization. They

involve engaging the customers and being constantly in touch with them and asking them what their preferences are. It is one step ahead from the competitors that instead of offering services based on customer's historical preferences, Mobilink asks them about their wishes and aligns its services accordingly. Also Mobilink is now creating Loyalty programs for all kinds of customers based on Reward points Systems that the customers can redeem on non-telco benefits. For being more customer centric the organization has also created separate teams for High Value customers.

Mobile Internet Data Revenue

As discussed in detail in this report, the emergence of internet and 3G/4G services in Pakistan and in Asia overall is something which cannot be denied and the price wars between the competitors have lead to an abrupt shift in the industry lifecycle of Voice and SMS and thus the focus has now shifted towards internet.

It is also the strategy of VimpelCom group that for all of the business units operating in Asia, the internet will be the primary driver of profits for the next couple of years and as the analysis performed in the report reveal that internet is in its early stage in Pakistan and Mobilink can make use of this huge opportunity and devise internet related products and create a strong demand for internet in the country.

Mobilink's current practice is more towards control Culture theoretically. In reality there is a lack of organizational culture as a whole. Alignment of culture can only be discussed if there are some norms present at an organizational level. However in Mobilink it's all about personal agenda's; to talk about culture being strategically aligned would be farfetched.

c
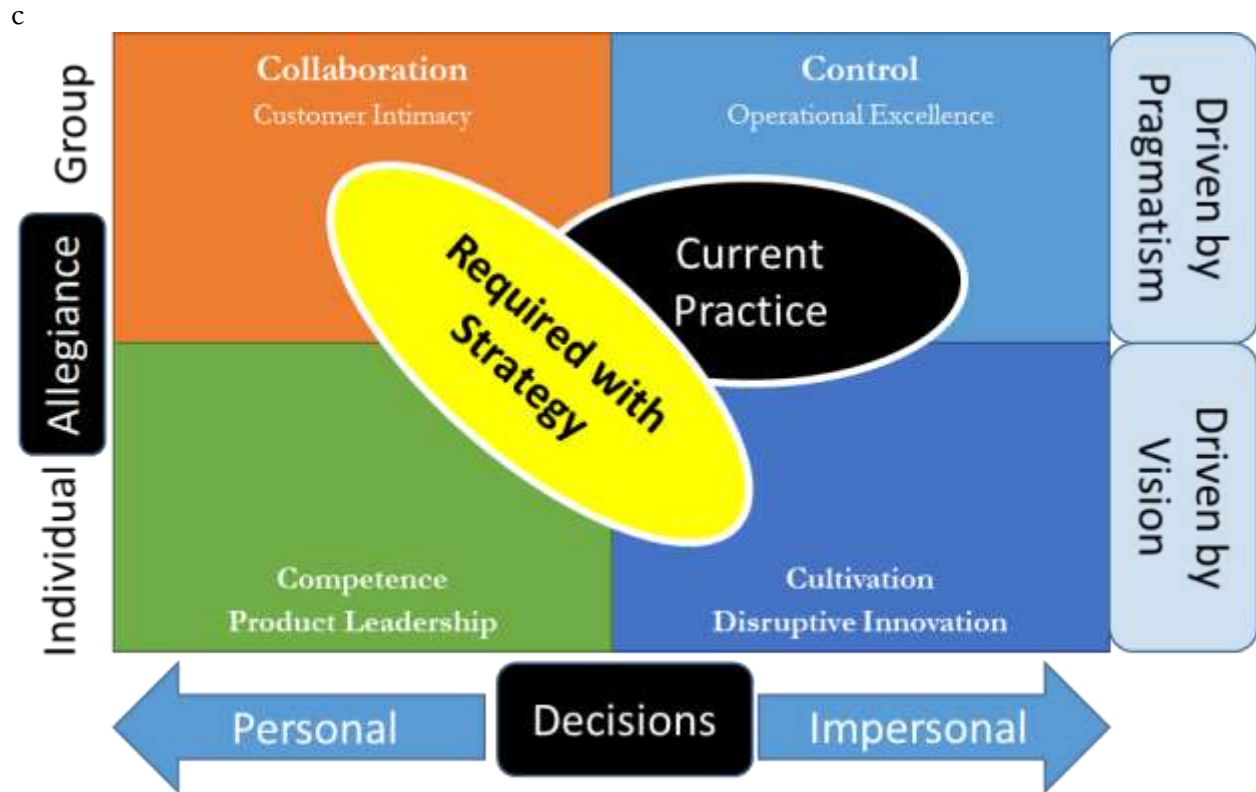
Because our strategy is based on profitability from Mobile data revenue which is still in early stage and a growing marking our culture should be based more on Collaboration/Competence and Cultivation. However the importance of control can also be not denied.

However, the catch is that there is a very less focus on Cultivation and Competence which is why there is no real motivation for anyone to become innovative. Since the ideal culture for Mobilink given the circumstances clearly stresses out importance on Collaboration, Cultivation and Competence hence there is a major gap between what is preached and what is practiced. The practiced culture is certainly not in line with the strategy of the organization and hence there is no competitive advantage as well when it comes to being aligned with the strategy in both culture and structure. In such a situation, there is confusion whenever the company comes up with a new strategy because when the new strategy is revealed to the employees, they get confused over the new expectations from them and because no cultural change is made for the new strategy, the employees don't feel the need for changing their attitudes and behaviors for the new strategy. Hence from the top management's point of view, this is not the ideal state. Therefore the question of who Mobilink really is becomes debatable. Because for the telecom industry and to the masses, the overall corporate culture of Mobilink might be better than the competitors but when compared to their own strategy, it's not what it should be and hence a gap exists between what is preached and what is practiced.

Control Culture
As mentioned in the table, when Operational Excellence is the focus, a control culture usually aspires to exist. It solely deals with having a firm monitoring system and having a control over employees thus having them work as per the set processes and SLAs so that the excellence, if any, is sustained enabling the company to thrive on that platform. It exists in order to not let one or two groups become powerful over the others hence the control remains with the management. At Mobilink, a control culture exists which may or may not be a result of having the strategy of being operationally excellent. But this type of culture is appropriate for Voice & SMS only.

Collaboration Culture
A collaboration culture exists where employees and stakeholders are open to helping out each other and achieving the goals together. It gives a sense of unity among the employees where everyone understands the strength of working as a team and strives to achieve common goals and interests. At Mobilink there does not exist a collaboration culture which is primarily because of the top management's lack of stress on organizational unity and culture plus having no policies that enable this culture effectively.

Cultivation Culture
The cultivation culture means that exploring new ideas and new ways of work and innovation is encouraged and acknowledged. This is the primary reason why firms like Google and Facebook have succeeded in the recent years. Their process-free culture that listens to anything the employees can think of has lead their firms to great heights and has given their firms a huge competitive advantage. At Mobilink the cultivation culture only has traces where the only teams that have this type of culture are the ones where the line managers seem to understand the requirement of this sort of culture and therefore they encourage their subordinates for it. As depicted in the strategy-culture analysis, the focus on internet is the need of the hour and for that the cultivation culture is most relevant type of

culture. But since this type of culture does not exist in Mobilink, a cultural change management needs to be brought in for aligning the overall culture of the organization with the strategy.

Competence Culture

As the name states this type of culture involves having a sense of competence in the minds of the employees. A culture of competence instills that the organization of which the employees are a part of needs to have some sort of competitive advantage over the others and thus 'product leadership' should be the focus.

The pinnacle of every business strategy is to gain a sustainable competitive advantage and that can only be achieved if a competence culture exists in the organization. For Mobilink, the competence culture suits the strategy for internet as well as for Voice and SMS because the competence culture is not specific to a single matter or situation. It is rather a trait and quality that is good to have in every situation and market conditions. As the grid indicates, the competence culture is primarily driven by vision and doesn't involve personal decisions rather it works best when multiple resources are aligned for achieving the level of competence required.

Relationship between Organizational Culture and Structure

The relationship between organizational culture and organizational structure is an important theme that is often overlooked. The two can be difficult to clearly distinguish from one another, and even more so to clearly define within an institution. Organizational structure works within an organizational culture, but it is not completely separate. The two are very much intertwined.

Organizational culture is more of a larger picture, a more general term that refers to a large umbrella of smaller topics and issues within an organization. The structure refers to the infrastructure, and the various methods and practices within that infrastructure, that helps an organizational culture run with the efficiency and consistency that should be the hallmark of any healthy organizational structure, whether it is in a corporation, sports team, or any other set up that is large enough to create its own organizational culture.

This makes the structure an integral part of any organizational culture, but also narrows out a very specific segment of the culture as its own responsibility. Organizational structure will deal primarily with the setup of the culture. How management works, which specific responsibilities supervisors have, how a complaint is passed through the ranks-these are all issues within the organizational culture that are directly tied to how an organizational structure works. The structure is not limited to those three examples, but it would certainly include all of them.

Another common way to describe how structure works is to say that organizational structure is the way in which the interrelated groups within and organization are set up to allow them to function smoothly from a larger standpoint. The two main purposes of a successful organizational structure is to ensure effective communication between various parts of the company, as well as to increase coordination between different departments.

Some theorists have even broken down the concept of organizational structure into several categories to describe the phases which businesses go through as they grow in size and scope. The first is the pre-bureaucratic structure, which is mainly known for lacking a structure that standardizes tasks. This set up is great for small businesses, and ones that don't have many repeat scenarios, and therefore have to be adaptive.

The next level is bureaucratic, which is where there is larger organization which requires a degree of standardization in paperwork, processes, etc. While bureaucracy has a negative connotation, it can be a good thing in small doses, especially in tackling issues that will become recurring themes in larger businesses. There is also the post bureaucratic, which has a more nebulous definition and is seen as more of a theoretical term, but might be referred to more recent, cultural based models of leading.

As you can see, the relationship between organizational culture and organizational structure can be hard to tell apart, but in a fully healthy culture that is exactly what should be expected when all is functioning normally.

It can also be said that the structure is a framework for the culture to be implemented, while the culture dictates how the company should be structured. So, no matter how big a company, if its culture starts to disintegrate, it is only a matter of time till the structure also follows.

Business performance in a Functional Organization structure can be severely affected by the time it takes for the flow of communication through the different levels of the hierarchy making the organization very slow to adhere to the new technology, the political situations, the economy, cultural changes or social factors and legal issues. It generally has a narrow span of control which may cause restrictions in individual expression and power which causes job dissatisfaction and de-motivation. The level of motivation employees possess will affect their output affecting business performance. Employees might not understand the bigger scenario and the significance of their individual work. Employees may have a bad perception towards work or because everything is so clearly defined and communication is limited, this could result in an indifferent nature and attitude even greater affecting employee relations, affecting motivation, resulting in low business performance.

On the other hand a Divisional Organizational structure has greater flexibility because of low levels of management. This fast attribute to change makes it competitive, able to adjust to customers wants and needs very fast, giving it better performance. Better communication encourages individual through initiative and power to make decisions giving the feeling of self-freedom, causing highly motivated employees, which affects business in a very good way. This is also dependent upon the individual personalities and networking within the organization. If people work with each other or have a tendency to percept what others say or do differently it could affect employee relations and output affecting business performance. This is why employees need to be selected who will fit the organizational culture so that there will be excellent work relationships.

Matrix being the newer organizational structure, it is a bit different from the old thinking of the typical boss; it also redefines the idea of hierarchy or individuals use of organizational power to make

decisions but that of expertise power of employees. The task culture is reflected in the matrix organization and there is at times no clear leader within each team. These shifts give rise to employee's high job satisfaction because of individual participation and the group identity thus affecting business performance, simply because motivated employees work better.

Comparison with Telenor

Telenor Group is one of the leading mobile operators in the world, with 196 million mobile subscriptions, mobile operations in 13 markets, as well as an interest of 33 % in VimpelCom Ltd., operating in 14 markets. Telenor Group provides tele, data and media services in the Nordics, Central and Eastern Europe and Asia, with main revenues coming from mobile operations (Telenor, 2015)

Strategy
In this strategy period the focus of the Telenor Group is on growth and value creation. Telenor Group's ambition is to create such growth both in traditional telco business through monetizing the large data growth, in current digital positions within M2M, Online Classifieds and Financial Services, and in potential new digital positions. (Telenor, 2015)

Strategic ambitions for our telco business
Keeping a strong position within communications and connectivity services will still be the main priority in the short to medium term. To deliver on our aspirations on growth, value creation and a retained retail position within communications services and connectivity, we have established three strategic ambitions for 2015-17. (Telenor, 2015)

Internet for all
Telenor believes an increase in ARPU will be an important driver for growth in the strategy period. Through the Internet for All – ambition, we will aim to increase the revenues for all users through i) enabling use, ii) stimulating usage, and iii) monetizing data usage. (Telenor, 2015)

Loved by customers
Telenor is experiencing saturating subscriber growth in most of our markets. To achieve above industry growth going forward, Telenor needs to strengthen the relationship with our current customers, and turn them into promoters of our services. (Telenor, 2015) To become Loved by Customers we need to have a strong customer understanding, be a truly caring organization, deliver valued services and products, and to offer a superior touch point experience. (Telenor, 2015)

Efficient operations
Over the past years Telenor has shown a steady increase in EBITDA and Operating Cash Flow. To maintain this trend, keep the competitiveness and stay relevant to the customers, Telenor needs to constantly work at being more cost efficient through the entire organization. New operating models, granular performance management and deployment of future proof technology allow Telenor to operate in a cost efficient way, and to focus our attention and resources on the most value creating activities. (Telenor, 2015)

Our key enablers

In order to deliver on our ambitions for 2017, we focus on two key enablers: passionate employees and local impact (Telenor, 2015)

Passionate employees

Telenor is to remain a growth company providing communication, connectivity and selected Internet services to the retail market. This requires the right culture, people and organization to retain our position within communication and connectivity services, and further strengthen our position in the digital space. We believe an important driver of success is having the most engaged employees in the industry. (Telenor, 2015)

Local impact

Telecom is a regulated industry, and Telenor is operating in some very unpredictable licensing regimes. At the same time, we provide vital digital infrastructure that empowers both people and nations to grow and prosper. The Local Impact ambition is about securing our license to operate as well as creating business and societal value from connecting everyone and driving vital services like Financial Services, mHealth, etc. (Telenor, 2015)

Strategic ambitions for digital positions

Telenor has taken positions in M2M, Online Classifieds and Financial Services. We will develop these assets to accelerate the growth of Telenor. The ambition for the adjacent verticals is that they should be a significant contributor to the growth and value creation of Telenor in 2017, both through organic growth and selective M&A. (Telenor, 2015)

Vision, Mission and Values

Our industry plays an increasingly important role in people's everyday lives. Our vision, mission and values express where Telenor is headed and the role we will play both in transforming people's lives and empowering societies to grow and progress. (Telenor, 2015)

Vision
Empower societies
We provide the power of digital communication, enabling everyone to improve their lives, build societies and secure a better future for all. (Telenor, 2015)

Our vision to empower societies is a clear call to action. We bring vital infrastructure, new services and products that stimulate progress, change and improvement. (Telenor, 2015)

Mission
We're here to help our customers. We exist to help our customers get the full benefit of being connected. Our success is measure by how passionately they promote us. (Telenor, 2015)
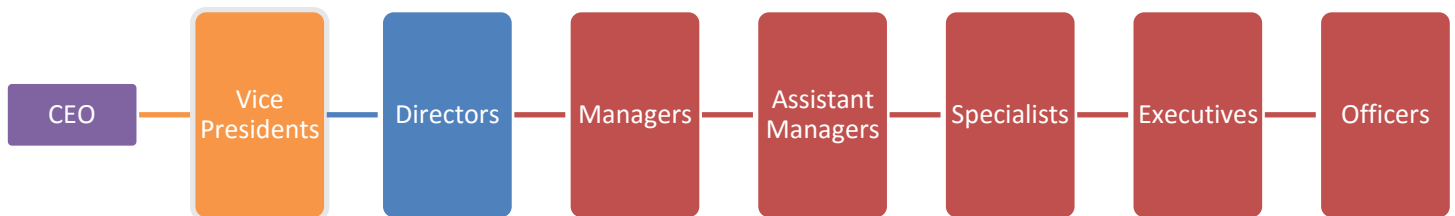
Values
Telenor values serve as a guide for our everyday work. They describe how we should serve our customers and work together as colleagues. (Telenor, 2015)

1) Be respectful

    We acknowledge and respect local cultures and want to be a part of local communities wherever we operate. (Telenor, 2015)

2) Keep promises

    We're about delivery, not overpromising. We're about actions, not words. (Telenor, 2015)

3) Make it easy

    We don't complicate things. Everything we produce should be easy to understand and use. (Telenor, 2015)

4) Be inspiring

    Everything we produce should look good, modern and fresh. We find new ways to improve and create value – for people and society alike. (Telenor, 2015)

Structure and Culture of Telenor Pakistan

There are seven hierarchical levels as the size of the organization approaches 2500 to 3000 employees. Roles and responsibilities are clearly defined at the time of joining the organization; employees are selected against defined criteria. Roles can be added later but employees have a fair idea about their job responsibilities from the beginning.

CEO — Vice Presidents — Directors — Managers — Assistant Managers — Specialists — Executives — Officers

Seven layers do not create communication or motivation problems due to the open culture. There are no instances of de-motivation though in certain areas like Customer Relationship Department or Customer Service Centre different customer queries and complaints can raise frustration levels. Managers in these departments intervene to solve problems. Whenever an employee has a new idea, he/she is encouraged to approach the management and share it with them. Idea drop boxes are also placed at various locations where employees leave their suggestions. The Communications Department works out if the ideas can be implemented and then discusses them with the employees. There is also a formal platform at the group level known as SEED where innovation is encouraged and new ideas about revenue concepts and cost efficiency can be discussed. Employees are welcome to participate and submit their ideas. If the ideas handed in are feasible then they are implemented in the organization (at country level or global level, depending on the nature of the proposal). Employees are then rewarded financially for their helpful contributions.

Team-building is enhanced by Away Days when members of different divisions and departments take some days away from work to meet other geographically spread employees of Telenor. Sometimes the whole department goes away from work for 2-3 days to have fun. Employees get to know those with whom they have communicated before but not met in person. Formal team evaluation does not exist. Employees on teams, for instance finance teams, are rewarded individually.

All functions are de-centralized. Managers in each department have the responsibility for their employees that they take up their roles and duties and their performance is monitored accordingly.

Commercial Division
The Commercial Division is responsible for understanding our customers' needs, the market and the competition. Our marketers are primarily responsible for developing the Company's go-to-market strategies, promotions and products, brand philosophy and communication.

Customer Care Division
The Customer Care Division is responsible for managing all customer service touch points including the call center and our sales & service centers located across the country.

Human Capital
The value Telenor places on our employees knows no bounds and this division reflects our commitment to the company's most important asset, its human resource.

Technology
Planning, Implementation and Operation of our expansive network is the core responsibility of our **Technology** Division. It also provides enterprise services internally that enable us to work and share information.

Financial Services
The Financial Services department manages the mobile financial services launched by Telenor Pakistan and Tameer Microfinance Bank under the 'Easypaisa' banner. The vision of Easypaisa is to provide convenient, reliable, secure and speedy financial services

Finance
The Finance Division aims to fulfill all financial requirements while minimizing the risks involved on the financial and accounting sides to ensure Telenor remains a vibrant and healthy enterprise. Careers in finance include areas such as Business Planning & Analysis, Risk & Assurance Management, Financial Control, etc

Corporate Affairs

These areas promise exhilarating career options for those who enjoy working on stakeholder management, long term strategy and special projects. Career opportunities are available in areas such as Corporate Communications & Responsibility, Legal, Regulatory and Public & Government Affairs

Telenor Shared Services

Telenor Shared Services Pakistan is a wholly owned subsidiary company of Telenor Pakistan, incorporated in July 2009. TSS careers include working on international initiatives that allow making our business across our OpCo's more efficient and reliable.

Work Environment

We believe in creating a work environment that allows you to work when and where you want, enables you to communicate freely with your co-workers and managers, and ensures your safety and well-being. (Telenor, 2015)

Flexible working hours

> At Telenor it is believed that employees perform best when they enjoy the benefits and flexibility that our communication technology allows: with a laptop, a cell phone and network access, you can do your job almost anywhere, at any time. Parents can combine work and family in a way that better suits their schedule; employees who like to work at odd hours may do so. It is up to you. Work is something you do – it is not a location. (Telenor, 2015)

Learn and create in open landscape

> At Telenor there are no individual offices. Open-plan office solutions were first installed at the Telenor headquarters in Norway in 2002. Since then all the offices have adopted, or started to adopt, similar office structures. According to a study carried out by the independent research group SINTEF, employee satisfaction with the physical work environment increased after the new offices were installed. (Telenor, 2015)
>
> Open-plan offices make it easy for employees to communicate with one another, solve problems and share knowledge. Open space makes managers and employees talk more freely, and encourages communication and new ideas. In the end, it makes each employee, as well as the entire organization, more efficient. (Telenor, 2015)

Art and design spur creativity and enthusiasm

> Telenor wants to inspire people with exhibition quality art, located, not in a museum, but in the office buildings and in their structures. An aesthetic work environment is inspiring and enhances the well-being of our employees, our customers and the public at large. Telenor has a growing Art Collection in several countries.

In Telenor, it is believed that empowerment is about setting people up for success and creating the right conditions for them to perform. This means that Telenor operates as a flat organization that is not dictated by hierarchy, no matter the cultural context. Leaders should not use their positions to hold people back but rather to push people forward, encouraging them to share their ideas and

opinions. I believe that all people perform best when they have a strong sense of ownership and feel that they are taken seriously, and it's the leader's job to create this kind of open environment. This type of trust in people is critical for our success. Telenor's emphasis on becoming a customer-centric and cost efficient operator requires significant efforts constantly. Employee engagement is critical in driving Telenor forward in these areas, and it is something that the company is working on every day. This is why Telenor conducts an employee engagement survey (EES) and work with it throughout the year. By fostering employee engagement, we are able to set ourselves apart in an increasingly homogenous telecom industry. This key differentiator serves as a solid foundation for being preferred by customers. Engaged employees = happy customers who are willing to recommend Telenor.

Benefits

Casual Clothes	Gratuity	Health Insurance	Games Area	Competitive Salaries	Prayer Area
Life Insurance	Mobile Allowance	Paid Maternity	Subsidised Handsets	Provident Fund	Stock Options
Day Care	In-House Cafeteria	Gym	Team Retreats		

In Telenor, engagement is also about collaboration, whether it's with your department, and other units in the company or external partners. Telenor recently conducted a culture survey, with results showing a strong common culture across all Telenor companies. The Organization focuses on operation with integrity, being results-oriented and by putting customers first. Telenor's culture is the hardest thing for competitors to copy, and it is the reason people want to work for Telenor and with Telenor. There are more than 4,000 people leaders in Telenor Group today. They are an important component of Telenor's culture, a culture in which exploration, engagement, empowerment and execution are highly prized. That's why Telenor has coined new leadership attitudes "e4":

1. Explore
2. Engage
3. Empower
4. Execute

Chapter # 4

Conclusions and Recommendations

The overall structure of Mobilink seems to be aligned with the strategy, but lack of good organizational culture makes it impossible for the structure to work. As the structure is the framework for the organization to work, and culture is what makes the structure and strategy come to life. Without the alignment of the 3 the organization cannot gain any competitive advantage. Strategy is only as good as the pillars of structure and culture supporting it.

However just to emphasize on the importance of increasing Mobile Data Revenue/Handset penetration it is recommended to create a separate function this area that will be only concentrating on increasing the customer value through internet.

But this structure can only work if the culture is Collaboration/Cultivation and Competence across the organization. For this we purpose we propose a cultural change in Mobilink. To execute this cultural change proposal is to have a strategic HR division that helps in inculcating the organizational culture in the employees. The details of the change management process are discussed as below.

If we **compare Mobilink with Telenor** in terms of Culture (the structure is relatively the same and both the organizations have major focus on Internet and Data Content for Strategy), Mobilink needs a long way to go in terms of Employee Focus, Empowerment, Freedom and Fairness. In fact Telenor has the best culture in the overall Telecom industry. Primary reason for this clear difference is the Strong and Strategic Role of HR in Telenor. All of their policies are formulated centrally by the Group in accordance with the strategy. In addition HR emphasizes on the importance of processes being followed as opposed to Mobilink where people are above the policies and processes. Telenor Employees are much more satisfied with the environment as compared to Mobilink Employees. Telenor is also the most fast growing Telecom Operator in Pakistan in terms of Subscribers and Data Users and Base, with also the best Net promoter Score (NPS) in the industry. These KPI's are an indicator that the alignment of Telenor's Structure/Culture and Strategy is almost perfect. According to a recent study the organizations with higher NPS have the highest growth in Revenues. NPS is also driven by the overall satisfaction of the employees of the organization. If the overall culture and

environment of the company is healthy the employees become the Promoter of the company, hence creating an overall positive brand image.

In order for the company to work at its full potential it is imperative that the three Pillars Strategy/Structure and Culture be in harmony with each other so that operations of the organization are efficient, cost effective and profitable. For Mobilink to perform its best there needs to an alignment of the culture with strategy. For this purpose the Human Resource Department needs to be strategically involved and should have the power to execute change initiatives across the company with the support of the higher management.

Implementing Cultural Change

Implementing a cultural change is slow and long process. The commitment from top management is extremely important. With the takeover of Vimplecom it now seems possible. With Mobilink the best way to begin with is to move towards strategic human resource management function that will act as a change agent. A cultural change initiative cannot begin and be successful unless and until there is a function within the organization that understands the values, beliefs, norms, characteristics and behavior of the present workforce.

There are certain steps that need to be taken in order to make our HR Function more aligned with the business strategy and hence carrying out transformational work in the organization. To begin with the present structure of the HR department needs to be changed. Major reason for proposing this change is that the role is of an administrative expert. Being involved in paper work and day to day operational tasks will not let them carry out any strategic/transformational activities.

Current Structure
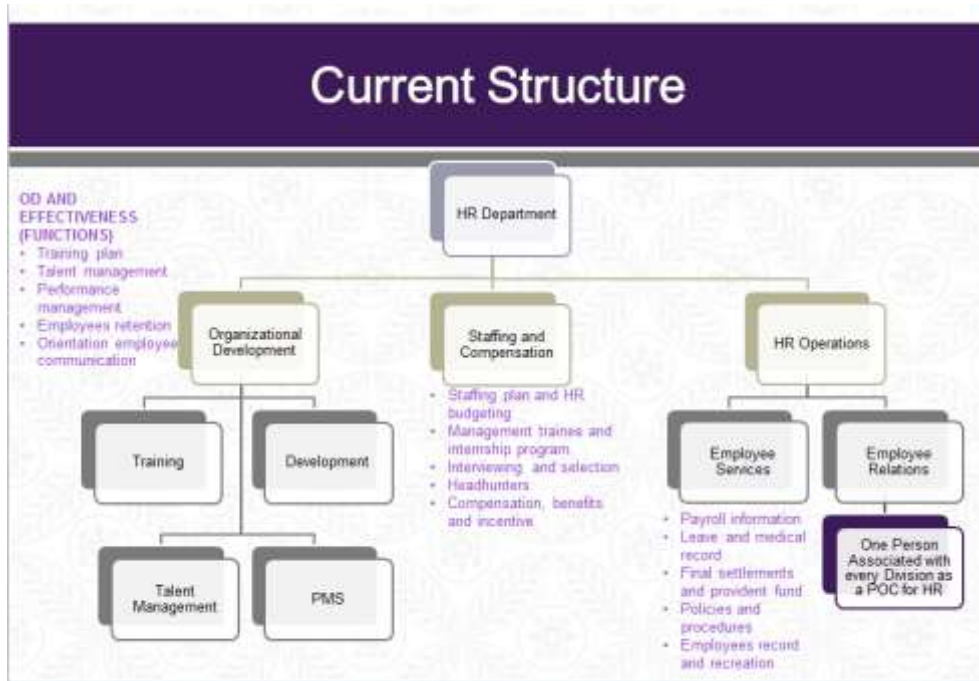
The proposed structure will be based on Ulrich's 3 legged Model consisting of shared services/corporate centre, Centre of expertise, and HR business partners.

More Strategic HR Function
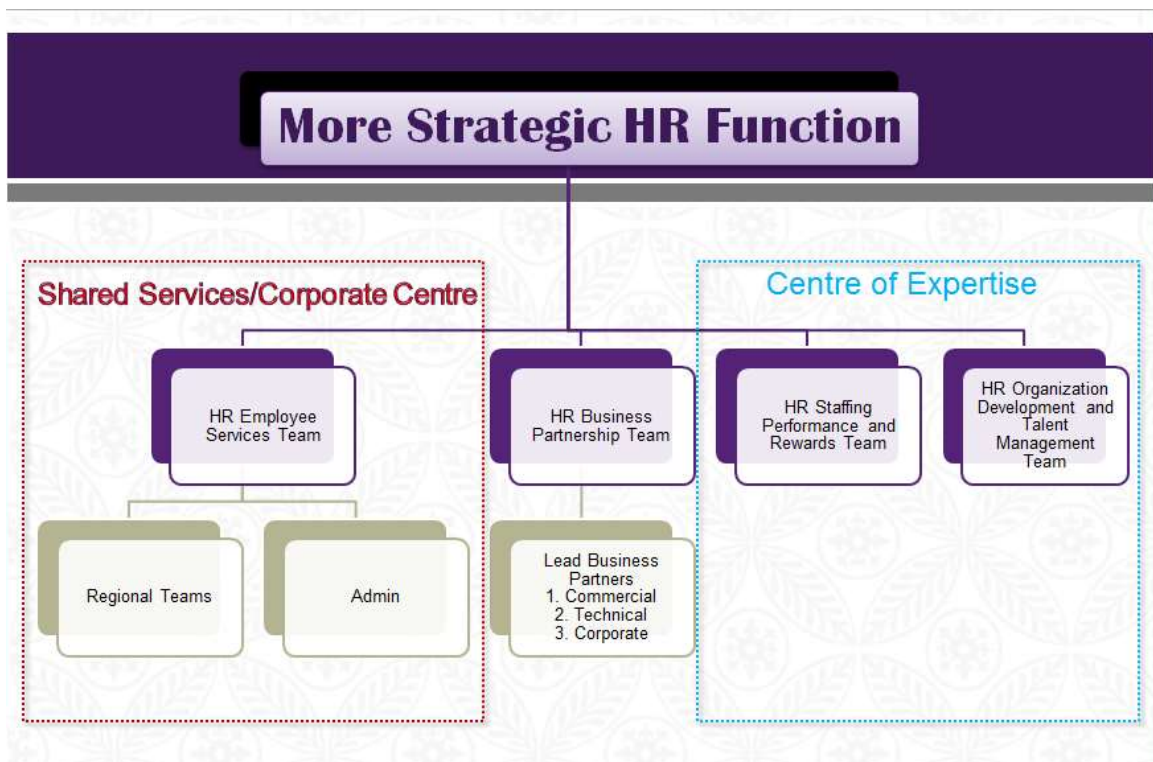
Shared Services

Shared services is a group of generalists who can handle routine HR services e.g. payroll, administration of records, relocation services, training, attendance etc. The most important advantage of a shared services group is that since the tasks don't require highly specialized people, but still the tasks are of routinely important nature. A centralized team of people can be trained to perform these tasks. These people can be physically relocated or can be electronically made available to do these tasks.

Centre of Excellence

These specialists are a team of experts that have expertise in important strategic roles like reward, engagement, talent management. They offer immediate advice to shared services and business partner group. They help define and implement policies and solutions to problems in their domain. Hence, they are the "brain" of the HR activities in any organization.

Business Partner

Business partners are small teams that support their clients in terms of strategic objectives including change management. They are the operatives if change management and are usually working with their client departments (eg IT, Sales, Marketing etc) on behalf of the center of excellence. It is just not the structure that has to be in place the major factor in effective performance of HR function is:
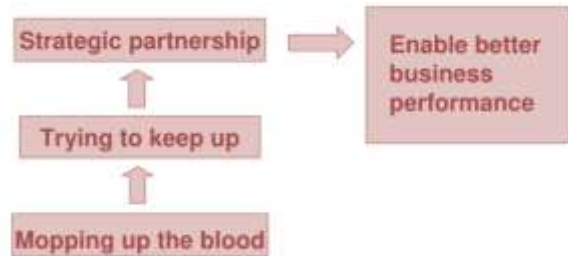
HR's Role of Line

HR can initiate new policies and practices but it is the line that has the main responsibility for implementing them. In other words, 'HR proposes but the line disposes.' If line managers are not inclined favorably towards what HR wants them to do, they won't do it; or if compelled to, they will be half-hearted about it. This is the major problem in Mobilink. Better HR depends not so much on better procedures but better implementation and ownership of implementation by line managers'. High levels of organizational performance are not achieved simply by having a range of well-conceived HR policies and practices in place. What makes the difference is how these policies and practices are implemented. That is where the role of line managers in people management is crucial: 'The way line managers implement and enact policies, show leadership in dealing with employees and in exercising control come through as a major issue.' Dealing with people is perhaps the aspect of their work in which line managers can exercise the greatest amount of discretion and they can use that discretion by not putting HR's ideas into practice. It is line managers who bring HR policies to life. A further factor affecting the role of line managers is their ability to do the HR tasks assigned to them. People-

centered activities such as defining roles (job design), interviewing, reviewing performance, providing feedback, coaching, and identifying learning and development needs all require special skills. Some managers have them: many don't. Performance-related pay schemes sometimes fail because of untrained line managers.

Level of Engagement of HR Function in business Strategy

In the status quo, the HR Function is at apparently at the lowest level of engagement, with no active participation in business strategy formulation.

Force Field Analysis in Changing the Role and Structure of HR Function

Kert Lewin 3 Stage Model

Unfreeze
- Make people aware of the right org culture and values
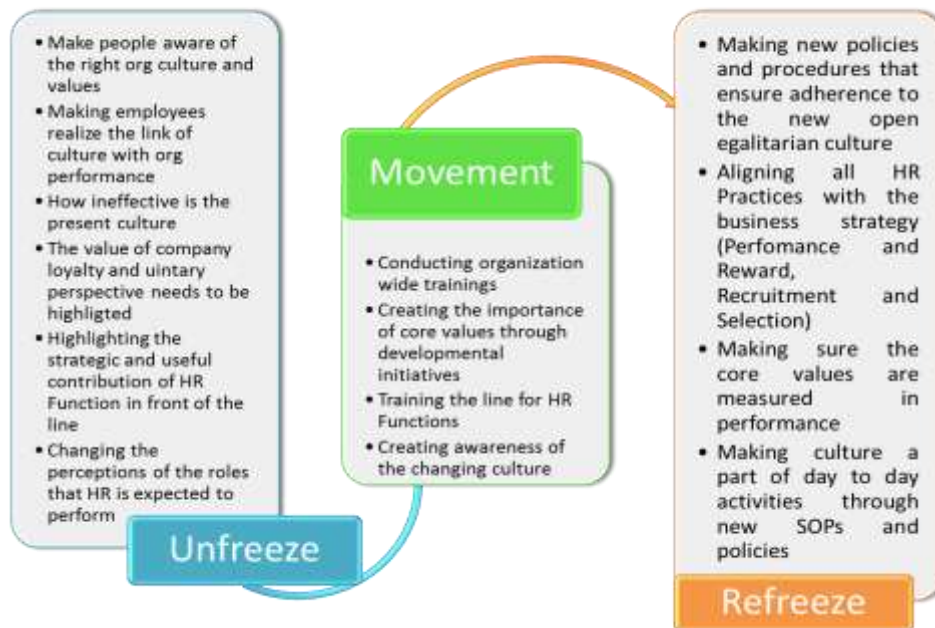- Making employees realize the link of culture with org performance
- How ineffective is the present culture
- The value of company loyalty and ulntary perspective needs to be highligted
- Highlighting the strategic and useful contribution of HR Function in front of the line
- Changing the perceptions of the roles that HR is expected to perform

Movement
- Conducting organization wide trainings
- Creating the importance of core values through developmental initiatives
- Training the line for HR Functions
- Creating awareness of the changing culture

Refreeze
- Making new policies and procedures that ensure adherence to the new open egalitarian culture
- Aligning all HR Practices with the business strategy (Perfomance and Reward, Recruitment and Selection)
- Making sure the core values are measured in performance
- Making culture a part of day to day activities through new SOPs and policies

After the HR has been transformed into a strategic change agent the organization wide cultural change initiative can take place. It can either be taken as a rationalistic model of planned organization change or in the form of reframing the everyday life of employees through constant coaching. The whole change program would be an organizational developmental perspective which tends to take the company towards learning organization. The most popular view in the literature, and probably what most people have in mind when thinking about cultural change, is the view of change as a grand technocratic project similar to the rationalistic versions of planned organizational change. Most descriptive and even more normative models of large-scale cultural change are of this type. It portrays or promises the possibility of an intentional large-scale transformation from a particular cultural situation to another, more superior and profitable one, although it is recognized that this is not easy and often takes place slowly. The overall plan for accomplishing this is often a version of the following general scheme:

- **Step 1**: Evaluating the situation of the organization and determining the goals and strategic direction;
- **Step 2:** Analyzing the existing culture and sketching a desired culture;
- **Step 3:** Analyzing the gap between what exists and what is desired;
- **Step 4**: Developing a plan for developing the culture;

- **Step 5:** Implementing the plan;
- **Step 6:** Evaluating the changes and new efforts to go further and/or engaging in measures to sustain the cultural change.

The common means for accomplishing cultural change seem to be a combination of the following ingredients:

- New recruitment and selection procedures so that people supportive of a desired culture will be hired, sometimes combined with laying off and/or replacing people;

- New forms of socialization and training programs to signal the desired values and beliefs;

- Performance appraisal systems in which the culturally correct ways of being and behaving are rewarded and encouraged;

- Promotion of people expressing and symbolizing the desired culture;

- Leadership which communicates cultural values in talk, actions and material arrangements, e.g. vision talk and for-public-consumption acts by the top manager;

- The use of organizational symbols – language (slogans, expressions, stories), actions (use of meetings in a ritual way, the visible use of managers' time to signal what is important) and material objects (corporate architecture, logotype, dress code).

Amore process-oriented advocates 'seven sub-principles for organizational change':

- Mobilize energy for change.
- Develop a new compelling direction.
- Identify organizational barriers to implementing the new direction.
- Develop a task-aligned vision.
- Communicate and involve people in implementation.
- Support behavior change.
- Monitor progress and make further changes.

According to this view culture change is a project emerging from and run from above. It is assumed that top management is the agent from which superior insight about the needed change emerges and also the chief architect behind the plan for change. Apart from planning and allocation of resources to change projects and making decisions in line with the wanted change, the dramaturgical acts of senior executives – public speeches and highly visible acts drawing attention to the ideals, also symbolize the reframing of how people should think, feel and act in accordance with the new ideals and values. Consultants are frequently used to back up senior managers in this kind of change project.

Bibliography

(2012). Retrieved from britten Associates : www.brittenassociates.com

Alfred D chandler Jr. (2003). *Strategy and Structure , Chapters in the history of American Industrial Enterprise.*

BMI, M. E. (2013). *BMI, Monthly Economic Review, 2013.* Retrieved from BMI, Monthly Economic Review, 2013: http://www.finance.gov.pk/survey_1213.html

Business Case Studies . (2007). Retrieved from businesscasestudies

Business Dictionary. (2000). Retrieved from businessdictionary

Business, H. (2009). Strategy and Structure.

Cameron School Of business. (2004). Retrieved from csb.uncw.edu

chandler, A. D. (1990). *Organizational Strategy, Structure and Process.* chandler, Alfred D.

Emaytrix. (2000). Retrieved from emaytrix.com

First Concepts. (n.d.). Retrieved from firstconcepts.com

Investopedia. (2013). *Investopedia, 2013.* Retrieved from http://www.investopedia.com/features/industryhandbook/telecom.asp

Jean-Marie Toulouse, D. M. (n.d.). *Corporate Strategy .*

Jstor. (2007). Retrieved from www.jstor.com

Jstor. (2008). Retrieved from jstor.org

K, S. (2012). Schwab, K. (2011-2012). The Global Competitiveness Report. World Economic Forum.

Management Study. (2001). Retrieved from managementstudyhq.com

MobilinkOfficial. (2015). *Mobilink.* Retrieved from http://mobilinkgsm.com/

Pakistan Telecommunication Authority. (2015). Retrieved from pta.gov.com

PhoneWorld. (2014). Retrieved from Phone: www.phoneworld.com.pk

Research paper. (2006). Retrieved from researchpaper.com

Schwab, K. (.-2. (2012). Schwab, K. (2011-2012). The Global Competitiveness Report. World Economic Forum. *The Global Competitiveness Report. World Economic Forum.*

Scribd. (2009). Retrieved from scribd.com

Study mode. (2007). Retrieved from studymodecom

Telenor. (2015). Retrieved from TelenorGroupOfficial: http://www.telenor.com/about-us/vision-mission-and-values/

Ufone. (2014). Retrieved from Ufone.com

Utoronto Canada. (2009). Retrieved from www.civ.utoronto.ca

VimpelCom, O. (2014). *VimpelCom Official Site.* Retrieved from VimpelCom Official Site: http://www.vimpelcom.com/

Wikipedia. (2015). Retrieved from wikipedia: https://en.wikipedia.org/

Wikipedia. (2015). Retrieved from en.wikipedia.org

wikispaces. (2006). Retrieved from www.marketingblog.wikispaces.com