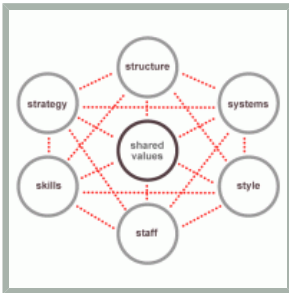


seven S model



characteristics

author:	Peters, Thomas J., Waterman, Robert H., Pascale, Richard T. and Athos, Anthony G.
country:	United States
period:	1980
type:	model
role:	consultant, change agent and manager
activity:	analyse
topic:	strategic management, org. design & development and personnel management
abstr. level:	environment
perspective:	living
status:	final
module:	classics I
comments:	2

description:

The McKinsey consultants Anthony Athos, Richard Pascale, Tom Peters and Robert Waterman developed the 7 S model as an analytical framework in the late 70s when they researched organisational effectiveness. The consultants went full circle with this model by linking strategy with organisational effectiveness. McKinsey & Company began as consultancy firm specialised in organisational (re)structuring. By the 1960s, the organisation had developed into a strategy consulting power house. The 7 S model consisted of seven factors:

1. STRATEGY

the integrated vision and direction of the company as well as the manner in which it communicates and implements that vision and direction.

2. STRUCTURE

the form of the organisational chart and interconnections between positions in the organisational hierarchy.

3. SYSTEMS

the procedures and routine processes required to perform the work, including the ways information moves through the organisation.

4. STAFF

the personnel categories within the organisation, e.g. marketeers, engineers.

5. STYLE

the characterisation of the ways key managers set priorities and behave in order to achieve the organisation's goals.

6. SKILLS

the distinctive capabilities of the organisation as a whole.

7. SHARED VALUES

the core beliefs underlying the organisation's existence and its expectations of its members. Values act as an organisation's conscience and provide guidance in times of crisis.

The original intention of the model was to help guide thinking about organisational effectiveness in the broadest sense. The 7-S model turned out to be an excellent tool for judging an organisation's ability to implement a given strategy. The model showed that thinking about strategy implementation was more complex than the relationship between strategy and structure as Chandler had suggested.

To be effective, an organisation must have a high degree of internal alignment among all seven Ss. Each S must be consistent with the other factors for them to reinforce one another. With the exception of the skills factor, all Ss are interrelated and a change in one affects all others.

Certain key factors such as staff, strategy, structure and systems can be changed in the short term. The three remaining Ss -- style, skills and shared values -- are delayed factors that can only be affected long term. Skills are both hard and soft. Peters pointed out that true competitive advantage originates from these soft factors.

The model can be used as both a static checklist for analysis purposes and a tool to assess potential conflicts when a strategic program is implemented.

assets:



seven S

ProvenModels • editor PM • version 0.1 • 46 KB



seven S organisational conflict matrix

ProvenModels • editor PM • version 0.1 • 93 KB

pros:

- The model is easy to apply as an analytical framework. Since it combines both rational and hard elements with emotional and soft elements, the analysis is broad enough to encompass the key characteristics of an organisation.
- The model can be used to assess the impact of strategic change on the client organisation through cross-analysis. The strengths and weaknesses of an organisation can be identified by considering the links between each of the Ss. No S is a strength or a weakness in itself, but is a relative measure. Each factor's degree of support for the other Ss is relevant. A S that harmonises with the other Ss is considered a strength, and a dissonance a weakness.
- The model overcame the limited view of Chandler's "Structure follows Strategy". Peters saw excellence as a cultural issue where ambiguity and paradox are required to bind people's need for conformity with their desire to be regarded as individuals. He went even further by pleading that a strong reliance on

rational decision making is not only wrong, but dangerous.

cons:

- The 7 S model was used as a framework to research excellent companies. The result was Peters and Waterman's management hit, 'In Search of Excellence' in which 62 excellent companies showed the following common attributes: 1) a bias for action 2) close to the customer 3) autonomy and entrepreneurship 4) productivity through people 5) hands-on, value driven leadership 6) stick to the knitting 7) simple form, lean staff 8) simultaneous tight-loose properties. The empirical validity of the model became doubtful when many of the companies identified as excellent did not survive in the 1990s.
- The model can help guide organisational change. Managers must act on all Ss in parallel, and understand that the factors are interrelated. This interconnectivity creates a dynamic system where one change requires the system to adapt to a new equilibrium. The human brain finds it notoriously difficult to predict the effects of changes in complex systems. The model has limited use as a real-time, numerical maintenance and monitoring tool.
- The authors do not view the organisation as a political arena. The authors viewed that conflicts between individuals and departments had to be avoided by adopting strong and uniting shared values.

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