ABSTRACT

The McKinsey 7-S Framework is an implementation construct that identifies factors that significantly contribute to organizational effectiveness. The seven factors include structure, strategy, systems, style, staff, skills, and shared values (Waterman, Peters & Phillips, 1980). The basic premise of the model is that there are seven internal aspects of an organization that need to be mutually aligned to become successful. But it suggests that no single factor is uniquely powerful but the alignment of all factors have significant impact on the organization subject to the relative significance of each factor.

This study was conducted in Kerala State Electricity Board (KSEB) which is the major utility carrying out Electricity business in the state of Kerala and is obsessed with too many problems right from their formation, including the pseudo fear prevailing among Employees, Management and Politicians against changes. In this context it will be helpful for KSEB to conduct a study on organizational performance issues, as it is a real nightmare for Government and Management to implement the changes in real phase and to have a coherent & Sustainable development.

The researcher informed a group of experts of the objectives and the need for the study. Taking in to account their feedback, the content validity ratio (CVR) was arrived for each item, applying the formula developed by
Lawsche (1975). Content validity shows that two factors were redundant with respect to KSEB. So, they were dropped from the study.

Hence it was decided that a descriptive study using primary data collected on five factors within McKinsey 7S framework would be appropriate to investigate the objectives and the hypotheses. The instrument used to collect the data was a questionnaire. Each area under investigation is further measured with few other demographic, organizational performance and change related items, after subjecting all the items to content validity and reliability. The face and content validity was conducted with 8 experts. Based on their feedback, few items were deleted (Those with CVR<0.5), slightly modified, reworded, and repositioned to make them appropriate for use. The experts also suggested a 5-point rating scale on all possible items.

The study has following three objectives:

1) To study the perception of different stakeholders on McKinsey’s 7S framework viz: Structure, Strategy, Systems, Skills of employees and Styles of Leadership.

2) To compare the perception on structure, strategy, systems, skills of employees and styles of leadership across the background characteristics of the respondents.
3) To predict the perception on KSEB’s ability to change and Organizational performance by the stakeholders’ perception on Structure, Strategy, System, Skill of the employees and styles of Leadership.

After finalizing the number of items in the research instrument as above, a pilot study was undertaken. The data collected from the pilot study was subjected to reliability test using Cronbach Alpha and found that the items constituting each variable under study have reasonable internal consistency.

All stake holders in the District of Thrissur are identified as the population. In order to collect data from the randomly selected respondents, the researcher contacted his employees, consumers, contractors and peers working with KSEB to who are having stake with KSEB for long period. Survey has been carried out through internet, intranet, by post and by personal contact, and the instrument was served up on 1800 stakeholders across Thrissur District. The researcher received useful data from 1018 respondents. Suitable hypothesis were framed and tested using appropriate statistical techniques. Inter-correlation showed existence of no multi co-linearity. It was seen that the mean opinion of the respondents on the 7-S framework factors were moderate where, on no factor the mean value exceeding 4 on a 5 point scale. In other words, the types of stakeholders do have an influence on the factors of 7-S. 7-S factors significantly differ across the relationship with KSEB, age of the respondents,
sex and educational qualification of the respondents at 0.05 levels. With length of association with KSEB, does not significantly differ.

Two regression models were developed for examination of the relationship between the perception on factors of 7S and the perceptions on ability of KSEB to change and organizational performance. One regression model was developed with the factors of 7S as the independent variables and ability to change as the dependent variable. Another model constituted is with factors of 7S as the independent variables and organizational performance as the dependent variable. Both the regression models were fit as established by the significance of the F-Value at .05 levels. As per first regression model, on examining the beta coefficients, it is found that skill of the employees is the strongest predictor of ability to change followed by structure of the organization and system in the organization., whereas the beta coefficients as per second regression model, it is found that skill of the employees is the strongest predictor of organizational performance followed by systems.

Based on the research, the researcher has proposed specific suggestions for improvement of KSEB with respect to all the factors under study and also identified the limitations of the Study. The directions for future research also described at the end.

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