

## **Summative Assessment**

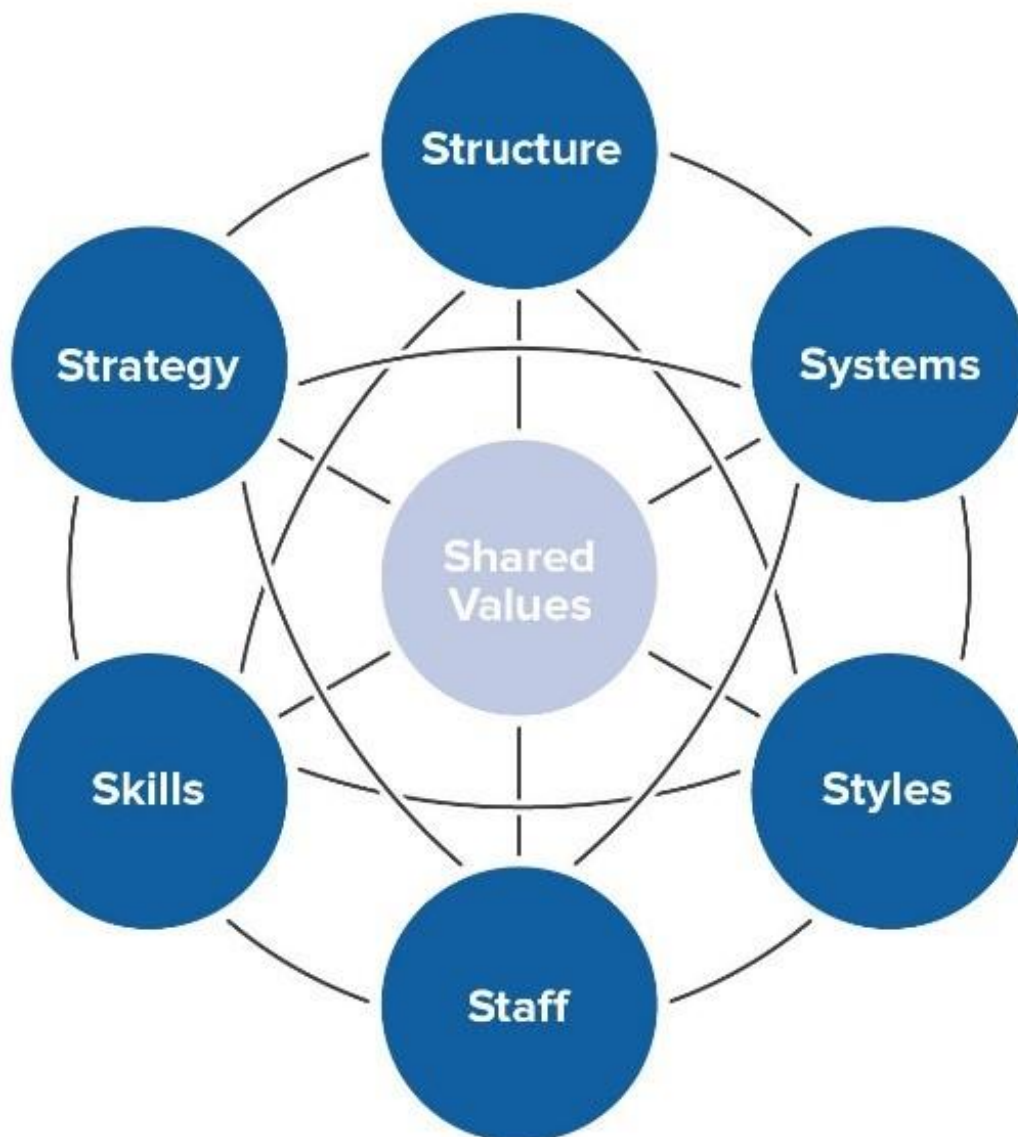
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## Evaluation and Analysis

The McKinsey 7s model's application as a strategic tool is critical in the context of organisations and the people involved (Chanon et al. 2015). This framework defines seven critical elements for facilitating organisational change and guiding continuous growth and development (Birkinshaw and Mark, 2015).



The seven factors identified by the model are categorised under “soft” and “hard” and have been clearly defined in the below table.

Hard Factors	Soft Factors
Strategy	Shared Values
Structure	Skills
Systems	Style
	Staff

Tesla Motors uses the McKinsey 7 model to improve its performance and regularly carry out successful change management operations. Tesla Motors focuses on seven aspects of the model to ensure that performance criteria for future are always maintained and expanded.

### **Hard Factors**

Strategy, structure, and systems are the hard factors of the McKinsey 7s model. The hard aspects of the model are easy to identify and are often concrete in nature and can be easily managed by the effective leadership and management.

#### **1.1. The Plan and Strategy**

##### ***1.1.1. The term "clearly defined" is used here to refer the strategies of Tesla.***

Tesla Motors' overall organisational structure and strategic direction are well defined and communicated to all employees. This enables the business to manage performance, manage operations, and experiment with new approaches that are consistent with the business's strategy (Baishya, 2015). Additionally, the definition and presentation of the business strategy clarifies Tesla Motors' activities and aligns the organisation's roles and actions.

### ***1.1.2. Managing behaviour to achieve goals***

The strategic direction of Tesla Motors is also crucial in leading employees, staff, and stakeholders toward achieving their goals. The SMART objectives are defined in accordance with the company plan with shorter and longer deadlines. Employees can utilise the company strategy to help them decide on how to achieve the firm's objectives (Musk, 2014).

### ***1.1.3. Pressures from competitors***

Tesla Motors' strategy takes competitive pressures and actions into consideration. The strategy is based on the concept of strategically responding to competitive constraints and resolving competitive issues. Tesla has addressed competitive issues successfully through professional and competitive adjustments. Additionally, Tesla assesses consumer needs and demands and adjusts accordingly (Musk, 2014).

### ***1.1.4. Adapting to changing consumer needs***

One of the most critical components of Tesla Motors' strategy is its examination of changing customer trends and desires, as well as changes in consumer buying patterns and consumption behaviour. This is a critical component of Tesla Motors' strategic orientation because it enables the company to remain competitive and appealing to a defined set of consumers while also identifying demand and supply gaps. To compete with other market patterns, the corporation then purposefully closes these gaps through product offers and marketing activities (Hirsh, 2014).

### ***1.1.5. Adaptability and flexibility***

Tesla's strategy is dynamic and adaptive. This is a critical component of its strategy and direction. Strict strategy can affect a business or organisation, but stifling innovation and advancement in the face of changing consumer markets can be further useful.

The concept of adaptability and flexibility is bolstered further by developing a local as well as a global perspective (Gokdeniz et al. 2017). The company culturally modifies its products to meet the needs and demands of different customers in different countries. Additionally, the company frequently forecasts consumer market trends in advance and adjusts its strategy accordingly.



## 1.2. Organization

### 1.2.1. Hierarchy

The organisational hierarchy of Tesla Motors is flatter, with support for learning and progressive ideas. Employees are more comfortable and confident, with less management level and more access to top management. They also have more access to information. In addition, the flatter hierarchy enables Tesla Motors to make quicker decisions and enhances employee loyalty to the company (Shukla, 2014).

### ***1.2.2: Inter-departmental coordination***

Tesla Motors has a high level of cross-departmental collaboration. Inter-departmental teams are frequently formed for projects and tasks that require a range of abilities. Cross-departmental coordination is efficient and well-organised. Tesla Motors has a system in place to develop and monitor interdepartmental coordination to ensure flawless work operations and processes, as well as achievement of objectives (Shukla, 2014).

### ***1.2.3. What is the difference between centralization and decentralisation?***

Tesla Motors operates under a hybrid organisational structure that combines centralisation and decentralisation. Tesla Motors, like many progressive organisations, prefers decentralised decision-making (Musk, 2014). At Tesla Motors, employees frequently define their objectives in collaboration and agreement with their supervisors, and work is performed with accountability (Thompson, 2014). Tesla Motors, on the other hand, is centralised, ensuring that supervisors review and approve employee initiatives and approaches to ensure they align with the company's vision and ideals.

### ***1.2.4. Interaction***

Tesla Motors has a sophisticated and well-developed communication system between employees and management. The communication systems of Tesla Motors serve to improve the organisational structure overall. Systemic, specified, and regulatory communication guarantees a smooth flow of information and that owing to lack of communication no organisational duties or objectives are jeopardised (Zincir and Tunc, 2017).

## **1.3. The System**

### ***1.3.1. Existing organisational systems***

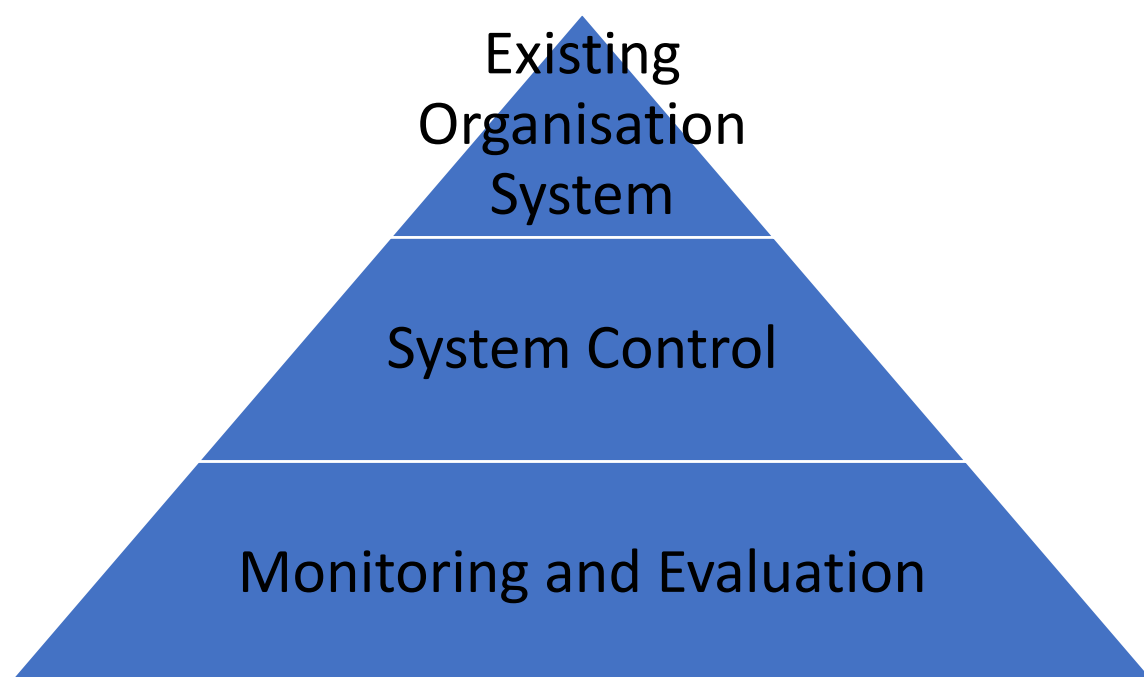
Tesla Motors has well-defined mechanisms in place to ensure that business operations are managed successfully, and that conflicts and disputes are avoided. Tesla Motors' systems are essentially departmental in nature.

### ***1.3.2. Defined system controls***

Tesla's defined system control is extremely sophisticated in nature. The emphasis is more on analysing the performance of individual departments and the value they generate. Tesla's departments are interconnected and have distinct responsibilities. Tesla frequently monitors and controls the performance of individual departments. Each department is equally accountable for evaluating team members' performance. As a result, interdepartmental evaluation is also common at Tesla (Král and Králová, 2016).

### ***1.3.3. Controls monitoring and evaluation***

Tesla Motors conducts regular evaluations of its systems, utilising the controls that were developed for them. This performance monitoring is ongoing. The majority of this is accomplished through observation and casual discussion. Department heads frequently receive informal feedback on a frequent basis. Additionally, the company believes in conducting periodic formal assessments of tasks and responsibilities. Additionally, the company employs a structured method for supervisors and managers to critically evaluate employees' performance gaps (Hirsh, 2014).



## **2. Soft Elements**

Numerous values are shared, including fundamental values, organisational culture, expertise, and skills. However, these factors are not frequently identified, but are influenced by organisational culture. Additionally, this means that organisations have less or no control over these variables. These factors are difficult to quantify and define, but they are critical to the growth and development of organisations. As a result, these variables should not be avoided (Shaqrah, 2018).

### **2.1. Values that are shared**

#### ***2.1.1. Fundamental values***

Tesla's fundamental value is based on the concept of fostering an organisational culture that is supportive and cooperative. Additionally, it contributes to the promotion of a creative culture by enabling employees to be innovative and adaptable in their approach. Additionally, it assists in maintaining a high level of employee motivation (Shukla, 2014). The company places a premium on creativity, openness, accountability, trust, and quality, all of which contribute to the organisational culture's value creation. Additionally, the company ensures that a greater emphasis is placed on ethical standards and standards that are comparable to international standards (Musk, 2014).

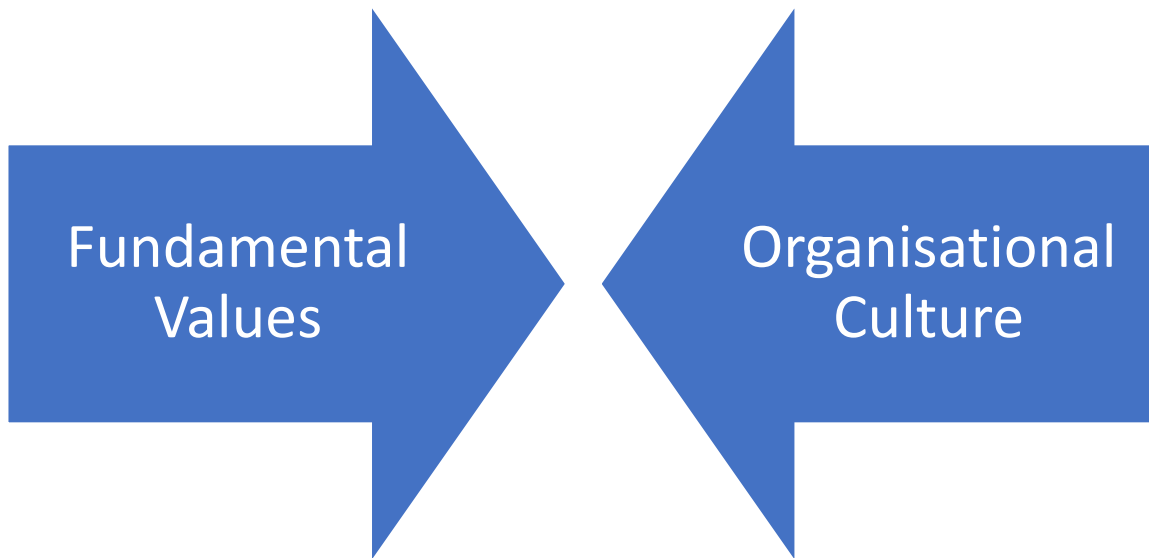
#### ***2.1.2. Organizational culture***

Tesla Motors promotes a diverse and inclusive work environment. Tesla Motors has a global presence in several countries, ensuring that the company's organisational culture values diversity and has internal policies in place to combat bias (Shukla, 2014).

Tesla's corporate culture also fosters innovation and creativity by allowing individuals and teams to develop autonomously to advance their careers. Finally, Tesla Motors' corporate culture is defined by supportive leadership that aims to boost employee motivation and



satisfaction through increased visibility and accessibility.



## **2.2. Design**

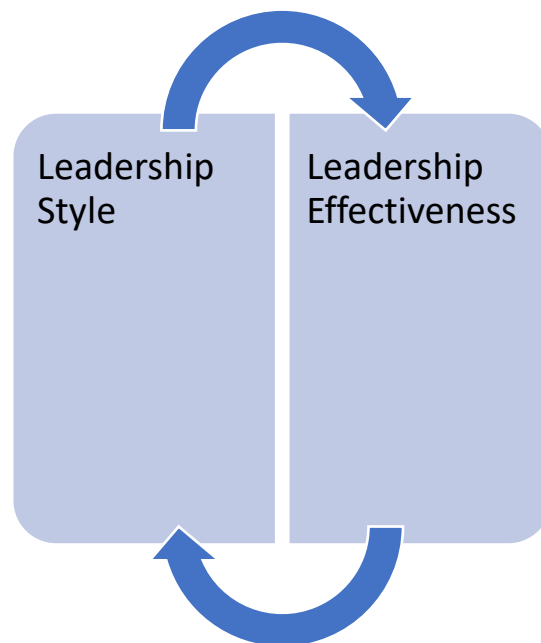
### ***2.2.1. Leadership/management style***

Tesla Motors has a participatory style of management. Tesla is able to involve and incorporate its employees into decision-making and management decisions through a participatory style of management. This also enables leadership to often connect with employees and other management groups to detect and resolve problems and gain feedback on strategic approaches and operations. Because of their participatory leadership, Tesla Motors can enhance employee engagement and build organisational commitment and ownership among employees and others.

### ***2.2.2. Leadership style effectiveness***

The participatory leadership style is particularly effective in achieving the business goals and vision of the organisation (McDonald, 2014). Employees feel they are active members of the organisation and respect their proposals, feedback, and contribution. In addition, Tesla Motors leaders and managers are able to recognise and strive to address present and potential problems

inside the company as early as possible through participatory leadership



## **2.3. Manpower**

### ***2.3.1. Employee skill level vs. company objectives***

Tesla Motors employs several people in its many sites worldwide. Employees represent a variety of jobs, both inside and outside, and are employed depending on the need for urgency and skill. Tesla Motors therefore engages people who are experts in their specific work and roles. All staff undergo on-the-job training to familiarise themselves with the organisation and its values (Musk, 2014).

External and in-house training is available for improving skill levels. Tesla Motors employees are sufficient to achieve the business objectives of the organisation because all roles and positions are built to achieve business goals (Shukla, 2014).

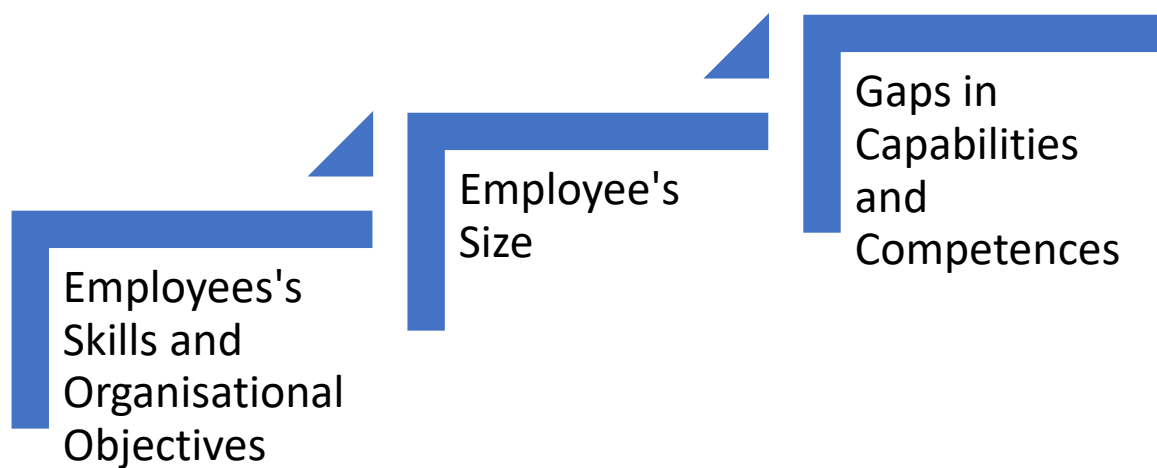
### ***2.3.2. Employees Size***

Tesla employs a sizable number of highly skilled and qualified individuals. Tesla also has a strong cultural presence, which enables it to perform well in a variety of cultural settings. The company's global team is highly inclusive and consists of individuals with the necessary high-

level skills to compete. Tesla's success is in large part due to its employees and their expertise.

### ***2.3.3: Gaps in required capabilities and competences***

Tesla Motors has a clearly defined strategy to determine future capacity and capacity demands of the organisation. The human resources function of the company has a methodical methodology for the identification of potential vacancies or skill gaps in all other areas. Depending on the nature of the necessity, the human resources department provides different forms of recruitment along with providing them adequate training and assistance (Hirsh, 2014).



## **2.4. Expertise**

### ***2.4.1. Employee capabilities***

Tesla Motors has a very competent and high functionality team. All staff are hired based on skills and merit. Tesla Motors is proud to recruit and nurture the greatest professionals to assist them achieve their objectives (Hirsh, 2014).

### ***2.4.2. Employee abilities vs. work demands***

Tesla Motors has classified responsibilities and roles and employs, and trains employees based on their abilities. Tesla Motors makes sure that all average work conditions are met and that employees have the skills necessary to perform their duties in accordance with the firm's values

and culture, as well as the company's objectives and strategy (Shukla, 2014).

#### ***2.4.3. Management of skills***

Tesla Motors is dedicated to developing its employees' talents and competencies. It conducts recurring training and workshops for its employees, both internally and externally managed, to provide opportunities for growth and development. To achieve this goal, Tesla Motors recognises and colludes on its employees' personal and professional development (Hirsh, 2014)

#### ***2.4.4. Competitive advantage of the company***

One of the primary competitive advantages of the organisation is its staff. Personal talents are specifically developed for tasks and requirements at Tesla Motors, and offer the company a competitive advantage, as competitors are unable to imitate staff abilities or training. Tesla Motors now has a unique, unreplaceable competence (Musk, 2014).



The analysis demonstrates that Tesla's strategy, capabilities, structure, processes, people, leadership style, and shared values all play a role in the company's meteoric growth to become one of the fastest growing companies. Tesla is also successful in generating value for a variety of stakeholders, which enables the company to gain a competitive edge over competitors. Due to the company's high level of performance and emphasis on new ideas, there is a possibility of earning a significant market share and becoming one of the most efficient and successful companies across the world.

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