

# ITIL<sup>®</sup> 4 Managing Professional Create, Deliver & Support

## Module 02 Organization and Culture (Part 01)

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**MegaSoft**   
IT Consulting & Training



## 1.1 Assessment Criteria

Understand concepts and challenges relating to: (BL2)

- a) Organizational structure
- b) Integrated/collaborative teams
- c) Team culture and differences
- d) Working to a customer-orientated mindset
- e) Employee satisfaction management
- f) The value of positive communications

## Organization

A person or a group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives.



## 2.1 Organizational Structure

Types of organizational structure

|                   |   |
|-------------------|---|
| <b>Functional</b> | <ul style="list-style-type: none"> <li>• Hierarchical, formal lines of authority, determine power, roles and responsibilities</li> <li>• Often based on functional areas like HR, IT finance, marketing etc.</li> </ul>                           |
| <b>Divisional</b> | <ul style="list-style-type: none"> <li>• Based on markets, products, geography etc.</li> <li>• Each division may have profit &amp; loss accounting, sales, marketing, engineering, etc.</li> </ul>  |
| <b>Matrix</b>     | <ul style="list-style-type: none"> <li>• Grid of relationships</li> <li>• Pools of people who move across teams.</li> <li>• Often has dual reporting lines (e.g. functional and product)</li> <li>• Can provide more speed and agility</li> </ul> |
| <b>Flat</b>       | <ul style="list-style-type: none"> <li>• Very little hierarchy</li> <li>• Removes decision making barriers, enabling fast decisions</li> <li>• Challenging to maintain as organization grows</li> </ul>   |

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39

## 2.1 Organizational Structure

**Types of organizational structure:**

### Functional

These are typically hierarchical arrangements of lines of authority or technical capability. These determine how power, roles and responsibilities are assigned, and how work is managed across different management levels. The organization may be divided into internal groups based on functional areas e.g. HR, IT, finance, marketing, etc.

### Divisional

Divisionally based organisations arrange their activities around market, product or geographical groups. Each division may have its own profit and loss accounting, sales and marketing, engineering, production, etc.

### Matrix

The structure in which the reporting relationships are set up as a grid, or matrix, with pools of people who can move across teams as needed. Employees often have dual reporting relationships - generally to both a functional manager and to a functional (or performance) manager, and to a product, project, or programme of work

### Flat

Some organisations aim to remove hierarchies of authority and management. This can be useful by removing barriers of decision making that can slow down progress. As organisations grow and more teams are required to manage specific responsibilities, this this can become challenging to maintain.

The differences between the organizational structures can be described using the below characteristics:

- grouping/teaming criteria (function/product/territory/customer, etc.)
- location (co-located/distributed)
- relationships with value streams (responsible for specific activities or fully responsible for the end-to-end value stream)
- team members' responsibility and authority (command-and-control or self-driven teams)
- sourcing of competencies (level of integration with teams external to the organization).

**Historically**, organizational structures have been functional and hierarchical in nature, with military-style lines of command and control.

**In the digital service economy**, agility and resilience are vital for an organization's success. Organizations must adopt new ways of structuring their resources and competencies.

**Common approaches include:**

- Matrix organizational structures are adept for faster , flexible allocating or reallocating resources to different value streams, projects, products, or customers.
- permanent, simple multi-competent teams that are assigned to work exclusively on a product. This may result in occasions when teams are unoccupied, but it ensures a high availability of teams for the development and management of products.



## Servant Leadership

- Managers should meet the needs of the organization first, not just their teams.
- Managers support the people by ensuring that they have the needed resources and support.
- Often used with cross-functional/matrix organization structure.
- ITIL guiding principles help to decide to move to cross-functional servant leadership model or not.

### Servant Leadership

Leadership that is  
focused on explicit  
support of people in  
their roles



41

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In order to adapt to new more flexible and responsive ways of working such as Agile and DevOps, organisations have adopted new approaches to organisational structure, which is more **'servant'** and **cross-functional** – often this involves more applications of matrix and flat structures.

If the requirement is to be able to create effective working new teams and functions quickly, this therefore requires 'pools' of people available that can be assigned or re-assigned to start working, without delays of recruitment, on-boarding and training. Agile and DevOps ways of working also promote the approach where teams and individuals can be flexibly re-assigned and small and short term teams created for specific functions when needed.

This in turn requires that the individuals and managers involved need to understand and be able to work in this way. This can be a major 'cultural' challenge, as organisations transition from functional and hierarchical models of working – which has some certainty about roles and reporting lines – to more fluid and in some cases potentially conflicting areas of responsibility and management.

## Servant Leadership

Servant leadership is based on 2 key principles - that managers are:

- (1) There to meet the needs of the organisation first and foremost (not just their individual teams), and
- (2) That to do that they are there to 'serve' and support the people working for them by ensuring that they have the relevant resources and organisational support to get their jobs done.

This aims to move away from **process-centric management** and teams who may work to ensure that **their** area of responsibility is covered, without considering the wider perspective of how work is managed across all teams and ultimately how this affects customer experience and business outcomes.

### **Considerations for moving to a cross-functional model**

The ITIL 4 guiding principles are a useful reference point when planning to change and improve the organisational structure. The following considerations may be useful:

- What is the key driver for changing the way of working? Ensure this is reviewed and referenced during each stage of the transformation. (focus on value)
- Ensure that the customer/user experience (CX/UX) as well as other stakeholders' perspectives are all understood and use this to underpin and guide the design of the new organisational structure.
- Establish common goals - and ensure that any corporate governance focuses all stakeholders on these goals – to enable harmonious and integrated, collaborative teams.
- Ensure that the cultural aspects of the organisation are considered as part of this design – i.e. what is the relative maturity and understanding of the organisational structures in relation to the current organisation? Use a swim lane/RACI matrix to understand the current organisational roles and responsibilities. Map to new suggested structures (**Start where you are**)

## Using the ITIL guiding principles to improve the organizational structure

- **Focus on value** Ensure the driver for changing the structure is reviewed at each stage of the transformation.
- **Progress iteratively with feedback** The transition/transformation should be simplified into manageable step.
- **Start where you are** Consider the cultural aspects of the organization and the current roles and responsibilities.
- **Collaborate and promote visibility** Ensure that all stakeholders are engaged throughout the change process.
- **Think and work holistically** Ensure collaboration with all the appropriate leaders/managers to ensure potential risks are understood and managed.
- **Keep it simple and practical** Reduce the complexity of the organization.
- **Optimize and automate** Where possible, tasks should be consolidated or automated to reduce waste.

43

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## 2.2 Team Culture and Differences

### Culture

is a set of values shared  
by people, including their  
ideas, beliefs, and  
practices, and their  
expectations from each  
other

- Culture is made up of values, beliefs, attitudes and behaviours
- How people work together towards a goal
- How people treat each other

### What is 'team culture'?

**The basic definition is this** - a team culture is made up of the values, beliefs, attitudes and behaviours shared by a team. It's how people work together towards a common goal and how they treat each other. These attributes could be positive or negative.

Culture is a difficult concept to grasp because it's generally unspoken and unwritten. It's about dynamics between humans. Different teams within a company can manifest their own culture. But they're generally influenced by the company culture as a whole.

**Often it is the unwritten – 'how we do things here' – or 'how we've always done things here'**

## Culture Differences

- Teams can have different cultures, but all are influenced by overall organization culture.
- Cultural differences can be described and managed by different models. For example:
  - Communication
  - Evaluation
  - Persuasion
  - Leadership
  - Decisions
  - Trust
  - Disagreement
  - Scheduling

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## Culture Differences

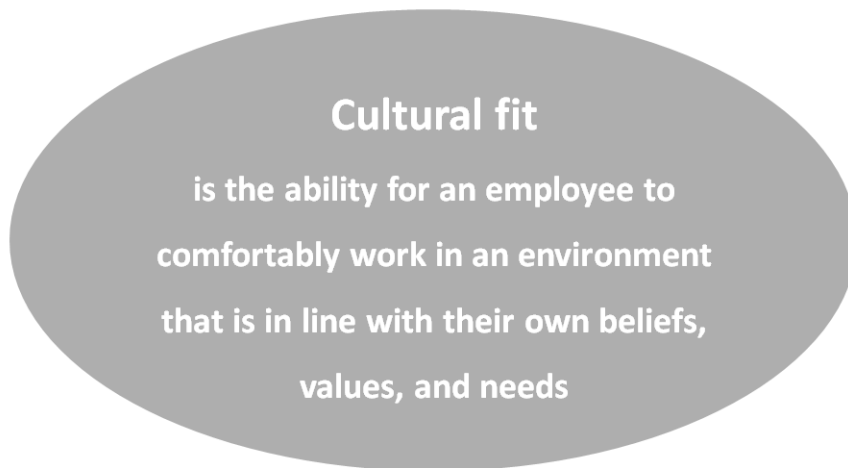
Teams can have different cultures, but all are influenced by overall organization culture ,There are widely accepted models for describing cultures and managing cultural differences. For example, culture can be characterized by such characteristics as:

- communication (low context or high context)
- evaluation (direct or indirect negative feedback)
- persuasion (principles versus application)
- leadership (egalitarian or hierarchical)
- decisions (top-down or consensual)
- trust (task-based or relationship-based)
- disagreement (avoidance or escalation of confrontation)
- scheduling (linear or flexible timing).

In a successful organizational culture, teams understand both how they work and where their work fits within the context of the organization’s mission, goals, principles, vision, and values. Team members define their team’s rules and principles within the company’s overall culture.

Teams must ensure that they have the information needed to successfully perform their roles in support of any agreed strategy.

Team members should understand that a high percentage of the problems they face as a team will relate to how they interact and relate to each other. The team’s challenge, as individuals and as a team, is to remove the barriers to success.



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In a successful team culture, teams understand where their work fits in the total context of the organization's mission, goals, principles, vision, and values. Team members spend time defining their team culture by agreeing upon team norms and expectations within the company's overall team context.

### What does cultural fit mean and why is it important?

**Cultural fit:** is the ability for an employee to comfortably work in an environment that is in line with their own beliefs, values, and needs. An employee that is deemed a good cultural fit is more likely to enjoy their work and be workplace, be happier, commit long term, and be more productive and more engaged. This benefits both the employee and their employer organisation.

A good diverse approach supports good culture - people are different, age, race, gender, perspectives, weaknesses. **Diversity** is needed in teams as each experience will strengthen and add value to the team – each individual can help others with complementary experiences, perspectives, skills and capabilities. The team collectively is literally greater than the sum of its individual parts.

When hiring for a good cultural fit it's important to be aware of bias. It's human nature to gravitate towards like-minded people with similar personality or beliefs, although this produces homogenous teams and culture that are less likely to grow and be suitable for change and development.

## Guidelines to develop good team culture



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47

It is possible to grow and evolve a team's culture over time. First, this requires identifying the team's current culture and deciding what the desired future outcome is.

### The following are simple guidelines for a positive team culture:

- **Incorporating vision into the team culture**, Ensure that team members are focused on the collective effort and having a unifying purpose by encouraging a holistic view of the objectives of the overall organization and of how the work of the team supports it.

The team culture cannot be forced upon individuals. Instead, individuals must be responsible for their own roles within the team culture. The most important task of any leader, is to clearly communicate the vision and how it will be achieved by the team. Team members need to understand how their contributions fit into the bigger picture, providing

them with a sense of purpose and of belonging.

- **Regular meetings** ,Regular meetings make a big difference to team culture. They build relationships between team members, encourage productivity, and focus on the need for improving team performance.

Meetings should be scheduled in advance and attendees should be acquainted with the agenda beforehand. There must also be clearly defined roles for meetings; for example, one person leads the meeting while another takes notes.

Meetings should focus on the discussion of problems and possible solutions. They need to be efficiently managed, and detailed discussions should be avoided unless necessary.

- **Create leaders** A great team culture prioritizes mentorship over management. Leaders play an important role in forming the culture of the team. Working arrangements should be flexible enough to allow each employee to work in their most effective way but not so flexible that they become difficult to manage.

Team members should be mentored on giving constructive feedback that encourages productivity rather than hindering it by causing embarrassment. Leaders and managers should facilitate and participate in improvement efforts alongside team members.

- **Encouraging informal teams** Informal teams often work more efficiently than formal ones, because issues frequently fall across organizational reporting lines. Informal teams encourage employees to tackle concerns themselves instead of escalating every decision to senior management.
- **Cross-training employees** When employees understand how the various areas of the organization work, they make decisions that benefit the organization rather than just their own department or group. It is important to provide employees with opportunities to learn about other roles within the organization. Some organizations go as far as switching employee roles on a daily, weekly, or monthly basis, including managerial roles.
- **Integrating socially** It is important to take the time to get to know employees personally. People work and support each other better if they understand each other as individuals, helping to identify their strengths, weaknesses, and develop their latent skills. Great leaders understand how to utilize the talent around them. They learn how to motivate their team to go beyond what is expected of them.
- **Providing feedback** Proactive and constructive feedback is one of the best ways to help a team continue to improve. Feedback does not need to be provided in a formal or complicated format.

The method for delivering feedback should be customized for each individual. This is another reason why it is important to develop relationships with team members. When an individual trusts another, they are more likely to support their suggestions.

- **Promoting a culture of learning** It is important to promote a culture where each individual is encouraged to continually develop their skills. A culture of learning can be achieved by providing access to regular training and personal development. Online learning has made this even easier, as individuals can learn when it best suits them. Opportunities for team members to take on new responsibilities should be created.

Employees should be encouraged to take up training opportunities. Together with being given sometimes challenging (but achievable) goals, training helps generate feelings of progress that prevent team members from becoming complacent or bored in their positions. The learning of new skills also adds value to the team and workplace. Individuals with access to the tools and methods they need to be successful in their careers will be more engaged, which will create a stronger work environment. A great team culture is great for business.

## 2.3 Culture of Continual Improvement

The key elements of a continual improvement culture are:



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49

### The elements of a continual improvement culture

Some organisations have an excellent positive culture ,but many cases the culture changes when key people changes. Organisations should recognise and embed the elements that drive this culture, regardless of individuals.

Managers should be promoting clarity around how CSI works, expected behaviours, professional attitudes, positive language, supportive meeting culture ,etc then need to actively show that they follow these principles themselves, in order to build trust and belief across people.

All stakeholders should understand that importance of positive attitude, collaboration, transparent working and a culture that is supportive. This should encourage people to make suggestions aimed at improving the operation and service to customers.

### The key elements of a continual improvement culture are:

- **Transparency:** This encourages openness and trust.
- **Management by example:** This should be displayed by all, especially leaders.
- **Building trust:** The workplace should be a comfort zone where individuals feel supported to suggest, experiment with, and implement new ideas.