AstraZeneca – The Success Links Back to Organization Strategy and Design

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ARTICLE INFORMATION

ABSTRACT

AstraZeneca is a globally leading patient-focused pharmaceutical company aiming to address diseases across Oncology, BioPharmaceuticals, and Rare Diseases. While many have come to know of it in recent years for its fight against COVID-19, the company has been known for various achievements and innovations in saving human life. It has a straightforward strategy that becomes a key factor of its success and the main aim of this research paper. The strategy connects business growth with the needs of human life and the limitations and possibilities on Earth. AstraZeneca's strategy revolves around advancing in producing disruptive biology through the modern technology of AI and Data Science, delivering business growth and impacting society through brilliant leadership, and, most importantly, being a great place to work. These areas are being worked on to allow AstraZeneca to become a leader in the health industry that aims to save human beings from harmful diseases. It links back to its strategy and the organization design that is not stopping innovation at any cost.

Keywords: Organization Strategy, Innovation, Leadership, Healthcare, Organization Design, Modern Technology

INTRODUCTION

The word strategy was put forward in the times of Athens back in 508 BC when the war council yielded military and political power. Therefore from this origin of the word, it could be understood that the term means the art of leading an army. Heracleous (2003) Similar developments, such as The Art of War Sun Tzu, also emphasize on planning qualities of effective generals and advice on managing troops. (Sawyer, 1996). This means strategy was always there and needed to be effective and give direction to people. Being so much relevant in the modern world today, AstraZeneca quite interestingly aligns with its strategy that is helping people move towards innovation in Health care industry. While it connects with mission, vision and values, people will always need a direction determined by the organization's management considering all factors.

Organizations can develop strategies with a very common theory tested in business places, called Porter's Five Competitive Forces. To plan and execute well, a company must know where it stands among the rest of the competition. In modern practice, every business needs to focus on the 7Ps of the marketing mix, which helps it decide on the product it will sell, place of distribution, price of the product or service, promotion, physical evidence, people, and process (Molony, 2021).

Michael Porters competitive forces identify where every business stands in its respective industry along with its strengths and weaknesses. Businesses use this as a guide to increase their competitive advantage. Firstly, it is about the competition in the industry where if many competitors offer almost similar services and products, then the organization has less power over buyers. AstraZeneca has tough competition in healthcare with Novartis, GSK, and Bayer, to name a few.

The second aspect is the possibility of new entrants in the same industry. It is no challenge that any business idea advancing in healthcare could easily raise funds for the startup and most likely get into the competition in the early stages. The third aspect is the suppliers' power scale and how challenging it is for a business to switch between various suppliers and contribute to the finished good. Few suppliers mean business usually sticks to one premium supplier, and the supplier has a good chance of charging prices of its own will (Miles, Snow, Meyer, & Coleman,1978).

The next aspect is the customer's power scale when dealing with a business. This depends on how many customers buy from the business and what it takes to get these customers. With limited customers, a company can charge prices on its own for profitability purposes (Investopedia). Lastly, it is the threat of substitutes. Typically, in the healthcare industry, for example, Astra Zeneca did produce a COVID-19 vaccine, while Johnsons and Pfizer did almost the same range.

The strategy itself doesn't stand enough and requires appropriate organization design and structure implementation. This ideally becomes the next step for a business to look up. While the company serves its purpose, it knows what difference it will make in the lives of people, employees, and investors. The structure must be adaptive to current business trends, considering the foresight of the future. An organization chart has an emotional weight as it tells who reports to whom regardless of whether people work with them. It also helps allocate the right management structure, whether flat or matrix (Morgan, 2015).

The organization should be designed to help retain top performers, giving them growth opportunities and pay raises. While this is key, it is also essential that employees are told that they are accountable for what they do. However, in case of failure, the team should be together to resolve it and propose a better solution. Employees must be taken care

of in both easy and difficult times. Above all, organizations provide a place for self-development, and growth, a platform to share ideas, give feedback and encourage innovation. With all this in place, people make the best organizations like Astra Zeneca.

LITERATURE REVIEW

Countries with developed healthcare systems have demonstrated an inability to drive value for patients, and a change is required to become more efficient in meeting patients' expectations. Organizations in this industry must be able to answer questions about what the client wants, focus on what is important, and ensure they can act on the feedback received from the customer. This eventually addresses the purpose for which the organization turned from an idea to a business. (Coculescu Purcărea, & Coculescu, 2015)

The organizational structure becomes dependent on the components that, together as a whole, make an organization. Who would do the job, how is it done, what's the process to coordinate it between departments, and what needs to be done with the information, all decided through the structure defined in a company. Dividing the task helps people know what exactly their role is. It becomes known who has the decision-making authority and how the command flows from the top to the bottom line of business. When too many reporting lines exist, decisions become slow and sometimes left on the pending list as they are unimportant (Ahmady, Mehrpour, & Nikooravesh, 2016).

Organization mission statement
The mission statement is a strategic management tool in today's business practice. (Wang & Lin, 2011) Some researchers define strategy as a match between companies' resources and internal skills and the opportunities or risks created by its external environment. It places a company in a situation to find the best place in its industry while also ensuring it can face the pressures of competitors (Onufrey & Bergek, 2021).

A business strategy is to identify gains and sustain a competitive advantage in providing its goods and services. The highlight is that for a business to win, it must have a strategy in place that will lead it to where it wants to be. A business will evaluate whether a differentiation in product/service would do or a lower cost would get more customers. Using a differentiation strategy makes a business work on being unique and keeps it open to charging a higher price, selling more, and getting customers' loyalty.

Researchers also find that managers have a role in implementing strategy, of how managers coordinate company resources within boundaries, building relationships with other firms, and choosing which companies fall in and out of the firm's boundaries.

Locus of managerial action	Description of action	Applicable theories
Intra-organizational	Coordinate resources within firm boundaries	Dynamic capabilities Resource redeployment Agency theory
Inter-organizational	Coordinate relationships with other companies across firm boundaries	Relational view Network theory
Extra-organizational	Decide which businesses belong within firm boundaries and which ones do not	Resource reconfiguration Agency theory

Source: Feldman (2020)

Role of Top Management
In the last century, when companies were small and least diversified, setting a business strategy was straightforward. But as the companies have started serving a large customer base across various geographic locations, managers needed better insight into having updated systems and specialized staff to review and approve strategic plans for respective departments. The role of executives is to convert corporate ambition into measurable activities and provide a benchmark for achievement (Bartlett & Ghoshal, 1994).

Organization Design
Researchers have stated through evidence that an organization cannot have a competitive advantage even if it has a powerful strategy without its processes, structures, and work systems do not support it. The new design concept for success involves agile organizations adapting to current trends. The importance arises from internal and external sources, performing regular changes to retain a performance above average mark (Worley & Lawler, 2010).

In an organization, authority is distributed among employees, with top management having the highest authority and power. Quite often, these top managers delegate their authority to their lower-level managers. In current business, practice decentralization has become more acceptable for companies. Decisions are not just made by the top management's office, leading to higher employee engagement (Nagy, 2015). A study by Apoi and Hamrila (2019) in Sutanto, Utami, and Diantoro (2022) stated that decision makers should have more transformational leadership behaviors in their organizations.

Flat Firms, Complementary Choices, Employee Effort, and The Pyramid Principle
According to Reitzig (2022), flat structures don't benefit all organizations. It is the middle manager that matters as they are the ones who mentor and motivate employees and determine who will do what in terms of job roles and responsibilities. In addition, they resolve employees' issues and become a communication bridge between these employees and the top management (Sorenson, 2022).

Structural Inertia and Change
A single organization is subject to impactful inertial forces. Increased structural inertia is an outcome of the ecological, evolutionary process. (Hannan & Freeman, 1984)

George (2016) believes companies with a flat structure have very little or almost no management. It is observed in small companies and family business. But a large organization would not often have such a structure because there are complexities, and impact could be large across other business units. Flat structures would work with businesses that serve a niche market. (Löfgren & Eklund, 2021)

Organizations mostly have two major problems to address – how to specialize and integrate these specialized parts to offer a service or produce an item. With a matrix structure, there is a good idea for centralization and decentralization wherein coordinators head the decentralized units and rely on centralized resources to provide high technical efficiency levels and facilitate cost control. Modern practices address that line managers work on their leadership style and improve their coordination with other units without much hierarchical intervention (Sayles, 1976).

RESEARCH METHOD

Conceptual Research
Theories in management have developed over centuries with vast concepts described and tested. Each of these has applied to their publishing times; some are still observant and relevant in modern business practices. Four major contributions have been made to management theories through Taylor's school of scientific management, Fayol school of administrative theory, Simon's organizational theory, and Weber's bureaucracy and organizational structure. Through marketing strategies, a business will need a gradual modification has been made to the original marketing mix.

While a business may also consider looking at marketing strategies, as without its enterprises don't seem to have a survival of existence, from 12 to 4 Ps of marketing, McCarthy believes the 12 elements can be classified into four major areas: product, price, promotion, and place. It states clarity on the product or service a company provides to people, the price at which it will be bought, the various channels of marketing that will be used to spread awareness, and the distribution medium through which the product will be delivered to the consumer (Rafiq & Ahmed, 1995).

Max Weber
Max Weber's theory stresses that an organization must have a defined structure, rules, and a line of authority. Activities and procedures need to be streamlined from organization to employees, ensuring processes are mostly smooth and not chaotic. According to his theory, employees should know what is expected of them. Managers go beyond their responsibilities in helping employees. Candidate hiring is based on skills, education, and experience. A clear hierarchical structure mentions who reports to whom, and the line of authority is published. This allows the decision-makers to be focused on planning and strategizing while the lower level ensures that all necessary actions are taken to make plans happen. Weber also ensures that employee promotion is based on appropriate selection processes. However, this ignores factors such as employees' satisfaction with their job role and environment, pay, and work motivation. (Toppr, n.d.)

Frederick Taylor Scientific Management
While that Weber's theory is quite fundamental to setting up a basic structure in an organization, Frederick Taylor's theory becomes more applicable in the long run when productivity and efficiency become a question. It was important to find how a job could be simpler so that workers could do their best and get the expected outcome. For he did not agree that leaving employees stuck to their roles without finding a better way of doing work would ever solve the problem of efficiency. He also linked his theory with money as it was thought to be the motivational factor for an employee. Therefore, it concludes with paying employees a fair rate for the day and their work efficiency. Workers have to be

monitored by the management, with the role being to find the best way of doing a task and coordinate well through better communication. Taylorism focuses on the results of the worker's efforts, while modern practices need a more modern solution. (MindTools, n.d.)

Simons' Theory of Administrative Behavior

Simon emphasizes that an organization is a system of decision-making and execution. He lists three limitations on rational decision-making. First, an individual is limited to skills and habits that are no longer interesting. Second, an individual is determined by his values and understanding of purpose, which influence his decisions. And third, an individual is limited by the extent of knowledge of things that are relevant to his job.

On the other hand, his concept of making things happen relates to management behaviours, personal motivation to do the job, and the objectives towards which the entire organization is working. To this Simon writes that the management or supervising authority can have three kinds of influence on their subordinates. These influences can be in the form of formal authority where decisions on hiring or firing an employee are made, organizational loyalty, and training. He says that the task of management is to motivate an employee to achieve results by making them act on the plan efficiently. (Little, 2019)

Henry Fayol's Management Theory

Fayol has prescribed five functions: management, planning, organizing, command, coordination, and control. Step one is planning the desired result, actions needed, and task methods. This is followed by organizing activities and human resources. The third is that the human resource understands the senior personnel, works with department managers, and performs regular audits. Next is coordination among the entire staff and control of authority of command that will be done. Fayol links that an organization works in this kind of structure and that an appropriate plan and action would do all the company needs to make its vision a reality. (Ward, 2021)

RESULTS

The above theories can be seen in small businesses to large multinational corporations. Each theory's success depends on the size of the organization and its business type. In today's time, parts of various approaches can be seen across any industry. Most likely, it starts with implementing one theory, and as it expands, organizational practices change.

The current org chart for Asta Zeneca is shown below. It is defined appropriately as the organization structure, the flow of communication, and the line of authority.

Source: https://theorg.com/org/astrazeneca/org-chart
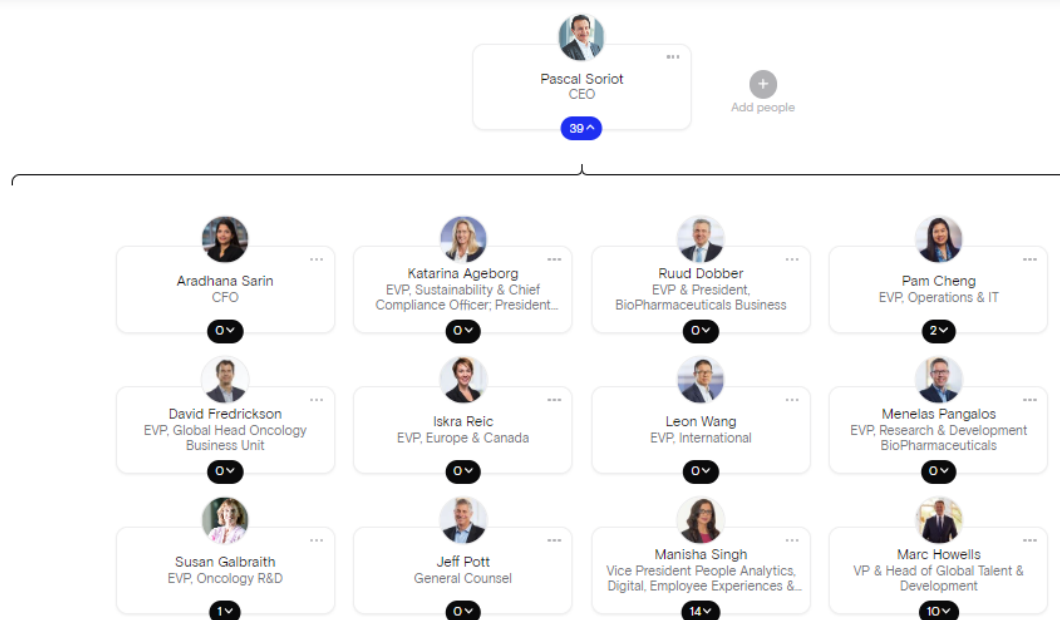
DISCUSSION

The theories put forward by the above authors were, in their times, applicable to the work environment and organizational structure. New concepts evolved that improved and enhanced the existing knowledge to understand how organizations can be better and what will help retain workers. Weber's theory works in practice when setting up the foundations of a company, and with time, the organization may find itself applying Fayol's theory, where planning and organizing become important for the management to look up. At the same time, it may also be practising Taylor's concept of organizational structure to align and set things right regarding worker efficiency.

AstraZeneca is focused on absolute innovation in the healthcare and pharmaceuticals industry. Adopting modern practice and technology to solve health problems of the present and future is only going to happen when there is a clear outline to employees about what is expected of them and the ways of performing their tasks. Employing the best would require consistent training, and retaining the best will
 require additional benefits and growth opportunities.

Astra Zeneca is more likely to fall under Faylor's theory of management. Planning, organizing, control and communication are the key factors in putting forward a new project or task. Without appropriate planning, the organization is expected to face a massive downfall. The company is also putting its effort into marketing to help keep up with customers and stay at the top for all solutions. While times change, AstraZeneca should be adaptive in practising porters' theory on strategy.

Also, in implementing the marketing mix, Astra Zeneca should focus on various channels through which it can spread awareness about diseases and how it is helping fight these through its modern medicines and vaccines. The company should build its presence more on social media as that is where most consumers sit to find out about a piece of news or development. It may also look at hosting podcasts, and webinars for the general audience.

CONCLUSION

Astra Zeneca would require focusing on marketing strategies to align with its organizational approach to achieve success in innovating healthcare. For every step that it takes, careful planning is needed. The aim of marketing should boost the presence of Astra Zeneca and promote its achievement in times of pandemic.

There should be additional investment in R&D and employees learning to elaborate research further and find the best solutions to world health problems in fighting diseases. Overall, business aims should improvise and focus on employees learning and upskilling capabilities. The organization structure should accelerate innovation with proper communication flow and fewer hierarchies or approving authorities. For the world to address health issues immediately requires quick actions and not decisions waiting for approval for long weeks. The research laboratories should ideally be set up in various geographic locations to study the right place for the disease.

Employees reporting lines should be more specific and not have too many levels to get through to the management. There should be open systems to help employees submit feedback at any time for advancement in current processes and operations. To keep employees motivated to do their work, rewards and recognition should happen at the time of achievement, not a year-end appraisal. The overall organization strategy should also include a human resource strategy, as employees are the ones that will help the organization achieve its goals.

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