



Organization Theory within AT&T's Consumer Market Sector

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ABSTRACT

AT&T acknowledges that to be successful, the company's mission, vision, and value statements need to be outlined in an understandable manner. The organization reaches these goals by proactively measuring organization effectiveness through pre-existing unity and socially constructed diversity. Do too many challenges that the corporation faces both internally and externally, it is important that one evaluate the organization using two organizational theory perspectives. For the purpose of this study, the perspectives that will be used are Modernist and Symbolic- Interpretivism. The objective is to apply these perspectives to an organizational diagnosis of AT&T's Consumer Market sector.

Keywords: Organization Theory; AT&T; Leadership; Organization Effectiveness

Introduction

AT&T's Consumer Markets sector has been in the forefront of the telecommunication; offering products and services that propel relationships within most organizational environments. The organizations vision and mission is to "Rethink Possible" (AT&T, 2011). "Organization theory (OT) draws on the sciences, the humanities, and the arts, and so presents the intellectual challenge of thinking" (Hatch & Cunliffe, 2006, p. 3). AT&T is satisfying this vision by generating up-to-the-minute resolutions for residential consumers and businesses and by driving innovation in the communications and entertainment industry by incorporating sciences, humanities throughout the organizations intellectual properties divisions that are continually working vigorously to produce products that bring the company's name and visions into their consumer's lives. According to Collier and Esteban (2007): Many companies subscribe to, and even publish their own values and principles by way of mission and vision statements. These are then developed into a code of conduct which is often used as the basis for their organizational strategy. Companies that are value driven and embed this philosophy throughout the organization are usually more successful at retaining talent, inspiring and mobilizing staff to execute company strategy (p. 251). As the organizations consumer markets sector continues to break new ground and provide new solutions, the organizations most important focus is to deliver high-quality customer relations and remain on their path to attain optimal success, all the meanwhile putting into practice and fostering the use of organizational theory.

The Organization

History

Established in 1885, the American Telephone and Telegraph Company (AT&T) were formed to be the first long distance network. Throughout the years the corporation has provided communication services and products, and is known as one of the largest telecommunication companies throughout the world. The consumer market sector offers wide-ranging products and services, which include and are not limited to local telephone, cellular, Internet, and long-distance services (AT&T, 2011). Its consumers include business and residential businesses, as well as other providers of telecommunications services, in the United States and worldwide. This broad selection of products and services are what keeps the corporation among the top telecommunications companies. The organizations main focus is its consumers, and organization effectiveness amongst this competitive era.

Organization Theory

What is Organization Theory (OT)

Like many corporations and businesses alike AT&T incorporates ideals to assist in running a dependable network. The organization operates in diverse environments, with its fair share of challenges, and conflicts. Despite its complex infrastructure, the organization thrives on organizational

effectiveness. In his study, Farazman (2002) argues that “Modern organizations are complex, and understanding this complexity requires advanced knowledge and experience. Knowledge about OT and behavior is abundant, but the field is still developing with advancements being made in various dimensions and with significant implications for public administration and management” (p. 19). It is reasonable to suggest that OT serves as a foundation and guide providing organizations with thorough guidance; one can conclude that AT&Ts organizational behavior and organizational effectiveness befalls from such foundation. Additionally, “Organization theory has always offered and embraced multiple perspectives because it draws inspiration from a wide variety of fields of study, and because organizations will remain too complex and malleable to ever be summed up by any single theory” (Hatch & Cunliffe, 2006, p. 5). In this case, AT&T a complex organization has achieved success by abiding to ethical practices and applying OTs.

Multiple OT Perspectives

Approaching organization theory by way of multiple perspectives is important, because the differences in perspectives affect how theory is created, and also the way organizing is practiced (Hatch & Cunliffe, 2006). The two theoretical perspectives: modern and symbolic interpretive offer distinctive contributions to organization theory and are the two most commonly viewed perspectives within AT&Ts consumer markets sector. Hatch and Cunliffe (2006) suggest that to compare modernism and symbolic interpretivism one clearly requires examination of the assumptions underlying each of these perspectives.

Differences between Modernist and Symbolic- interpretivism Perspectives

Modernism

The modernist perspective focuses on the need to define the organization and its environment, and to manage the boundary by protecting the organization from the environmental factors and influencing the environment in the interest of the organization (Capella University, 2011). The organization implements such boundary protection by influencing the organizational environment in such a way that applies a modernist perspective, one must commit to limiting what they count as knowledge to what they know through their five senses (Hatch & Cunliffe, 2006). Within the consumer markets sector the organization is defined by its environment; the organization has a long history using OT as a means of conducting business. Furthermore, the organization falls well under the description of a modern perspective by using the three levels of environment that modernist organization theorist’s make use of: inter- organizational networks, general environments, and international environments (Hatch & Cunliffe, 2006). Consequently, stakeholders, and inter- organizational networks are crucial to the organization, because operations take place within such networks.

Symbolic- Interpretivism

Under symbolic- interpretivism a more fluid boundary is seen, because organizational members construct and organizations are constructed by their environment (Capella University, 2011). Through symbolic- interpretivism consumer market relationships to the environment foster debates in OT; whether organizational structure or human agency has better implication for understanding its organizations (Hatch & Cunliffe, 2006).

The discrepancy is in terms of the methodological differences between the two theoretical approaches. For example, Hatch and Cunliffe (2006) reasonably suggest that modernists established the idea that organizations are open to their environments and devoted themselves to conceptualizing and demonstrating the importance of the new concept. Furthermore, the modernist perspective focuses on the need to define the organization and its environment, and to manage the boundary by protecting the organization from the environmental factors and influencing the environment in the interest of the organization (Capella University, 2011).

In contrast the symbolic- interpretivism approach suggests that “the organization perspective which fosters one of the great debates in organization theory: whether organizational structure or human agency has the greater significance for understanding organizations” (Hatch & Cunliffe, 2006, p. 85). Furthermore, describing how “people give meaning and order to their experience within specific contexts, through interpretive and symbolic acts, forms and processes” (Hatch & Cunliffe, 2006, p. 14). Additionally, under symbolic- interpretivism; a more fluid boundary is seen, because organizational members construct and organizations are constructed by their environment (Capella University, 2011).

Ontological and Epistemological differences within two perspectives

Modernism

Ontological and Epistemological differences and their implications offer better insight of the two perspectives. Modernism, seen through an ontology lens is perceived as a belief in an objective, external reality whose existence is independent of our knowledge of it (Hatch & Cunliffe, 2006). Modernism, as seen through an epistemological lens is categorized as truth discovered through valid conceptualization and reliable measurement that allows knowledge to be tested against an objective world (Hatch & Cunliffe, 2006).

Symbolic- interpretivism

Symbolic interpretivism is viewed as a belief that we cannot know an external or objective apart from our subjective awareness of it (Hatch & Cunliffe, 2006). Meanwhile, the assumptions made under an epistemological standpoint, address symbolic interpretivism as knowledge being relative to the knower and only understood by those involved (Hatch & Cunliffe, 2006).

Variables that contribute to AT&Ts organization effectiveness

Culture

Culture within organizations offer value and the framework necessary to succeed in business. Hatch and Cunliffe (2006) reasonably suggest that modernists established the idea that organizations are open to their environments and devoted themselves to conceptualizing and demonstrating the importance of the new concept. This is observed among the consumer markets culture and is viewed as the organizations core component for success. The culture approach, its peculiar concepts: myths, rites, rituals, artifacts, lore, and their ambiguous meaning, is likely to induce tension and interest within organizations (Bowles, 1989). Tension and interest can help market an organization in a diverse manner. At the core of department, one will find diversity. Diversity plays a large role in the organizations cultural environment. At an organizational level, possessing a distinctive identity culture has symbolic value for appearing progressive and modern through a public image of paternalism toward employees (Garrahan and Stewart, 1992). AT&T has possessed the modernist train of thought by applying artifacts to their organizational culture using three methods: 1. Objects, 2. Verbal expressions, and 3. Activities. These methods are actively seen throughout the organizations culture. Objects are widely used by the company; for starters the organization has an iconic and distinctive logo that has transcended through the decades. Moreover, the organizations products and services are known and used internationally, and the organizations telephony equipment is used throughout many businesses, and residences. The organization is also known for its use of verbal expressions using abbreviations and acronyms as jargon. This is commonly displayed in its own corporate entity, its name; AT&T. The organization is also fond of slogans, slogans such as "Reach out and touch someone", "Your world delivered", and presently "Rethink Possible", and when it comes to activities, the organization prides itself in using ample technology such as Pod- casts, and live feed communication when discussing new products and services to its consumers. Additionally, the corporation has been recognized for technology, advancement, taking care of their teams and even keeping the planet green (AT&T, 2011).

Internal Environment

A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was used to demonstrate the internal environment of the consumer market sector.

SWOT analysis for AT&Ts Consumer Market

Strengths	Weaknesses	Opportunities	Threats
Global Presence	Lack of short-term goals	More global acceptance	Volatile Industry
Increased revenue	Lack of policies that empower action	Ability to implement grand strategies	Competition
Innovative and reliable	Delayed implementation of product distribution	Ability to embrace governmental/external policies	Competition

Global presence

With worldwide presence that provides the foundation for global recognition and a strong customer base the company faces numerous challenges both internally and externally, it is important that viable marketing strategy be implemented to remain on top globally. Marketing activities is major part of the consumer market sectors product acknowledgment process. To effectively take on such challenges that affect company growth and profitability, a marketing strategy must be set into action. Three core forces that impact the consumer market organization effectiveness are; technology, political, and social factors. An environmental scan and economic analysis of the consumer market sector was completed, illustrating the organizations current product and services distribution. Analysis of forces and trends are refined to provide a macroeconomic forecast of economic indicators that will affect the consumer market sector in the future. Non-economic factors in the remote environment such as social and cultural, political, technological, and demographic factors will be analyzed as well; this will provide a thorough competitive analysis of the organizations position from a microeconomic standpoint further assessing the market in which AT&T competes.

Social Factors

Social factors in the remote environment, such as the standard of living of AT&Ts consumers and the rapid changes in lifestyle of people, such as the ability to telecommute, and the ability to communicate with customers, family, friends from location other than the usual place of business or residences, or the ability to communicate with clients and colleagues via computers, LAN lines, cellular telephones, tablets, etc., is viewed as one of the most important forces or trends affecting the telecommunications industry. The consumer market sector is completely committed to provide all necessary lines of communication to continue to provide constant connection with all aspects of telecommunication as lifestyles continue to change. According to Joanna Streng (Consumer Markets Engineer, AT&T, 2011) the company devotes its resources to core communication issues and problems in the society. Like other forces in the remote external environment, social forces are self-motivated, with constant changes taking place to satisfy individual wants, needs, and desires. The ability to adapt and provide material for such trends depends on the quality of the staff and operational infrastructure at the organization. The organization has a world class operations staff that monitors the development in the communication arena, this assists the organization to dedicate its resources to important research initiatives, which helps to develop quality products and services.

Technological Factors

Argandona (2003) believes that the new economy is a technological revolution involving the information and communication technologies and which affects almost all aspects of the economy, business, and our personal lives. The consumer markets sector takes pride in offering innovative products and services in the new economy by serving millions of enterprises and multinational business corporations on six continents. Additionally, AT&T has brought jobs, skills, and technology to regions of the world providing customers with low cost communication services. Consequently, globalization is a key component of AT&T's business. Globalization is regarded as the worldwide process by which the economic and social systems of nations have become connected together so that goods, services, capital, knowledge, and cultural artifacts are traded and moved across national borders (Velasquez, 2006).

The consumer market sector must be aware of technological changes that may influence its industry. Resourceful technological modifications in products and services can suggest possibilities for new improved products. Bundling and improvements in existing products certainly affect the operations of the organization. With such new technological developments increased improvement in functioning and processing capabilities is met. The organization also needs to strategically manage their financial budget to ensure that the company has sufficient funds available for implementation of technological programs and projects. Such technological initiatives can drastically improve the operational efficiency and effectiveness of the quality of the organization (AT&T, 2011).

Political Factors

Political factors from the remote environment that affect the consumer market sector are explained as follows: AT&T is governed by the Federal Communication Commission (FCC), individual state Public Utilities Commission (PUC's), and other regulatory agencies. Even though communications is one of the fastest-changing industries in the United States economy the government agencies move at a very slow pace when it comes to setting forth any changes in regulations, that can benefit the organization. In addition, any unfavorable or favorable changes in the political environment; for example modifications in political power or other political commotions can influence the functioning of any of the above listed agencies. Because AT&T depends on the legislative body of the government for support, course of action approval, the political forces assert a vital and valuable direction on the functioning and effectiveness of the agency. This is a constant force the consumer market sector relies on to make both adjustments in its total budgets, and products and services.

Market Segmentation

Determining market segmentation and the identification of target consumers are an important element of each marketing strategy. According to Tripp-Reimer (1985) quantitative research methods, on the other hand, are most appropriately used to "test hypotheses with the goal of predicting or explaining" (p. 167). Tripp-Reimer also suggested that quantitative methods tend to be more number-driven when the researcher wished to know *how often* or *how much* of a phenomenon is present. These numbers can serve as a base for explaining or predicting *what has occurred* or *what will occur*. Furthermore, three types of variables observed; Demographic, Behavioral, and Business are very important variables for determining market segmentation.

Considerable interest has been placed in producing conceptual models for information seeking and market segmentation research in many industries. Wilson (1999) notes that such models research behavior, among others, that "rarely do such models advance to the stage of specifying relationships among theoretical propositions: rather they are at a pre-theoretical stage, but may suggest relationships that might be fruitful to explore or test" (Wilson, 1999, p. 250).

Palmatier, Jarvis, Bechhoff, and Kardes (2009) elaborate that marketing segmentation investments (e.g., when a seller provides extra effort; adapts policies, and provides small favors or considerations, such as meals, gifts, or personalized notes) generate customer feelings of gratitude, which lead to gratitude-based reciprocal behaviors, resulting in enhanced seller performance. Furthermore, Palmatier et al. (2009) argue that appropriate evaluation of market segmentation offered in a conceptual model offers such benefits as trust, or confidence in a partner's reliability and integrity, and commitment, or an enduring desire to maintain a valued relationship, mediate the effects of such investments- that is, activities to build and maintain strong customer relationships- on seller performance outcomes occurs.

As the telecommunications industry becomes more competitive, it will be increasingly difficult to determine what service offering will give customers the best value, so it is crucial that the consumer market sector rely heavily on corporate branding. Consumers trust and are loyal to the AT&T brand; hence, expect value in their telecommunications experience. The desired future state would be that AT&T remains the nation's primary communications company with unparalleled global range. Such operation will combine global systems resources and business with exceptional wireless exchange. Focusing on principles such as customer service, improvement, and dependability will provide the consumer market sector with a strong, global network, with paired capability and wherewithal. AT&T will have the resources and skills to innovate and further deliver to their customers the next generation of unconventional, integrated wireless communication services (AT&T, 2011).

Physical Structure

Modernists would assert that physical space affects how efficiently things run and would seek to optimize it for work performance (Capella, 2011). Additionally, the modernist views the relationship between physical structure and power as the space an organization occupies which can be a set of interconnected locations that one might describe with reference to a map (p. 225) such a map that offers the power over production and know-how. Meanwhile AT&T's physical structure is not very relevant to the business they contact day in and day out, the Consumer Market sector is maintained in remote locations throughout the United States; business is conducted via telephone and or the Internet, no physical interaction is made whatsoever

through physical contact, even cellular phone products and services are also conducted via telephone and the Internet. Furthermore, Hatch and Cunliffe (2006) describe physical structure as: geography and location, building design, and style and décor. The organization maintains stores for products and services in most cities throughout the United States; however, the vast majority of the business is now conducted remotely.

Macroeconomic Forecasting of Economic Indicators

Macroeconomic forecasting is a quickly developing field with a wide-range of applicability in business. The ever-increasing convulsion of markets is fueling the demand for the consumer market sector possesses an understanding of the forecasting needs of the corporation, the macroeconomic tools necessary to solve forecasting problems, and ample computer skills necessary to produce optimal forecasts is essential.

The consumer market sector lessened organizational expectations for corporate spending, do too much slower corporate profit growth, because such growth was taking a toll on expectations and macroeconomic indicators. Despite the mild deceleration business should not get any worse. Notwithstanding recent upward movements, inflation in most parts of the world is still quite low by historical standards, and will remain under control--even as the consumer markets sector products and service prices remain at a moderate level (AT&T, 2011).

AT&T Current Situation

In closing, the organization has spent a large amount of time and capital over the past few years building a national enterprise data capability, and the AT&T acquisition boosts this process considerably. The corporation brings not only the all-important enterprise and government market customer relationships, but also the infrastructure required to serve the ever-growing demand and communications market as applicable by both the modernistic and symbolic- interpretivist approach and perspectives toward organizational theory. According to AT&T's Chief Executive Officer (CEO) Randall Stephenson (2011), the organization desires their future state to be an integral part of the new corporate strategic marketing plan, which externally envisions a refocused and concentrated team-based approach to achieving satisfactory relations with vendors, manufacturers and customers alike.

AT&T has demonstrated that they retain an across-the-board understanding of the issues conflicting the telecommunications industry the organization is deeply committed to providing telecommunications products and services that will endure the long term social, technological, physical, and cultural structures needs to succeed in the industry. AT&T's Consumer Market sector plans to continue to market its voice and data networking products both nationally and internationally. These evaluations will help to gauge strengths and weaknesses of their current technology strategies, benchmarked against best practices of peer organizations. The organization will analyze and utilize these strategies and evaluate their products and services for improvements, and added benefits for their customers.

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