

# Organisational Audit

## An introduction



### What is the Organisational Audit?

Each year London Business School's Full-time MBA student teams conduct an Organisational Audit for their 'Managing Organisational Behaviour' course. Participating organisations benefit from a free investigation into some aspect of organisational behaviour and structure that has implications for organisational performance. Example topics include job motivation, decision-making processes, group coordination problems, cultural integration after a merger, product information flows, structural re-engineering to accommodate rapid growth, and incentive systems.

The audit is tailored to the individual needs of companies. The audit group will work with the organisation to develop a brief: an agreement of the topic focus and scope of the investigation. Team members will visit the company to interview people, conduct focus groups, or administer surveys to gather information relevant to the brief. They will share emerging findings with the organisation and at the end of the project will present a written report and, if desired, an oral presentation. Companies can specify confidentiality restrictions for the information gathered by agreement with the student team members.

### Who are the 'Auditors'?

Our Full-time MBA students are experienced professionals who have been carefully selected and arrive at the School already highly trained. Most have worked for large multinational companies. Some have run their own businesses. Each audit group includes students from many different countries with a wide range of professional backgrounds and industry experience.

Audits are closely monitored and supervised by the academic directors, professors from London Business School who are experts in organisational behaviour. The professors are available and involved throughout the project to consult with students and provide guidance and suggestions.

## Companies which have participated in the Organisational Audit in recent years

BBC – Top of the Pops  
Belgrave Capital Management  
BP – Connect Stations  
BT  
Carlton Active  
Cobra Beer  
Disney UK  
Dunlop  
e-bookers  
Farm Africa  
Ford  
GlaxoSmithKline  
Merloni  
Morgan Stanley  
Multiple Sclerosis International Federation  
Ogilvy and Mather  
Pied A Terre Restaurant  
PizzaHut  
Reuters  
Sadler's Wells Theatre  
Schlumberger  
The British Council  
The Economist  
The Metropolitan Police  
Unilever

“Provided keen insights into our communications. The report will be used as a briefing document for our senior managers.”

**Hewlett Packard – San Francisco**

“There is no doubt that the London Business School organisation audit findings will help us in our endeavours ... we have already used the knowledge generated to change some of our policies.”

**Sadler's Wells Theatre – London**

“...I expected that the audit would confirm most of the issues that we thought we knew. To my surprise a lot of new concerns were raised and brought to our attention. It far exceeded our expectations.”

**African Products Pty Ltd – Johannesburg**

## Benefits to companies

Participating companies are often amazed at how much this intensive exercise reveals in terms of important new insights about their own operations. Most find significant benefits from the ‘outsider’ perspective that these capable and experienced students bring to the company. Companies also find great value in the suggestions for change offered in the final project reports.

## Benefits to students

The educational benefit is enormous. It enables our students to apply their knowledge and expertise in ‘live’ settings, demonstrating the value of the training they have been receiving. Many students describe this as the most valuable learning experience of the Managing Organisational Behaviour course. London Business School also benefits from building co-operative links with different global business centres, and establishing its reputation as a world leader in business education.

## Suitable topics

Generally, audit topics investigate the business impact of the way people are managed in a company. Audit teams in previous years have explored management issues such as:

- motivation: what are the sources of motivation in various jobs in Company XYZ? Is individual motivation aligned with organisational goals?
- decision-making: how are key decisions made in Charity ABC? Which practices facilitate good decision-making? What are the barriers to effective decision-making?
- teams: how effective is Public Agency 123 at using teams? Are team tasks, team roles, and team incentives congruent? What structural features impede effective coordination among teams?
- organisational culture: what is the organisational culture of Department 789? How does the culture facilitate or hinder the attainment of department goals?
- organisational structure: is the structure of Division DEF aligned with its strategic mission? How should the structure change to cope with changing market conditions or continuing growth in the firm?
- communication: what is the state of downward, upward, and lateral communication flows in Firm A? How effective are the different media used for communicating critical information?

## Examples of briefs

Some examples of previous audit briefs:

- an international media organisation: ‘to investigate the areas of strength and competences of the Alpha and Beta teams. To identify the key challenges for each team. To suggest best practices that could be applied to either or both teams.’
- a large European sporting goods manufacturer: ‘analysing the best implementation procedure for a new pan-European organisational structure for sales, marketing, and distribution.’
- a UK-wide charitable organisation: ‘to analyse how client service managers make decisions and to identify barriers to effective decision-making within the organisation.’
- a council-funded minorities service unit in a London borough: ‘to evaluate the scope of services offered to minorities; to analyse skills that are appropriate to serve a diverse customer mix; and to discover the structure and culture of the unit’.

## Participating companies

Any organisation can participate in the audit: private or public; large, small or medium. All can benefit. The only requirement is that someone suitably senior within the company takes responsibility for overseeing arrangements, including the schedule of interviews and activities for the visiting teams. Please contact us as soon as possible to indicate your interest in participating (see contact details below). We will need the organisation name plus the phone number and e-mail address of a key contact person within the company.

## When will this take place?

The brief will be finalised by February. In March and April, students will interview staff, conduct focus groups, conduct surveys as appropriate, and share emerging findings. The final report will be submitted in May. Some teams will be contacting organisations in November or December to confirm their interest in participating and to enquire about possible topics of interest.

## Contact details

For queries or to register your interest in participating in the Organisational Audit, please contact:

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