

Executive Summary

The East India Company (EIC) was a trading company based in London that operated from 1600 to 1874. It was granted a Royal Charter by Queen Elizabeth I. Its main products were spices, tea, opium, and silk. Eventually it expanded its trade to North America and China. The EIC was the largest company during its time and used a variety of technological and economical innovations to support its growth. The objectives of this analysis are to analyze the organizational structure of the EIC and examine how the organization design and structure of the EIC contributed to its growth and success, as well as its failures and eventual demise. While the EIC traded in India, North America, and China, this analysis of its organizational design will focus on its operations in India.

Initially, the EIC intended to enter and explore a new profitable market of spice trade in the Indian Ocean. The company's main focus switched to trade in India and formed a treaty with the Mughal Empire in 1612, who granted the EIC trade rights in India. Turning into the strongest military force in India, EIC seized control of the entire subcontinent from 1757 until the Indian Rebellion of 1857 and acted as an administrator collecting taxes and raising armies. Although it was successful in expansion of trade and political power, EIC proved incapable of governing vast people and territories.

To understand the internal environment of the EIC, the general structure of the organization as well as its team structure was examined. The EIC had a General Court consisted of its stakeholders with voter rights, Court of Directors with 24 directors and one general which led the company, and subcommittees that reported to the Court of Directors and specialized in various functions. These three levels of leadership helped take the company through its decision making process, one of its hardest tasks given the company's spread across the world. It maintained two competitive strategies to compete in its environment: Competition for market and resources.

To understand the external environment of EIC, PEST analysis is conducted, including innovations such as the steam engine and limited liability, as well as indicated how those factors resulted in success and failure of the company. As for the international environment, the team analyzed the strategies that helped EIC to become a role model for modern-day multinational organizations and how the company worked to mitigate its risk by working to stabilize its supply chain. A Porter's 5 Forces analysis was conducted to further understand its external environment. Then a SWOT analysis was conducted.

The analysis of its organizational culture focused on the change of the internal culture over time from mission to clan. The individual culture focused on the need to balance the contrasting British and Indian culture, which at times lead to success but eventually led to its downfall. Although some efforts were made to improve the lives of their workers in India, generally ethics were cast aside for the priority of return on investment.

In conclusion, the EIC thrived due to its organizational structure, hybrid decision making structure, technological and economic innovations, support from the British government and their ability to gain power through their naval and army power in India. However, its downfall was caused by its neglect for stakeholders, cultural considerations, lack of contingency plans, and prioritization of return on investment over all else, including employees and employee concerns.