Organizations: Basic Concepts

Organization—“social units (or human groupings) deliberately constructed and reconstructed to seek specific goals”

Types of Organizations
Private for profit (market sector organizations)—includes business and corporation organized with the primary goal of making an economic profit
Governmental—includes local, state, national, and international government organizations. (Examples are public health, education, and human service organizations)
Private not for profit (non-governmental organizations) NGO’s/Voluntary or service sector (Lions Club), provides civic and human services which are funded by private citizens (donations) fundraising organizations (example is united way), or privately funded foundations (example is Ford, Kellogg)

Traditional Ideas About Organizations

Scientific Management Themes
-organizations operating according to the principles of scientific management are characterized by several themes:
  • High degree of specialization in jobs and the qualifications and training of personnel
  • Clear divisions of labor
  • Distinct hierarchy of authority
  • Assumptions that workers are motivated primarily by economic rewards

Characteristics of Bureaucracy
  • Stable and official structure of authority
  • Clear hierarchy of authority (pecking order)
  • Written records kept over time
  • Specialized training and expertise
  • Official duties come first
  • Stable and comprehensive system of rules
  • Career employment
  • Managers separate from “owners” of organizations
  • Managers free to allocate and relocate resources

Hawthorne effect—when workers are motivated to produce by other than purely economic rewards
Theory X—it reflects the belief on the part of managers that their role was to direct and control activities of workers
Theory X is more consistent with the assumptions of scientific management and traditional paradigms thinking
Theory Y- these assumptions reflected the belief that their role was one of creating supportive relationships in which organizational members could exercise their inherent tendencies to grow develop, and learn for their own benefit of that of the organization. Theory Y is more assumptions with the dimensions of the alternative paradigms

Theory X assumptions are:

1. The average human being has an inherent dislike for work and will avoid it if he(she) can.
2. Because of this human characteristic of dislike for work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, and has relatively little ambition, wants security above all. {Pugh, Hickson, and Hinings 1985:167}

Theory Y assumptions follow:

1. The expenditure of physical and mental effort in work is as natural as play or rest. The ordinary person does not inherently dislike work.
2. Humans will exercise self-direction and self-control in the service of objectives to which they are committed.

Systems Perspectives
-systems perspectives on organizations have a significant reliance on scientific and qualitative tools consists with the traditional paradigm thinking used to analyze organizational thinking
-systems approach also present integrated holistic perspectives on organizations and their environment consists with the alternative paradigm thinking

Closed system- perspective views organizations as total units in and of themselves with occurrences in the environment surrounding the organizations having little impact on the organization itself

Open system-perspectives see organizations as units very much influenced by larger environment in which exists.

Contingency Theory- “everything is situational and that there are no absolutes or universals”
-also suggests that the effectiveness of any organization action is determined in the context of all the other elements and conditions in the organization at the time of the action is taken (they make decisions on any given point based on incomplete information)
Organizational Life Cycles Theory

4 organizational life cycle stages
1. start up stage
2. growth or expansion stage
3. a domain protection stage
4. a stability stage

Strengths, weaknesses, Criticism
-systems and contingency theories presented us with perspectives that recognize both the formal and informal aspects of organizations in addition to stressing the influences on the larger social environment on organization
-flowing from the assumption of hierarchy of traditional perspectives (classical, human relations, and systems) is the assumption that all power must be divided unequally among members of the organization
-traditional perspectives see inequality or unequal distribution of power as a basically functional for organizational members
-systems approaches see power differences as necessary and of mutual benefit in service to overall systems goals and goals of subsystems

Alternative Ideas About Organizations

Organization’s Culture- shared experiences that organizational members hold in common, these shared experiences merge into a whole pattern of beliefs, values, and rituals that become the “essence” of organization’s culture
-the concept of organizational culture can help us understand the difficulty faces by woman, people of color, or persons with disabilities when they enter organizations that have historically been made up only of privileged abled bodied white males with traditional paradigms perspectives.

Organizational climate- reflects how organization members communicate organizational culture in more visible or observable ways

4 Key Climate Dimensions:
1. The nature of interpersonal relationships.
2. The nature of the hierarchy.
3. The nature of work.
4. The focus of support and rewards.

oligarchy- government or control by the few elite who have control of the organization

-hierarchy is considered a necessary component of modern organizations structures
-Iannello’s critical perspective suggests that alternative to hierarchy are possible. However to create alternatives we must first recognize that hierarchy is embedded throughout the values, norms, and ideologies of the larger society.
**Hierarchy** – as any system in which the distribution of power, privilege and authority are both systematic and unequal

**Consensus decision making** - occurs only after an issue has been widely discussed

**Consensus Organization** - as enterprise in which control rests ultimately and overwhelmingly with members/employees-owners, regardless of the particular legal framework through which it is achieved

Comparison of Consensus and Bureaucratic Organizations

1. authority
2. rules
3. self—control
4. social relations
5. recruitment and advancement
6. incentive structure
7. social stratification
8. differentiations

Limits of Consensus Organizations

1. time
2. emotional intensity
3. non-democratic habits and values
4. environmental constraints
5. individual differences

**Stakeholder Theory and Feminist Perspectives**

-Stakeholder theorist suggest that “the corporation is constitutes by the network of relationships which it is involved in with employees, costumers, suppliers, communities, business and other groups who interact with and give definition to the corporation”

**Chaos Complexity Theory**

-one of the most significant differences in the newer approaches of chaos and complexity is their focus on the importance of recognizing the positive aspects of change and flexibility, while traditional bureaucratic approaches seek stability and standardization

Network organization - in which “individuals or small groups use networks of personal contacts and contractual relationships to bring together the resources needed for each venture”

**Theory Z**

- emphasis on job security, collective decision making, and collective responsibilities for decisions, along with a holistic perspective
A group/team approach is a central mechanism for implementing consensus-based decision making in Theory Z organizations.

Quality control circle- is a cohesive work group with the ability to operate with a significant degree of autonomy in the areas in which it is responsible.

**Total Quality Management** is a management approach to long-term success through customer satisfaction.

The seven principles of TQM
1. A focus is on the consumer of the organization’s services
2. Involvement in everyone in the organization in the pursuit of quality
3. A heavy emphasis on teamwork
4. Encouragement of all employees to think about and pursue quality within the organization
5. Mistakes are not to be covered up but are to be used as learning experiences/opportunities
6. Workers are encouraged to work out problems solvable at their level and not to pass them along to the next level
7. Everyone is on the quality team and everyone is responsible for and encouraged to pursue quality

(Ginsberg 1995:20)

**Learning Organizations**
–not only adapt to change, but learn and stay ahead of change

A learning organization is characterized by:
1. An intense desire to learn about itself
2. A strong commitment to generating and transferring new knowledge and technology
3. Openness to the external environment
4. Values that emphasize shared vision and systems thinking
5. Focus on interrelationships among factors and long-term rather than short-term approaches to problem

**World-Class Organizations** includes characteristics of both total quality organizations and learning organizations

**Managing Diversity**
-the goal of managing diversity is to “develop our capacity to accept, incorporate, and empower the diverse human talents of the most diverse nation on earth”

Digital Divide-when individuals our not able to have access to today’s technology and are left behind in abilities

Shauna Vatland  SW 5101  HBSE