

Organizations and markets

Business



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Business coordination and motivation are primarily realized through organizations rather than the markets, in accordance with both John Roberts (2004) and Herbert Simon (1995). This argument somewhat persuades as it satisfies the general question propounded by both Simon and Roberts: given that the neoclassical theory of economics ascertains markets efficiency in generating and engendering demand and supply coordination through price mechanisms, what explanation is it given with the fact that the majority of people are employees? Moreover, the question that arises too often is why big international corporations maintains such noteworthy grounds vis-a-vis markets all the way through outsourcing contracts, rising number of premeditated coalitions and other mechanisms of circumventing the market based manner of clearing price centric. It is remarkable to observe that from my experience, this proclamation that coordination and motivation of business activity is achieved predominantly through organizations rather than the market is undoubtedly correct. Organizations have for long enjoyed a lot of privileges considering their market base and also their target customers. The challenge therefore, is how to integrate these two factors in the most resourceful way to capitalize on the firm's profits (Roberts, 2004).

Motivation of employees is a vital ingredient to profit maximization and coordination among all the stakeholders should be maintained for the proper operations and running of the business. Economic rewards do motivate employees to achieve organizational goals, but they require a precise way to measure an employee's contribution to achieving goals (Herbert, 1995).

Coordination of the activities of the employees is another factor to consider. Usually the market dictates coordination between organizations, and

coordination is usually price based. As discussed above, coordination inside organizations is mostly dependent on rewards and loyalty. Managing, motivating and coordinating employees well translate to growth of an organization.

The observation that most businesses are progressively being coordinated by organizations and less of by markets, have a propensity of truth (Herbert, 1995). Undeniably, I had to quit my job after some unfortunate experiences in business, to become a self-governing business consultant. I spent time aiming at developing a sound client portfolio and better services but consolidating a service portfolio proved elusive, in spite of a wide ranging contact networking. Making my resources valuable to my clients proved hard. I was fortunate enough to link up with my long time university friend who was indeed successful in trade consultancy issues. We agreed to enter into a partnership, on a strategic alliance scheme, where he would source for contracts and provide the essential orientation.

This agrees with the statement that coordination and motivation is usually within organizations and not the markets. In conclusion therefore coordination and motivation is, therefore usually within organizations and the market plays little or no role.