

# [Organization theory and design essay](https://assignbuster.com/organization-theory-and-design-essay/)

## Organizational Theory

Organization theory and design continue to change with time. The changes have introduced classes of the theories, including modern, post-modern and historical. In spite of the era that they theories arose, their application and effectiveness depend on the willingness of an organization to apply the tenets proposed or the resources at its disposal. In this paper, some of the discussed organization theories and design include organizational culture by Edgar Schein, the resource dependence theory by Jeffrey Pfeffer and Gerald Salancik, the competing values framework by Cameron and Quin, Scientific Management by Fredrick Taylor, the functions of management by Henri Fayol and the balanced scorecard approach by Kaplan and Norton. The discussion also focuses on my personal experience while having knowledge of the theories and planning processes in organizations.

Organization theory and design plays a role in determining organizational outcomes possible through human, financial and material resources. In considering organizational design though the responsible theories, some of the factors taken into consideration include the chain of command within a specific organization, work specialization, authority and responsibility applicable, the span of control and departmentalization. However, the theories, as designs have explained it have evolved over time to give rise to classes of organizational theories and concepts that include historical, modern and post-modern theories. There exist many determinants responsible for defining an organizational design, and among them include the type of leadership and leadership, an understanding of organizational design and the bearable structures that an organization can support. On the other hand, some of the most critical organization theoretical concepts include organizational culture by Edgar Schein, the resource dependence theory by Jeffrey Pfeffer and Gerald Salancik, the competing values framework by Cameron and Quin, Scientific Management by Fredrick Taylor, the functions of management by Henri Fayol and the balanced scorecard approach by Kaplan and Norton.

## The Theoretical Concepts of Organizational Design

One of the famous theoretical concepts of organizational design includes Edgar Schein’s organizational culture. According to Schein, defining the culture of an organization is possible through understanding its behaviors and styles (Hasler, 2005, p. 998). However, to understand a culture, the existing leadership plays a crucial role. In his words, Schein defined organizational culture as the shared assumptions learned by a group in an organization and used to solve problems and adapt to the external and internal integrations within an organizational setting (Sun, 2008, p. 138). At the same time, culture stands for the shared beliefs and values that pose significance to an institution and define its behavior (Sun, 2008, p. 38). In combining culture with organizational culture, Schein’s concept of organizational culture represents the practices and beliefs that define the nature and direction of activities in organizational settings. The beliefs and values improve the relationship between members in an organization, provide the best options for thinking, improve the reactions and feelings towards managers and decisions and enhance the order of activities within (Sun, 2008, p. 137). Schein further added to this theory that culture, standing alone qualifies as the sole reason for the existence of a set of psychological pre-deposition that makes people in an organization think and act in peculiar ways (Sun, 2008, p. 137). From an analysis of the theoretical framework, some of the vivid themes coming from the theory include culture acting as a strategy, as a tool to correct employee behavior, culture as an entity and as a mental programmer.

Fredrick Taylor contributed to organizational designs through his theory of scientific management. According to the scientific theory of management, the theory serves to end industrial conflicts and as a result, it provides a solution to the problem of labor in organizations (Mahmod & Basharat, 2012, p. 515). The theory works to unite the interests of managers and workers, and this realization improves productivity levels (Mahmod & Basharat, 2012, p. 515). Organizations need managers to perform at their optimum, but to do so; they also need the diligent input of employees. For this reason, Taylor believed that training employees works best in improving their skills to support their assigned roles and responsibilities (Mahmod & Basharat, 2012, p. 516). Additionally, the division of labor between managers and employees improves the relationship between the two groups and in the end, each group gest satisfied with the working conditions and the results. In support of the design, Taylor proposed several principles. For instance, the management and the employees need to balance work between themselves using the division of labor strategy and an organization needs to choose and select its employees, train them and ensure they become suitable workmen (Turan,, 2015, p. 1102). Another principle relates to the willingness and desire of an organization to create a science for each of its tasks, making it possible for employees to follow them (Turan,, 2015, p. 1102). The theory according to Taylor lies among the modern theories, and its application to the industrial world has changed organizational design.

## Henri Fayol Theory

In Henri Fayol’s words, attaining sanity in the workplace calls for a supervisor to differentiate between managerial and technical skills. The functions of management, according to Fayol include appointing a supervisor to head a team of employees, and the supervisor needs to show both managerial and technical skills to succeed in their mission (Rahman, 2012, p. 35). Additionally, it is critical, according to this theory seeks to forecast and plan plans of operation that suit organizational needs and wants (Rahman, 2012, p. 35). Apart from panning, it is also the role of the management to identify the chain of command and ensure that all employees follow it to the latter, according to the Fayol’s theory of the functions of management (Rahman, 2012, p. 35). The theory further adds that in this organizational design, another function of management relates to controlling and coordinating employees, activities and duties (McNamara, 2011, p. 64). In coordinating, the management looks out for the unifying activities and efforts that harmonize the needs and wants of both organizations and people, and the realization improves the output of employees in relation to their organization (McNamara, 2011, p. 64). Organizing sets in as another function of management that Fayol included in his theory. According to his observation, putting up a structure that improves the order of events, activities, and aligning activities to their useful resources and competent individuals idealizes the accomplishment of tasks (McNamara, 2011, p. 64). Credited as the father of the modern theories of management, the functions of management theory has gained great popularity and it is the most used theoretical concept in organizations to define organizational designs.

In 1996, Kaplan and Norton developed a modern theoretical underpinning to the theories of organizational design. According to this theory, its two inventors believed that measurement plays a significant role in management as it does to science (Kaplan, 2008, p. 1255). The theory observes that without measuring progress and work, it may seem practically impossible to improve (Kaplan, 2008, p. 1255). In accordance with their view, Kaplan and Norton developed several scorecards to measure performance and realize progress. For instance, one of the balanced scorecards in the balanced scorecard approach incudes one responsible for measuring performance, a feat achieved through checking the input of employees and their productivity levels. Additionally, the approach entails drawing strategic objectives and strategy maps, including the strategy management system and identifying future opportunities (Kaplan, 2008, p. 1255). The balanced scorecard approach, however, acts to meet several objectives and goals that include the identification of innovative and strategic destinations to improve performance, identifying the strategic goals to ensure higher productivity in organizations, choosing and measuring priorities and identifying the metrics that define quantitative goals (Poureisa et al., 2013, p. 975). However, according to the balanced scorecard approach, it is critical to use the scorecards to choose proper metrics that rely on clear strategic goals (Poureisa et al., 2013, p. 977). At the same time, the organizational design that runs on the balanced scorecard approach proposes the identification of the cause and effect relationship between strategic goals and using new managerial processes to improve performance (Poureisa et al., 2013, p. 977).

## Quinn and Cameron Lifecycle Framework

Cameron and Quinn (1997) came up with another theoretical concept responsible identifying organizational designs. In their theory, the competing values framework, the identification of the critical factors that contribute to organizational effectiveness proves as a proper tool in measuring progress (Lincoln, 2010, p. 4). The theoretical underpinning works on basic quadrants that act as its tenets. For instance, it is critical to focus on internal and external integrations, flexibility and discretion, differentiation and ensure stability and control (Lincoln, 2010, p. 4). All the above four factors surround the four quadrants that include viewing an organization as a clan, as a market, as a hierarchy and an adhocracy (Lincoln, 2010, p. 5). However, the theory adds that it is not paramount to differentiate one culture from another without considering the industry in which an organization operates and the general strategy that surrounds it (Lincoln, 2010, p. 5). All the dimensions of the competing values framework center the focus of an organization, including its internal and micro-emphasis issues (Yu, 2009, p. 37). The theory further adds that the structure of an organization takes the front seat in identifying the competing values that foster organizational growth and prosperity (Yu, 2009, p. 37). The four quadrants of the competing values framework work to identify the influence of competing values on an organization’s culture and the relationship between culture and organizational effectiveness.

The resource dependent theory, a theoretical concept for explaining organizational designed originated from Jeffrey Pfeffer and Gerald Salancik. According to the theory, constrained organizations suffer  from ineffectiveness, and as a result, it is proper to identify an organizational design that suits their budget and ability (Delke, 2015, p. 2). In their analysis and proposal of this organizational design that seemed as an improvement of previous models, the two researchers turned their attention to resource interdependence, organizational adaptation and working with the external social constraint (Delke, 2015, p. 2). The theory characterizes an organization as an open system dependent on the contingencies of its external environment. With the above observation, managers gain the ability to understand the ecology of organizations and further, its behavior as pertains to the manner in which it utilizes its constrained resources (Delke, 2015, p. 2). However, for an organization to stay within its expectations, there is a need to understand the expectations of its stakeholders and the relationship between them and an organization (Szymaniec & Austen, 2011, p. 80). The identification of the relationship will propel managers to identify the interdependence that can exist between resources, the mutual dependence of power, dependencies and the power of dominance (Szymaniec & Austen, 2011, p. 80). The criticality of resources and the strength of the interdependence should assist managers and leaders in proper decision-making.