

# Why study organizations?

[Business](#), [Organization](#)



In order to answer an essay question, first of all, we need to understand what is meant by the term 'organization' from the sociological point of view. Then we need to understand what role organizations are playing in our life and why it is essential to study them. As we can imagine, there are different types of organizations. All of them have their own structure and purpose. In this essay I would like to focus on business organizations: how they appeared and developed; how employees' relations were changing, etc.

I would like to pay the specific attention to such department as Human Resource Management – how this term appeared and why it is so important nowadays. So, why do we actually need to study organizations? This question, from my point of view, has a very easy and obvious answer: we need to study organizations for the same reason we study the world around us. We are intelligent and curious people. We always need an explanation of what is happening, how the things are working, and what place do we take among other people.

Organizations are the huge part of our modern daily life: we either study or work for them, or we are obtaining goods and services from them. We are interacting with organizations all the time, so it is not surprising, that we want to study them; and it does not matter if you are a manager or consumer – you are still involved in it and you want to be aware of what is happening around you. What is organization? In sociology term 'organization' has a very general meaning. This "is basically a structure for carrying out a particular social activity on a regular basis" (Fulcher and Scott, 2009; p. 542).

All the organizations have such features as specific goal, defined membership, rules of behaviour, and authority relationships. This is also important to mention, that all organizations have the characteristic of continuity. This means that personnel can be changing, but the organization will still exist. There is no clear definition of what social units come into the category of organizations. Some of them are easy to define, other will bring us some difficulties. For instance, business corporations, schools, hospitals, trade unions are definitely organizations, as they all have the characteristics mentioned before.

On the other hand, communities, social groups, and class are not organizations, as they do not have rules of behaviour or specific goals. The problem can occur, when we come across the term 'institution'. The first thing we need to understand here is that organization is not an institution. Institution is "an established practice that regulate the various activities that make up social life" (Fulcher and Scott, 2009; p. 543). The most common examples of institutions in daily life are weddings and funerals. Although, these are two different terms, there is one class of organizations which is called total institution.

Most of the organizations leave people with their separate private lives, but it is not the case with total institution. It is characterised by such features as disappearance of private life, planned and supervised activities, sharp division between staff and inmates, the mortification of the self. The biggest examples of the total institution are mental hospital and prison, where people are isolated from the outside world and society. Now we know what

defines organizations, but we still did not get to the point why do we need to study them.

From my point of view, it is essential to look at the historical background of organizations. We need to understand how they were appearing and developing through the time, in order to understand how they are functioning nowadays. In this essay I have decided to look specifically at one type of organizations – business corporations. Weber (1914) said that modern society is distinguished from the earlier one by the appearance of the multiplicity of administrative tasks and the need to expertise and carry them. He called it “ the increasing complexity of civilization”.

Weber said that this phenomenon is caused by growing size of organizations, greater wealth and increasing social problems. If we would refer to the history of organizations, we can see the significant changes in structure, policies, employee relations, values, etc. The first interest in organizations appeared in the 19th century, which was driven by industrialization. Industrial revolution was caused by development of technologies, which completely changed the structure of most of the organizations, and lead to the transformation of society.

The introduction of manufacturing process completely changed the employment relations. Discipline was the key feature of the new organization, as it helped to control and organize people more effectively – this lead to the process of bureaucratization. New industrialists were looking for the profitable production. In order to achieve it, they needed punctuality and uninterrupted work during fixed hours from their employees. These

targets were achieved by bureaucratisation, which was central to the administrative revolution. These organizations were highly rational, they functioned in a discipline and unemotional manner, their activities were calculated, systematic and predictable. This approach helped the manufacturers maximize the return on their capital. This new manufacturing process was the beginning of the new era of employment relations. Bureaucracy is a systematic approach; all the workers had their duties and were paid respectively. But, as many other theories, this system did not work so smooth in the real life, as it seemed on paper. Employers' main purpose was to increase the profit, in order to do so, they were underpaying their employees.

At the beginning people were happy just to have jobs, but the time passed and workers started to understand and fight for their human rights. This situation caused the appearance of the new type of organizations called 'trade unions'. Trade union is an organization of workers, who tied together in order to achieve better working conditions. It is suggested that the origins of trade unions lay in the failure of the early Factory act to protect children and women at the work place; as a result many began to work together, forming unions to agitate for change in the law and greater respect for the workers (BBC).

As we can see, relationships between employers and workers were getting more and more complicated. In order to keep company's profitability, employers had to meet workers' conditions – this brought the necessity of new management approach, which was called scientific or personnel

management. This approach was first introduced by Frederick Winslow Taylor in the late 19th century. Personnel Management was an administrative record-keeping function; it attempted to maintain fair terms and conditions for employees. This was the beginning of the employee relations.

Its main idea was to pay people for their productivity, the new reward system was introduced. In other words people were paid for the amount of time they worked and for the quantity of items they produced. This was the beginning of new era of management. Lately Personnel Management evolved into the Human Resource Management, it was again caused by the employee's unsatisfied demands. People were paid properly, but it was not enough anymore. Workers were tired of being treated as machines, they were demanding for more personal attitude. It was the time when Human Resource Management was introduced.

It was concerned with carrying out the same functional activities traditionally performed by the personnel function, such as recruitment and selection, training and development, performance management, etc. But HRM approach was looking at employees from the point of view, that they are the main organizational assets. It was seeking to achieve the competitive advantage through the strategic development of highly committed and capable work force. In other words, employers were trying to create the comfortable and friendly working environment, in order to keep the best employees in the company.

As we can see from the historical background, there were massive changes in the organizational structure; and these changes appeared in a relatively small amount of time. We are living in the world of progress, where everything is developing so fast, that it is sometimes very hard to catch up. By 'everything' I mean every aspect of our lives: technologies, government, countries, and of course people. People is the most important cause of all these changes: organization, on the first place, is all about its employees – without them it wouldn't exist.

Thinking about personal development, I would like to mention Maslow Hierarchy of needs: This pyramid clearly explains how workers' needs were changing through the time: first of all they needed job to earn money for living; when they got it they needed to be secure that their income would be stable (Trade Unions appear); then they needed to feel comfortable in their working environment (Personnel Management); the top two requirements consider the personal recognition and the opportunity for development (this is what HRM is dealing with).

Summarising everything said above, we can finally try to answer the question: " Why do we need to study organizations? " Organizations are inescapable part of our life: we are dealing with them practically in any aspect of our lives. We all study at the University at the moment, which means we are all part of this organization. In the future we are going to find the job and, most likely nowadays, going to be the part of another organization. As we can see, we cannot avoid this component of our life. As the Latin saying claims: " Forewarned, forearmed".

Studying organisations gives us an opportunity to know more about the world we live in, to know our lives and grab our chances. As we can see from the history. It was people, who changed the structure of organizations – simple workers, who was looking for better life. The world has changed a lot and it keeps on changing. Organizations nowadays have to be more flexible and open-minded, in order to attract the best ‘ human assets’ and remain competitive; enormous amounts of money are spent on the Human Resource Development.

There is prediction that the relationship that individuals will have with organizations will change: there were no longer be fixed working lives. People still need to earn money, but they do not want to be tied up with their jobs. Humanity is developing, we are having different demands and priorities from our predecessors. To go with the times, we need to study the society we live in, and organizations is one of its biggest and important parts nowadays.

## References

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