

Neoclassical organization theory – big box retailer

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



Imagine studying a theory that deals with leadership. Is leadership important in our world today? Yes it is because many organizations rise and fall based off it, and since our world is in a Post-Industrial mindset. This is crucial for everyone to grasp this concept because of how technologically advanced our world is today. Big box retailers currently use the Neoclassical Theory, and much is present in regards to the relationship between the staff and organization/behaviors, but there are areas that work well and do not too.

Organizational Theory is important in regards to the Neoclassical Period. This particular period arose in the 1960's, which were concerns about human needs in an organization structure. The major attention focused on the fact that individuals as well as organizations should not have conflict with each other. This particular theory gave much priority to the goals of an organization, while recognizing the structure to accommodate both identity and values of a human.

Bureaucracy is present, so that there is order instead of chaos and irrational actions. However, the individuals are relaxed in their approach, so they can relate to others as well. Neoclassical theory suggests that for an organizations productivity to prosper. A human element is needed; consequently, a balance of work will result in a match of the goals to the organization, and to recognize individual needs. This is wonderful because it represents the best of both worlds, in which there is job satisfaction for both the employee and the employer.

However, Big box retailers use this theory on a regular basis to bring in customers, and to satisfy everyone's needs within the organization; consequently, more profit will come in, and it will grow both in its current

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location, and around the world, which is a blessing in disguise (Frunzi, 1997). Big box retailers use the neoclassical theory on a regular basis. This particular theory relates a lot to the retail environment. They have high goals, and desire to reach them in an efficient time period. For example, these people want their store in every town.

They may occupy up to 500, 000 square feet, but get a lot business based off what is sold. Wal-Mart is a prime example of this. Sam Walton started up two stores: Sam's Club and Wal-Mart. Sam's is used for individuals to buy in large quantities, to make them think that they are paying less for more. However, Wal-Mart is set up to have people also buy less for more, depending on the product. The common phrase that is heard on television is, " We Sell for Less. " In some ways that is true, and in others it is not.

Their main goal is to cut prices, despite the fact they are the same as every other store out there, so they can bring in a lot of customers and grow around the world. Wal-Marts are present in China, Europe, and many locations, so obviously they are doing something right (University, 2009). Another aspect on how it relates to Neoclassical Theory is how they treat their employees. They desire to try to make their lives wonderful while working at the store. Any retail place will give a person discounts if he or she works there, so that is one perk to the job, and since they are a huge company, they most likely have great benefits too.

These managers strive to meet their basic need by providing them with the best opportunity for success, so that he or she can make it financially, and to have time to spend with their families as well. In essence, they have a bureaucratic structure and meet their employees' needs because that

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encourages a wonderful environment for all whom choose to work there, either part-time or full-time. The turn-over rate is much lower as a result, and much is accomplished because everyone's needs are met both corporately and individually (University, 2009). The staff and organizations behaviors are important from a neoclassical standpoint.

One, job enrichment will occur because the individual will enjoy helping others, and in that same process will benefit as well. They will work with employees who love their job, and get paid a decent wage, but also the job satisfaction is present, so higher productivity will take place, which will result in an immense growth amongst everyone is a consumer and employee. Two, job enlargement will also take place within the company too. Because of them prospering locally, nationally, and internationally, many jobs will open up for the business, and any citizen who is looking for something regular.

More stores would open up, which would result in many job possibilities, which can help both the economy, company, and the individual. They will have no fear of the future because everything is stable for all who are a part of it (Frunzi, 1997). Neoclassical Theory has its advantages and disadvantages. What works for the theory is that there is a bureaucracy, and in the midst of it, the individuals' needs are met. The goal is to have the job fit the person, and not the other way around as in Classical Theory.

People experience " job enrichment, job enlargement and job rotation" (Frunzi, 1997). More people stay at their job longer because of these areas because it allows flexibility, and a person can work anywhere in the world too. Some disadvantages are also present. First, a person may have to work longer hours, and not get treated as well from their manager if they decide

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to change them. This is the bureaucratic structure because they want individuals to stick with what they have, otherwise the company will have to rearrange all other employees as well.

Last, this could cut away important time with family and friends, so that he or she is not able to attend certain events that are crucial in a given setting; consequently, much negative feedback will arise, and he or she will give into pressure to quit (Frunzi, 1997). References Frunzi, G. &. (1997). Supervision: The Art of Management (4th ed.). Upper Saddle River: Prentice Hall. University, C. (2009). Big Box Retail. Retrieved February 27, 2009, from Columbia University: http://www.columbia.edu/itc/architecture/bass/newrochelle/extra/big_box.html