

# Org behavior

Business, Management



According to resource dependency theory, what motivates organizations to form inter organizational linkages? What are the advantages of strategic alliances as a way of exchanging resources?

As the name implies, R. D. T is about the interrelationship about the outside elements and its impact on the organization. It is the concept of mutual interaction where the needs of respective organizations are fulfilled through mutual exchange. It can be roughly compared to the social exchange in terms of society and its inhabitants where individuals are largely dependent on one another. However the less independent, the better. The inter organizational linkages are formed to fulfill their requirements and they are usually done so to overcome any shortcoming in terms of the resource and ability (Davis & Cobb, 2009).

This concept has its pros and cons at the same time, while usually organizations would try to be the donor than receptor since it is based on considerable dependency on the other organization, on the other hand this concept allows using of resources and hence more options and possibilities of exploring possible new domains. This can possibly come in form of establishment of ventures and collations amongst different business partners and most organizations tend to increase their impact on the others and aim to contribute more than consume.

Strategic alliances can result in synergetic outputs which might not be possible otherwise.

The concept of resource dependence theory is not just limited to outside forces and factors; rather it can take place within an organization and amongst its different departments.

2-Explain the differences between centralization and decentralization and between standardization and mutual adjustment. What factors determine the ability to strike a balance between these mechanisms?

There can be broadly two approaches towards steering the organization and its helm of affairs. While the centralized approach relies on the concentration of power and authority, usually to the top rank management. In such cases, the high ups in a given organization have control over the decisions, the dealings and negotiations conducted. In a decentralized approach, the balance of power is relatively even, and is not concentrated in one segment of the organization.

Both the mutual adjustment and standardization fall under the umbrella of coordination, control and proper working within an organization and by the organization. The mutual adjustment entails to the working in group concept and sharing of load. The prime requirement of mutual adjustment is based on effective communication and acceptance and appreciation of efforts by the team members or other stake holders involved in a venture undertaken. Standardization on other hand is the setting of criterion based on the principles high productivity and effective and professional working environment. In such a case standardization can be focused on the work processes, the output desired and the other factors that would contribute towards their accomplishment (Jones, 2008).

Various factors must be taken into account in order to strike a balance between the various phenomena that are aforementioned. Ability of the top management to bring the best out of their employees, making the right moves at the right time, utilizing the resources and a clear insight into the

goals to be achieved are few of the factors that must be taken into consideration if a balance is desired.

References:

Davis, G. F., & Cobb, J. A. (2009). Resource Dependence Theory: Past and Future. *Research in the Sociology of Organizations*, 31.

Jones. (2008). *Organizational Theory, Design, And Change*, 5/E. Pearson Education India.