

# Organizational theory and design essay examples

[Business](#), [Company](#)



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## **Question one**

An organization refers to a social union of several individuals who come to work together with the main aim of accomplishing a predetermined set of goals. Each individual in the team has a role to work on, everyone, therefore, has to put in effort to ensure that the organization functions well. Therefore, organizations are the individuals and not just the physical structures that the individuals conduct their activities. A business organization, for example, is a set of individuals who work as a unit with the objective of making profits. There are many kinds of organizations, for example, universities, schools, military, airlines, banks, manufacturing companies and even churches.

The organizations have different forms or dimensions. There is the organizational structure, organizational design and organizational environment. These three dimensions of an organization exist in any given organization. The dimensions are interrelated in many ways in the day to day running/operations of the organization. Each dimension is just as important as any other. These relationships between the three aspects of the

organization should be kept smooth and be nurtured to achieve the predetermined goals.

The organizational structures are the forces that have the potential of making a difference in the organization. The impact could be negative or positive depending on the factors/environment. Precisely, the organizational environments are forces comprising of threats and opportunities of the organization. The organizations do not operate on their own. They relate with the organizational environment. The organizations management must plan carefully on how to relate and handle the different kinds of organizational environments. The organizational environment is subdivided into two subdivisions; the external and the internal organizational environment.

An organizational structure is the organization's way of arrangement of workers and their duties in a way that will ensure smooth running and efficiency of the organization. The structure of an organization varies from one organization to another. The management chooses the organizational structure that will favor its operations and cut costs. Organizational structure also depends on the size of the organization. In large organizations, there is formality, duty allocation, decision making and many other aspects.

Therefore, big organizations have well defined structures, with hierarchy and delegation of duties being the main features. The structure defines every worker's duty in the organization.

An organizational design is an official deliberately guided procedure of combining information, technology and the workers of a given organization. It is the definition of the organizational structure. It is a link between the

organizational structure and the organizational environment. It helps align the structure of the firm towards achieving its objectives. The design helps define the hierarchical systems, the duties of every worker and the way the organization should function.

The organizational environment, structure and design are interrelated in a manner that they determine the outcome of each other. The organizational environment will influence the management to design organizational structures that will suite the given environment. The organizational structure depends on the environment of the organization. The management makes a structure that will deal effectively with the threats that face the organization and take advantage of the arising opportunities. The design of the organization will determine how the organization defines its structure to survive in the organizational environment. Therefore, the three aspects of an organization coexist. They should be integrated well by the organization if at all the management. The success of any organization is preceded by a great relationship between these three aspects.

Internal environmental factors of an organization are the elements that affect the organization from within. They are found inside the organization. They include share holders/owners, current employees, trade unions and the management of the organization. These factors impact on the organization from within. The external environmental factors are the external forces affecting the organization. They include political, competitive, legal and technological factors. The internal and external factors differ in some ways. The internal factors are controllable to some extent. The internal environment determines the strengths and weaknesses of the organization.

They are the factors that can make the organization stronger and effective. The share holders can decide to invest more in the organization to improve output. The employees can work hard to obtain good results and the management can adopt new structures that will lead to efficiency in the firm. They can as well lead to weakness in the organization. Wrong decisions by the management, trade union strikes can all weaken the organization in different ways.

The external factors are exogenous and the organization has no influence over them. They present the organization with the opportunities to thrive and at the same time threats. Technological factors will improve the organization's efficiency if adopted and well used. However, technology will be a threat if competitor organizations use it better than the organization. Competition will make an organization look to improve its efficiency. The same competition presents a threat because the competitors can lead to the collapse of the organization. Political factors may affect the organization positively or negatively depending on the kind of actions happening. Legally, an organization may benefit from the laws at times but at times may be victim of some legislation. The law may bar the organization from carrying out investments that could have otherwise benefited it.

The most important factors are the internal factors, the competitive and technological factors. This is because using the internal factors; the firm can improve in whatever way it wants. All the internal stakeholders of the organizations are important in making an organization successful. The employees, owners, management and trade unions can all influence how the firm operates. The two external factors, technological and competitive

factors all influence the organization's profitability and operations. According to Richard Daft's book, *Organizational Theory and Design*, these are the most important environmental factors in a firm.

## **Question Two**

Firms adopt different kinds of strategies to achieve their predetermined objectives. These strategies usually affect the structures and designs of the firms. Firms have to adjust their designs to suit the kinds of strategies they adopt. Some of these strategies are so comprehensive that the firms have to totally change from one design to another. Usually the firm adopts strategies that will help them be efficient or develop new products. Therefore, strategies are very important in determining the kind of organizational design.

According to Richard Daft's book, *Organizational Theory and design*, firms lay strategies with the aim of outdoing their competitors. Organizations may adopt the strategy of being the first firm to produce a new and good product ahead of its competitors. This strategy is called the differentiation strategy. This strategy will require that the structure of the firm is altered and streamlined to cope with the requirements. This strategy will involve spending a lot on marketing new products and acquisition of new technology to make the products. They form organic structures so as to respond fast to any changes.

Other organizations may adopt the strategy of producing an existing product in a cost effective manner and efficiently. In this strategy, the organization braces itself to face the existing competition from fellow organizations.

These organizations will adopt a mechanistic design based on technology. They rely heavily on technology to produce quality and low cost products. This kind of organization will use the strategy as a basis of its organizational design. According to Richard Daft's book, *Organizational Theory and Design*, the organization will design a structure that is entirely built around technology and mechanisms.

Other strategies could include counter moves. This is where the organization waits for its competitors to make moves then it responds. Based on Richard Daft's book on organizational theory and design, such a firm will be built on organic and mechanistic foundations. This strategy enables the firm to respond appropriately to its competitor firms' actions. The design of this kind of organization is very flexible in that it can morph to suit the management's desire. In this case, the firm can either adopt a design and structure that looks exactly like that of its competitor firm or adopt a structure and design that will stop the other organization from making excess profits. This strategy is entirely aimed at stopping the competitor firm from dominating the market. It can also be aimed at waiting till a competitor organization makes a move then the counter strategy is used to make a move that will shift the advantage to itself.

These strategies help the organizations that adopt them to be efficient or effective in attaining their objectives. The main objective of any given organization is to be thorough and efficient in its day to day operations. In his book, *Organizational Theory and Design*, Richard Daft argues that organizations usually design their organizational structures based on the

kind of strategies they prefer to adopt. Organic strategies help the organization to be versatile and innovative. With an organic structure, the firm is designed to be on the move, to make new kinds of products. An organic strategy helps the firm to be effective by avoiding competing with other organizations and being ahead, setting the pace.

In the mechanistic strategy, the firms improve their effectiveness by adopting a design that makes the organization efficient in its production. The firm will use most of its resources in investing in a structure that is comprehensive and effective. They could buy machinery that will produce at a low cost due to economies of scale, or machinery that will ensure that the products produced are of very high quality. High quality goods and carpet low costs will ensure the organization makes profits. High quality goods will attract more customers because the customers will have trust in the goods. Reduced costs lead to a high probability of making profits by the firm. Therefore, the organizational structure and environment will be determined by the organizational design. This design will improve the level of effectiveness in productivity or efficiency of the organization.

An organic strategy is usually meant for the organizations that produce products like fashion. Fashion clothes, shoes, watches, jewels and toys usually change from time to time. This makes the organization to design its structure according to the changing times organic strategy. This organization will always develop a new product and introduce it to the market. This strategy works because the consumers will choose the latest commodity on the market. The organic strategy allows the organization structure to morph



from time to time depending on the new strategy. The effectiveness of this strategy lies in the organization's ability to swap one structure for another within the shortest time possible. The company will earn profits by maximizing the sales of the newest product on the market.

The mechanistic strategies are the ones that allow an organization to build strong foundations on quality of products. The organization structure is designed in a way that emphasizes on producing high quality products. The level of technology is also improved so that the costs of production are reduced significantly. This will enable the organization to compete with other organizations producing that same product. The quality and low cost aspects improve significantly the effectiveness of the organization. Mechanistic strategies are common adopted by organizations that produce long lasting products like electronics and vehicles.

### **Question Three**

Organic structures in organizations are the highly responsive structures that are designed to help the firm in the development of new kinds of products. The organic structures will always be on the trail of innovativeness and development. These kinds of organizations will always produce the latest products on the product market, will always be the leading marketing organization and efficient in its production. On the other hand, mechanistic structures are the structures that are designed to produce very high quality products which are produced at a low cost. These kinds of organizations are usually competitive organizations. They modify their products and improve their quality so that the consumer market can prefer them. High quality

products will earn high sales and the low cost reduce cost. Therefore, the big difference between high revenue and low cost is high profit levels, which is an achievement for the organization's shareholders and management.

Organic structures can be used together with mechanistic structure. The firm may be a frontline innovative company but at the same time improve the quality of its existing products so as to remain competitive. According to Richard Daft's book, *Organizational Theory and design*, there is an intertwined relationship between mechanistic and organic structures. While the organic structures are set up quickly and broken down quickly, the mechanistic structures remain intact over long periods of time. Organic structures will be set up to produce a certain new product. When the product is well known by the consumer market, the organization decides to innovative a new type of product. Therefore, they change the structure of the organization to suit that of the new production of the new product.

The relationship between these two types of organization structures is that one forms the basis of the other. According to his book, Richard Daft argues that the organic structure is the basis of the mechanistic structure. At first, the leading firm will develop a new product; adopt a new structure of the organization. However, as new organizations join the market in producing that particular product, they will copy the organic structure at first. Since these firms plan to produce this product into the unforeseeable future, they plan to change their structures from the existing organic to the permanent mechanistic structures. The transformation from organic to mechanistic

structure is aimed at modifying the product and improving its quality to cope with the increasing competitive market.

If organizations were human brains, organization structures would change organic to mechanistic then a mix of mechanistic and organic structures. The human brain functions in a way that at first, a person has an idea in mind, this is an organic structure, it is innovativeness. The human being implements the idea by doing what he had in mind. This does not last, the human brain has so many ideas, other ideas will come to mind and the individual will move on to doing other things. If the results of the idea are good, the individual will want to repeat the activity so as to achieve more utility. This will make it a habit to do that activity. In order to increase the utility, the person will look to improve the quality by introducing new ideas. This in an organization's case is the mechanistic stage where the firm improves the quality of the product by improving the existing structures.

Different ways of observing an organization will influence the structure of the organization differently. An organic view makes the structure of the organization to be flexible and responsive changes. A mechanistic view leads to the organization being more rigid with an increased level of quality assurance. The structure will be rigid. Under the organic structures, organizations that produce products like fashion clothes and shoes work very efficiently. They benefit from the innovativeness and make large profits. Under a mechanistic structure, machinery and electronic making organizations thrive. Improving on the existing products benefits these organizations greatly.

## **Works Cited**

Daft, Richard L. Organization Theory and Design. 10. London: Cengage Learning, 2009.