

Modernists' power culture and structure



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There are many different ways of looking at the organisation on how they produce different knowledge. As a result, different perspectives are related to their own theories and concepts. The purpose of the essay is to look into how the two theoretical perspectives, namely Modernism and Critical Theory in acquiring different views of Apple and also to examine Apple's organizational network and influence.

Modernist's perspective on power, culture and structure

Hatch & Cunliffe (2006) stated that modernist supports the ontology that focuses on objectivism, which believe in objective whose reality is independent of our knowledge of it. Modernists believe that knowledge is based on our five senses. They augment their five senses with sense-enhancing instruments (e. g. telescope, microscope). In an epistemology view, positivism is discovered through a collection of data and scientific management which are tested against an objective world. From a modernist's point of view, organisations are real entities operating in a real world. It is managed by a system of decision and actions which are driven by competence and effectiveness so as to accomplish their goals. Modernist has three theories, General System Theory, Socio- Technical System and Contingency Theory that provide much of the logic underpinning modernist organization in today's context. The biologist Ludwig von Bertalanffy came up with the General System Theory to explain science phenomenon that has inspired innovative framework to study organisation as a system. It explains how the organization interacts with its environment and how it structures the organisation to maximise efficiency (Hatch & Cunliffe 2006). The organization is a system that consists of four subsystems (social structure,

physical structure, culture and technology) located within a supersystem (environment) of which is a component. Each subsystem performs a particular function and will affect the other subsystems and each in turn depends on the whole.

Power

In 1957 Robert Dahl states that power is where person A gets person B to go something that person B would not otherwise do (cited in Scott 1994, p 291). Based on his definition, power can be defined at any level of analysis (group, individual, organization) and is always exercised in the context of relationships between actors. Modernist believed that legitimate power is embedded within a hierarchy (Hatch & Cunliffe 2006). In other words, power is usually seen as formal authority where the exercise of power is directed downward in an organization. Hence, power and authority perform by some companies are vital in achieving organizational goals.

Organizational culture

Under Schein's theory, the essence of culture in organization is its core of basic assumption, which members in the culture believe to be the truth. The norms and values are recognized and managed by the members of the culture who use them to make decisions consecutively (Hatch & Cunliffe 2006). They usually influence what other members see and how they think and feel. The values and norms are put forward by the top management. Modernist believes that culture is part of the structure which can be used as a form of control to reinforce power. ' Power distance refers to the extent which less powerful person in the society accepts inequality in power'

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(Hofstede cited in Samova, Porter & McDaniel 2009, p. 203). Organization from high power distance cultures rely heavily on hierarchy where the subordinates expect to be told and what to do by the top management (Hatch & Cunliffe 2006).

Organizational structure

Modernist's approach to organizational structure is to identify universal laws governing organization and how it can be managed to improve organizational efficiencies and effectiveness. Under Weber's theory, the division of labour, hierarchy of authority, formalized rules and procedures are the components of organizational structure. A flat organization structure consists of many departments whereas a tall organization structure consists of many hierarchical levels. As a result, roles and tasks are clearly defined and centralized decision allows higher authority to make final decisions.

Critical theorist's perspective on power, culture and structure

The ontology of the critical theory assumes that the reality is determined by social and political values which become definite overtime. It sees truth as distorted to hide legitimate unequal power or material relations. Critical theories are subjectivist which they don't accept what is being told believe that truth is tainted by dominant ideology that is produced by politics, education, traditions and organization theory. In subjective epistemology, critical theorists adopt qualitative methodologies such as grounded theory which influence the research aim, values and reasoning (Glynn 2009). In the organization, the people who seek the truth are the one who have the power.

Their goal is to develop a suitable political practice to address the problem issues (e. g. managerial control, exploitation of workers).

Power

Under Marx's definition of power, modernist focused their attention on explaining how power is being distributed in the organization and critical theorist share the same point of view but their ideologies and assumptions differ from one another. Critical theorist question the institutionalization of power based on the hierarchal levels and assumption that managers have a legitimate right to control others (Hatch & Cunliffe 2006). They study this phenomenon by analyzing the systems and processes that maintain exploitative relationships. The critics of ideology examine how ideologies have power and control of one group over another. By applying the concept, it allows critical theorist to claim that managerialist ideology assumes that managers have the right to dominate workers and thus providing the basis of control and exploitation of workers. The workers would willingly consent their oppression by subordinate their interest of their hierarchical superiors in a state of false consciousness. Steven Lukes, a social theorist claimed that there are three faces of power. They are decision making, non-decision making and the ability to shape the perceptions of other without them knowing (Hatch & Cunliffe 2006). Labour process theory refers to the means of production control by deskilling the workers because their job is being split and routinized. Deskilling continues until the work is so simple that little training is required. Hence, it's easier for managers to replace workers who put up any conflict. As a result, it drives down the price of labour which increases their profits where they continue alienate and exploit workers.

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Communicative rationality means that distorted communication is a form of management and control of employees as it privileges one meaning over another. In other words, those in higher hierarchical levels have the power to exploit the worker's ideas and obtain agreement. Lastly, Workplace democracy refers to moral communicative practice that involves superiors and workers in an open communication so as to suppress domination and conflict.

Organization Culture

Critical theorist sees organization culture as a form of manipulation. It's like people with authority act like it's for the benefits of people. But in actual fact, it's for the company interest. According to Augier and Teece (2006), organization culture can affect the worker's behavior. Hence, they establish a culture where workers work hard thinking that there is a possibility of being promoted.

Organization Structure

The critical theorist approach to organization structure is that they see it as real. The organizational structure and physical structure are designed for the purpose to maintain managerial control and authority. There are two types of organization structures in the organizations. Flat organization structure has many departments with few hierarchical levels whereas tall organization structure has lesser departments but many hierarchical levels (Hatch & Cunliffe 2006). With the hierarchy system structure, it brings in control over those at the bottom levels and favors those at the top whereby the higher authority have the power and control over the workers.

Overview of both perspectives in power, culture, structure

From a modernist's perspective, the existence of the hierarchy system is to reinforce power and control over the workers in place. Power, culture and structure are the main concerns set by the top management to achieve their organization goal which is to maximize profits for the organization. As for the critical theorist's perspective, the existence of the hierarchy system is to capitalize the organization by alienating and exploiting workers.

Overview of Apple

Apple is a multinational corporation that outsources its products to other organizations across different parts of the world such as Asia, Europe. One example is Apple outsource its products (e. g. iPad, iPhone) to Taiwan contract assemblers, Hon Hai who is trading as Foxconn. In the mid 2011, Apple became the world's most valuable company with a stock market value of \$343 billion (Froud et al. 2012). Therefore, Modernist and Critical Theory perspectives and theories will be applied in examining Apple's organizational networks and influence.

Before we look into Apple and its environment, it is important to understand how organization is interrelated to the environment. Organization environment includes other organizations (suppliers, distributors, employees, etc.) and organization stakeholders are those who have a stake in the organization's activities (consumer, trade unions). The general environment includes economy, political, social, technology and physical.

Modernist's perspective of Apple

There are distinct boundaries between the organization and its environment. Organizations supply its resources (inputs) like labour, capital, raw materials from the environment and sell the products and services (output) to the environment. Thus, modernist analyze that effective management of the organization boundaries require the study of Apple's environment which are drawn from the concepts of Buffering and Boundary Spanning as well as the Resource Dependence Theory which are vital to the organization's success.

Buffering

Buffering involve assigning roles to the members of the organization to protect the operation from disruption caused from environmental shocks such as labour, capital shortages (Hatch & Cunliffe 2006). When Steve Jobs rejoined Apple, the corporate culture changed. He realised that in order for the functional executives to focus on their strengths he had to adopt buffering practices. Thus, Steve Jobs assigned Chief Financial Officer to be responsible for managing of Profit and Loss statements, hiring and firing decisions and resource allocation. With the new system adopted, it effectively brings improvement to a new height. RMIT University (2012) on Inside Apple quoted that ' With a handful of bold steps such as insulating all... it has created a work environment where employees are encouraged to have big thoughts'.

Steve Jobs biggest concern was employee's distraction. In order to protect Apple's reputation, he has to buffer them from being distracted by keeping a low profile of Apple. Employees have been warned not to join other

organization, minimize interaction with outsiders apart from close suppliers (RMIT University 2012, p. 10).

Boundary spanning

Hatch & Cunliffe (2006) stated that boundary spanning involves transferring of information to decision makers via monitoring. For this case, Apple forms an executive team short form for ' ET' who manage things and make decision for the company. The team consists of the CEO, head of product marketing, hardware/software engineering, internet services, etc whom have control on Apple's products (RMIT University 2012, p. 5-6). The ET meets every Monday to review their experience of Apple's products and services within their own field of expertise. There are also a small number of vice presidents based in Cupertino who reports directly to the ET. With a group of ET and overseas management team that acts as boundary spanners for Apple, Steve Jobs will be a better understanding of the environment they are dealing with. Therefore, speed and decision making helps by how judiciously information is communicated outside the executive team.

Resource dependence theory

Organizations are very dependent upon environment for having resources (inputs) and selling products and services (outputs). As a result, environment has power over organization. Resource dependence theory illustrates on the relationship between the organization and its environment and how the organization develop counter dependencies when faced with challengers (Hatch & Cunliffe 2006). With the market demands and financial goals, Apple has to pull up its market value and rely on profits to invest in the research

and development sector. Dealing with the demands, Apple has to develop counter dependency, targeting at the supply chain. Hence, Apple has to switch its attention to Foxconn, world's largest contract electronics manufacturer where low labour share of value added ratio is equivalent to higher surplus, allowing Apple to adopt a more aggressive pricing strategy to maximise profits (Froud et. al 2012).

However, Duhigg and Bradsher (2012) in New York Times stated a different report on why Apple turned to Asian manufacturing. The cost of labour is minimal compared to the expenses of buying parts and managing supply chain. According to one former high-ranking Apple Executive, 'Asian supply chains have surpassed what's in the United States'. In other words, Chinese factory, Foxconn is able to meet the labour demands of what Apple want. Therefore, based on this case, I can deduce that the dependency is due to meeting local demands not the issue of labour costs.

Critical theorist's perspective of Apple

Based on the Critical Theorist's perspective, organization are inseparable from the dominant social relations within society. Organizations are reproduced by dominating social relation.

Capitalist organizations like Apple focus on a traditional culture, flat organization structure and profit maximization method adopted. Hence, the notion of the boundaries (exploitation, oppression and alienation of workers) contributes to false consciousness.

Analysis 1: The Top 100 has created a degree of false consciousness and alienation in workers by masking its secrecy which put a silent pressure for workers to work harder.

Top 100 consist of a small group of workers that were specially handpicked and invited by Steve Jobs based on his opinion of the individual's evaluation instead of their ranks in Apple. Steve Jobs described the importance of the Top 100 that if he was to setup the company again, the people he would bring along will be the Top 100 (Lashinsky 2011). The meeting was held more or less annually where they will provide a thorough review of Apple's product plan for the next few years or so. The people inside the Top 100 is not permanent, hence, those inside the group will feel the pressure to maintain their position instead of being eliminated and those who were not selected, would feel humiliated and have the urge to work harder to get back their position.

This has caused the workers to compete with one another based on their contributions at work and thus through the intense competition it has resulted in alienation of workers. It was evident that it has caused discomfort and anxiety in the workplace. As quoted from RMIT University (2012), ' those weren't supposed to be working...do emails and take phone breaks to avoid from lacking behind'.

Analysis 2: To meet the global demands of the Apple's products, Foxconn's management used abusive and illegal methods to increase worker's efficiency which in turn neglects worker's rights that lead to the loss of lives as a form of protest. '

When Foxconn relocated to Chengdu, they were aggressively hiring workers to work for them. The government claimed that the workers will receive 1600 yuan per month, with a room but none of was true. They stayed in crowded dorms with low income. In order to meet the market demand from the buyers (Apple), Foxconn put pressure on their workers, making them work for long hours with very low income. Foxconn paid 450, 000 production line workers US\$132 a month for a 40 hour week (Chan and Pun 2010, pp. 15). In general, Apple has never show concern about anything other than generating profits.

In 2005, Apple together with some of the top's executives decided to create code of conduct to regulate their suppliers. It is to ensure the working conditions in Apple's supply chain are safe and workers are treated with respect and the manufacturing processes are accountable. But over the years, audits still find consistent violations of Apple's code of conduct where employees regularly work more than 60 hours a week, improper disposal of hazardous waste, etc. In other words, the worker's right are not taken care of as there are no alternative ways for workers to seek help and support to. Foxconn workers described that ' when they made calls to the police... automatically routed to Foxconn's own private security department' (Chan and Pun 2010).

As a result, the workers in Foxconn work very hard to secure their job in China. They believe that by working hard, they will see the results. In this case, the workers submit themselves to their own exploitation.

Conclusion

To conclude, Apple has a close relationship with its organization environment. It relies on other organizations resources to generate its revenue to the market. With regards to the employees, Apple has established control over them and is very strict on workers joining other organizations. Based every corporate success, domination, alienation and exploitation are evident in an organization. Hence, with regards to Apple's relationship and its organizational network and influence, both modernist and critical theory has been analysed.

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