

Competition and technology

Technology



Natural organizational systems emphasize informal structures within organizations characterizing key components of organizational systems as organizational structure, its members, and the environmental contexts in which it operates (Scott, 1981). Natural theorists acknowledge the existence and influence of hierarchical structures; however, the magnitude in which these structures exclusively influence behavior is questioned (Scott & Davis, 2007). Scott (1981) characterized “ power-dependence relationships” (Zald, 1970) to describe the political and resource influences that occur within organizational structures and influence the behaviors of individuals as they adapt to sustain organizational stability (p. 416).

Natural theorists asserted organizational sustainability is the main criteria of success for all organizations (Scott, 1981). Goal achievement characterizes critical elements within natural organization systems; however, differ from rational systems by indicating context and complexity have relational roles within the application of the model. Scott and Davis (2007) emphasized organizational systems must include preservation as a key component.

Preservation acts as a catalyst to facilitate appropriate responses to complex scenarios often involving assessing strategic planning focused on problem-solving for apparent opportunities and not necessarily previously established goals and objectives (Scott & Davis, 2007) Long-term strategies and goals provide context; however, implicit adherence to these pre-established components can limit organizational flexibility and reduce their sustainability perspective. Scott and Davis (2007) highlight the impracticality of the notion than any individual has the omnipotent vision required to predict accurately

and prescribe contingencies for every opportunity an organization will ever encounter (p. 63).

McDonald's responses to changing environmental factors in the early 2000s illustrate an example of an organization employing Natural organizational principles to achieve its most important collective goal of remaining relevant and viable. McDonald's is known for the consistency within its products, a Big Mac in New York tastes the same as the identical sandwich in London because of the systematic processes developed that focuses on the process required to accomplish specific tasks within their restaurants (Jones, 2010). McDonald's began to face challenges when customers desired diversification and sought out competitors to satisfy their cravings for alternative fast food offerings.

With an organizational emphasis toward sustainability, McDonald's adapted to its environmental demands and began offering specialized products and restaurant setting unique to the environment and demands of its customers (Jones, 2010). Restaurants equipped with free wireless service and workstations as well diversified food offerings exemplified McDonald's response to its environmental challenges and illustrate adaptation within the context of a Natural organizational system.

The Hawthorne studies describe the relationships occurring within complex environments among individuals and rationally structured systems (Scott & Davis, 2007). Mayo (1945) described the results of the Hawthorne studies as definitive examples of how various elements contribute to individuals collectively forming groups to achieve goals despite the absence of

formalized structures or hierarchies. Results from the study indicated motivational factors appeared more complex than believed by rationalist. Informal organizational systems demonstrated the ability to influence behavior and establish mechanisms to produce efficient processes as well as define goals and objectives (Scott & Davis, 2007).

Douglas McGregor (1960) offered a model of distinction between Rational and Natural Theories by providing clarity to the characteristics of each concept. Rational systems (Theory X) described an epistemological paradigm that assumed individuals required formal structured systems to facilitate their ability to form productive groups, define objectives, and provide the appropriate motivation required to accomplish organizational goals (McGregor, 1960).

Natural systems (Theory Y) described an epistemological paradigm that assumed self-actualization provides adequate motivation facilitating individuals' abilities to develop informal structures and processes to appropriate accomplish organizational goals (McGregor, 1960). Naturalists suggest tactics to increase employee engagement, such as seeking feedback about assignments or listening to concerns increases morale and productivity (Scott & Davis, 2007). The needs of the workers versus design specialization to influence increased performance and production describes the emphasis within Natural organization systems (Scott & Davis, 2007).

Opponents of these systems suggest the methodologies and concepts to engage the workforce represent covert tactics to pacify subordinates by giving the appearance of caring about their needs while maintaining a focus

to increase production (Scott & Davis, 2007). Scott and Davis (2007) also indicate that numerous research studies have failed to identify clear correlational relationships between morale and production, morale and supervisory behavior, or leadership and productivity.

Open organizational systems emphasize the need to employ organizational structures allowing flexibility to respond appropriately within the context of complex environments (Scott & Davis, 2007). Pfeffer and Salancik (1978) indicated the contextual environment of organizations influences their structure. This process develops because of the organization's attempts to adapt to achieve sustainability by satisfying the needs of internal and external constituents, exercise control over resources critical for its survival, and align decision-making structures consistent with the distribution of power within the organization (Pfeffer & Salancik, 1978).

Senge (1990) offered the concept of the feedback loop between strategy and organizational structure as the building blocks of organizational subsystems. Subsystems develop strategy in concert with the feedback provided from internal and external environmental factors and the double loop process instigates and influences organizational learning and adaptive behavior (Scott & Davis, 2007).

Senge (1990) indicated goal-oriented behavior is achieved within Open systems when organizations respond to environmental changes adapting its structure and strategies to accommodate the existing paradigms. This process, described as goal directed versus goal-oriented, influences goal

development contingent upon processes and not necessarily according to predetermined goals (Buckley, 1967).

Open organizational systems characterizations include loose coupling, self-maintenance, and hierarchical systems. Loose-coupling systems describes decentralized organizations strategies that facilitate flexible and less bureaucratic organizational structures allowing for mechanisms to respond timely to environmental feedback (Scott & Davis, 2007). Open organizational systems permit self-maintenance via a catalyst to adapt derived from the environment.

This process instigates innovation, restores energy, and offers opportunities to refresh organizational structures and routines (Scott & Davis, 2007, p. 96). Hierarchical structures exist within Open organizational systems; however, it serves to define subgroups within the system (Scott & Davis, 2007). Multiple subgroups become interrelated to form complex systems that employ loose-coupling mechanisms to identify, adapt, and implement strategies as required by environmental contexts (Simon, 1962).

Lawrence and Lorsch (1967) offered contingency theory as an open system model suggesting organizations that actively assessed their environment to pursue strategies and developed structures accommodating factors that influencing their sustainability achieve effective mechanisms to adapt to their contemporary context. Contingency theorists suggest that the subgroup structure within the organizational system, along with loose-coupling strategies, support the ability of open organizations to respond quickly to rapid changing environments (Lawrence & Lorsch, 1967).

Differentiation among subgroups within complex open organizational systems provides the structure and mechanism to respond appropriately to environmental variables based upon segmentation among groups and less formalized structures facilitate integration strategies enhancing groups' abilities to maximize the use of organizational resources (Lawrence & Lorsch, 1967).

Weick's (1979) model of organizing suggests organizations achieve sustainability only by maintaining a balance between flexibility and stability (p. 215). Weick (1969) asserted that enactment, selection, and retention represented three stages in which organizations interpreted, responded, and applied continuous learning principles influencing their organizational structure and strategies. Proponents of Open organizational systems indicate sub-unit structure produces optimum processes for the environment facilitating rapid adaptation and flattened hierarchies improves communication and the exchange of ideas among participants (Scott & Davis, 2007). Opponents of Open organizational systems suggest overemphasis is placed upon external constraints and variables and flexibility within the organization systems can bring many perspectives, power, and conflict into an environment slowing decision-making when competing interest engaged in the process (Scott & Davis, 2007).

Google Corporation provides a practical example of an organization employing Open organizational principles. Google's organizational structure emphasizes the roles of its employees in providing the required energy to achieve its organizational goals. The structure of organization is formed by a number of clusters consisting of relatively small groups of individuals who

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work together within workstations to develop innovative solutions to organizational challenges (Jones, 2010). Loose-coupling systems that provide the context for interrelated exchanges between clusters facilitating creativity and motivational methods featuring the value of their employees attracts the top software engineers in the world to Google and support the organization's ability to adapt and respond to demands of the rapidly paced technological industry (Jones, 2007).

Rational, Natural, and Open organizational systems provide theoretical concepts describing the structure of organizations, their emphasis toward individuals or processes, and the mechanisms employed to respond to internal and external environmental variables. Motivation is also a key component in Rational, Natural, and Open systems. Organization structures vary within the hierarchical design, how decisions are made, and how individuals are valued; however, each of them derived energy from the motivation the workforce to achieve sustainability. The manner that motivation is assumed to manifest varies, but each theory acknowledges that motivation must occur to fuel the actions of actors within the system and motivation remains a critical component regardless of the employed organizational system.

Blau and Scott (1962) classified organizations as mutually beneficial, exclusively beneficial, service, or commonwealth organizations based upon their prime beneficiary objective. Mutually beneficial organizations identifies its members as prime beneficiaries, exclusive organizations identifies the owners of as the primary beneficiaries, clients are the primary beneficiaries within service organizations, and commonwealth organizations primary

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beneficiaries consists of the population it serves (Blau & Scott, 1962).

Organizations must identify structural mechanism to assess environmental challenges and adapt to achieve either formal or informal goals; these processes ultimately determine if the demands of its beneficiaries that determines its survival.

Lawrence and Lorsch (1967) expanded the concept that organizations function within the context of their environment by suggesting Rational, Natural, and Open organizations system formed within the context of specific environmental factors influencing organizations functioning during the period. This concept aligns with a historical perspective that loosely illustrates the progression of Rational organization systems characterized by stable environments toward Natural and Open organizational systems that engage in progressively more complex environments because increased competition and technology.