

# Explain how rational organisational design business essay



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Rational organisational designs, suggested by Max Weber, rely on logic, order and authority, paying particular attention to the division of labour, promotion by merit and hierarchal control; with the belief that this provides perfection in organisations (French et al, 2009). Organisations implement this design with the optimism of increased efficiency; however, have dismissed social organisation and the impacts this can have. In this essay, rationalisation will be discussed, focusing on the effects it has on an organisation and its employees; concluding with the argument of whether a rational organisational design is desirable for Junction Hotel.

Scientific management, established by Frederick Taylor, aims to simplify work by following set principles. These principles routinize work; organising it into repetitive tasks in order to achieve maximum efficiency, giving managers responsibility and a span of control, (Morgan, 2006).

### TAYLORISM

Rational organisational designs develop depending on the size of the business they are used with in. The 'simple design' is often used within organisations with few staff, such as small retail stores. This type of design often has one member of staff, usually the manager, in control of the majority of other employees; the hierarchy design resembling a pyramid, showing the manager has a large span of control. This span of control " shifts all responsibility for the organisation of work from the worker to the manager" according to Morgan (2006), meaning employees only have to implement the work which is assigned to them by the manager.

### BUREAUCRACY

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As a business grows a more complex rational organisational design has to be enforced to ensure that efficiency is still maximised. The more intricate design is known as 'bureaucracy'. The bureaucracy design uses the same principle of the simple design, although has a larger number of managerial staff and specific working departments, developing the chain of command. Bureaucracy design uses more rules and regulations than the simple design, due to the increased number of employees which have authority over other employees. This is so that there is a clear direction of discipline, resulting in all employees knowing who is in charge. This direction is the scalar chain; showing the line of authority due to the unity of command. Also it makes clear what each worker has to achieve, due to it being established by the specific departments. This also means that training for this specific job can be completed by workers, making them more efficient. This is of importance to rational organisations; for instance, the McDonaldization theory established by Ritzer (2008) states that " efficient workers can perform their tasks more rapidly and easily." This is also achieved in bureaucracies by working like " clockwork"; having staff " perform a predetermined set of activities, rest at appointed hours, and then resume their tasks until work is over", as described by Morgan (2006). This is a typical example of how bureaucracies are designed to function.

Businesses which have these design characteristics are described by Morgan (2006) as " organisations that are designed and operated as if they were machines".

It is argued that rational organisational designs help to cut costs and increase control for a business, overall maximising efficiency and having a positive impact on the business; evidenced by various real-life organisations.

A typical example of a business today which has used a rational organisational design to achieve this is McDonalds. Ritzer (2008) helps to highlight the effectiveness of the organisational design McDonalds has implemented by quoting Ray Kroc's thoughts on the arrangement; " I was fascinated by the simplicity and effectiveness of the system... Each step in producing the limited menu was stripped down to its essence and accomplished with a minimum effort..." This statement from Kroc identifies that McDonalds streamlined processes and organisation has maximised efficiency. By producing limited number of menu choices the business is able to assign set tasks to specified departments, to be completed at a set time; routinizing work. This increases control as the higher authority staff can oversee that the departments are completing their set tasks to ensure the food is made quickly and efficiently in order for customers to receive 'fast food' from McDonalds. Also, by offering a limited menu, McDonalds cuts costs and as suggested by Ritzer (2008) " the limited number of menu items also allows for highly efficient ordering of food and supplies"; the business does not use cash buying items which will be wasted due to fall in demand from customers and there is no extension of the streamlined process meaning the employment of further staff or purchase of equipment or supplies.

Hotels such as the Travelodge have used rationalisation, in terms of value engineering. Davis (2007) states that businesses, such as the Travelodge, participate in an exercise " called value management to optimise their <https://assignbuster.com/explain-how-rational-organisational-design-business-essay/>

process, trim costs and enhance quality". Value engineering is a result of this activity; where businesses cut costs by taking out the 'frills' which not all customers want. For instance Davis (2007) focuses on how Travelodge's "don't have shampoo in the bathroom". By following this constituent of rationalisation, the organisation cuts costs, however does not necessarily reduce value for the customer as the business, like Travelodge, will have already weighed up "cost versus benefit".

The above examples show how rational organisational design is present in businesses today. However, it was first derived in the 1700's by Frederick the Great. Morgan (2006) talks about how Frederick developed rational organisation to increase control amongst his military. Frederick reduced "soldiers to automatons" by introducing "ranks and uniforms...regulations, increased specialization of tasks...command language and systematic training..." By introducing these to the army, the men were "taught to fear their officers"; increasing the control that the higher ranks of the hierarchy had over the lower ranks. This turned the "unruly mob" into machines as they now completed commands set by Frederick. This is an example of how rationalisation has increased control, even in the earliest organisations.

Despite rational organisational designs evidentially showing positives for businesses, there are likewise negative impacts on both the organisation and workers.

If a business implements a rational organisation design then limitations do arise. These are addressed by Morgan (2006); there is "great difficulty in adapting to changing circumstances", "

Ritzer (2008) states that although "efficiency is generally a good thing" it does cause "dehumanization of workers" as businesses "drive for increased efficiency". This is evidenced in an Anonymous BBC article (2010) stating that "Bureaucracy 'hampers social workers'", with a fifth of 4,141 social workers agreeing that they had "sufficient time to work effectively with the young people on their case load" and 50% of those who disagreed said that their "workload was simply too large". This is related to the bureaucracy that the organisation has. Staff find it "harder...to spend time face-to-face with children and families" due to the organisational design. This makes the workers feel dehumanized because they have too much paperwork, and not enough time to concentrate on the cases they should be dealing with. This is also supported by Morgan (2006) who states that "mechanistic approaches...can have dehumanizing effects upon employees, especially those at the lower levels of the organizational hierarchy" and also that "assembly-line work is simply...alienating." Mechanistic work, which stems from rational organisation also makes staff "adopt mindless, unquestioning attitudes", which consequently results in some workers refusing job change, or a new responsibility because they have already a clear idea what is to be done by them due to the management and delegation rationalisation. Looking at this impact in the long term, it is likely that an organisation will find it difficult to change the bureaucracy it has already developed, causing changes in aims for the business also hard to achieve. This is another limitation of rational designs, which is suggested by Morgan (2006) when declaring "those working in the organization take precedence over the goals the organization was designed to achieve".

The theories and studies behind social organisation also show some negative impacts that rationalisation has.

POSTIVE AND NEGATIVES ON BUSINESS/EMPLOYEES - ARGUMENT USING  
SOCIAL DESIGNS

IS IT DESIRABLE FOR JUNCTION HOTEL - HOW? WHY? ENFORCING IT?