

# Managing changes in organizations

[Business](#), [Management](#)



To survive the recession, many managers believe in the importance of fast decision-making and therefore hesitate to involve their employees. However, the joint consultation between workers and managers could be the solution for surviving the recession, as sources and knowledge are combined, and a group of decision-makers is more unlikely to overlook important issues. It can be concluded that autocratic management practices result in a lack of creativity demand and a 'work without think' situation for the employees, which may decrease their motivation.

However, it may be easier under autocratic management to offer wage incentives and promotion to reward outstanding individuals, which may motivate some employees just as much. Nowadays, groups and teamwork have gained considerable importance in the practice and structure of organisations. Teamwork promises a flexible and enriching alternative to repetitive Tayloristic and Fordistic work routines. Groups and teams are influenced by authority structures, thus it needs to be considered what impact different managerial styles have on them. (Mullins, 2005) Managers do need to manage differently when organising teams.

The type of leadership required will depend on the team and its stage of development. The chosen style of management will influence the behaviour of a group and its members. (Linstead et al, 2009). Teams are supposed to work autonomously, but whether that is the case or not depends much on the trust management puts in its teams. (Wilson, 2004) Transformational leadership is more likely to support a group based organisational structure and the practice of teamwork. It is much harder to reconcile transactional and autocratic managerial practices with groups and teamwork. Groups tend

to influence an organisation stronger than individuals on their own and demand a flat organisational structure; everyone is working on an equal basis and expected to contribute equally to the group's tasks. Transactional leadership is hard to unify with such a structure, both because it is hard to reward people according to their individual effort and due to the required trust and responsibility management has to give the groups. The question at hand is whether or not groups can enhance the efficiency and productivity of an organisation, especially in an economic crisis.

Most textbooks agree on the importance of teamwork and state in one way or another that " effective teamwork is an essential element of modern management practices" (Mullins, 2005: 521). He argues that teams can improve an organisation's competitiveness through increasing innovation, productivity, and employee commitment and motivation. Similarly, Jay (1980) argues that " the ideal individual for a job cannot be found", as no individual " can combine all the necessary qualities of a good manager" (cited in Mullins, 2005: 523). This is why teams are so strong and promise successful outcomes.

In all these consideration, the motivation of employees has a considerable affect. Abraham Maslow (1954) distinguishes between different levels of needs, and suggests that once lower-level needs are fulfilled, a person will strive for ever higher aims and ultimately for self-actualisation. This theory is problematic, as it can for example be doubted if a level of need actually has to be fulfilled before a person strives for higher-level needs. Maslow assumes

that job-satisfaction also implies an improved work performance, but this is not always the case.

(Mullins, 2005) Professor Frederick Herzberg separates motivational factors into two sections: Motivators or growth factors and hygiene or maintenance factors. Both influence job satisfaction, but are of different importance for different individuals. Hygiene factors are described as dis-satisfiers. Their implication does not provide job-satisfaction, but prevent job-dissatisfaction. Job security, salaries, general working conditions, the level and quality of supervision and interpersonal relations all count as hygiene factors.

The maintenance of these factors may be sufficient for individuals who do not expect job satisfaction from their work. Motivators have the potential to act as satisfiers: they give employees a sense of achievement, recognition of good performance, responsibility and a change for personal growth and advancement. Under democratic and participative leadership, these needs are likely to be met. Thus, employees who consider motivator factors important will find it difficult to work under autocratic management, where their needs are unlikely to be met. (Mullins, 2005) As all theories, this one also has its limits.

It can, for example, be doubted if hygiene factors do not act as motivators and if satisfiers do not also provoke dissatisfaction, depending on the circumstances and an individual's perception. (Wilson, 2004) Another motivational theory is established by Mc Gregor : the theory X and Y. He supposes that there are 'two kind' of workers: Theory X assumes that people

dislike work, try to avoid it if they can, and require coercion or even punishment to work.

On the opposite, theory Y considers work as a natural activity for some people, just as play and rest. These committed people can be considered capable of self-control and self-direction. Workers of this group show creativity and imagination, they are innovative and seek responsibility. (Mullins, 2005). However, it is questionable if this theory tells us as much about workers' attitudes to their jobs, as it does about managers' attitudes towards workers (Linstead et al, 2009). Managers which incorporate theory X may as a result chose coercive management methods, and create a vicious circle, which may lead workers to adopt the theory X behaviour, independently from their former attitude to work.

It can be concluded that management based on theory Y may lead to a virtuous circle, improving workers attitude to work, as they are rewarded with more autonomy and less direct management control. As Leaman (2008) suggests, the most useful strategies to survive the recession might be as follows: Organisations should demonstrate smart leadership. Managers need to develop the ability to plan carefully and forecast future events; they need good economic understanding to react appropriately. Instead of reacting by making employees redundant, managers should rather look after their employees, make them feel valued and recognise their emotional and personal needs.

Productivity is most likely to be improved by changing the way people behave. The motivational theories may give good hints at how to achieve

such a change in behaviour. As we have seen in the analysis of the essay, there is no clear solution to whether or not autocratic practices should be used to survive the recession. For instance, the example of Apple Inc. shows that autocratic management can work very well in an organisation.

However, this is only the case as long as employees are valued, encouraged to be innovative, trusted and integrated in the communication and decision-making processes. Unfortunately, this is seldom guaranteed, therefore democratic management is still more suitable for most companies, even within an economic downturn.

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