

Explain how rational
organisational design
helps an organisation
to cut costs and...



Cost versus benefit should run through every business decision” is the opinion expressed by Evan Davis in 2007 as part of his article on value engineering. Value engineering involves providing the most efficient product or service possible (Davis 2007), which is comparable to rational organisational design, which generally strives to create the most efficient organisation possible. However there are a few different approaches to maximising efficiency through rational organisation which will be mentioned in this essay.

Rational organisation is beneficial as efficient workers can perform more rapidly and easily (Ritzer 2008) meaning more work is done in the same amount of time, leading to increased efficiency for the business as a whole. Also, defined job responsibilities inform each employee of what is expected of them (Morgan 2006), and encourage them to fulfil their role. Employees can then also specialise, which is a key principle of Taylorism (Morgan), one of the most influential methods of rational organisation.

However this approach works best when the task is straightforward, the products are similar and human parts are compliant, which could cause a problem were it to be implemented at Junction Hotel. This is because a hotel is not a production line, it deals specifically with customers, whereas Taylorism and especially the more extreme Fordism, are more suited to manufacturing. Drawbacks to rational organisation though, include the creation of organisational forms that are hard to adapt in changing circumstances (Morgan) and also it can dehumanise employees, especially further down the hierarchy.

It can also lead to a large amount of bureaucracy, as happened with social workers in the UK, which limited the ability of employees to operate effectively (Anon 2010). Organisational design such as Taylorism can lead to segmentation within the workplace and this, as Rosabeth Moss Kanter and others discovered, can create barriers which are to the detriment of efficiency (Morgan). For the employees of the Junction Hotel, dehumanisation may make certain employees feel undervalued, and as the business is highly service-based, it is important for employees to be content or their unhappiness may show to the customer.

As an employee at a hotel very similar to Junction Hotel, I know that customer satisfaction always has to be paramount. When employees are not content, guests often pick up on that and it can make them feel uncomfortable. Therefore it is important for employees of the hotel to feel human and valued rather than like part of a machine, so that they can provide the human interaction which is a largely important part of the hotel industry.

Taylorism, is based on making the employee slot into the role formed by the organisation (Morgan), however as was shown by the Hawthorne studies taking the opposite approach of making the organisation work around the employee can also be successful (Donkin 2001). The Hawthorne studies were, and still are, seen as the backlash to Taylorism (Donkin) and the driving force behind the studies was Elton Mayo. Mayo reported the findings of the study as being that workers are stimulated by feeling special, important and wanted by the business; rather than just being seen as cogs in a machine (Donkin).

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However, organisations need to be careful that they do not show preference towards certain teams, i. e. by offering them more favourable conditions than others, as it could cause resentment between working groups, as occurred in the Hawthorne studies (Donkin). Within working groups, there are often ' norms' such as social behaviours, that employees feel the need to comply with (Coghlan 1994) and by offering preferential treatment to one team within the organisation, the culture of the workforce could be disrupted (Coghlan), leading to workers social needs not being met and potentially a fall in efficiency.

This would particularly apply within Junction Hotel. If for example, certain employees were offered extra breaks, and they took them, they would be breaking the group norm and could therefore be shunned by the group. As inter-staff relations within the hotel are already tense in certain areas, it may be unwise to treat certain employees on the same level of the hierarchy different to others on the same level.

Creating groups and teams with an organisation can be a highly successful way for managers to control their workforce as groups tend to form their own cultures and ' norms' (Coghlan) and if management can influence a group to develop positive ' rules' and to accept the organisational approach implemented, then they have gained control over that set group of workers. Also, by allowing workers to work within their chosen groups, the social needs of the group can be more easily met and therefore, hopefully, lead to greater efficiency.

This approach could work well for Junction Hotel as there are already apparent groups formed and by allowing them to work together, greater efficiency could be the outcome. As an organisation grows, the hierarchy does too, centralising the ' thinking' aspects of the business such as design and development and decentralising the implementation aspects often proves successful, provided that the service or product is able to be controlled and separated in such a way (Morgan).

Mechanistic structures that are often implemented by growing organisations are designed to achieve the predetermined goals of the business, and are often successful, provided no innovation is required (Morgan). However with Junction Hotel, it would probably be wiser to centralise both ' thinking' and implementation because the business is in need of innovation as it appears to be stagnating and therefore there is a need for the organisation to be able to respond to new ideas and change.

Rational organisation such as Taylorism allows managers to control workers by transferring the responsibility for the organisation of work from workers to managers (Morgan). Bureaucracy de-humanises workers and turns them into parts of a machine which is controlled by a manager (Morgan). As Taylor himself said " Hardly a competent workman can be found who does not devote a considerable amount of time to studying just how slowly he can work and still convince his employer he is going at a good pace. " (Donkin) By turning employees into components of an organisational machine, managers take away the ability of workers to do this.

This would not be a wise thing to do considering the current state of affairs at Junction Hotel, particularly whilst it is still not particularly clear who does and who does not have a managerial role. Certain workers, such as the chef, may resist the change and resent becoming just another cog in a machine, when previously they have had a very active role in the way the hotel was run. In modern day organisations, such as fast food restaurants, rational organisational efficiency has been increased by incorporating customers into part of the structure.

For example, in restaurants, your order is taken by a member of staff and food is delivered to you at your table. In fast food restaurants however, the customer has to place their own order and pick up their own food from the counter, therefore making the whole operation more efficient (Ritzer). By developing a clear rational organisational structure, a hierarchy is established and employees tend to be more informed of their role, this would be a good thing for Junction Hotel as currently their hierarchy is unclear and job responsibilities are frequently changed and certain employees appear to feel undermined.

By establishing a clear structure that all employees can identify with, conflict may be reduced and therefore employees should find it easier to be more efficient in their roles. In conclusion, rational organisational design can go a long way to help a business cut costs and increase control, however this is done mainly at the expense of employee morale, which can actually lead to decreasing efficiency in the long term. However it does help employees to identify their job responsibilities and know what is expected of them, which could prove better than just a vague role in a certain department.

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Rational organisation design is not entirely suitable for Junction Hotel, however certain aspects of the design, such as a more defined hierarchy and better working groups could go some way to helping deal with the current confusion and conflict within the workforce. Although turning the workforce at Junction Hotel into parts of a machine would probably not work as customer service needs to be a priority in an industry that is tertiary, and tertiary industries do not tend to be able to cope with such a rigid structure.

On the whole, when performing the much needed hierarchy restructure at Junction Hotel, management would do well to take rational organisational design into account to deal with efficiency issues, but not to stick to it too closely so as to maintain standards of service. References COGHLAN, D (1994) 'Managing organizational change through groups and teams,' Leadership and Organization Development Journal 15(2): 18-23 DONKIN, R (2001) Blood, Sweat and Tears: The Evolution of Work London: Texere. (Ch. 11 - Western Electric Discovers Motivation).

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