Designing effective organizations

Designing Effective Organizations Designing Effective Organizations Introduction The fierce force of competition in the technologically charged global community of business requires organizations to develop and design effective organizations in order to survive and create a competitive advantage. This paper will identify the common characteristics in organizations, highlight some of the traits of an open and closed system of organization, and review some of the designs for creating an effective culture and environment in which an organization is given the ability to grow and thrive in the competitive external environment. Common Characteristics of Organizational Design Morgan (2010) defines organizational design as " The process by which managers select and manage aspects of structure and culture so that an organization can control the activities necessary to achieve its goal" (p. 9). The four foundational characteristics in an organization are the: 1) the coordination of effort; 2) common goal or purpose; 3) division of labor; and 4) hierarchy of authority (Schein, 2004; Morgan, 2010). McAuley, Duberley, and Johnson (2007) make the same observations asserting the basic four characteristics are essential for effectively managing organizations (pp. 70-72). Open and Close Systems The open and close systems of organization are two approaches that describe how the systems of operation within an organization are designed to interact with the internal and external environments. The open system of organization approach resembles a biological organism in its complexity and depends on other organisms for survival (Jones, 2010, p. 38). In an open system approach the internal environment encourages collaboration between work groups within the structure and reaches outside of the organizational structure to ancillary support systems for aid to accomplish

goals. The close systems to organization, on the other hand is an approach that resembles the military/mechanistic design in which the internal system is self-contained. The implication is the internal systems, culture, and organizational design provides the resources and essentials necessary for the group to accomplish its strategic goals and objectives without the contribution of support systems. Contrast: Military/Mechanical and Biological/Cognitive Morgan (2010) presentation of organization metaphors portrays the operating systems within organizations as machines and organisms to depict how organizations' internal organizational structure is designed to function and operate. Frederick Taylor's philosophy was the framework of the classical management theories (Morgan, 2010). Taylorism became the foundation of the scientific approach to management and the military/mechanistic organizational design. The military/mechanistic design is a highly structured internal environment resembling that of a bureaucracy such as a governmental agency or manufacturing plant. The basic characteristics of the scientific approach are : 1) the responsibility for the work in the organization shifts from the worker to management; 2) use of scientific methods to design division of work; 3) hired the best qualified people; 4) train workers efficiently: 5) monitor production and processes to ensure alignment with objectives (Morgan, 2010, pp. 15-17). The military/mechanistic approach to management theoretically standardized the management and process of work in organizations. One example of the efficiency of using the design is McDonald's; an organization in which the process of duplication is the cornerstone of the operation. Internally, employees perform the duties mechanically interfacing with the systems and equipment in getting the work done (Morgan, 2010). Managing and

controlling the operations scientifically enables organizations to consistently produce systematically as demonstrated by the success of organizations such as McDonald's and other fast food, assemble line manufacturing organizations, however the system is not without limitations. The strengths of the scientific approach increases productivity because of the uniformity of activities subsequently the results are reliable. However a weakness or limitation of the theory is the factor of people or employees. Whereas technology has enabled organizations to automate processes within the design with the equipment, machines, and computers replacing the human element, in settings in which people are an intricate component of the design control wavers due to the unforeseen or uncontrollable interruptions in the systems of operations. Managing the moods, attitudes, and emotions of people in the organizational setting presents inherent challenges for managers. Another significant factor limiting the efficiency of the theory is the inability of organizations to change quickly in response to changes in the environments. The design of the scientific system is based on uniformity and repetition of procedures and activity in the environment however because of unexpected changes such as consumer preferences this design inhibits the organization from modifying its internal operations in response to the change in a timely manner. The changes in the external environment are an example of how the need to change internal procedures quickly is necessary to remain viable and competitive. The military/mechanistic design's inflexibility prohibits the spontaneity necessary to response accordingly. The biological/cognitive organization design theory recognizes employees or people as the core of the philosophy. Workers trained to function as machines mindlessly without cognitive interaction is the primary principle of

the mechanistic theory in the biological/organic organization the realization and acceptance of people as thinking or cognitive, emotional beings is the center of the biological organization. The primary premise of the biological/cognitive organizational design is that by allowing people in the organization the ability to grow and contribute to the organization potentially influences the culture and productivity of the group. The design is decentralized giving workers freedom to " think" and interject ideas and suggestions into the operational processes, in contrast the military approach to management is centralized with a hierarchal structure closely adhered to. Organizations such as advertizing agencies, research laboratories and groups that encourage the use of creativity and innovation as internal tools are examples of biological/cognitive design. Effectiveness and Contingency Approach The contingency approach to management stresses no one way of managing or approaching situations in the organizational environment is exclusive over another, in contrast the mechanical approach is built on one way as the exclusive way of performing tasks. The contingency theory gives organizations the ability to exercise flexibility using creativity and innovation to enhance operations deviating from the systematic regiment of the mechanical theory. The practice of the contingency theory approach of management increases effectiveness within the organizational structure and culture because of the latitude in which leaders can exercise to respond to changes in the environments. Managing Virtual Organizations The emergence of the virtual organization requires managers and leaders to effectively design the structure and culture of organizations operating in multiple geographical areas. One of the challenges of virtual groups is ensuring the processes in the various areas are in alignment with the groups'

strategic objectives. Depending on the organizational strategies the implementation and integration of a system of communication is vital in monitoring and overseeing the operations. The use a decentralized hierarchical structure and by establishing a standard of operation for the virtual groups allows managers to effectively control the cohesion of the distant organization as well. Conclusion As the complexity of organizations change in response to the influence of the internal and external conditions designing organizations to adapt is essential for profitability and sustainability. The alignment of internal processes with external changes and demands is vital if organizations are to survive in the increasingly competitive global environment. Applying the appropriate management theory and developing systems of operation for increasing productivity to ensure success requires developing a concise operational plan and using the theories and tools conducive to enabling the organization to accomplish its objectives. References Jones, G. R. (2010). Organizational theory, design, and change, 6th Ed. Upper Saddle River, NJ: Pearson/Prentice Hall. McAuley, J., Duberley, J., & Johnson, P. (2007). Organization theory: Challenges and perspectives. London, UK: Pearson/Prentice Hall Financial Times. Morgan, G. (2010). Images of organizations. Thousand Oaks, CA: Sage Publication, Inc. Schein, J. H. (2004). Organizational culture and leadership, 3rd Ed. Jossey-Bass Reader San Francisco, CA: John Wiley & Sons, Inc.