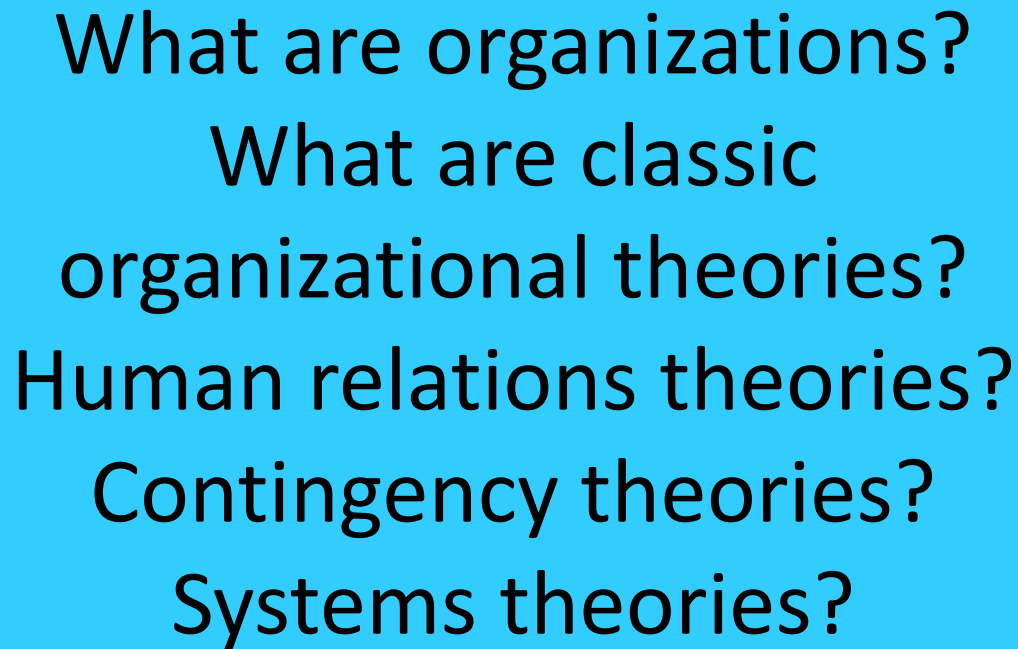


A low-angle, upward-looking photograph of several tall skyscrapers in a city. The buildings are made of glass and steel, with their facades reflecting the sky. The perspective creates a sense of height and scale, with the buildings converging towards the top of the frame. The sky is a clear, pale blue. The word "Organizations" is centered in the middle of the image in a white, sans-serif font.

Organizations

Agenda

- What are organizations? What are classic organizational theories? Human relations theories? Contingency theories? Systems theories?
- What is organizational culture? How is culture shaped? What is socialization?
- What is organization development (OD)? How do organizations change? What OD initiatives drive change?



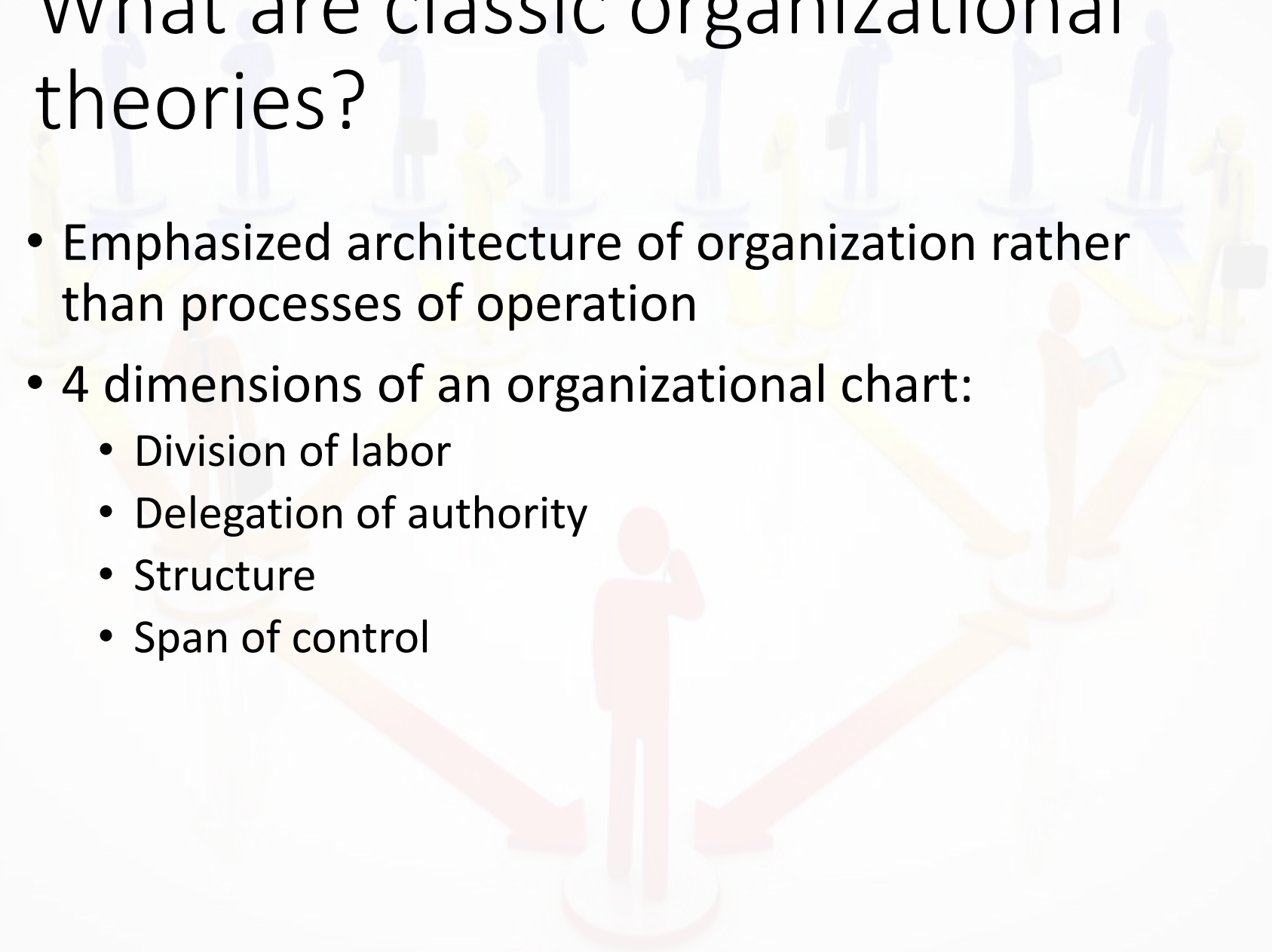
What are organizations?
What are classic
organizational theories?
Human relations theories?
Contingency theories?
Systems theories?

What are organizations?

- **Organization:** A group of people who have common goals and who follow a set of operating procedures to develop products and services
- **Organizational theory:** A collection of ideas that attempts to explain how individuals behave in social units

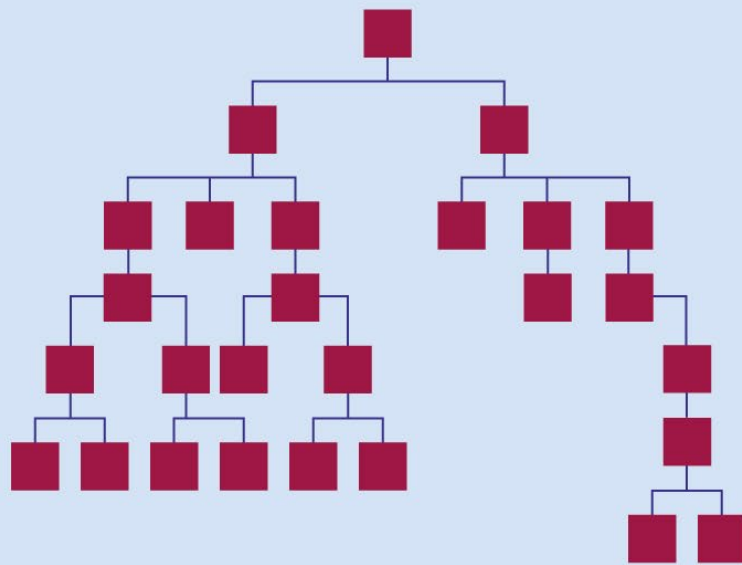
What are classic organizational theories?

- Emphasized architecture of organization rather than processes of operation
- 4 dimensions of an organizational chart:
 - Division of labor
 - Delegation of authority
 - Structure
 - Span of control

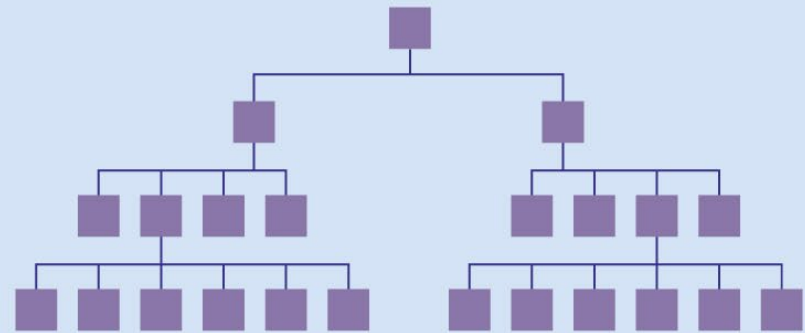


What are classic organizational theories?

(a) Small span



(b) Large span



What are classic organizational theories?

- Assumed there is one best configuration
 - **Bureaucracy:** Type of organizational chart that includes a formal hierarchy, division of labor, and a clear set of operating procedures
- Assumed that organizations affected behavior of their members but not vice versa

What are human relations theories?

- McGregor's Theory X and Theory Y
 - **Theory X:** Managers believe subordinates' behavior needs to be controlled
 - **Theory Y:** Managers believe subordinates are active and responsible



What are human relations theories?

- Argyris' growth perspective suggests:
 - Individuals naturally develop from immaturity to maturity within their organizations
 - The development sequence can either be enhanced or stunted by organizations

Immaturity
<ul style="list-style-type: none">• Passive• Dependence• Behave in few ways• Erratic shallow interests• Short-term perspective• Subordinate position• Lack of self-awareness

Maturity
<ul style="list-style-type: none">• Active• Independence• Capable of behaving in many ways<ul style="list-style-type: none">• Deep and strong interests• Long-term perspective• Equal or superordinate position• Self-awareness and control

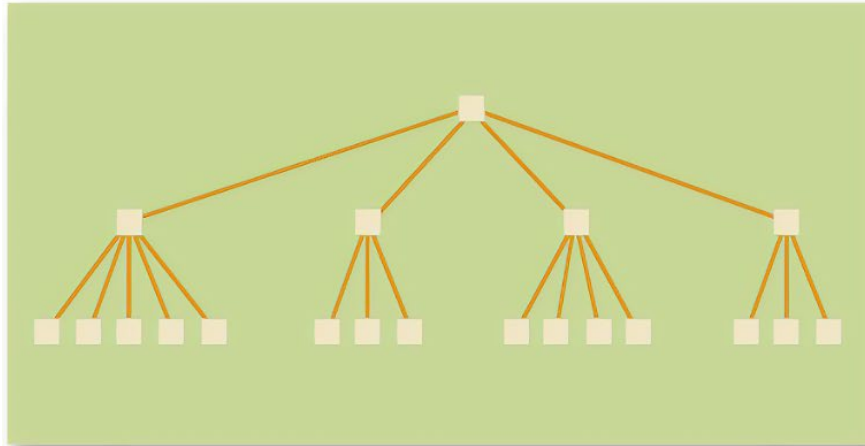
What are contingency theories?

- Organizational features contingent on environmental features
- Woodward proposed 3 types of organizations:
 - **Small batch organizations:** Produces specialty products one at a time
 - **Large batch/mass production organizations:** Produces large numbers of discrete units
 - **Continuous process organizations:** Creates products in mass quantity

What are contingency theories?

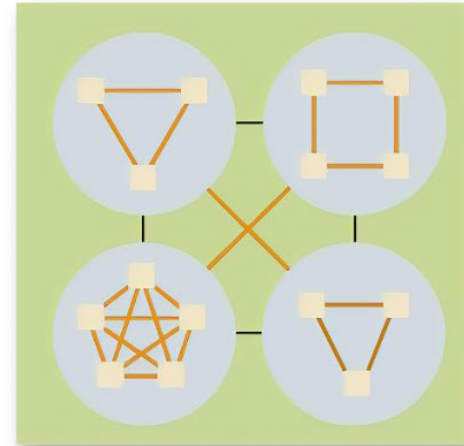
- Lawrence and Lorsch's theory

The mechanistic model



- High specialization
- Rigid departmentalization
- Clear chain of command
- Narrow spans of control
- Centralization
- High formalization

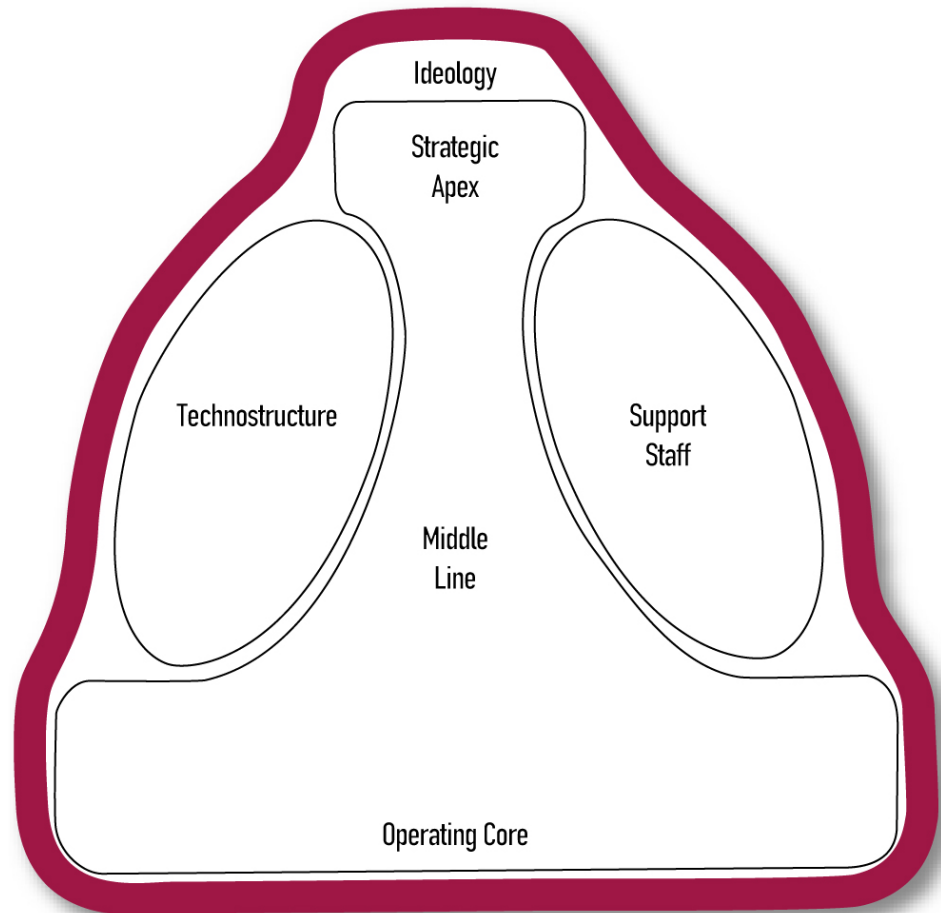
The organic model



- Cross-functional teams
- Cross-hierarchical teams
- Free flow of information
- Wide spans of control
- Decentralization
- Low formalization

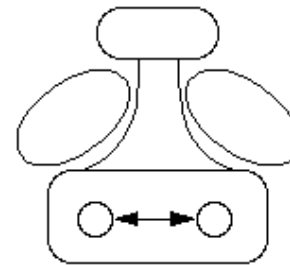
What are contingency theories?

- Mintzberg's organizational parts

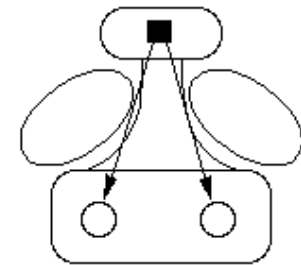


What are contingency theories?

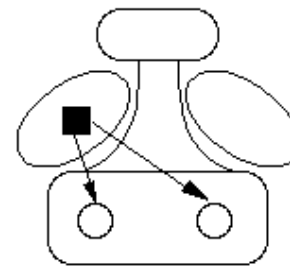
- Mintzberg's 6 basic forms of coordination



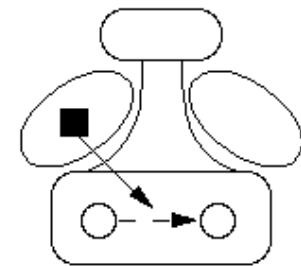
a) Mutual Adjustment



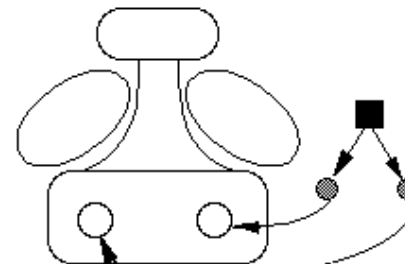
b) Direct Supervision



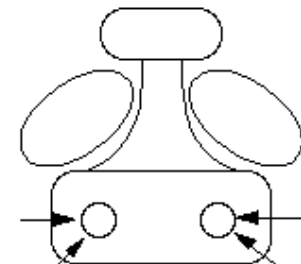
c) Standardization of Work Processes



d) Standardization of Outputs








e) Standardization of Skills



f) Standardization of Norms

What are contingency theories?

TABLE 14.1 Five Typical Shapes


MODEL	STRUCTURE TYPE	PRIMARY COORDINATING MECHANISM	PRIMARY COMPONENT OF ORGANIZATION	MAIN DESIGN PARAMETERS	CONTEXTUAL FACTORS
	Simple or Entrepreneurial Organization	Direct supervision	Strategic Apex Pull for direction and centralization	Centralization Little specialization Little formalization Organic structure	Young, small Nonsophisticated, simple, nonregulating technical system Simple, dynamic environment Possible extreme hostility or strong power needs of top manager Not fashionable
	Machine Bureaucracy or Machine Organization	Standardization of work process	Technostructure Pull for efficiency and standardization	Behavior formalization Vertical and horizontal job specialization Usually functional grouping Large operating-unit size Vertical centralization and limited horizontal decentralization Action planning	Old, large Regulating, nonautomated technical system Simple, stable environment External control Not fashionable
	Professional Bureaucracy or Professional Organization	Standardization of skills	Operating Core Pull for proficiency and professionalism	Training little formalization Horizontal job specialization Vertical and horizontal decentralization	Complex, stable environment Nonregulating, nonsophisticated technical system Fashionable
	Divisional Form or Diversified Organization	Standardization of outputs	Middle Line Pull for concentration and balkanization	Market grouping Performance control system Much formalization Limited vertical decentralization	Old, large Diversified markets: technical system divisible, otherwise like Machine Bureaucracy Relatively simple and stable environment Power needs of middle managers Fashionable
	Adhocracy or Innovative Organization	Mutual adjustment	Support Staff (in the Administrative Adhocracy; together with the Operating Core in the Operating Adhocracy) Pull for innovation and collaboration	Liaison devices little formalization Organic structure Selective decentralization Horizontal job specialization Training Functional and market grouping concurrently	Young (especially Operating Adhocracy) Complex, dynamic (sometimes disparate) environment Sophisticated and often automated technical system (in Administrative Adhocracy) Fashionable

SOURCE: Haynes (1997), Table 2, p. 64, adapted from Mintzberg (1989).

What are systems theories?

- **System:** An organized set of ideas, theories, models, and principles

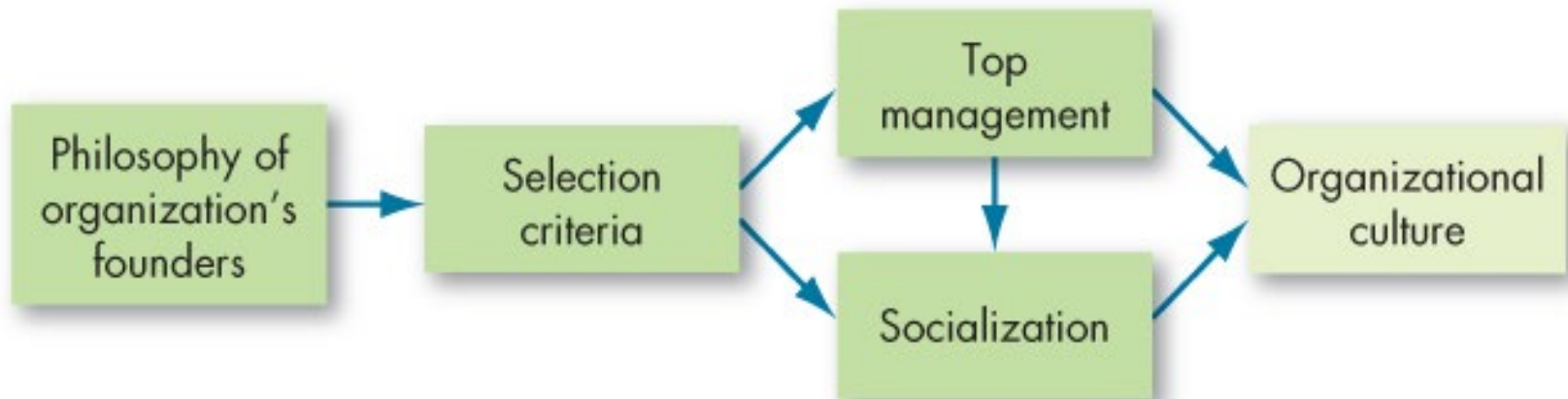




What is organizational culture? How is culture shaped? What is socialization?

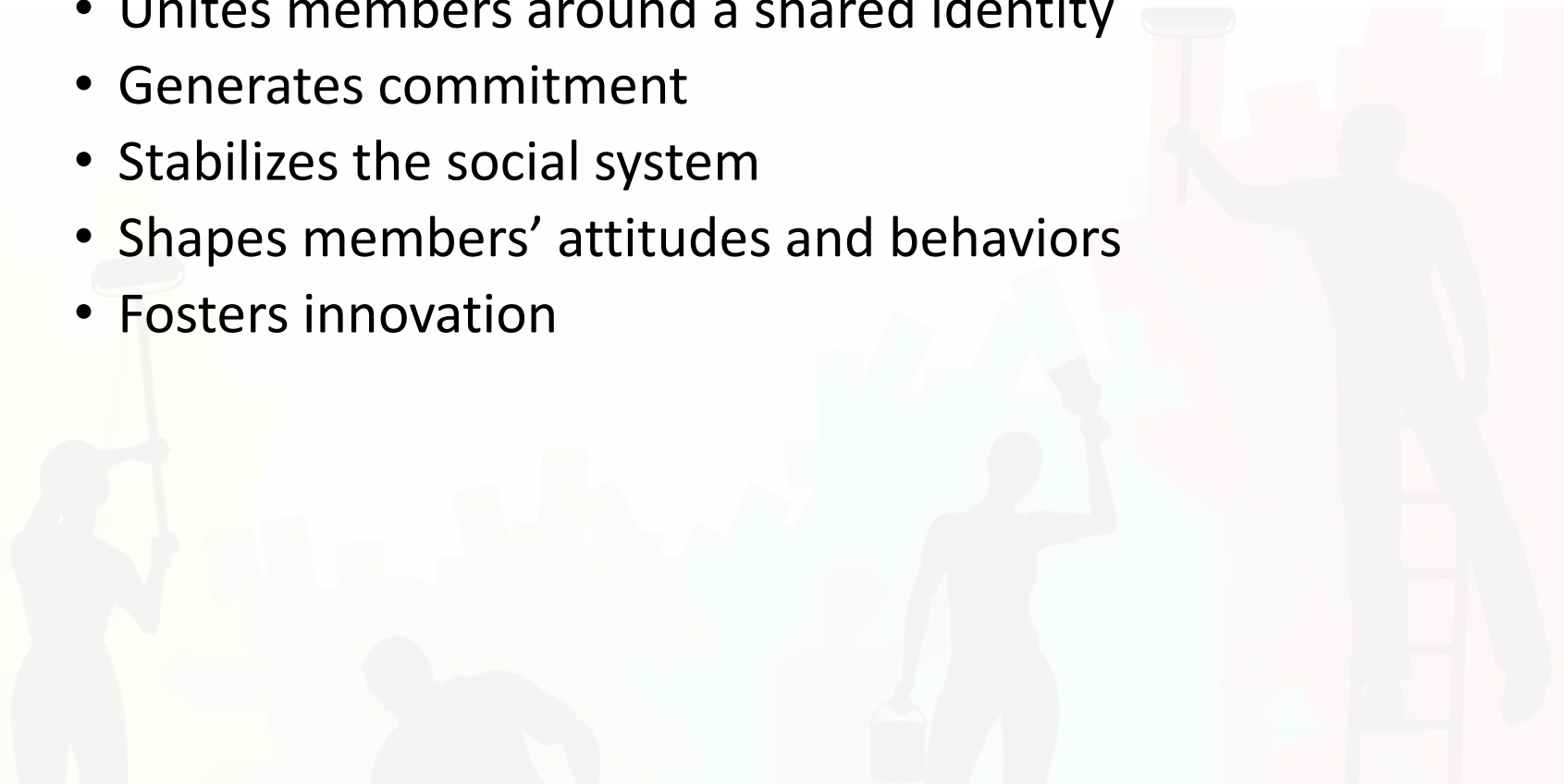
What is organizational culture?

- **Organizational culture:** Refers to a system of shared meaning held by the organization's members
 - Created and communicated from higher levels of the organization



What is organizational culture?

- Serves many functions:
 - Differentiates from other organizations
 - Unites members around a shared identity
 - Generates commitment
 - Stabilizes the social system
 - Shapes members' attitudes and behaviors
 - Fosters innovation



How is culture shaped?

- Sustained through several subsystems:
 - Recruitment and selection
 - Management
 - Training
 - **Socialization:** The process by which new employees become aware of the values and procedures of an organization



What is socialization?

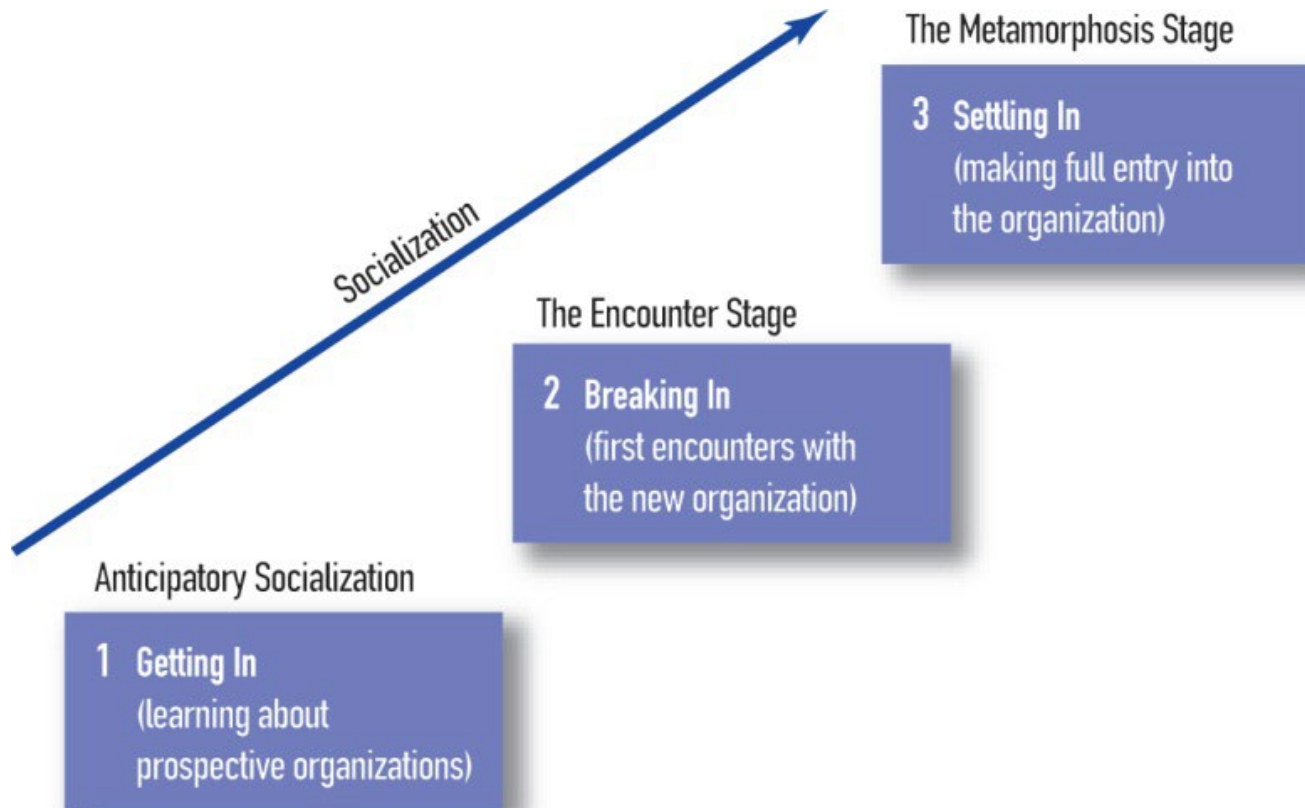
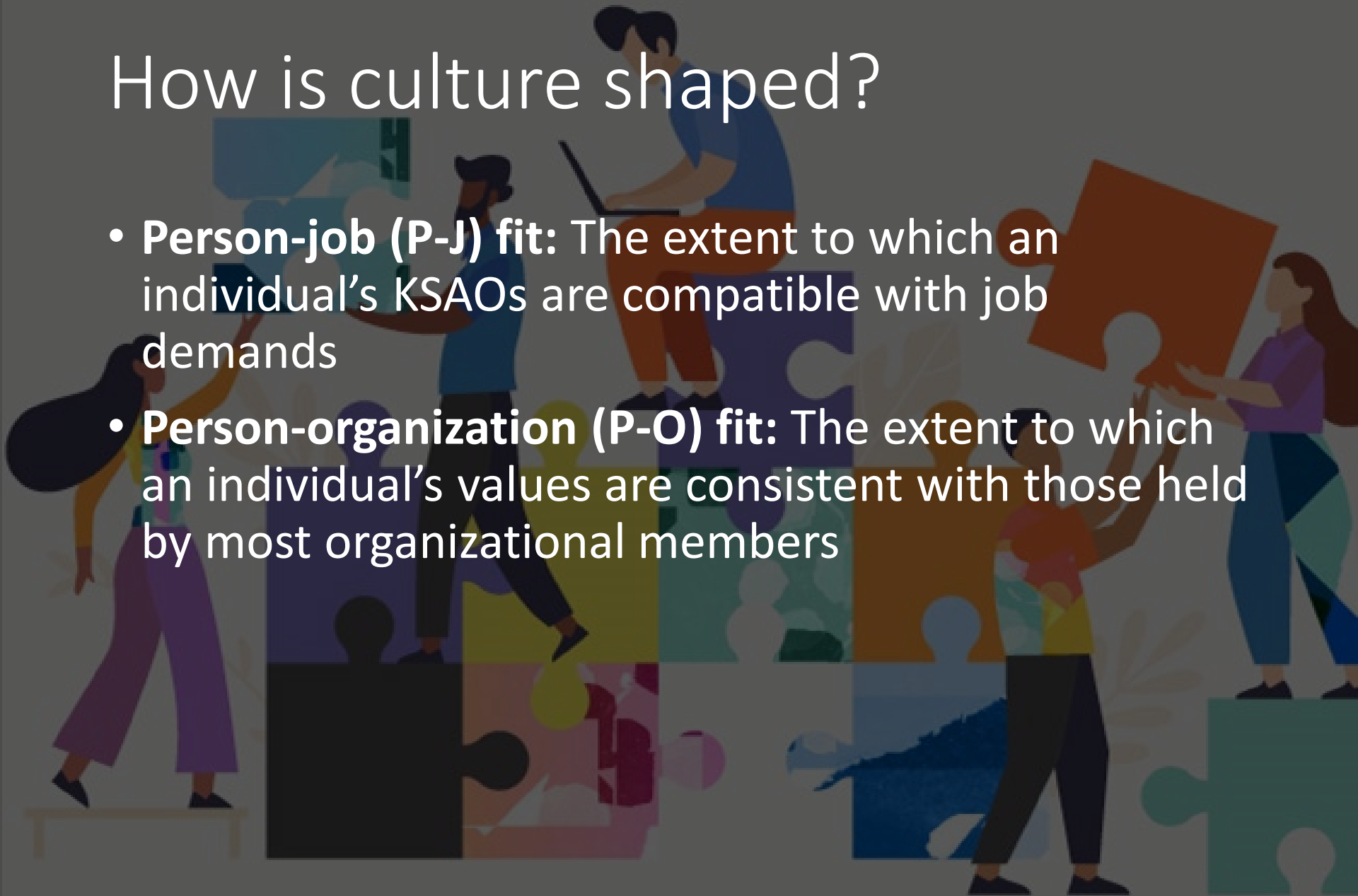


Figure 14.6 - The Three Stages of Socialization (Greenberg, 2002)

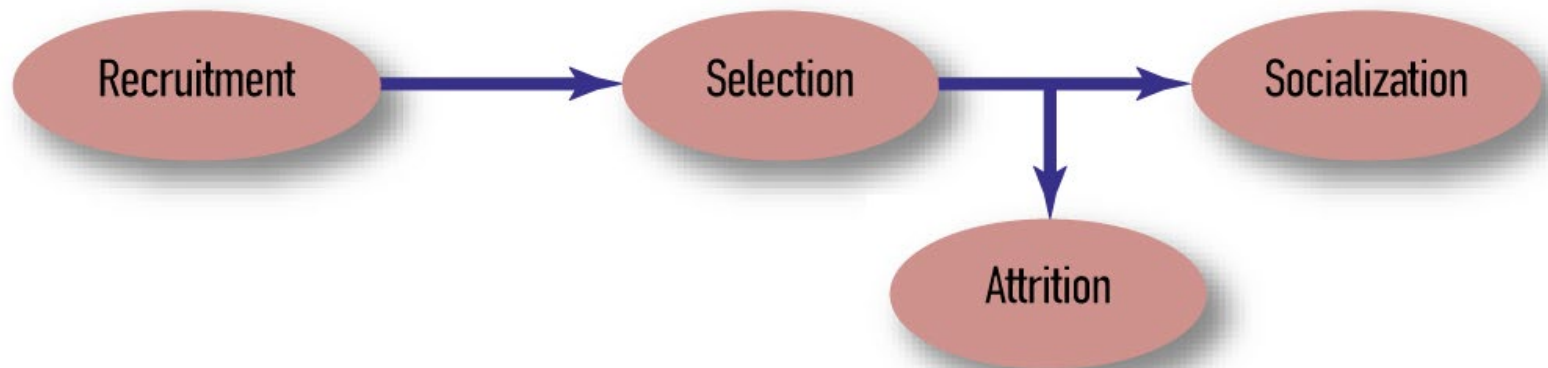
How is culture shaped?

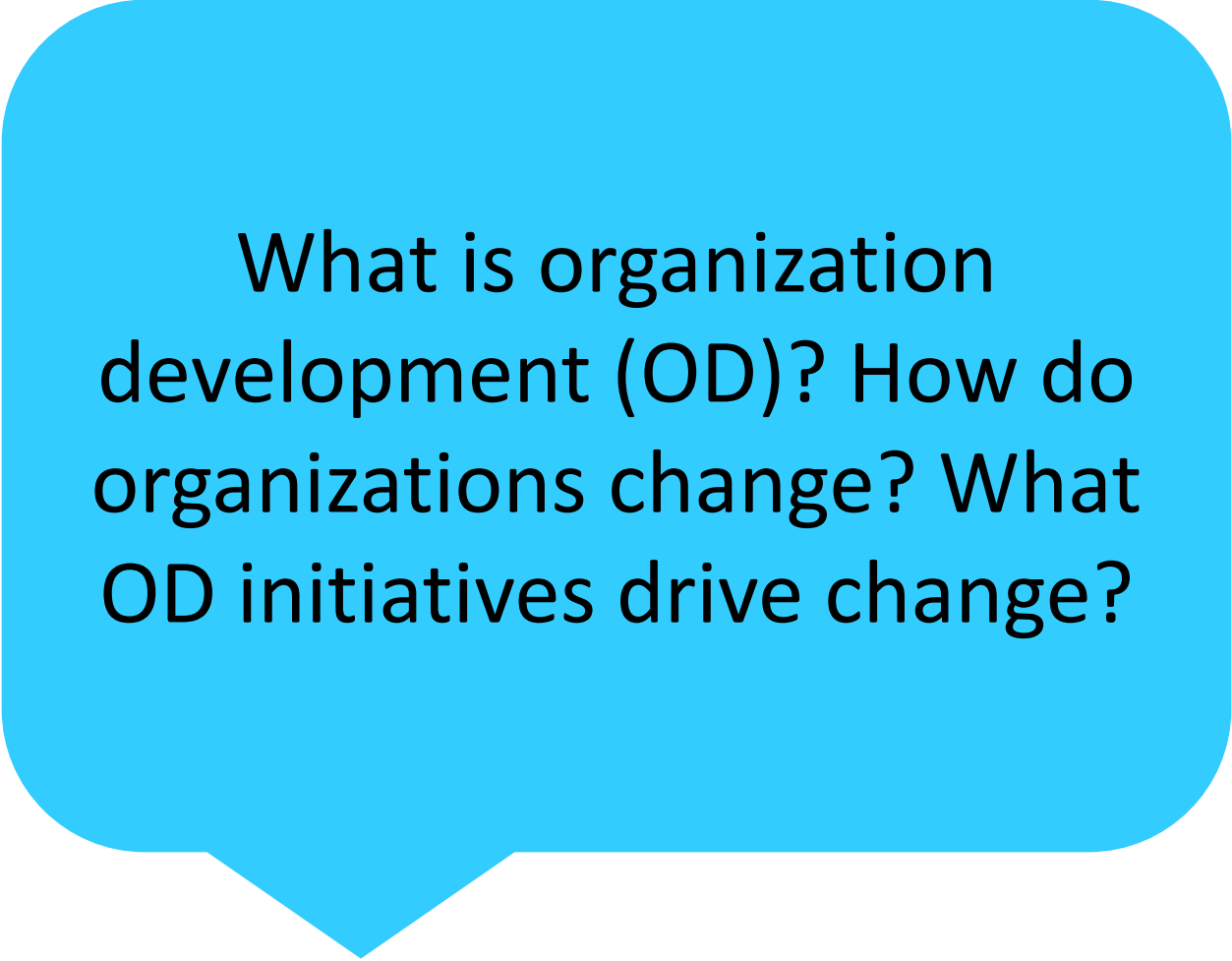
- **Person-job (P-J) fit:** The extent to which an individual's KSAOs are compatible with job demands
- **Person-organization (P-O) fit:** The extent to which an individual's values are consistent with those held by most organizational members



How is culture shaped?

- **Attraction-selection-attrition theory:** Suggests (1) organizations attract and select particular types of people and (2) attrition occurs through direct or indirect means





What is organization development (OD)? How do organizations change? What OD initiatives drive change?

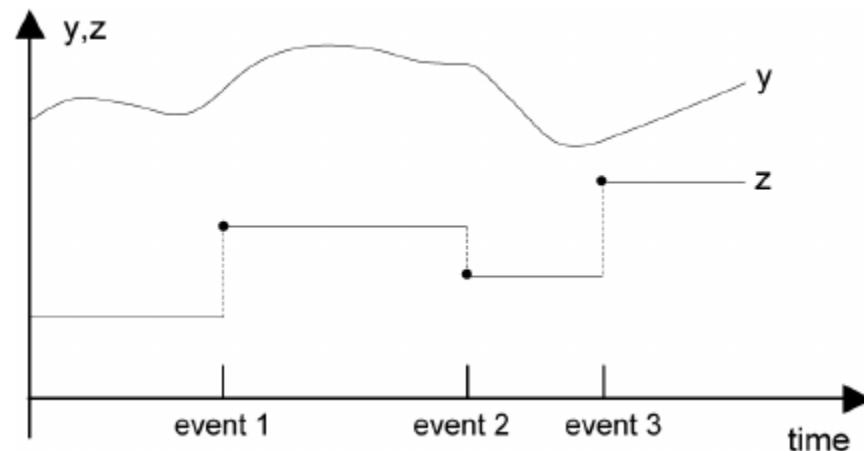
What is organization development (OD)?

- **Planned change:** An intentional, goal-oriented activity that tries to improve the organization's ability to adapt to changes in its environment *and* change employee behavior
- **Organizational development (OD):** A collection of planned change initiatives



What is organization development (OD)?

- 3 different settings for use of OD:
 - **Episodic change:**
 - Infrequent, discontinuous, and intentional
 - Focused, time-urgent, and minimizes feelings of uncertainty
 - Can be stressful and disruptive for employees
 - Unfreezing → Change → Refreezing



How do organizations change?

- Kurt Lewin's model proposed 3 steps of change:
 1. Unfreezing the status quo
 2. Movement to a new state
 3. Refreezing to sustain the new state



Unfreeze



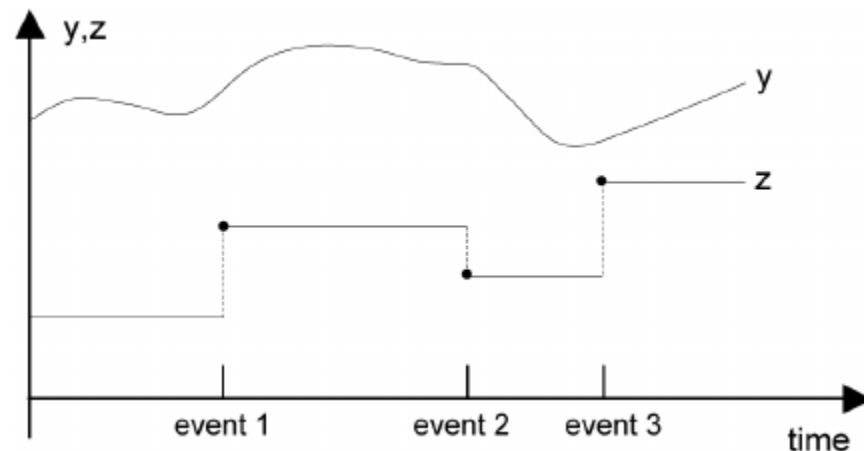
Move/Change



Refreeze

What is organization development (OD)?

- 3 different settings for use of OD:
 - **Continuous change:**
 - Ongoing, evolving, and cumulative
 - More likely to be improvised rather than intentional
 - Freezing → Rebalancing → Unfreezing



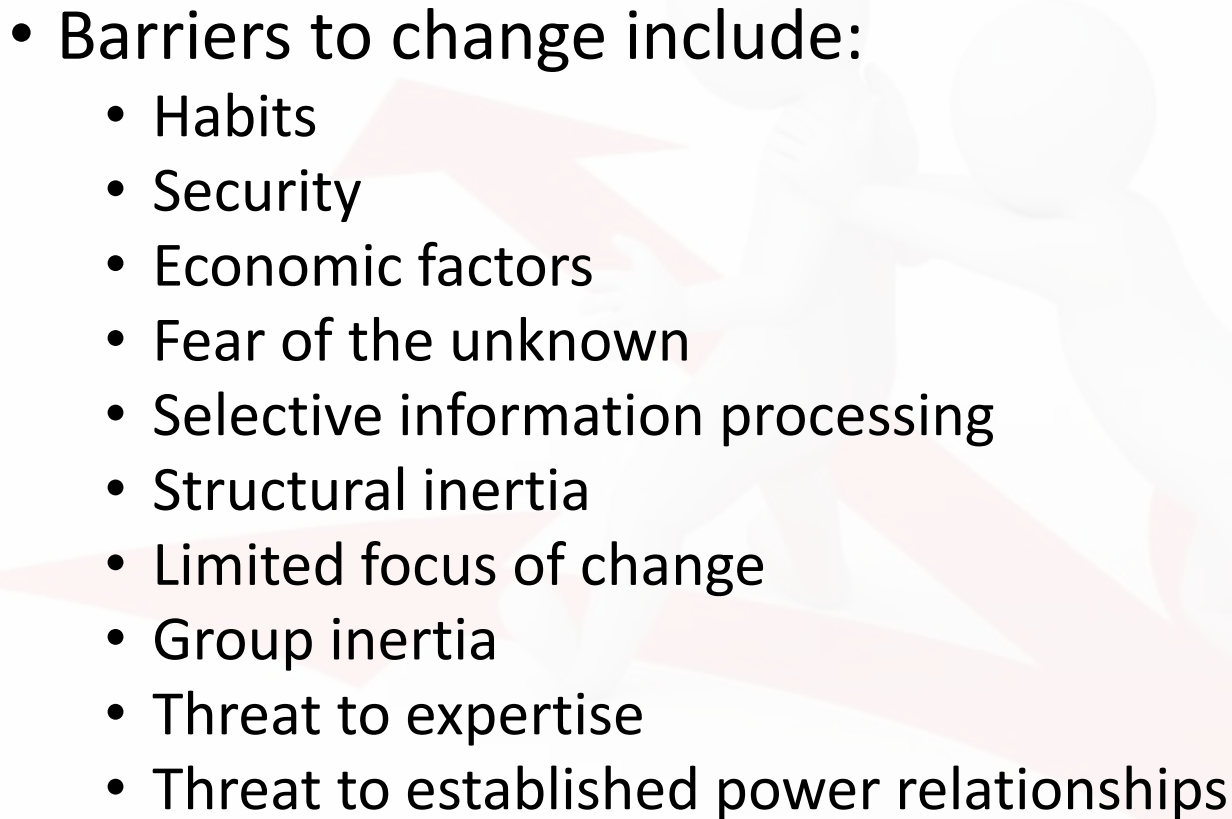
What is organization development (OD)?

- 3 different settings for use of OD:
 - Evolving from episodic to continuous change
 - Unfreezing → Change → Rebalance

<i>LESS EMPHASIS ON</i>	<i>MORE EMPHASIS ON</i>
Closely held internal data generation	Data gathered from the environment and shared widely
Slow downward communication	Rapid data analysis to support rapid decision making
Individual unit learning	Learning about the whole organization
Direction from senior management	Shared direction including senior managers and other levels of the organization
Consultant as expert	Client as expert
Leaders who argue well	Leaders who speak differently

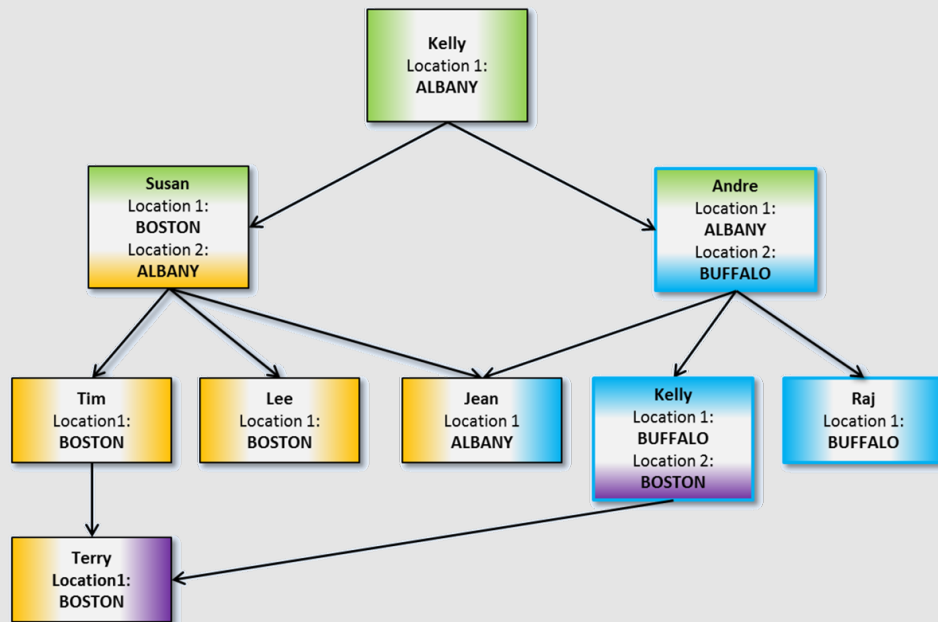
SOURCE: Rorty, R. (1989). *Contingency, irony, and solidarity*. New York: Cambridge University Press.

How do organizations change?

- Barriers to change include:
 - Habits
 - Security
 - Economic factors
 - Fear of the unknown
 - Selective information processing
 - Structural inertia
 - Limited focus of change
 - Group inertia
 - Threat to expertise
 - Threat to established power relationships
- 

What OD initiatives drive change?

- **Matrix organizations:** A type of structure in which individuals have dual reporting relationships
 - Efforts of managers must be integrated



What OD initiatives drive change?

- **Total quality management (TQM):** Emphasizes team-based behavior directed toward improving quality and meeting customer demands

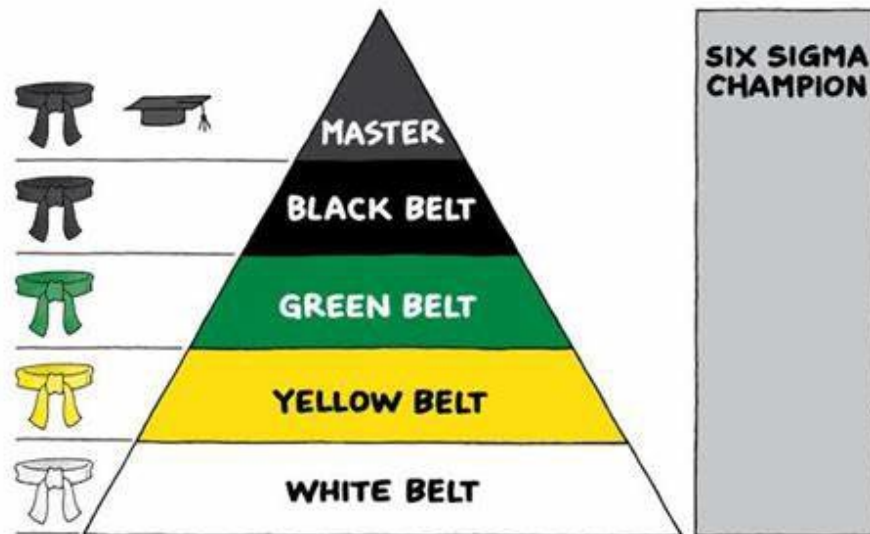
TABLE 14.6 Differences Between Traditional and TQM Model from an HR Perspective

HUMAN RESOURCE MANAGEMENT CHARACTERISTICS	TRADITIONAL MODEL	TOTAL QUALITY MODEL
Communications	Top-down	Top-down Horizontal, lateral Multidirectional
Voice and involvement	Employment at will Suggestion systems	Due process Quality circles Attitude surveys
Job design	Efficiency Productivity Standard procedures Narrow span of control Specific job descriptions	Quality Customization Innovation Wide span of control Autonomous work teams Empowerment
Training	Job-related skills Functional, technical	Broad range of skills Cross-functional Diagnostic, problem solving
Performance measurement and evaluation	Productivity Individual goals Supervisory review Emphasize financial performance	Productivity and quality Team goals Customer, peer, and supervisory review Emphasize quality and service
Rewards	Competition for individual merit increases and benefits	Team and group-based rewards Financial rewards, financial and nonfinancial recognition
Health and safety	Treat problems	Prevent problems Safety programs Wellness programs Employee assistance programs
Selection and promotion	Selection by manager	Selection by peers
Career development	Narrow jobs skills Promotion based on individual accomplishment Linear career path	Problem-solving skills Promotion based on group facilitation Horizontal career path

SOURCE: Blackburn & Rosen (1993).

What OD initiatives drive change?

- **Six Sigma:** Provides training in statistical analysis, project management, and problem-solving to reduce defect rate of products



What OD initiatives drive change?

- **Lean production:** Focuses on reducing waste
 - **Just-in-time (JIT) production:** A detailed tracking of materials and production that draws suppliers and customers into the organization's circle

