COURSE GUIDE

BUS 424
ORGANISATIONAL THEORY

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INTRODUCTION

BUS 424 Organisational Theory is one semester, course of two units for 400 level students of Bachelor's degree in Entrepreneurship, Cooperative and Rural development and Business Management programme of the School of Management Sciences. This course consists of six units. The material has been developed to suit for their learning process and prepare them as potential or active entrepreneurs. This course guide tells you briefly what the course is about, what course materials you will be using and how you are to use them. It provides some general guidelines for the amount of time you might be spending in order to successfully completed each unit of the course.

COURSE AIMS

The aim of this course is to explain organisational theory and identify it as the basis for guiding the management and organization of an enterprise.

COURSE OBJECTIVES

At the end of this course, should be able to:

- know the nature of organizations and organization theory
- understand the classical-mechanistic theory of organization and management
- understand the behavioural-humanistic theory of organization and management
- know the modern theories of organization and management
- differentiate between authority and power in organizations
- understand conflict and change in organisations

WORKING THROUGH THE COURSE

This course, BUS 424 – organizational theory expects you to do a lot of reading in order to cover the materials in the course material. It implies that you should devote much time to this course by reading through this material and getting more information from numerous texts and journals in research. The course material has been made easy to read and user-friendly.

To complete this course you are required to read the study units in each module, read also the suggested full books and other materials that will help you achieve the objectives. Each unit contains self-assessment exercises and at intervals in the course you are required to submit assignment for assessment. There will be a final examination at the end of the course.

COURSE MATERIALS

The National Open University of Nigeria provides you with the following items:

- Course Guide
- Study Units

In addition, at the end of every unit is a list of texts for your references and for further reading. It is not compulsory for you to read all of them. They are only essential supplements to this course material.

STUDY UNITS

The study units in this course are located under Modules as follows:

MODULE 1

Unit 1	The Nature of Organisations and Organisation Theory
Unit 2	What is Management and Organisation Theory
Unit 3	The Classical-Mechanistic Theory of Organisation and Management
Unit 4	The Bureaucratic Model Of Organisations
Unit 5	The Administrative Approach
Unit 6	The Scientific Management Approach
Unit 7	Other contributors to Scientific Management

MODULE 2

Unit 1	The Behavioural-Humanistic Theory of Organisation and Management
Unit 2	The Human Resources Approach
Unit 3	Modern Theories of Organisation and Management
Unit 4	The Socio-Technical Systems Approach
Unit 5	Quantitative or Management Science Approach and the Situational or Task-Contingency Approach

MODULE 3

Unit 1	Authority and Power in Organisations
Unit 2	The Nature and Causes of Organisational Conflicts
Unit 3	Meaning and Objectives of Organisational Change

ASSESSMENTS

There are two aspects to the assessment of the course: first is the tutor-marked assignments (TMA); and the end of course examination. Within each unit are self assessment exercises which are aimed at helping you check your assimilation as you proceed. Try to attempt each of the exercises before finding out the expected answer from lecture.

TUTOR-MARKED ASSIGNMENT

This is your continuous assessment and accounts for 30% of your total score. You are expected to answer at least four TMA's, three of which must be answered and submitted before you sit for the end of course examination. Your Facilitator will give you the TMA's and you must submit to your Centre your responses.

FINAL EXAMINATION AND GRADING

With this examination written successfully, you have completed your course in Basic Research and one believes you would apply your knowledge (new or up-graded) in your project. The 'end of course examinations' would earn you 70% which would be added to your TMA score (30%). The time for this examination would be communicated to you.

COURSE MARKING SCHEME

ASSESSMENT	MARKS
Assignment (TMAs) 1 – 4	Four (4) assignments, best three (3) marks of the four account at 10% each = = 10 x 3 = 30%
End of course examination	70% of overall course marks
Total	**100% of course marks**

HOW TO GET THE MOST FROM THIS COURSE

In distance learning, the study units are specially developed and designed to replace the conventional lectures. Hence, you can work through these materials at your own pace, and at a time and place that suits you best.

Visualize it as reading the lecture.

Each of the study units follows a common format. The first item is an introduction to the subject matter of the unit, and how a particular unit is integrated with the other units and the course as a whole. Next is a set of learning objectives. These objectives let you know what you should be able to do by the time you have completed the unit. You should use these objectives to guide your study. When you have finished the unit, you must go back and check whether you have achieved the objectives.

If you make a habit of doing this, you will significantly improve your chances of passing the course.

The main body of the unit guides you through the required reading from other sources. This will usually be either from your set books or from a Reading Section.

Activities are interspersed throughout the units, and answers are given at the end of the units. Practice these self-assessment exercises to help you to achieve the objectives of the units and prepare you for the assignments and the examinations. Keep tap with your facilitator for assistance.

In summary:

(1) Try to read this course guide.
(2) Organize a study schedule.
(3) Do everything you can to stick to the schedule.
(4) Assemble the study materials.
(5) Work through the unit. The content of the unit itself has been arranged to provide a sequence for you to follow. As you work through this unit, you will be instructed to read sections from your set books or other further readings.
(6) Review the objectives for each study unit confirms that you have achieved them. If you feel unsure about any of the objectives, review the study material or consult.
(7) When you are sure of having achieved a unit's objectives, you can then start on the next unit.
(8) After completing the last unit, review the course and prepare yourself for the final examination. Check that you have achieved the unit objectives and the course objectives.

To gain the maximum benefit from course tutorials, prepare a question list before attempting them.

SUMMARY

This course BUS 423 is designed to give you some knowledge which would help you to understand organizational theory. Endeavour to go through this course successfully and you would be in a good position to pass your examination at the end of the semester.

We wish you success in this life-long and interesting course. GOOD LUCK.

COURSE DESCRIPTION AS IN THE OPP/DPP

The Nature of Organizations and Organisation Theory, Definitions and Characteristics of Organisations, types of Organisations, What Is Management and Organisation Theory, the Classical-Mechanistic Theory of Organisation and Management, Characteristics of Classical Organisations, The Bureaucratic Model of Organisations, the Administrative Approach, The Scientific Management Approach, the Behavioural-Humanistic Theory of Organisation and Management, Characteristics and Elements of Behavioural Theory, the Human Relations Approach, the Human Resources Approach, Modern Theories of Organisation and Management, the System Approach, The Socio-Technical System Approach, the Quantitative or Management Science Approach, the Situational or Task Contingency Approach, Authority and Power in Organisation, the Nature of Authority and Power, Sources of Authority and Power, How People Respond to Power, Conflict and Change in Organisation, the Nature and Causes of Organisational Conflicts, Tools And Strategies of Conflicts, Negative Effects of Organisational Conflicts, Tools and Strategies of Conflict Management, Meaning and Objectives of Organisational Change, Approaches to Organisational Change, Resistance to Organisational Change.

MAIN CONTENT

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MODULE 1

UNIT 1 THE NATURE OF ORGANISATIONS AND ORGANISATION THEORY

CONTENTS

1.0 INTRODUCTION

You are welcomed to this course BUS 423 and it is the first unit of the first module of this course.

In this unit, you will be introduced to the definition of organisations, the characteristics and different types of organization, examining typologies by Talcott Parsons Blau and Scott Katz and Kahn and J.D. Thompson.
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2.0 OBJECTIVES

At the end of this unit, you should be able to:

- define organisation
- know its various characteristics
- identify the different types of organisations

3.0 MAIN CONTENT

3.1 Definition of Organisations

At this starting point in our study of organisations, it is important to know what organisations are and why they exist. According to Hodge and Anthony, an organisation can be thought of as a group of two or more people working co-operatively toward a common objective or set of objective Hodge (1984), it is in their view a social system of co-operation that is designed to enhance individual and group effort aimed at coal accomplishment. A basically similar definition of an organisation is offered by Edgar Schein (1970), according to him, an organisation is the rational co-ordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through division of labour and function, and through a hierarchy of authority and responsibility. Gibson et al. (1976) define organisations as devices for pooling and harnessing talent and ability together into an effective whole that can achieve for them some desired objectives. In short, we can define an organisation as a group of people working together to achieve a special purpose which cannot be achieved by an individual working alone.

The above definitions show that the primary goal and purpose of an organisation is to bring individual talents and abilities together and combine them so that each person could accomplish more results than is possible if he or she were working alone.

3.2 Characteristics of Organization

The main characteristics that are common to all types of organisation are as follows:-

(i) **Purpose or objective: -** Every organization has a purpose or objective or goal which it is attempting to accomplish, which brought it into existence and which provides a rallying point for all the activities of its members. Apart from serving as a common bond for the unification of the efforts and activities of an organisation's members, goals are a means for measuring the organisation's performance or benefits to its members.

(ii) **Task or activity: -** Every organization carries out a major task of one 'kind or another which relates to and is directed towards the realization of its mission or objectives. For instance, the primary task of a bank is to provide financial intermediation.

(iii) **Division of Labour: -** Every organisation uses a system of division of labour whereby each member is allocated a fraction of the task of the organization. The resulting specialisation increases individual output and overall organisational efficiency.

(iv) **Hierarchical structure of authority and responsibility: -** Every organisation has a form of structure through which the activities and efforts of its employees are co-ordinated. This system of structural relationships is established to attain co-operation in group activity and to achieve desired goals. It shows the way duties and responsibilities are divided between people and the way the efforts of people engaged in different activities are integrated. It is the structure of the duties and responsibilities of people that defines the formal relationships between them. In most organisations, authority and responsibilities are defined by a hierarchy of ranks and positions.

(v) **Input-Output process: -** All organisations obtain resources or inputs from the external environment and turn these into outputs which are sent back to the external environment. The inputs are referred to by economists as the factors of production and they include money, machines and equipment, materials, labour, and information. The outputs are the goods and services which are made available to buyers or members of the organisation.

3.3 Types of Organisations

Organisations have been classified differently by various authors each using different classification methods and criteria. An understanding of the types of organisations that exist is essential in order to know the particular problems of each organisation type and to appreciate why organisations behave differently.

As noted above, several typologies of organizations have been formulated by organisation theorists. The most popular of these typologies are those developed by Talcott Parsons (1960), Blau and Scott (1963), Katz and Kahn (1978), and J.D. Thompson (1967).

1. Talcott Parsons

The Parsonian typology makes use of the function that is performed or the goal that is sought by an organisation as the basis of classification. According to him, all organisations can be classified according to their function or goal. On this basis, he identifies four types of organisations namely:

(i) **Production organisations:** organizations that make thing's or products e.g. Guinness Nigeria Plc.

(ii) **Political organizations:** i.e. organisations that are concerned with ensuring that society as a whole achieves its objectives e.g. Government establishments.

(iii) **Integrative organizations:** i.e. organisations that deal with the resolution or settling of conflict and ensuring that the various parts of the society fit together well e.g. the Judiciary.

(iv) **Pattern maintenance organizations:** i.e. organisations that provide for the renewal, perpetuation or continuation of society by performing educational, religious and cultural activities e.g. the Schools and Universities, the Church, the family, etc.

2. Blau and Scott

The typology developed by Blau and Scott makes use of the primary beneficiaries of the organisation's output (Cui Bono) as the classification criterion. According to them, organisations can be classified into the following types:

(a) **Mutual benefit associations:** i.e. organizations in which the members are expected to be the prime beneficiaries. Examples are political parties, trade and professional associations, religious sects, voluntary clubs, etc. The crucial issue facing this type of organisation is how to maintain membership control i.e. internal democracy. This involves finding solutions to the problems of membership apathy and oligarchical control.

(b) **Business concerns:** i.e. organisations in which the owners are expected to be the prime beneficiaries e.g. industrial firms, banks, insurance companies, wholesale and retail stores and similar organisations privately owned and operated for a profit. The crucial problem facing business concerns is how to maintain operating efficiency i.e. how to achieve maximum gain at minimum cost.

(c) **Service organizations:** i.e. organisations in which the prime beneficiaries are the part of members of the public who come in direct contact with the organisation, with whom and on whom the members of the organisation work. The basic function of a service organisation is to serve clients. Examples are social-work agencies, hospitals, schools, mental health clinics, legal aid societies and human rights organisations. The crucial problem of service organisations is how to provide professional services that meet the needs of their clients.

(d) **Commonweal organizations:** i.e. organizations in which the prime beneficiary is the public - at - large. Examples are the military service, the police force, fire service departments, the Board of Inland Revenue, the Customs and Excise, etc. The main issue that a commonweal organisation must resolve is how to maintain external democratic control i.e. how to ensure that the public possesses the means of controlling the ends served by the organisation.

3. Katz and Kahn

The typology developed by Katz and Kahn also makes use of the goals sought or function performed to classify organisations. Their classification scheme provides four types of organisations namely:

i. **Production or economic organizations:** i.e. organisations which exist to provide goods and services for society. They are concerned with the creation of wealth, the manufacture of goods, and the provision of services for the general public or for specific segments of it. Examples are manufacturing companies, mining and farming enterprises, banks and insurance companies, etc.

ii. **Pattern maintenance organizations:** i.e. organisations which socialize or prepare people for their roles in other organizations and the larger society. They prepare people to enter other institutions smoothly and effectively. Examples are schools and religious organisations.

iii. **Adaptive organizations:** i.e. organisations that are concerned with creating knowledge and developing and testing theories. They are also concerned with applying information to existing problems. Examples are the Federal Institute of Industrial Research, the Raw Materials Research and Development Council and the Universities.

(iv) **Managerial or political organizations:** i.e. organisations that are responsible for adjudicating, co-ordinating and controlling the use of resources, people, subsystems and authority. Examples are governmental regulatory agencies.

4. J. D. Thompson

The classification scheme developed by Thompson is based on the types of technologies that are used by different organisations. Thompson used this factor to classify organisations as follows:-

(i) **Organisations using long-linked technology:** i.e. organisations that are engaged in the basic assembly-line operations and are performing functions that must be executed in a timed sequence. Examples are the automobile industry and the building and construction industry.

(ii) **Organisations using mediating technology:** i.e. organisations that are concerned with bringing together groups of people such as clients or customers who wish to remain independent.

Examples are financial institutions which attempt to match the needs of borrowers with those of lenders.

(iii) **Organisations using intensive technology:** i.e. organisations that bring together a variety of highly technical skills or methods in order to change a person or object. Examples are computer manufacturing and service firms, electronic manufacturing firms, aircraft manufacturing and maintenance firms, etc.

4.0 CONCLUSION

From the discussion in this unit, it can be deduced that there are organisations in all areas of human endeavour and many of us spend a great deal of our time in them, be it in politics, education, religion; business, health service, and sports, there exist organisations. Although organisations differ in structure, purpose, size, and the activities which they perform, they all have certain common characteristics.

5.0 SUMMARY

In this unit, we have sampled different definitions of organization, its various characteristics, identified the different types of organization by theorists like Talcott Parsons, Blau and Scott, Katz and Kahn and J.D. Thompson.

6.0 TUTOR-MARKED ASSIGNMENT

1. What are organisations? Briefly enumerate the main characteristics of an organisation.
2. How will you classify organisations?
3. Discuss the main managerial problems of each type of organisation identified by Blau and Scott.

7.0 REFERENCES/FURTHER READINGS

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Parsons, Talcott, (1960) *Structure and Process in Modem Society* New York: The Free Press, pp. 45-46.

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UNIT 2 MANAGEMENT AND ORGANISATION THEORY

CONTENTS

1.0 INTRODUCTION

In this unit, you will be introduced to management and organization theory and the Functions of management and organisation theory.

2.0 OBJECTIVES

At the end of this unit you should be able to know:

- the meaning of management and organization theory
- the functions of management and organisation theory

3.1 What is Management and Organisation Theory?

Before we define management and organisation theory, let us see what theory is:

Robert Dubin (1969) defines theory as an explanation of some phenomenon which consists of principles that describe observable relationships. Blaylock (1971) defines theory as an explanation of a set of component parts and their relationships in a way that permits some prediction to be made about how the parts are likely to behave under given conditions. A theory is a set of ideas which claims to explain how something works. In other words, theory contains a set of assumptions which are relevant and which derive from empirically tested definitions or hypotheses the assumptions being drawn from real world events with which they are actually concerned and which they attempt to explain. Theory is any statement or group of statements established by reasoned argument based on known facts, intended to explain a particular fact or event. Having stated what theory is, let us proceed to define management and organisation theory and show its usefulness in the study of organisations.

Hodge and Anthony (1984) defines management theory as an explanation of management practice i.e. an explanation of how managers behave or how they make decisions and exercise influence to perform their responsibilities. In other words, a management theory is an explanation of how managers manage-how they set objectives or select goals to pursue; how and why they formulate plans fen the running of their organisations, how they exercise authority and power over their staff, how they direct and control the activities and performance of organisation members, etc. Management theory is concerned about the behaviour of individuals within an organisation and the control of such behaviour.

In the case of organisation theory, it is defined by Hodge and Anthony as a group of related concepts, principles and tested hypotheses that is used to explain the components-of Organisations and how they behave. D.S. Pugh (1971) defines organisation theory as the body of laws and empirically tested and proven conclusions which establish relationships between the structure, functioning and performance of organizations and the behaviour of groups and individuals within them. In other words, organisation theory consists of a set of established principles and fundamental conclusions which try to explain why organisations and their members behave the way they do.

The running of an organisation requires the performance of certain managerial functions. Therefore to explain and understand the organisation, it is necessary to know what managerial functions are performed and why they are performed. It is also necessary to describe how the organisation behaves under a given managerial style and condition. Thus management theory is an integral part and a subset of organisation theory. A knowledge of the two of them is required to explain the construction of organisations and how they work.

Theories of organisation and management are very useful because they help us to understand what organisations are, how they behave in a given environment,' and how and why they might behave in a different set of circumstances. In other words, management and organisation theory permits facts to be organised into some logical framework to describe, to explain and to predict organizational behaviour and events in a way that-van lead to improved decision making. Therefore, management and organisation theory have both descriptive, explanatory, and predictive value Hodge and Anthony (1984).

Let us explain the usefulness of management theory in some detail. A theory aims to 'present a systematic view of some phenomenon. It attempts to account systematically for knowledge about variables and their interrelationships.

3.2 Functions of Management and Organisation Theory

The functions of management and organisation theory are explained thus:

(a) **Description –** This involves characterising the nature of something such as the factors involved in the process of decision-making.
(b) **Explanation –** attempts to understand the causes of some event or activity e.g. the factors that cause employee productivity to increase or reduce (wage levels and employee productivity for instance) and the nature of the relationship between them.
(c) **Prediction –** This refers to our knowledge of the probability of various outcomes given our knowledge of the relationships among variables. How far and .precisely we are able to predict events will depend on the completeness of the explanation of the causal relationships involved in the event or activity.

4.0 CONCLUSION

From the discussion in this unit we can say that management theory is an integral part and a subset of organisation theory therefore knowledge of the two of them is required to explain the construction of organisations and how they work.

5.0 SUMMARY

In this unit, we have been able to define Management theory and Organisational theory and the disparity between Management theory and Organisational theory, we also examined their functions.

6.0 TUTOR-MARKED ASSIGNMENT

1. What is management and organisation theory?
2. Of what importance is theory in the analysis of organisations?

7.0 REFERENCES/FURTHER READINGS

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UNIT 3 THE CLASSICAL-MECHANISTIC THEORY OF ORGANISATION AND MANAGEMENT

CONTENTS

1.0 INTRODUCTION

In this unit, we shall trace the evolution of organization and management theory and the Characteristics of Classical Organisations.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- trace the evolution of organization and management theory
- identify the principal characteristics of classical-mechanistic organisations

3.0 MAIN CONTENT

3.1 Characteristics of Classical Organisations

The classical-mechanistic school or bureaucratic process school is concerned with the structure and functioning of the format organisation. This school of thought views an organisation as a collection of individuals whose contributions are determined by a division of labour and whose efforts are co-ordinated by an hierarchy, Michael et. al. (1973). According to this school, an organisation will function effectively if the manager makes use of a system of division of labour, if he specifies the, rotes and job relationships of the organisation members and gives direction to, supplies initative for, and monitors the individual and collective behaviour of the workers.

The main contributors to this approach were Max Weber, Henri Fayol, Lyndal Urwick and F. W. Taylor. Other contributors to this approach were Henry Gantt, Harrington Emerson and Frank and Lilian Gilbreth.

The principal characteristics of classical-mechanistic organisations are as follows:

(i) There is a formal hierarchical structure of authority marked by vertical lines of communication, control and co-ordination between members of the firm. In other words, work and communication relationships are defined.
(ii) The organisation is characterised by a system of division of labour i.e. there are specialized functions clearly defined and differentiated from one another and performed by functional specialists.
(iii) There are internal specifications and standard procedures including a precise definition of rights, obligations and technical methods attached to each role. In other words, roles and procedures are clearly defined.
(iv) There are many rules and the organisation employs "rational" techniques i.e. there are objective rationality or impartial application of laid down rules and regulations. This means that the organisation is viewed as a collection of individuals to be governed or controlled by formal rules and regulations thus establishing an impersonal structure of relationships between them.
(v) Authority is centralised with knowledge of actualities located at the top of the hierarchy and the superior insisting on loyalty and prescribing the standards and rules of operations and work behaviour for sub-ordinates.
(vi) Jobs and areas of jurisdiction are clearly defined by contract and it is hot necessary to do any work other than the specified job. Job contents remain the same over a long period of time.

From the foregoing explanation, it should be clear that the classical-mechanistic school is:

(a) A structural view of organisation and management, the notion that if an appropriate organisation structure or chart is established and all forms of informality are eschewed, then the organisation will function properly. In fact, the basic concept that expresses the classical view of organisation is hierarchical structure i.e. the structure of relationships and processes of formal organisations which are seen as inevitable for organisation effectiveness. This formal structure of job positions controlled by a management hierarchy forms what is known as a pyramid of power which is represented by the organisation chart. In short, classical writers were concerned with organisation as a whole and particularly with its formal structure (departments, relationships and hierarchies) as a prerequisite for the development of an efficient organisation.

(b) A functional-process view of management i.e. the view that if certain activities are carried out by the manager (such as organisational structuring, staffing, co-ordinating, controlling and supervising) using certain principles, then the Organisation will function effectively. Thus, classical theorists were also concerned with the development of management principles which were thought to be universally applicable. These principles included span of control, the principles of authority, functionalism, etc.

(c) A machine or mechanistic model because it sees an organisation as performing routine functions all the time (like a machine) within the same structural framework and following the same unchanging organisational procedures.

In short, a classical organisation is characterized by a high degree of job specialisation, centralised authority, tight hierarchy, technical emphasis, task orientation, rigid procedures, standardisation, vertical communication, clear lines of authority, objective rationality, clear distinctions between line and staff departments and a large number of rules and regulations which are formally laid down for the orderly governance of the organisation.

4.0 CONCLUSION

From the discussion in this unit we could conclude that classical organisation is characterized by a high degree of job specialisation, centralised authority, tight hierarchy, technical emphasis, task orientation, rigid procedures, standardisation, vertical communication, clear lines of authority, objective rationality, clear distinctions between line and staff departments and a large number of rules and regulations which are formally laid down for the orderly governance of the organisation.

5.0 SUMMARY

In this unit we have been able to trace the evolution of organization and management theory and highlighted the principal characteristics of classical-mechanistic organisations.

6.0 TUTOR-MARKED ASSIGNMENT

1. What are the principal characteristics of classical-mechanistic organisations.

7.0 REFERENCES/FURTHER READINGS

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UNIT 4 THE BUREAUCRATIC MODEL OF ORGANISATIONS(CLASSICAL THEORY)

CONTENTS

1.0 INTRODUCTION

In this unit, we shall take a look at the Bureaucratic Model of Organisations, its meaning, characteristics, advantages, disadvantages/ shortcomings, the major modifications and finally examine Weber's contributions to organization theory.

2.0 OBJECTIVES

At the end of this unit, you should be able to know:

- the meaning of bureaucracy
- the characteristics of bureaucracy
- the advantages of bureaucracy
- the disadvantages/shortcomings of bureaucracy
- the major modifications to bureaucracy
- weber’s contribution to organisation theory

3.0 The Bureaucratic Model (Max Weber)

3.1 Meaning of Bureaucracy

Using the ideal type construct, Weber defined bureaucracy as the type of administrative system which is organised rationally, logically, impersonally and according to official rules as a means of carrying out imperative control over human beings. Scientifically, bureaucracy denotes an integrated hierarchy of specialized offices defined by systematic rules – an impersonal routinized structure wherein legitimatized authority rests in the office and not in the person of the incumbent Weber (1964). This type of administrative organisation which rests on a belief in the legality of patterns of normative rules and the rights of those elevated to authority under such rules represents, according to Weber, the most technically superior means for attaining the highest degree of organisational efficiency and output.

3.2 Characteristics of a Bureaucratic Organisation

The characteristics of a bureaucratic organisation are as follows:-

1. Officials are organized in a clearly defined hierarchy of positions from top to bottom i.e. each lower office is under the control of higher one.
2. Each official has a clearly defined sphere of authority and a clearly defined and limited set of responsibilities and duties called roles.
3. Officials are personally free; they are accountable only for things done in their official capacities.
4. Officials are remunerated with money salaries and pension entitlements which are graded according to ranks in the hierarchy.
5. There is a clear career structure with promotions carried out according to seniority or achievement or both.
6. Officials enjoy a security of office tenure i.e. job security. They cannot be removed arbitrarily.
7. The job of an official is his primary and if possible his sole occupation.
8. Officials have no rights of ownership to any part of the organisation or the means of administration
9. All officials are subject to a strict and unified system of discipline and control which is based on a relatively fixed body of established rules and standardised procedures.
10. Everyone obeys orders of superior officers not because of the influence of individual personalities but because of the hierarchical and superior nature .of the positions.
11. All official activities and transactions are recorded in writing and subsequently Bed in a central office (bureau) for future reference.
12 All cases belonging to the same category are treated in the same way. Thus, official business is carried out in an impersonal and emotionally detached manner without hatred or passion, without affection or enthusiasm.

13. There is a system of division of labour and specialisation with every official working as a specialist within an organisation of specialists.
14. The home is separated from the office or place of work.

3.3 Advantages of Bureaucracy

(i) It eliminates favouritism and discriminations since duties are performed according to laid down rules.
(ii) Formal specialization is encouraged thus increasing productivity and efficiency.
(iii) It enhances precision, clarity and order in official transactions and minimises conflict and friction since rules, procedures and roles are clearly defined and applied.
(iv) It promotes organisational stability, uniformity and continuity of operations and a consistent and uninterrupted performance of the various activities of the firm regardless of changes in personnel.
(v) Only the most qualified personnel are employed and/or promoted thus enhancing fairness, professionalism and organisational efficiency.
(vi) It makes effective co-ordination of activities possible through the hierarchy of authority and the unified system of discipline, control and standardised procedures.
(vii) It minimises the effect of human unpredictability.

For the above reasons, bureaucracy is said to contribute to organisational efficiency.

3.4 Disadvantages or Shortcomings of Bureaucracy

The defects or dysfunctional consequences of bureaucracy are as follows:-

(i) It may discourage personal initiative because it emphasizes strict conformity to standard rules and procedures.
(ii) It encourages organisational inflexibility. Bureaucracy is not adaptive to changes and new tasks because of its rigid structure, standardised rules, procedures and role differentiation. It sees innovation and change as pathological and a disturbance to an otherwise ordered system. This is a big problem because organisations must adapt to changes if they are to survive. Unfortunately, highly structured bureaucratic systems are slow to respond to change, perpetuate static organisational assumptions and offer MIA or no protection from unpredictability.
(iii) It slows down the pace of work because officials tend to develop an exaggerated concern with routines and regulations at the

expense of the goals they are meant to help achieve: Thus, rules, stop being a means to an end but an end in themselves as organisational goals become less important to the staff than the maintenance of the organisation itself. For this reason, it is easy to sabotage the organisation's efficiency by 'working to rule' since rules tend to become important in their own right rather than as a means of promoting efficiency.

(iv) Because of a rigid differentiation of work into specialised roles, each department tends to plough its own furrow. Departmental goals may become ends in themselves rather than a means to the Overall goal of the organisation. The corporate objectives of the organisation may be displaced eventually.

(v) Cost of administration is increased because of excessive paperwork, form filling and documentation of affairs. Bureaucracy is a sterile and unreal machine model of organisations because it concentrates on the role of the informal leader in the organisation and fails to consider informal groups and informal leadership roles. The view that formal leaders (the managers) must rule by implementing rules and standard procedures portrays workers as mere order takers and neglects the informal side of enterprise and its potential benefits.

(vii) It breeds anxiety, insecurity and tension in employees and removes their personal liberty because they are eager to be seen as conforming to existing procedures and policies rather than as doing things that are good in their own eyes.

(viii) It causes trained incapacity. The demand for predictability, reliability, conformity, etc. produces a general rigidity of behaviour in employees. They tend to adopt measures which are in line with their past training and experience thus leading to the adoption of wrong procedures under new conditions.

(ix) It causes self-perpetuation and empire-building. Officials tend to adopt a sit-tight attitude in positions thus turning themselves into immovable tin gods. The attribute of bureaucracy that produces this is security of office tenure.

(x) Relationships, both internally and externally, are depersonalized.

3.5 Major Modifications to Bureaucracy

The defects arising from the use of bureaucracy can be mitigated by adopting the following measures.

(a) The use of committees to make decisions and solve problems that cut across two or more departments. This will reduce the effect of excessive hierarchy, centralization, compartmentalization and specialization.

(b) Jobs may be designed in such a manner as to minimize the problems of extreme specialization, extreme rigidity, self-perpetuation and empire building and cover-ups. Techniques available to do this are job enlargement, job rotation and group working: These will improve co-ordination, prevent conflict, improve interpersonal relations among organisation members, make the jobs less monotonous and increase employee commitment to overall organizational goals.

(c) Employees can be-trained in many functions and processes in order to produce generalists instead of narrow specialists. Generalists will consider the interrelationships between the various parts of an organization when carrying out their duties thus minimising the possibility of having the corporate objectives of the organization displaced, as a result of the extreme compartmentalization of activities and functions in a bureaucratic setup.

(d) Bureaucracy could be applied selectively. It could be used for organizations and departments that are highly formalized where routine activities are involved and the environment is relatively stable and predictable. It should not be used for flexible organisational functions, such as research and development, where creativity, innovation and informal communications and relationships are essential for successful performance.

(e) The pattern of mutual aid and informal relationships that usually develop among office staff should be encouraged rather than disregarded. This will mitigate the effects of impersonality and superficiality in staff relationship arising from the use of bureaucratic principles.

(f) Initiative on the part of subordinates should be encouraged and rewarded in order to prevent rigidity and inflexibility of behaviour.

(g) The use of performance rating scales based upon "clearly specified results" rather than upon mere conformity to regulations can also help to prevent the ritualism and rigidity potentially found in a bureaucracy Blau (1956).

(h) Top management could push decision making down to line managers and other officers through a system of decentralisation that is both effective and productive.

(i) Managers could allocate authority commensurate with responsibility. This will help to avoid buck-passing, avoidance of responsibility, and overdependence on rules.

The foregoing points show that the defects of bureaucracy are potential and not inevitable; they are not inherent qualities but mere tendencies. Most of them can be rectified by applying the logic of good organization.

3.6 Weber's Contributions to Organization Theory

1. He pointed to the ways organizations can make provision for continuity and co-ordination of their operations. These include the use of a system of administration based on clear organisation structure, hierarchy of authority, a set of rules and regulations for organisational behaviour, standard procedures, and security of office tenure for workers.
2. He described the form an organisation should take and showed the possibility of improving organizational efficiency and performance through the use of clear job descriptions, clear lines of authority, a rational division of labour and specialization, impersonal rules and the use of merit in personnel recruitment and selection which should enable an organization to be staffed by capable rather than privileged personnel.
3. His theory opened up our understanding of the nature and functioning of organizations and why bureaucratic elements like power, hierarchy, rules, etc are very preponderant in organisational arrangements

4.0 CONCLUSION

Bureaucracy contributes to organisational efficiency but the defects of bureaucracy are potential and not inevitable; they are not inherent qualities but mere tendencies. Most of them can be rectified by applying the logic of good organization.

5.0 SUMMARY

In this unit we have been able to explain the bureaucratic model, its characteristics, advantages and disadvantages/short comings, Major modifications to bureaucracy and finally examined Weber's contributions to organization theory.

6.0 TUTOR-MARKED ASSIGNMENT

1. What is bureaucracy and how does it contribute to organisational efficiency?
2. Enumerate its dysfunctional-consequences and show how they can be mitigated.
3. Briefly state the characteristics of bureaucracy and the contributions of Max Weber to organisation theory.
4. What are the main features of a bureaucratic organization
5. What would you consider to be the merits and demerits of bureaucracy?

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UNIT 5 THE ADMINISTRATIVE APPROACH TO ORGNANISATION AND MANAGEMENT (CLASSICAL THEORY)

CONTENTS

1.0 INTRODUCTION

In this unit, we shall take a look at the Administrative Approach to Organisation and Management in particular, Henri Fayol's contributions and Lyndal Urwick's contributions.

2.0 OBJECTIVES

At the end of this unit, you should be able to understand:

- henri fayol's contributions
- the 14 principles of organisation by henry fayol
- lyndal urwick's contributions
- principles of effective Organisations by Lyndal Urwick

3.0 MAIN CONTENT

3.1 The Administrative Approach

3.2 Henri Fayol

Henri Fayol pioneered the administrative approach of organisation and management. He stated what he believed to be the functions of a manager and, put forward some general principles of management which are still regarded today as fundamental maxims or elements of good organisation and managerial practice.

Specifically, Fayol stated that management comprised the following activities:

- Forecasting and planning i.e. examining the future and drawing up a plan of action
- Organizing i.e. building up the structure of the enterprise
- Directing i.e. maintaining activity among the personnel
- Co-ordinating i.e. unifying and harmonising all activity and effort
- Controlling i.e. ensuring that everything done conforms with the established plan.

Fayol also stated that the foregoing activities could be performed effectively by the observance of certain rules, or principles. These principles are as follows: -

3.3 The 14 principles of Organisation

(i) **Division of work or labour** – that an employee should be given one main specialised, separate work to do: that employees should be grouped into divisions, departments, and sections in Order to improve efficiency and increase output.

(ii) **Parity of authority and responsibility** – that authority and responsibility should placed together in a manager's Job i.e. responsibility should always be commensurate with authority. This is the principle of correspondence and is also known as parity of authority and responsibility. It states that a person who has the responsibility to get things done must also have the right to give orders and the power to exact obedience.

(iii) **Discipline –** that rules and objectives of the organisation must be respected.

(iv) **Unity of command** – that each employee should receive orders from and report to only one superior in order to avoid conflicts and confusion and increase feelings of personal responsibility for results. In other words, dual subordination must be avoided because a person cannot serve two masters at the same time.

(v) **Unity of direction** – that the organization should have a single, common objective and permit unity of action, and co-ordination of efforts. Organization members should work towards the same objective. There should be only one plan for accomplishing goals.

(vi) **Fair remuneration** – for services rendered by personnel. Pay should be fair and satisfactory to both the employee and the management.

(vii) **Scalar chain** – that authority should flow from the top to the bottom: that there should be clear and unbroken lines of authority from the top of the organization to the lowest level with the chains of command represented in an organisation chart.

(viii) **Centralization and decentalization** – should be combined in appropriate balance according to the circumstances facing the organization. The balances of centralization and decentralization means that strategic decisions should be centralized while operational decisions should be delegated to the lower levels of the organisation.

(ix) **Order** – that the right man should be appointed to the right position while materials should be in the right place at the right time.

(x) **Equity** – that is the need for fairness, kindness and justice in business in order to encourage loyalty and good work.

(xi) **Stability in tenure** – that all employees should be guaranteed job security.

(xii) **Initiative –** that all employees should be encouraged and rewarded for the use of initiative and creative ability as demonstrated in their ability to think out a plan and ensure its succcess.

(xiii) **Esprit de corps** – that management should encourage a spirit of co-operation, unity and teamwork in its workers.

(xiv) **Subordination of individual interest to general interest** – i.e. the interests and goals of one employee or group of employees should not prevail over or be used to substitute or displace those of the organization. The goals of the organisation are superior to those of individuals or groups of persons. Corporate goals should override personal goals.

3.3.1 Contributions of Henri, Fayol to Management Thought

1. He analysed the practical roles of managers and the principles by which they have to perform them. According to him, good managerial practice must be based on a suitable organization structure and efficient staffing, planning, directing, communicating, co-ordinating and controlling among others.
2. He showed the way to arouse workers interests and morale recommending the use of bonuses for punctuality, hardwork, cleanliness, etc.
3. Many of the principles enunciated by Fayol are still commonly applied in business organisations today. His function-by-function approach is still relevant and widely used today. However, Fayol has been criticised for prescribing principles without clearly explaining how they can be easily followed in practice.

3.3.2 Lyndal Urwick

Urwick was a major contributor to the administrative approach which was started by Fayol Urwick laid down certain principles required for building effective organisations.

3.3.3 Principles of effective Organisations

They are the principles of:

1. **Objectives –** that the objective of an organisation should be defined clearly.
2. **Specialisation –** that each job should be linked to one main function.
3. **Definition –** that the responsibility and authority for, every position should be clearly specified.
4. **Chains of command –** that there should be a clear line of authority from the top to the bottom.
5. **Span of control –** that limits should be placed on the number of subordinates for each superior, four to six being the optimum number.
6. **Communication –** that the number of levels of authority' in the organisation hierarchy should be limited to ease the flow of communication.
7. **Primary task –** that line functions should be distinct from advisory staff functions.
8. **Co-ordination –** that efforts of employees should be unified.
9. **Exception –** that management should only be concerned with non-routine decision-making and should only be notified when results are remarkably off target.
10. **Responsibility –** that the superior assumes absolute responsibility for the acts of his subordinates; that authority can be delegated but not responsibility.
11. **Flexibility –** that the organisation should be able to adjust to changes.
12. **Simplicity –** that the organization should stay simple in order to remain effective.

As stated above, one of the principles developed by Urwick for building effective organisation is that the number of levels of authority in an organisation hierarchy should be limited. Too many organisational levels are not desirable because:

(i) They tend to cause delay in passing information to those who are in the position to take actions on specific matters. Too many layers tend to complicate communication while decisions and negotiations take longer period. In other words, too many layers of organisation can add drastically to response time.

(ii) Too many layers tend to make it difficult for top management to exercise control over the organization.

(iii) With many organisational layers, an employee with innovative ideas can have his ideas smothered and suppressed because he has to pass through many levels and checks before he can get to the top management where the final right of approval can be exercised.

(iv) Too many organisational layers are expensive to maintain.

Like Henri Fayol, Urwick contributed to the study of management and organization by prescribing the principles for building an effective organization.

4.0 CONCLUSION

An organization is composed of people whose collective efforts are geared toward the attainment of collective goal therefore Henri Fayol's principles of organisation should form the basis for the effective administration or management of organizations.

5.0 SUMMARY

In this unit we have been able to examine Henri Fayol's contributions and his 14 principles of Organisation, Lyndal Urwick's contributions and her Principles of effective Organisations.

6.0 TUTOR-MARKED ASSIGNMENT

1. List and explain the Principles of effective Organisations by Lyndal Urwick
2 State and explain Henry Fayols's principles of organizations

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UNIT 6 THE SCIENTIFIC MANAGEMENT APPROACH (CLASSICAL THEORY)

CONTENTS

1.0 INTRODUCTION

In this unit, we shall take a look at the Scientific management approach, theories by F.W. Taylor would be analysed, Objectives of scientific management and Principles of scientific management would be highlighted, The underlying assumptions of scientific management would be looked at, Taylor's contributions to management and organization theory would be examined finally, the shortcomings of scientific management would be critically reviewed.

2.0 OBJECTIVES

At the end of this unit, you should be able to understand:

- the scientific management approach
- f.w. taylor's theory
- objectives of scientific management
- principles of scientific management
- the underlying assumptions of scientific management
- taylor's contributions to management and organization theory
- the shortcomings of scientific management.

3.0 MAIN CONTENT

3.1 The Scientific Management Approach

3.2 (F.W. Taylor 1856 – 1915)

Taylor's theory of scientific management was concerned with increasing productivity and discovering the best methods of achieving efficiency in the use of human and material resources. Taylor was an engineer and production was his focal point of interest. He did not concern himself with the structure or functioning of the whole organization as Weber, Fayol and Urwick did.

Taylor observed that there was a great antagonism between the management and the workers as well as low output and a general inefficiency in the company where he worked. These problems, according to him, were caused by:

i. The belief of the workers that if they increased output they would automatically lose their jobs since management would have excess output to sell;
ii. The belief of the workers that harder work did not guarantee higher pay since workers had a predetermined pay rate;
iii. The tendency for workers not to over exert themselves or become fatigued. This is known as natural soldiering i.e. natural restriction of output;
iv. The tendency for a worker to refrain from working harder than his colleagues with whom he receives the same pay. This is known as systematic soldiering i.e. deliberate slowing down of work;
v. The prevailing managerial practice based on the rule of thumb rather than on systems and standards.

According to Taylor, the above problems could be solved if the principles of science are applied to the study of work and management.

3.3 Objectives of Scientific Management

The main objectives of scientific management were:

1. To reduce the cost of labour and secure large profits for the employer and develop all aspects of the business to a state of permanent maximum prosperity.
2. To increase the wages of workers and thus secure maximum prosperity for each employee.

3. To remove all forms of antagonism between management and workers and replace this with cooperation.
4. To replace management by rule of thumb and randomness with management by system and standards.
5. To find the best way of developing the ability of each worker to perform as best as he could thereby achieving the greatest efficiency and prosperity.
6. To secure the maximum output for the employer instead of restricted output.

3.3.1 The Principles of Scientific Management

To achieve the objectives & outlined above. Taylor advocated the application of the principles of science to the study of work and management in order to discover the best method of performing a job and the most efficient method of controlling workers and obtaining with absolute regularity their initiative i.e. their hardwork, goodwill and ingenuity. By science, Taylor meant systematic observation and measurement.

The principles of scientific management which Taylor called for apparently constitute the cardinal responsibilities of management. They are:-

1. The development it of a true science of work i.e. the systematic observation, study and recording of work processes and the skills required to do a job so as to discover the one best or most efficient method of performing the work. Instead of the old rule-of-thumb, Taylor advocated a science for each element of a man's task. By this, Taylor means that the manager should break each job down into its various component elements; study and redesign each element; choose, with the aid of a stopwatch the most efficient sequence; and then train the worker how to perform the job in this way.
2. The scientific selection of workmen in order to ensure that workers are employed on the kind of work for which they are best fitted. Before Taylor introduced these principles of scientific management, the prevailing practice was for workers to be hired on the basis of first-come, first-served. However, Taylor believed that much better results could be obtained by first analyzing the requirements of the job and then trying to match the qualities and abilities of the, applicant to it with the result that the firm's efficiency would be increased since there would be round pegs in round holes.

3. The progressive training and development of workers to do the job in the best way with management sharing cost saving with workers.
4. The division of the work of the establishment between the workmen and the management into two almost equal parts namely the thinking, supervising and evaluating (for the management) and the doing (for the workmen).
5. The appointment of a supervisor who will oversee the way the work is done and direct the workers and ensure that they do their work in accordance with the principles of the science and method which have been developed.
6. The encouragement of constant and intimate cooperation between the management and the workers thus eliminating individualism and increasing co-ordination.
7. The establishment of a labour office or department which would deal with personnel problems and grievances and do the layout of the workplace to ensure the movement of workers from one part of the yard to another without any delay.
8. Dealing with workers and measuring their performance on a purely individual basis and not as a group or gang.
9. The paying of workers on the basis of their output only thus ensuring that higher work guarantees higher pay. The scientific investigation of work can be used to determine the reasonable Volume of work that a suitable worker can perform per day and the rate at which he will be paid thus ensuring a fair day's pay for a fair day's job.

3.3.2 The Underlying Assumptions of Scientific Management

The underlying assumptions of scientific management are:

(i) That there will be greater output if the ordinary principles of science are applied to work and organizational problem.
(ii) That the good worker accepts orders but does not initiate actions.
(iii) That workers are economically rational and are working to maximise their financial incomes and not to satisfy their social needs while at work.

3.3.3 Taylor's Contributions to Management and Organization Theory

(a) He emphasized management's responsibility for planning how (not merely what) work was to be done. Thus, workers are not left to choose their own methods at random which methods may be inappropriate.

(b) He was the first to relate income to productivity which makes it possible for workers to be rated and rewarded objectively. He argued that when financial rewards are made to be dependent upon work output, the result will be maximum 'performance from each individual. This assumption remains the basis of piece-rate systems of payment till today.

(c) He introduced some personnel management techniques such as employee selection tests, job evaluation, identification of training needs job analysis and performance appraisal. All these are accepted today as principles of effective personnel management and their application has enhanced the efficiency of most organisations by ensuring that round pegs are put in round holes.

(d) He introduced some production management techniques such as time and motion studies, work measurement, product and implement classification, work planning and scheduling, process charts, job instruction sheets, and work standardization.

(e) He formulated the "principle of exception" which has become part of modern management thought. By this principle, managers were to concern themselves with the unusual, with the items that deviate significantly from the standard (especially negative deviations). In addition, management reports were to be summarised to contain only significant exceptions to past standards to give a clear picture of progress and make comparison.

(f) The scientific management approach introduced by Taylor has helped business firms all over the world to achieve a vast increase in production.

All the techniques in points b - e above still form a part of the control procedures of many organisations in the world today. They have become very popular and widely used by industrial and personnel managers around the world.

3.4 Shortcomings of Scientific Management

(i) It makes an employee a mere order taker. It neglects the emotional nature of man. Taylor forgot that he was dealing with human beings-and not with some inanimate resource. He over simplified both the work process and workers' motivations and treats employees more like machines than like human beings. It considers the human element in an organization to be relatively unimportant. Some managers that use this approach think that workers are only cogs in a production machine or mere extensions of their tools and equipment.

(ii) It assumes quite wrongly that man works purely to make money. For Taylor, money was the prime motivator of workers. On the contrary, it is now generally accepted that not all employees are simple earning maximisers.

(iii) It excludes employees from participating in management. It puts the planning and control of work entirely in the hand of management.

(iv) It completely overlooks the positive role of trade unions and informal groups in business by insisting that management should deal with workers on an individual basis.

(v) It makes wage bargaining impossible. Workers merely accept what management considers fair or is prepared to pay for a day's job. Taylor assumed that the perspective of the manager on work and wages was automatically the correct one.

(vi) It constitutes a 'single factor' explanation which takes no account of other influences on situations. Taylor had a simplistic and behaviour, or of variance-between people and generalised view or the worker' and assumed a totally economic-instrumental orientation towards work forgetting that the average worker may derive some satisfaction from the act of work itself, or from association with others at the Work place Glover and Rushbrooke (1983).

(vii) Where the principles of Scientific Management have been adopted, the design of jobs and structuring of work have made work processes so standardised and restrictive that money represents the only reward or satisfaction possible. Under such a system, people will be preoccupied with money rewards for work because there are few or no opportunities for the pursuit or experience of non-financial (social-psychological) satisfactions Glover and Rushbrooke (1983).

(viii) Taylor tended to forget that excessive division of labour between the management and the labour as recommended by him can be counter-productive and that too much task specialization can easily lead to dull, alienating jobs.

(ix) Taylor assumed that earnings and profit maximisation would be complementary and that managers and the managed would co-operate. This assumption was unrealistic because both parties sometimes hold opposing views about employment relationship.

(x) Scientific management was aimed at improving the efficiency and productivity of workers; consequently, it provided little guidance for managers above the supervisory level. Management process was analyzed only in terms of the methods used by the workers at the lower levels of the organization.

4.0 CONCLUSION

Taylor is of the opinion that management should take responsibility for planning design methods for accomplishing or performing a task and monitor performance to ensure effectiveness and efficiency.

5.0 SUMMARY

In this unit we have been able to examine the Scientific management approach, F.W. Taylor's theory, Objectives of scientific management, Principles of scientific management, the underlying assumptions of scientific management, Taylor's contributions to management and organization theory finally, the shortcomings of scientific management.

6.0 TUTOR-MARKED ASSIGNMENT

1. Discuss the objectives and principles of scientific management. Analyze the assumptions on which the principles are based.
2. Enumerate Taylor's contributions to organisation theory and the shortcomings of scientific management.

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UNIT 7 OTHER CONTRIBUTORS TO SCIENTIFIC MANAGEMENT

CONTENTS

1.0 INTRODUCTION

In this unit, we shall take a look at other contributors to scientific management like Henry L. Gantt, Frank and Lillian Gilbert, Harrington Emerson and Morris Cooke finally; a brief overview of Classical theory would be examined.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- other contributors to scientific management like Henry l. Gantt, Frank and Lillian Gilbert, Harrington Emerson and Morris Cooke
- the overview of Classical theory

3.0 MAIN CONTENT

3.1 Scientific Management

3.2 Other Contributors to Scientific Management

Several other scholars and managers also contributed to the growth of scientific management. Notable among them were Henry Gantt, Frank and Lillian Gilbreth, Harrington Emerson and Morris Cooke.

3.3 Henry L. Gantt (1861-1919)

Henry L. Gantt (1861-1919) introduced the concept of task-and-bonus system which was a direct replacement of Taylor's piece-rate system. By this system, Gantt meant that a worker should be paid a bonus if he produces to a specified target. This idea became very popular and more acceptable than Taylor's piece-rate method. Gantt also emphasized the need for management to set specific tasks for every member of the organization and to relate rewards to efforts. He stressed the need for industrial organizations to develop a patterned and proper way of solving problems ("habits of industry"). He also emphasized the significance of giving consideration to the psychological and social needs of workers i.e. the importance of the human factor in work. Furthermore, Gantt stressed the responsibility of management for training its workers.

In addition to the contributions mentioned above, Gantt developed graphical recording systems and machine and man record charts the most notable being the Gantt production control charts with which to relate planned and actual performance to time. This is done by continuously recording the progress of a job on the control charts. These charts have remained a useful device for planning and control ever since.

3.3.1 Frank and Lilian Gilbreth

Whereas Taylor introduced the technique of time study for each particular job, Frank and Lilian Gilbreth examined human motions in general. They analyzed each human work motion systematically in order to discover the most efficient way of performing it and thus reduce work fatigue and increase labour productivity. They identified seventeen (17) elementary movements or groups of movements into which all types of human activity can be divided. They called these therbligs. ("Gilbreth") spelled backward with 'the' transposed). They were especially interested in and concerned with minimizing hand movements in physical tasks. They-investigated the effect of worker fatigue on productivity. This investigation marked the beginning of research on ergonomics.

The work of the Gilbreths led to the introduction of:

- Job simplification;
- Meaningful work standards and
- Incentive pay plans.

The work of Frank B and Lillian M. Gilbreth is significant for several reasons:

Through their efforts, they created an understanding of motion study and the significance of increasing output by reducing effort. Perhaps more significantly, however, their work emphasized the importance of the relationship between management and the social sciences.

3.3.2 Harrington Emerson

Harrington Emerson wrote 'The Twelve Principles of Efficiency' in 1911 which he considered to be the basis of correct and highly productive organizations. The principles include the use of:

1. Clear objectives;
2. Common sense;
3. Competent counsel;
4. Discipline (adhere1 to rules);
5. Justice and fairlay (fair deal in managing workers);
6. Adequate and reliable records;
7. Proper routing (plan work scientifically);
8. Standardized operations (uniform work methods);
9. Work standards and schedules (clear methods and time for performing tasks);
10. Standardized conditions (uniform environment);
11. Written standard practice instructions (reduce practice to writing);
12. Reward for efficiency (reward workers for successfully completing tasks).

3.3.3 Morris Cooke

Morris Cooke extended the scope of scientific management. According to him, the principles and techniques developed by Taylor are applicable to all kinds of organizations including government and civil service. He called for the involvement of all employees in finding the one best method of doing a job. This is a modification of Taylor's idea that finding the one best way of doing a job should be the responsibility of specialists (management).

3.4 A Brief Overview of Classical Theory

The three streams of classical theory are based on similar assumptions. They all see organizations as mechanistic structures.

Bureaucracy was developed largely by sociologists; they take a relatively scholarly, objective and descriptive approach to organisational analysis. Unlike bureaucracy, administrative theory and scientific management were developed by management practitioners hence they were primarily interested in action aimed at improving management practice. Administrative theorists focused on what individual workers and managers do to gain insight into the process. They did not merely describe organisations as they exist they prescribed principles and practices for better organisational management and performance. This contrasts with bureaucratic theorists who described bureaucracy as a normative model of organisations but did not prescribe how to implement this normative model. As practical men of action the major concern arid orientation of administrative theorists was to prescribe principles and develop concepts, tools and techniques for achieving formal organisations.

Bureaucratic theorists said what an organisation should be, administrative theorists showed how to accomplish it. This is the principle difference between the two schools. The difference between scientific management and the other two schools of thought concerns their respective emphasis. Bureaucracy administrative theory focus on the structure relationships, and processes of formal organizations at man to man levels whereas the focus of scientific management is the individual worker and the foreman especially on the way he carries out his tasks, the physical activities of work and the relationship of a worker to his work.

4.0 CONCLUSION

The three streams of classical theory are based on similar assumptions. They all see organizations as mechanistic structures. Bureaucratic theorists said what an organisation should be, administrative theorists showed how to accomplish it. The difference between scientific management and the other two schools of thought concerns their respective emphasis. Bureaucracy administrative theory focus on the structure relationships, and processes of formal organizations at man to man levels whereas the focus of scientific management is the individual worker and the foreman especially on the way he carries out his tasks, the physical activities of work and the relationship of a worker to his work.

5.0 SUMMARY

In this unit we have been able to other contributors to scientific management like Henry L. Gantt, Frank and Lillian Gilbreth, Harrington Emerson and Morris Cooke and finally, the overview of Classical theory. This unit concludes the classical-mechanistic theory of organization and management.

6.0 TUTOR-MARKED ASSIGNMENT

1. Discuss the contributions of Henry Gantt, Harrington Emerson and Frank and Lillian Gilbreth to organisation theory.

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MODULE 2

UNIT 1 THE BEHAVIOURAL-HUMANISTIC THEORY OF ORGANISATION AND MANAGEMENT

CONTENTS

1.0 INTRODUCTION

In this unit we shall take a look at the Characteristics and Elements of Behavioural Theory, the Human Relations Approach, the conclusions and contributions of Hawthorne studies on human relations movement, Recommendations of human relations approach and finally, Shortcomings of the human relations approach.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- the characteristics and elements of behavioural theory
- the human relations approach

- the conclusions and contributions of hawthorne studies on human relations movement
- the recommendations of human relations approach
- the shortcomings of the human relations approach.

3.0 MAIN CONTENT

3.1 Characteristics and Elements of Behavioural Theory

The original exponents of the behavioural-humanistic theories of organisation and management were Elton Mayo, Roethlisberger and Dickson.

The behavioural school concentrated on how people work with one another in organizations. It emphasizes the interactions of people in an organization in order to understand the practice of management.

The main characteristics elements and assumptions of the behavioural-humanistic school are as follows:

(a) A belief that the organisation is a group of interacting persons who have some common social needs.

(b) A focus on the emotional and social characteristics and needs of the individual and how people actually behave as members of formal organisations rather than on their rational and economic nature.

(c) Emphasis on work group interaction (informal organizations) and their Social Consequences for workers motivation and productivity. It assumes that people work better if they are part of a cohesive work group. It assumes that people's social needs especially in relation to the informal work group are a main determinant of their behaviour and that the rational, economic man stereotype does not exist.

(d) A belief that people are important in organizations and that good human relations coupled with a liberal leadership style increases productivity.

(e) Emphasis on consultation and employee participation in management especially in respect of matters affecting them as a means of increasing their output and commitment to organisational goals. This is a direct opposite of Taylorism which holds that only experts in job analysis and management have the responsibility and sufficient knowledge about a job to be able to improve it.

(f) A belief that workers are not insensitive factors of production; that workers have a desire to be treated as human beings rather than as machines or mere implements to do a job.
(g) A view that happy workers would create an efficient organisation.
(h) A belief that human problems at work can be successfully handled by sympathetic understanding of employees motives and deep knowledge of their attitudes through clinical studies.
(i) A belief that the way jobs are carried out in practice is more important than the way jobs are described or laid down on paper hence management should be less formal and less specialised.

There are two streams of the behavioural-humanistic theory of organisation and management. They are:

- the human relations approach, and
- the human resources or neo-human relations approach.

3.2 The Human Relations Approach (Elton Mayo)

Elton Mayo's studies in the Hawthorne plant of the Western Electric Company from 1927-1932 led to this approach. Although the Hawthorne experiments were originally designed to test the effect of physical working conditions such as illumination, lighting, temperature and work schedules on worker productivity the searchers found that:

(i) There was a restriction of output by the workers inspite of the attractive wage incentive plan.
(ii) Workers had formed informal sub-groups with strong group work culture and common rules of conduct especially in relation to output. The groups had their own conceptions of a fair day's work and this determined an individual's performance. Workers informally acknowledged and worked towards such group definitions or ideas of a fair day's work. Such levels of efficiency set informally by the groups differed from the formal targets set by their management. Those who exceeded the group's standards were called slaves or rate busters; those who fell below the group's standards were called chiselers.
(iii) Group standards determined each worker's response to management's directives in so far as industrial relations was concerned.
(iv) Workers interchanged their jobs inspite of the official differences in their wages, positions and skills. The output of an individual did not depend on his skills and ability but on the output standards set by the group.

(v) Sometimes, the mere presence of the investigators and the interest they showed in employees' work caused output to increase.

Roethlisberger and Dickson who carried out the Hawthorne studies with Mayo later published some ideas which negated and debunked Taylorism and other classical principles. According to them, the behaviour and output of every production worker was not determined by wage rates, the physical conditions of work or the type of work schedules but by the social environment of work i.e. the worker's relationships with his work colleagues and other factors directly associated with human relations. They saw the role each worker played in his or her informal work group as a source of fulfilling his social needs thus compensating for the inadequate life styles which the workers led outside work. It then appeared that the main motivator of workers was social need hence interpersonal relationships were seen as the main determinant of work behaviour. In other words, it was concluded that productivity and behaviour were largely a function of interpersonal relations and human motivation and not a function of the physical environment of work or economic incentives. The improved working conditions in the experimental room including pleasant supervision, freedom to communicate with co-workers, and a more relaxed, "family" atmosphere were credited for the improved performance. Hence, more attention began to be given to group dynamics, the noneconomic aspects of motivation and the effect of group norms on individuals.

3.3 The Conclusions and Contributions of the Hawthorne Studies on Human Relations Movement

The conclusions and contributions of the Hawthorne studies on Human Relations Movement were: -

1. That greater productivity can be achieved by strengthening the work groups rather than merely directing management's attention to the individual as an isolated member of the organisation.
2. That it is not economic rationality or financial incentives and or rewards which strictly determines human behaviour and output. Rather, group dynamics and norms and the human desire to associate to fulfill his social and emotional needs are-the -main determinants of human action and the productivity of individual workers. Thus, emotion is more important than logic in determine a worker's productivity. In fact, the central position of the Human Relations School lies in its recognition of the relative importance of group dynamics and the social nature of human beings.

3. That an enterprise is partly formally organised and partly informally organised i.e. an organization is partly based on unofficial relationships and partly based on formal rules.
4. That the first line supervisor is crucial for the motivation of employees since an additional influence on productivity is simply giving workers individual attention and encouraging the development of positive social relationships among them.
5. That an employee is most influenced by the people he or she works with. Thus, group production standards are much more important than management or wage incentives in affecting individual output.
6. That special attention given to workers by management increases productivity regardless of actual changes in working conditions. This is known as the Harwthome effect.
7. That management-labour Co-operation is more productive than management insistence on strict employee obedience.
8. That "social skills", or "the ability to achieve cooperation between people" are very important for everyone in a firm, but particularly for managers and supervisors.

3.3.1 Recommendations of Human Relations Approach

The human relations writers suggested the use of the following methods to increase workers motivation, productivity and organisational effectiveness.

a. A humanization of technology, organisational structure and job design using the principles of job enlargement, decentralization, loose organisation, human emphasis, flexible procedures, open and multidirectional channels of communication, positive environment, management by objectives, participative management, people orientation, suggestion schemes, joint consultation, etc.
b. A combination of the informal organisation structure and the formal authority.
c. An increase in welfare schemes and recreational facilities.

3.3.2 Shortcomings of the Human Relations Approach

i. It over-emphasized emotional and social needs thus making it another single factor explanation of human behaviour. For this reason, it is called a neo-classical (new classical) theory.
ii. The model is only selectively applicable. For example, it is not applicable in military and prison establishments where the nature of the command system requires authoritarian practices.

iii. The approach contains a pro-management bias and a strong moral undertone because it contains ideas which were put forward on how to eliminate conflict and ‘manipulate’ the worker to work harder. The increased openness between managers and employees marked by joint consultation, workers' participation in management and other human relations practices, though welcome if they are real have failed to bring about conflict-free labour-management relations.

iv. The assumption of the model that individual's needs should be identified and satisfied at work makes the organization a substitute for the community. This view, apart from being a closed model, is unrealistic because the organization cannot accommodate all the factors influencing the behaviour of workers. Because of the model's assumption that the spheres of thinking and doing start and end in-the work-place, it is nothing more than ‘plant sociology’.

4.0 CONCLUSION

This unit examined the characteristics and elements of behavioural theory. Regardless, of the foregoing criticisms, the human relations approach offered a concrete alternative to the traditional classical orthodoxy and made an important contribution in pointing out the complexities of the work situation and the importance of people and their motivation within it.

5.0 SUMMARY

In this unit, we have explored the characteristics and elements of behavioural theory, the human relations approach, the conclusions and contributions of Hawthorne studies on human relations movement, the recommendations of human relations approach and the shortcomings of the human relations approach.

6.0 TUTOR-MARKED ASSIGNMENT

1. Briefly enumerate the contributions and the shortcomings of the human relations approach.
2. The Hawthorne studies show quite clearly that factors other than working conditions and the physiological state of the worker has a marked influence on productivity. Do you agree? Clearly defend your stand.
3. With reference to the Hawthorne studies, discuss the influence of work groups in commerce and industry. Compare the approaches

taken by the classical traditional theorists with the human relations theorists in understanding the nature of organisations.
4. Outline the main contributions of the Human Relations Movement to the development of management theory.

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UNIT 2 THE HUMAN RESOURCES APPROACH

CONTENTS

1.0 INTRODUCTION

In this unit we shall take a look at the human resource approach, understand the approaches to human resource by Abraham Maslow, Douglas McGregor, Fredrick Herzberg, Chris Argyris and Rensis Linkert, examine contributions of human resources theorists and finally, some criticisms against the human resource approach.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- the human resource approach,
- the approaches to human resource by Abraham Maslow, Douglas McGregor, Fredrick Herzberg, Chris Argyris, Rensis Linkert,
- the contributions of human resources theorists
- some criticisms against the human resource approach.

3.0 MAIN CONTENT

3.1 The Behavioural-Humanistic Theory of Organization and Management

3.2 The Human Resources Approach

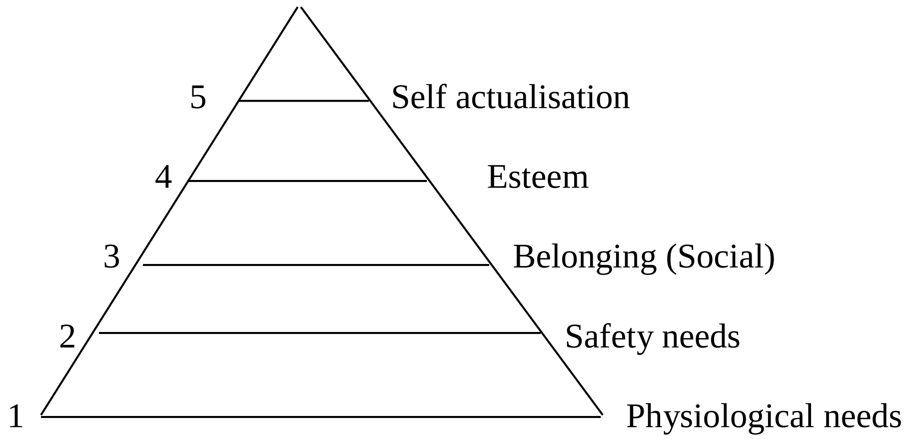
The human resources or neo-human relations approach was developed by Maslow, McGregor, Likert, Herzberg, and Argyris. This approach centres on the notion that people's needs from organisation and work are more than economic reward, job security, human treatment and physical and social needs. According to this approach, employees have a creative ability, a capacity for imagination and other natural potentialities or resources which they want to make use in order to achieve self-fulfillment, recognition, and happiness.

The works of the human resources writers are presented below to show the contributions of each one of them.

3.3 Abraham Maslow (The Self-Actualising Man)

Maslow was an organisational psychologist. In 1943, he propounded a model which he called 'the hierarchy of needs'. According to this model, the needs of everyone, which are at least five, can be arranged in order of importance or relative prepotency with each unsatisfied level, of need assuming importance and motivating the individual once the need below has been satisfied. The needs can be arranged on an ascending scale as follows:

- Physiological needs which include food, sex, clothing, shelter, and a fair temperature.
- Safety and security needs i.e. protection against harm, danger, threats, fear and deprivation.
- Social needs i.e. the need for affection, to love and be loved, to associate with others, to belong and be accepted by fellow human beings.
- Esteem or ego needs i.e. the desire for status, prestige, recognition, appreciation and respect from fellow human beings and personal satisfaction from one's achievements.
- Self-actualisation needs i.e. the need to fulfil one’s potential, to use one's creative talents to the highest limit, to achieve one's ambition.



Level 1 must be satisfied before Level 2.

Maslow called these levels of need ‘Hierarchy of Needs’.

According to Maslow’s model, once the physiological needs are satisfied, they cease to be important. The safety and security need then become important and begin to motivate the individual. When the safety needs are satisfied, they cease to be important. The social needs then become the motivator. This process continues until the highest level of need (self-actualisation) emerges.

Maslow's contribution is that he offered a universal formula which explains and describes the motivating factors that influence human behaviour. Most importantly, he showed that once a need is satisfied, it ceases to be a motivator. The next ranking need then becomes the most urgent.

The significance of Maslow's concept for management is that a reasonable pay is not usually adequate to motivate an employee. Since physiological needs (such as protection from physical aggression, or sudden loss of job or unsafe machinery) are usually reasonably satisfied especially in highly developed countries, a worker's other three needs tend to be paramount. Thus, only if a worker has an opportunity in his or her job to realise his or her full potential is he or she likely to be satisfied. And only if management can provide this opportunity will individual productivity be very high.

3.3.1 Douglas McGregor (Theory X and Theory Y)

Douglas McGregor (1960) contrasted two styles of leadership or management called Theory X and Theory Y. Theory X consists of assumptions of the traditional (classical) management view which emphasizes the need for strict managerial direction and control of employees. It assumes that people are naturally lazy and that they do not want to work. According to this view, people want only security, are naturally not ambitious and will avoid responsibility if they can. For these reasons, workers must be coerced, controlled, directed and constantly supervised and threatened with punishment otherwise they will not carry out their tasks. The theory X view is that people are not reliable and therefore they must be driven to do their work by a judicious application of the stick rather than carrot. As a result, management based on this assumption is coertive and manipulative. A strict obedience to the theory X view of the nature of the average worker has led in the past to extremely close supervision and strict discipline backed up by the threat of harsh punishment, such as immediate dismissal, for failure to obey orders or work sufficiently hard.

The theory X view was challenged by McGregor. According to him, theory X assumptions appear inadequate and ineffective for: the full utilization of human potentialities. The alternative which he offered is called Theory Y and is an optimistic view of human nature.

Theory Y consists of assumptions which could lead to higher motivation of workers and the total integration and realisation of individual and organisational goals.

The assumptions of theory Y are that:

People have a capacity to be highly imaginative and creative; physical and mental work is as natural as play or rest people will exercise self-direction and self-control in meeting any objective to which they are committed; people are not by nature passive or resistant to organisational goals; workers are willing to accept and will even seek responsibility. The traditional classical management systems did not create the opportunity for these potentialities to be exercised hence there was a preoccupation with money motivation which led to frustration of employees. In other words, McGregor argued that people are not basically lazy or unwilling to work but are made to behave that way by the firm's organization and management. Given the appropriate organization and treatment, particularly motivation, the employees in a firm can change totally. Because people like to work and are reliable (theory Y) they should be allowed to work without being subjected to excessive and debilitating controls.

To implement theory Y, McGregor stated that management should arrange organisational conditions and methods of operation in a way which would enable people to achieve their own objectives best by directing their efforts toward organisational objectives. According to McGregor, the increase in productivity will be greatest if, in achieving the firm's goals, workers are also achieving their own. Thus, the use of theory Y calls for:

- the discovery and development of the potential in all employees;
- the use of minimum supervision and, controls by the manager;
- the implementation of job enlargement, participatory leadership styles and management by objectives schemes to ensure that the needs of the individual and the organisation are properly integrated.

3.3.2 Frederick Herzberg (The ‘Two Factor’ Theory)

Herzberg formulated the two factor theory of motivation which states that job dissatisfaction and job satisfaction are produced by separate sets of factors. Herzberg identified the first set of factors as physical working conditions, company policy and administration, interpersonal relations, supervision and salary. These factors he called ‘hygiene or maintenance factors’. If these factors are absent, in a job, there will be job dissatisfaction. However, their presence does not mean that there will be job satisfaction. This is because job 'satisfaction is caused by a separate set of factors which relate to the content or nature of the job itself. This second set of factors he called ‘motivators’ or ‘satisfiers’. They include achievement, recognition, the work itself, responsibility, and opportunity for advancement and growth on the job.

On the basis of his interviews with 200 engineers and accountants in Pittsburg (USA), Herzberg concluded that job satisfaction and job dissatisfaction were separate dimensions of human condition and that each state is caused by an entirely separate set of factors. The absence of ‘motivators’ would not cause job dissatisfaction. On the other hand, improvements in 'maintenance or hygiene factors' would not bring about job satisfaction. This is because, each conditions produced by a separate set of factors.

Finally, Herzberg suggested that management should improve the ‘hygiene factors’ which affect the environment or context of the job in Order to remedy and prevent job dissatisfaction. In addition, management should include ‘motivators’ in the content of every job in order to increase job satisfaction. To make the ‘motivators’ to be effective, there must be a reasonable amount of the ‘hygiene or content factors’ in an organisation.

3.3.3 Chris Argyris (Impact of Formal Organisation upon Individual)

Argyris contribution to organisation theory was his analysis of the impact of the formal organization upon the individual. According to him, there is an inherent conflict between the demands of a formal organization and the nature and needs of psychologically healthy or mature persons working within them. As people grow older or more mature, they tend to become more active, more independent and seek to grow and find expression for their creative and psychological energy. However, in its drive to maximise efficiency and achieve its objectives, a typical formal organization develops a structure based on the principles of task specialization, chain of command, unity of direction, and rigid rules and regulations. These principles demand that the worker shall be dependent, passive, and subordinate towards his superior.

The formal organization frustrates the individual by reducing the chances of realising his needs for independence, growth, creativity, and self-expression especially at the lowest levels of organisational hierarchies where individual autonomy and responsibility are least. When people become frustrated in this way, they may seek to adjust themselves by working hard to get to a high position where conditions are less frustrating.

If the prospects of advancement are slim, the frustrated individual may resign his appointment with the company, or absent himself from workplace frequently, or become apathetic and aggressive, or lose interest in his work or attempt to 'get even' with management by restricting output or slowing down work. According to Argyris these methods of adjustment or adaptation are sanctioned and perpetuated by informal work groups. In fact, the informal organisation for restriction of output develops as a mechanism for resolving this inherent-conflict between the demands of the formal organization and the needs of psychologically healthy or mature person.

To correct this situation, Argyris recommends the following measures:

i. A horizontal and vertical loading of jobs in order to increase individual motivation. Job enlarge-mentor horizontal loading of jobs means increasing the variety of tasks at the same level of complexity i.e. allowing each employee to perform more varied tasks in the hope of making the jobs less monotonous. This can lead to increased productivity and it shows that division of labour doesn't necessarily produce greater efficiency. Job enrichment or vertical loading of jobs means adding jobs of a more complex, interesting, and challenging nature. In other words, job enrichment seeks to increase the employee's responsibility and recognition while it offers increased opportunities for challenging work and for advancement and growth on the job.

ii Increased employee participation in management in order to accommodate the personal values of organisation members in the decisions that are made.

iii. A flexible organizational structure that permits a two-way open relationship between managers and their subordinates.

3.4 Rensis Likert (The Central Role of Work Groups)

Liked wrote on the central role or importance of work groups for individual performance. According to him, every person has a desire to achieve and maintain a sense of personal worth. The satisfaction of this desire depends most importantly on the response we get from the people to whom we are very close, in whom we are interested and whose approval and support we are eager to have. For this reason, the face-to-face groups with whom We spend the bulk of our time are the most important to vs. One of these groups is our work group in which we spend much of our time and whose approval and support we are particularly eager to have in order 'to achieve and maintain a sense of personal worth and importance. The result of this is that people tend to behave in ways that are consistent with the goals and values of their work groups in order to obtain recognition, support, security and favourable reactions from such groups. Liked therefore concluded that ‘management will make full use of the potential capacities of its human resources only when each person in an organization is a member of one or more effectively functioning work groups that have a high degree of group loyalty, effective skills of interaction and high-performance goals’. In other words, ‘an organization will function best when its personnel function not as individuals but as members of highly effective work groups with high performance goals’. For this reason, ‘management should deliberately endeavour to build these effective groups linking them into an overall organization by means of people who hold overlapping group membership’. In addition, throughout the organization, the supervisory process should develop and strengthen group functioning in which members can communicate freely among themselves without fear; distrust or in confidence.

Liked also developed other principles for increasing employee motivation and performance stressing that management should make less use of hierarchical and economic pressures. He feels management should rely more on a widespread use of employee participation, on a treatment of employees as ‘human beings’ rather than just as instruments to get the work done, and on the application of other principles of supportive relationships. According to Liked, this new pattern of management is more productive because it is employee-oriented, democratic and supportive of the individual. He sees the manager as the “linking pin” or a representative of the work group whose role is to relate the group to other organizational units. Furthermore, he suggested that management should design jobs in such a way that each member of the organization will feel that the organization's objectives are significant and that his own particular task or contribution is necessary, important, useful and enables the organization to achieve its goals.

3.5 Contributions of Human Resources Theorists

(a) They introduced the concepts of job enrichment, job enlargement, management by objectives (MBO) job rotation, self-controlled work teams, supportive management, and other schemes and job design techniques which can enrich the work load of individuals and provide opportunities to tap their natural abilities.

(b) They emphasized management's responsibility for creating an environment in which ell organization members can contribute to the limits of their abilities or resources which are not limited to physical skills and energy but include a capacity for imagination.

Some criticisms against the human resources approach

1 The theories are a generalised view of man and an inflexible explanation of what motivates people. They assume that all employees are homogeneous and behave in the same way. Employees are seen as responding in the same ways to the same set of stimuli or circumstances. They failed to take into account the fact that the factors which will motivate any two individuals in the same context may vary significantly. Consequently, the theories do not adequately explain why different individuals in the same jobs and work context respond differently in terms of the commitment and effort they give to their work and why they may derive different satisfaction from it. The theories assume that all employees want and value enriched and challenging jobs and would respond equally to opportunities for joint goal setting. This is not a realistic assumption because people vary in their characteristics and expectations. Not all employees are responsible to enriched job opportunities and participative management. In any case, motivating people to participate in management may be dysfunctional for the organization as much as the organization may be dysfunctional for the individual.

2. The theories do not consider the fact that a work context or situation may have peculiar characteristics and features which influence employee motivation. For instance, routine jobs are

generally programmed and do not contain opportunities for self direction and self-motivation whereas a research and development job is generally challenging and gives opportunity for self-direction and the use of one's initiatives.

3. The theories fail to see that changes may occur in an individual's priorities at work over time and with changing circumstances. It assumes that an employee always emphasizes the need for a challenging job and for participation more than any other need.
4. One of the theories in the human resources approach, namely McGregor's Theory Y, is considered by Morse and Lorsch to be irrelevant in an organization because the organization must be designed to accomplish its tasks effectively, rather than be in accord with a particular style of leadership.

4.0 CONCLUSION

Management experts recognizing that people are not always motivated by money to improve productivity, it will only work at a point afterwards people would try to save time by finding better ways to do the same amount of work through their own creativity, they would prefer to enjoy more family life, relaxation activity and achieving something else for society in their own way.

5.0 SUMMARY

In this unit, we have explored the human resource approach, understand the approaches to human resource by Abraham Maslow, Douglas McGregor, Fredrick Herzberg, Chris Argyris and Rensis Linkert, examine contributions of human resources theorists and finally, some criticisms against the human resource approach.

6.0 TUTOR-MARKED ASSIGNMENT

1. Compare and contrast the classical and the humanistic definitions of an organization. Clearly outline the main elements of the mechanistic and the behavioural-humanistic theories of organisation.
2. In your own words, explain what you understand by group dynamics. Of what use is this concept to managers?
3. Outline briefly the contribution made to the development of management theory by any four of the following:
   i. Elton Mayo
   ii. Frederick Herzberg
   iii. Mary Parker Follet
   iv. Douglas McGregor
   v. Rensis Likert

4. State briefly the fundamental premise of the human resources approach.
5. What are the contributions of and criticism against human resources theories?
6. Every manager is unique in his style of management. Compare the management styles of two managers the one assuming McGregor's Theory X and the other assuming Theory Y.
7. With reference to the Hawthorne studies, discuss the influence of work groups in commerce and industry. Compare the approaches taken by the classical traditional theorists with the human relations theorists in understanding the nature of organisations.
8. Many people have been credited with considerable contribution to the development of management thought. Name five of such people and indicate the specific contribution of each of them.

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UNIT 3 MODERN THEORIES OF ORGANISATION AND MANAGEMENT

CONTENTS

1.0 INTRODUCTION

In this unit, you would be introduced to modern theories of organization and management, the Systems Approach, the main characteristics or properties of open systems.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- the systems approach
- the main characteristics or properties of open systems
- contributions or advantages of the systems approach

3.0 MAIN CONTENT

3.1 The Systems Approach

The systems approach was developed from the writings of Chester Bernard (1938), Norbert Weiner (1948), Ludwig Von Bertalanffy (1955), the Structural-Functionalists particularly Talcott Parsons (1961) and Organizational Social Psychologists particularly Katz and Kahn (1966).

The systems approach sees organisations as systems. A system is a set of interrelated parts such as the various departments of a firm which together form a complete unit that performs a particular function. Each department is a subsystem of the whole organisation while each organisation is a subsystem of the whole society. Departments and individuals in an organisation are seen as interacting elements that are working together interdependently. Each department or element of the whole system may in turn comprise a sub-system with its own network of interrelated elements i.e. the various sections and positions.

The overriding assumption of the systems approach is that any system (the whole) is greater than the sum of its parts i.e. a Gestalt evolves. In other words, the 'Output of the whole organisation is more than the output of the constituent parts would be if they were to function independently and individually. System theories are based on the view that it is not appropriate to examine individual parts of the organisation. Instead, one should examine both formal and informal relationships between and among subsystems within the organisation in order to explain the system as a totality. Thus, while the classical-mechanistic school focused on the formal structure of the organisation and the behavioural – humanistic school emphasized social relationships, systems theory suggests that it is significant to look at the interaction between the parts of the organisation and the relationship between the organisation and its environment.

Every system or subsystem is made up of people who interact and work together. This is the organisation's human or social sub-system. The employees perform tasks and produce goods using various techniques, procedures, plant, equipment, layout, and work methods (all collectively called technology) within the organisation's formal structure. This is the organisation's technical sub-system. When the objectives of the organisation are added to the structure, it becomes a socio-economic and technical system. The way in which the firm's material and human resources are used by management is the firm's organisational sub-system.

Thus, the operation and behaviour of each system or subsystem are subject to social, economic, technical arid organisational variables. Changes can occur at any time in one or more of the firms sub-systems (for example the introduction of new machinery or the creation of a new position) that will affect the other subsystems as well as the firm (or system) as a whole.

An organisation is a closed system when only its internal environment is considered. An organisation is an open system when account is taken of the internal environment and the influence of the external factors over which the organisation has no direct control Glover and Rushbrooke (1983).

A closed system does not receive inputs from its outside environment. In addition, it does not distribute any outputs to the outside environment. In short, it does not interact with its external environment. Closed systems rarely exist in real life.

In an open system, inputs are received from the external environment and are processed by the system, the result of this resource energy conversion activity being an output to the external environment. In short, an open system maintains continuous information with its external environment.

3.2 The Main Characteristics or Properties of Open Systems

The main characteristics or properties of open systems are as follow Katz and Kahn (1966).

1. **The system and subsystem view point:** The approach sees an organisation as a system which is made up of interrelated, interconnected and interdependent parts. A change in any of the subsystems will bring about changes in others (the 'fishing net' concept). An organisation is seen as a complete system with its own internal divisions and departments and is also a subsystem of the larger society. The boundaries of a complete system depend on the definition of the system.
2. **Dynamic interactionism:** The systems approach emphasizes the dynamic process of interaction that occurs within the structure of an organisation in contrast to the classical school which emphasizes a static structure. There is a dynamic process of interaction between an organisation and its Structure. Rather than replace the formal structure of authority, responsibility, communication and so forth, systems theory simply adds and emphasizes the interaction process that occurs within the structure and between the organisation and its external environment.
3. **Multidimensionality:** The approach sees each problem as multidimensional i.e. caused by many factors.
4. **Resource energy conversion process:** i.e. the inputs-transformation-outputs process: As open systems, organisations import some form of energy from the external environment and reorganise, convert or transform the imported energy into some finished products form (the through-put). It then exports some product (the output) into the environment, and re-energizes the system from resources in the environment thus rendering the patterns of activities of the energy exchange a cycle of events.
5. **Negative entropy:** The open systems approach sees organisations as characterised by negative entropy i.e. they are able to arrest the entropic process, the universal second law of thermodynamics-which states that all closed organizations tend to move towards disorganisation and dissolution and eventually run down because the elements that compose their differentiated structures become rearranged in random disorder, breakdown,

and failure (i.e. entropy). However, because they interact with and continually import more energy from their external environments than that which they expend in the process of transformation and exportation, open organisations acquire negative entropy. Because of their negative entropy and the building up or storage of resources especially in anticipation of problems, such organisations acquire a capacity for counteracting the disruptive force in the environment for self-renewal thus prolonging their spans of life almost ad infinitum.

6. **Information input**, **negative feedback and adaptivity:** The approach sees an organisation as an adaptive system which is made up of interrelated parts, inputs, process, outputs, feedback and environment. The constant interaction between a system and its external environment enables the organization to build a .self adjusting mechanism through negative information feedback about performance which is used to correct deviation from expected results. Thus, an organisation is an adaptive system which uses information about its performance to control its functioning and adjust self to changes in its environment in order to survive and remain viable.
7. **Dynamic homeostasis:** Since the organisation adjusts itself to the changes taking place in its environment, it is able to maintain .a steady state or dynamic balance in which there is some constancy in energy exchange and in the relations between the parts so that from time to time, the organisation is not exactly the same as before but a highly similar one. In other words, the organisation operates like a life-cycle in which there is a dynamic or homeostatic equilibrium under changing conditions.
8. **Equifinality and multivariability:** Unlike classical and neoclassical theories which assume single factor causations, systems theory assumes that an event is caused by several factors that are interrelated and inter-dependent. It states that organisations as open systems can reach the same final state from different initial conditions and by different paths of development, since they are characterised by the principle of equifinality. Thus, different inputs and different approaches can be used to achieve equally satisfactory results. In other words, a manager can vary his inputs and methods and still achieve satisfactory performance. The implication of this is that for an organisation, there is no one best organisation design or a single best method for achieving an objective. Since many ways lead to better performance, mechanistic or organismic management systems can be used to manage an organisation depending on whether its prevailing environment is stable or dynamic.
9. **Choice:** Whereas the classical and neo-classical approaches take a negative and a positive view respectively towards the role of the

individual in the organisation, the systems .school assumes a neutral position. Unlike the classical and neo-classical theories which were normative and prescriptive (in that they stated how managers should run their organizations), systems theory merely describes and seeks to understand organisational phenomena leaving the choice of objectives and methods to the individual manager.

10. **Synergism:** This concept describes the capability of an organisation as a total system to achieve more output than the sum of outputs of its parts would be if each part were to function independently and individually.

3.3 Contributions or Advantages of the Systems Approach

1. The approach emphasizes dynamic interaction of parts of an organization with parts of other organisations and with the outside environment. Thus, its value lies in constantly taking into account all the critical variables and constraints and their interaction with each other when approaching any problem or situation. In this way, problems could be analysed and understood in terms of their internal and external causes and solutions 'since management functions involve more than a search for a single rigid solution.
2. In addition to providing a method by which complex problems, activities, end organisations can be analysed, ideas of system provide a framework within which to tie together many separate and possibly divergent views which otherwise might fail to make an effective contribution to the overall solution of problems.
3. By rejecting the traditional view that an organisation consists of separate departments and instead stressing the need to identify intersystem relationships and provide adequate information flows, the system approach pinpoints a major key to successful organisation. By viewing a firm as a single unit and as part of a larger system, managers will have a better perspective when it comes to planning, organizing, staffing, leading, and controlling.

4.0 CONCLUSION

The target environment and circumstances in which an organisation functions determine the structure that the organization uses and the way its activities are coordinate.

5.0 SUMMARY

We have been able to examine the Systems approach, the main characteristics or properties of open systems and the contributions or advantages of the systems approach.

6.0 TUTOR-MARKED ASSISSMENT

1. (a) What do you understand by the systems approach to organisations
   (b) What are the advantages of using this approach to the Management of organisations.
2. Identify and explain the Main elements or properties of open systems theory.
3. Contrast the systems approach to organisation with the ‘classical’ approach.

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UNIT 4 THE SOCIO-TECHNICAL SYSTEMS APPROACH

CONTENTS

1.0 INTRODUCTION

In this unit, you would be introduced to the Socio-Technical Systems Approach and contributions of the Socio-Technical systems approach.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- the Socio-Technical systems approach
- the contributions of the Socio-Technical systems approach

3.0 MAIN CONTENT

3.1 The Socio-Technical Systems Approach

The socio-technical systems approach was developed by Joan Woodward, Eric Trist, F. E. Emergy and Leonard Sayles among others. The approach stresses the relationship between technology and organisational structure and process. It draws heavily from systems theory and is concerned with the interaction of social and technical systems in the design of organisations. It stresses the interdependence of technical, social and structural variables as they affect system performance and organisational effectiveness, stability and survival.

Joan Woodward was the foremost contributor to this approach Woodward (1971). She studied 100 manufacturing firms in Essex, England and found that differences among organizations in terms of organizational patterns and Style of supervision were not significantly due to differences in company size, type of industry, or the personality characteristics of their executives but to variations in the engineering factors or types of technology employed in their production systems. She classified the firms she studied according to the complexity in the technology the firms used**.** She then identified three types of technology or production systems namely: -

1. Small batch or unit production system where the technology is relatively simple and goods are produced one at a time to customers' specifications.
2. Large batch or mass production system where technology is fairly complex.
3. Process or continuous production where technology is automated and very complex e.g. chemical industries.

Woodward found that there was a direct and significant relationship between the types of technology (or firm's technical complexity) and organizational structure particularly as regards the span of control, type of supervision, extent of specialization, the method of coordination, the number of the levels of management hierarchy, the ratio of managers to other personnel, of clerical and administrative staff to manual workers, of direct to indirect labour, and of graduate to non-graduate supervisors in production departments. The more complex the technology, the more the levels of managerial authority in the management hierarchy and the less the proportion of supervisors to the supervised. The span of control of the first-line supervisor reaches its peak in mass production conditions. The ratios of indirect to direct labour, and of administrative and clerical staff to hourly-paid workers, increase with technical advance.

Woodward also found that job specialization was small in unit and process production but high in large-batch and mass production. The style of management also varied with technological complexity. For instance, supervision was close in large-batch (mass) production and there was a preponderance of line-staff organisation, clear-cut definition of duties, very elaborate control techniques and written-forms of communication in the system. In short, the classical principles of management predominated in mass production technology. In the case of small-batch (unit) arid process (continuous) production technologies, supervision was relatively open and duties were less rigidly defined. In these two technologies, there was a high degree of participative management backed up by the use of committees and other relatively flexible and informal structures and procedures.

In unit production technology, the network of relationships required to bring co-ordination about was also conducive to the development of satisfactory social relationships. What was best for production seemed also best for the people. Close integration brought about the interdependence of departments and this fostered interpersonal relationships. Thus, the individual tended to be satisfied.

Social and technical functions were merged in unit production system, partially merged in mass production system, and separated in process production system. It was also found that the more complex the technological system, and the smaller the number of employees the lower the proportion of the firms' turnover allocated to the payment of wages and salaries. In other words, labour costs decrease as technology advances.

From her findings, Wooward concluded that although there is no general law governing work organisation, each production system makes use of a particular type of technology and there is a particular form of organisation that is most appropriate to it. In other words, it is the technical system (i.e. the nature of the production technology) that determines an organisation's structure and the behaviour of its employees.

Woodward found that the more successful firms in each group were those whose various organisational characteristics tended to match their level of technical complexity (i.e. their type of production system). For example, a mass production firm would tend to be more successful if operated in a formal, mechanistic way.

The various features found by Joan Woodward are summarised below:-

ORGANISATIONAL CHARACTERISTICS	**CATEGORIES OF TECHNOLOGY**		
	Small Batch (Individual Item or Unit production)	Large Batch (Mass Production)	Continuous (Process Production)
Span of control - Top Management	Small	Medium	Large
Span of control - Middle Management	Large	Medium	Small
Span of control - Supervisors	Small	Medium	Small
Ratio of Managers to operatives	Low	Medium	High
Extent of job specialization	Low	High	Low
Number of the levels of management hierarchy	Few	Medium	Numerous

ORGANISATIONAL CHARACTERISTICS	CATEGORIES OF TECHNOLOGY		
	Small Batch (Individual Item or Unit production)	Large Batch (Mass Production)	Continuous (Process Production)
Method of coordination and control	Informal; Based on team work	Tight; Based on hierarchy and rules	Based on Committees and team work.
Type of supervision or management system	Open; mainly organismic with fewer rules and close personal relationships	Close; with clear cut . procedures, duties, many rules and impersonal relationship	Open and mainly organismic with fewer rules and close personal relationships
Method of communication.	Mainly verbal with little paper work.	Mainly written with considerable paperwork.	Mainly verbal with little paperwork.

Source: Adapted from Lucey T. (1995) *Management Information Systems* 7th Edition, P.80.

3.2 Contribution of the Socio-Technical Systems Approach

1. Woodward's research shows that the principles of successful management change from one technological context to another. Her study shows that the principles elaborated by classical management theorists are only relevant in large batch or mass production systems.
2. The Socio-technical systems approach pinpoints the need to restructure a firm when its technology changes in order to match the demands and requirements of its new technical situations.
3. The framework of socio-technical systems provides a basis for examining the effects of dynamic technologies on managerial structure and practices and the type and size of work groups and interpersonal relationship that evolve in an organisation.

The importance of the studies of Joan Woodward was the conclusion that the method of production was an important factor affecting organisation structure and that there was a particular type of structure and management style that is suitable for each type of production system.

The work of Joan Woodward was extended by researchers drawn from Aston University. The group led by D.S. Pugh found that size was an important determinant of the structure and the technology used. As firms grow, they tend to become more formally structured. The Aston Research Group found that larger size tends to lead to:

i. More standardisation;
ii. More formalisation of structures, procedures and decision rules;
iii. More specialisation of tasks and functions;
iv. Less centralisation of authority.

4.0 CONCLUSION

The method of production is an important factor affecting organisation structure and there is a particular type of structure and management style that is suitable for each type of production system.

5.0 SUMMARY

We have been able to examine the Socio-Technical systems and the contributions of the Socio-technical systems approach.

6.0 TUTOR-MARKED ASSISSMENT

1. Using Joan Woodward's research findings explain the main thrust of the Socio-technical systems approach to organisation design.
2. What are the contributions of this approach to organisation theory?

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UNIT 5 QUANTITATIVE OR MANAGEMENT SCIENCE APPROACH AND THE SITUATIONAL OR TASK-CONTINGENCY APPROACH

CONTENTS

1.0 INTRODUCTION

In this unit, you would be introduced to the Quantitative or Management Science Approach, contributions and limitations of the Quantitative approach, the Situational or Task-Contingency Approach, characteristics of the mechanistic organisation system, characteristics of orgasmic structure and finally the Implications and Contributions of Contingency theory.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- the Quantitative or Management science approach
- the contributions and limitations of the Quantitative approach
- the Situational or Task-Contingency Approach
- characteristics of the Mechanistic Organisation system
- characteristics of orgasmic structure
- the Implications and Contributions of Contingency theory.

3.0 Main Content

3.1 The Quantitative or Management Science Approach

Main thrust of the quantitative approach

The quantitative or management science approach deals with the development and application of mathematical models to managerial practice and decision-making. The main thrust of this approach is that it believes that management problems can be solved by using mathematical techniques such as model building simulation, etc. Models such as linear programming, non-linear programming, combinatorial optimization, probability theory, queuing theory and inventory control techniques are applied in decision-making concerned with the acquisition, allocation, and utilization of the resources of the firm in an attempt to deliver the products and services demanded by an organization's clientele. Decision analysis is concerned with making choice under risk and uncertainty. Subjective probabilities, techniques for the assessment of utilities, the probability updating process of Baye's theorem, and dynamic programming combine to form a set of tools that assist the manager and the management scientist in giving structure to decision problems and solutions. The quantitative school of management uses sophisticated mathematical models to simulate business problems. Simulation lets managers thoroughly analyze existing and potential problems and makes decisions based on predictable outcomes.

Based on quantitative techniques, decision models have been developed for policy setting, facilities design, inventory ordering and control, raw material procurement, product planning and product mix, product development, capital investment, personnel assignment and manpower planning, job sequencing, production scheduling, distribution management, etc. Traditionally the quantitative approach has been concerned with industrial organizations. However, there is a growing concern to extend its applicability to the public sector as well as service oriented organizations.

3.2 Contribution and Limitations of the Quantitative Approach

The quantitative approach is one of the most mature and well developed schools of management thought. Its main contribution is that it has made possible the development of forecasts and structured models of management decision-making based on factors such as time, money, number of events or transactions, units of materials, etc. all of which affect the outcome of a decision. The main limitation of the quantitative approach is that many management problems especially those that involve human behaviour cannot be solved mathematically and cannot be modelled.

3.3 The Situational or Task-Contingency Approach

By mid-1960s, research had started to show that particular kinds of organisation structures are best suited for particular kinds of task environments. Thus, the basic thesis of the task contingency or situational perspective is that there is a relationship between organisation design and the task environment faced by an organisation and therefore that certain types of organisation design are suitable for certain types of circumstances and task environments. In other words, the target environment and circumstances in which an organisation functions determine the structure that the organization uses and the way its activities are coordinated.

The major proponents of the task contingency approach are Tom Burns and G. M. Stalker. Others are Fred Fiedler and Lawrence and Lorsch. The major thesis of this approach is that the style of management and organization design depends on the situation or tasks environment in which an organisation operates. According to Burns and Stalker, an organisation can be described as a continuum from mechanistic to organic.

The task environment of an organization may be relatively stable and unchanging or relatively dynamic, unstable, and rapidly changing. A relatively stable task environment is that in which product innovations evolve slowly, where the needs and tastes of customers as well as government regulations and competitors' actions are fairly stable and constant. Companies facing these task environments do not place emphasis on innovation and creativity in organisational processes and management.

The most suitable organisation structure or design' for companies operating in relatively stable and predictable environments is what Burns and Stalker (1961) term mechanistic organisation system.

3.3.1 Characteristics of Mechanistic Organization System

The characteristics of such organizations are as follow:

- a strong emphasis on technical efficiency;
- a reliance on precise job descriptions and fixed authority and responsibility which are clearly defined by contract.
- narrow specialization and compartmentalization of tasks:
- orientation towards clearly defined goals;

- job contents remain the same and employees are not required to do any work other than the specified job;
- clear, hierarchical lines of authority and control;
- preponderance of upward and downward communication flow with information filtering up
- through the hierarchy and instructions flowing down;
- adherence to a chain of command;
- elaborate rules and regulations and inflexible and standardised procedures;
- a centralized decision making system in which the responsibility for overall knowledge and coordination rests exclusively at the top;
- all the other characteristics of Weber's bureaucratic model which emphasize conformity to a defined order and obedience to supervisors as a condition for organisational membership.

Because of the relatively homogeneous, predictable, and unchanging nature of the task environment, especially the technology and market conditions, activities in a mechanistic organisation tend to be programmed, specialized and routinized while leadership tends to be directive, authoritarian and work centred. Thus, the classical form of organisation is more effective here.

And rapidly changing task environment is that in which technology and government policies change quickly and products and market conditions also change quite frequently because of changes in customers' needs in terms of quality, quantity and competitive activity.

The most suitable' organisation structure for companies operating in an uncertain and rapidly changing task environment is what Burns and Stalker termed organic or organismic organisation system i.e. a fluid or flexible organisation structure which enables the company to cope with unstable market conditions and to adapt to changes.

3.3.2 Characteristics of Organismic Structure

The characteristics of an organismic structure are as follows:

- A continual redefinition, modification or changing of individual tasks and roles; jobs are not specialized and job contents change all the time;
- Job descriptions are less formal as there is a greater emphasis on adaptability. In other words, jobs are roughly defined or are not well defined, and employees are required to do related jobs; -

- An exchange of information and advice rather than the usual giving and receiving of orders, instructions and decisions; formal authority is not emphasized and is less fixed. There are less rules and those that do exist are sometimes ignored;
- A cyclical, lateral and horizontal rather than an upward and downward flow of communication; officials do not communicate through a common superior as this would cause intolerable delays in a task environment that requires quick changes in company decisions, plans and programmes in response to unstable conditions; individuals can communicate with others in the organization besides their immediate supervisors, subordinates and colleagues;
- Lines of authority are not clearly defined; rather there is a network structure of control, authority and communication;
- Contributive nature of knowledge and experience to the common task of the concern and encouragement of innovation and creativity in an effort to adapt to changes; knowledge is anywhere in the concern and not only with the boss and employees are expected to present ideas to improve their jobs; power derived from expertise is greater than that derived from formal position, in this type of organization;
- A decentralized decision-making system with sub-ordinates having the power to make decisions and participate in management generally;
- Narrow, departmental segmentation is radically reduced; rather team relationships and orientation are emphasized through a spread of commitment. This is because people running the organization are more conscious of the systemic nature of activities in the organization.

It should be noted that even within the same company, different departments may face different environmental conditions. Thus, the task contingency approach is not only applicable in managing and designing a company as a whole, it is also applicable in managing the individual parts of the organization. The structure of each department is determined by the demands placed on such department by its external influences. Where the tasks are routine and require uniform actions, it is appropriate to use a mechanistic management structure with emphasis on close supervision and tight Control.

In departments where the tasks performed are less well defined and outside influences are not predictable, it is more effective to use an organismic management structure with emphasis on flexibility, greater decentralization of responsibility and decision making, and less hierarchical control. This is typical of Research and Development department which is usually faced with a pressure for new ideas and product innovations.

The above analysis shows that the task-contingency approach to management is based on the notion that the correct solution to a management problem is a function of its situational variables. The approach emphasizes variations in the internal structures and functioning of companies with each company having different goals and objectives and therefore different working methods and relationships and different types of people. It shows that there is no magical blueprint that is capable of ensuring a company's success. Instead the effectiveness of a company is seen as a function of a correct match between the company's internal structure and its operating environment, tasks, and conditions.

With respect to employee motivation, the basic idea of contingency theory is that although workers may be desirous of self actualization and participation in management, not all employees are responsive to enriched job opportunities and joint goal setting. The degree of self - direction and self-control across all types of technological and structural characteristics differs from individual to individual. Workers differ in their expectations because of variations in individual personality characteristics and socio-cultural backgrounds. Some people prefer easier and more routine work, others like challenging jobs where abundant opportunities exist to use their own ideas.

The task contingency approach recognizes the uniqueness and peculiarity of each person and management situation and the impossibility of looking for generalizations for all Organisations or single universal solutions for management problems. The theory holds that different forms of organisational designs and management styles are appropriate and suitable under different circumstances Hicks and Gullet (1975). Things like methods of coordination, Motivation, remuneration, and styles of supervision and leadership depend upon the prevailing circumstances. Thus, the import of the contingency theory is that there is no one best way to manage whether classical or neo-classical Hellriegel and Slocum (1973) since the basis for an effective organization is not the positive or negative attitude of humans but the correct match between the organisation and its environment.

The premise on which the contingency theory is based is that situations dictate managerial action; that is, different situations call for different approaches. No single way of solving problems is best for all situations. This thinking challenges the concept of “universality” proposed by Fayol and other classical writers who believed that managerial principles and practices should be applied consistently in all situations.

Contingency theory is integrative, meshing the ideas and concepts of the other schools of management thought. It applies the concepts drawn from other disciplines to individual situations as it finds them appropriate. Contingency theory focuses on identifying and understanding the forces that shape an organization's task environment and on applying the management approach known to work best under those conditions.

3.3.3 Implications and Contributions of Contingency Theory

From our knowledge of contingency theory, it becomes clear that:

1. Behaviour and events in organizations are not necessarily if at all subject to simile universal principles or laws hence managerial actions must be directed towards specific purposes, must take note of situational factors and differences and must recognise that parallel changes are taking place in other parts of the organisation, Bennet (1981). The theory cautions management theorists and practitioners against the danger of generalizing on matters of method, strategy and organization design.
2. There is no one best way to organise or manage because the proper structure for an organisation is that which enables it to deal with its environment in an optimal mode. Therefore, managers must change their styles and organisational structure to suit the prevailing conditions of the task environment.
3. Different departments of an organization may require different designs and styles of Management due to variations in the environmental conditions that they face.
4. Management is a technology i.e. an accumulation of knowledge about formal organizations which is available for application to suit diverse organisational needs and conditions. This view of management as a fund of information that can be helpful to the manager as he goes about his task of decision-making implies that the manager has to study each problematic situation and apply the most suitable solution available from the knowledge that has been generated about managerial activities.

Irrespective of its strong points, the contingency approach has a limited practical utility because it is not only very complex it is also very difficult to determine all relevant situational factors that affect management decisions.

It must be clear by now that three main schools of thought readily come to mind in discussing organisation structure and behaviour. They are the classical, the behavioural, and the task-contingency schools. Each of these approaches has important implications in designing organisation structure.

Giving the prevailing divergence of approaches to organisations and management, it is now generally believed and recognised that organizations consist of organisational (i.e. structural), process (i.e. technical), and people (i.e. human) variables. It is the task of management to integrate these variables by designing jobs and organisational structures in a way that planning, controlling, co-ordination, communication and staff motivation can be carried out effectively.

4.0 CONCLUSION

The target environment and circumstances in which an organisation functions determine the structure that the organization uses and the way its activities are coordinate. The most suitable organisation structure or design for companies operating in relatively stable and predictable environments is what Burns and Stalker term mechanistic organisation system.

5.0 SUMMARY

We have been able to examine the Quantitative or Management science approach, the contributions and limitations of the Quantitative approach, the Situational or Task-Contingency Approach, characteristics of the Mechanistic Organisation system, characteristics of orgasmic structure and finally the Implications and Contributions of Contingency theory.

6.0 TUTOR-MARKED ASSISSMENT

1. Explain in detail the environmental or task contingency theory of management. What contributions have contingency theorists made to the study and management of organizations?
2. State the main thrust of the management science approach. How has this approach contributed to management thought and what is its limitation?
3. In discussing organisation structure, three schools of thought readily come to mind. Discuss each school of thought and the theories propounded.
4. Explain the difference between the following:
   a. Open and closed systems;
   b. Organismic and mechanistic organizations.

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MODULE 3

UNIT 1 AUTHORITY AND POWER IN ORGANISATIONS

CONTENTS

1.0 INTRODUCTION

In this unit we shall look at the nature of Authority and Power, Sources of Authority and Power in Organisations and finally how people respond to different types of power.

2.0 OBJECTIVES

At the end of this unit you should be able to:

- differentiate between Power and Authority
- understand the nature of Authority and power
- identify the sources of power and Authority
- know how people respond to Power and Authority

3.0 MAIN CONTENT

3.1 The Nature of Authority and Power

The concepts of authority and power are very central to the study of organizations. Authority and power play a major role in the management of organisations because they form the bases of control dyer the behaviour of subordinates in an organisation. Such a control is exercised by managers in order to get their jobs done and ensure that the goals of their organisation are achieved. In other words, authority and power are the means by which managers put decisions into effect and accomplish purpose. In this section we shall draw a distinction between authority and power and proceed in the remaining sections to outline the sources of authority and power the way control is exercised through power and the way people respond to different kinds of power.

3.2 Authority

Authority is the formal right of a manager to make decisions, to issue orders and instructions and to exercise control over subordinates generally, the right being conferred by virtue of his position in the organisation or the ownership and control of property. It is defined by Hodge and Anthony (1984) as "the formal right to make decisions and to influence behaviour to implement those decisions based on formal organizational relationships".

The exercise of control on the basis of authority presumes that the right to control is regarded as legitimate both by the user of the authority and those over whom the control is exercised. In other words, the exercise of authority presumes that the subordinate accepts the right of the superior to make decisions and to issue orders and instructions and exercise control over him and that he is willing and ready to place himself under the command of the superior.

A system of authority is very essential for, managers to enforce the decisions needed to carry out the responsibilities required to achieve organisational objectives. The acceptance of the authority of a superior by the subordinates means that, the subordinates will also accept the directions and sanctions emanating from the superior.

3.3 Power

Power is the ability or capacity to exercise control over others against their own will. It is the ability of one person to influence another person or affect his behaviour successfully. Such ability can be based on the person's knowledge, personality, money, intelligence, skill, or position. For instance, the use of power occurs where a superior sends a subordinate on a personal errand and the subordinate obeys. Since this errand is not within the bounds of official or formal organizational relationship between the superior and the subordinate the instructions cannot be based on authority. The instruction is an attempt to use power as the basis of influence. Power is also exercised for instance where a rich person successfully influences or affects the behaviour of another person or simply imposes his own will on such other person through the use of his money.

The difference between authority and power is that the exercise of control through power is not officially recognised or formally sanctioned by an organisation whereas the exercise of control through authority is officially recognised, formally sanctioned and regarded as legitimate. Power, unlike authority, is influence that is not based on organizational position Hodge and William (1984). In the case of power, control is exercised against the will of the person who is subject to it. The absence of legitimation in the use of power explains why it can be resisted and rejected by a subordinate. However, subordinates usually submit themselves to the power or influence of their managers because of the dependency relationship that exists between the two parties and the various benefits the subordinates get from their superiors. This dependency relationship, though not based on formal job relationship, makes the subordinate to depend on his superior for various rewards and benefits such as easy access, closeness to the boss, valuable advice and information from the superior, appointments into important committees, recommendation for promotion, approval of requests for casual leave, etc. Thus, a subordinate is usually willing and ready to submit himself to the power influence of his superior.

3.4 Sources of Authority and Power in Organizations

The main source of formal authority in an organisation is the position that a person occupies in that organisation. Organisation managers are normally given the right to make and enforce decisions on behalf of its owners. Such a right is delegated to them by the owners so that the managers can carry out their responsibilities successfully. The nature and amount of authority that is granted to a manager depends on the manager's responsibility. Therefore, authority must be at par with responsibility.

According to French and Raven, five different types or sources of power can be found in an organisation French and Raven (1959). They are: reward power, coercive power, legitimate power, referent power, and expert power. A brief explanation of these types or sources of power is as follows:

(i) **Reward Power –** This is sometimes called remunerative or resource' power. Reward power exists when one person is able to offer rewards or grant benefits to another person in exchange for desired behaviour. In other words, reward power is the power that comes from a person's ability to control and dispense benefits to another person Raven (1965). The user of the power who is the controller of the benefits is able to influence or shape the behaviour of others because he can offer or withhold those benefits. The reward may be in the form of money, material, praise, .promotion or recognition. For reward power to be effective in achieving results, the individual or group being offered the reward must actually desire and value the reward. The value of a reward will vary with people depending on their individual situations and needs. Thus, the effectiveness of a reward as a basis of control will differ among people.

(ii) **Coercive power –** This is the exercise of control by the use of punishment or the threat of it. The punishment may be physical or non-physical. Physical coercion is the traditional method of exercising and maintaining control in prisons and mental homes. Non-physical punishment may involve the denial of financial or no-financial privileges, the use of demotion or suspension from office or outright dismissal from the organisation. In order to use coercive power effectively, the punishment must be clearly and properly defined and related to the offence. The perceived impact and probability of the use of the punishment must also be very high. Coercive power will not be effective if the possible punishment is not defined as such, by the "offender", if the punishment is perceived to be relatively mild or if the chance or probability of its being applied is very low.

(iii) **Legitimate or positional power –** This is the power that derives from the position or office occupied by a person in an organisation. It is also called rational-legal power or executive power. This power is based on the belief that the person exercising control has the right to do so. The power stems from one person's acceptance that its exercise by another person agrees with some set of rules or protocol that is considered to be legitimate by both parties Hodge and William (1984). This means that "obedience is not owed to a person but to a set of impersonal principles which include the requirement to follow directives originating from an office superior to one's own regardless of who occupies the higher office" Blau and Richard (1977). Thus, legitimate power or ability to control is the same as authority which is accepted or acknowledged by those over whom it is exercised.

(iv) **Charismatic power –** Charismatic power is the ability to exercise control or influence followers by sheer force of personality or charisma. It does not derive from the ability to offer reward or to inflict punishment or by virtue of a person's position in the organisation. The exercise of charismatic power requires no special effort because it is based only on the user's personal qualities which endear others to follow him.

(v) **Expert power –** Expert power is the ability to control others as a result of one's special knowledge or expertise in a given field. In order to use expert power as a basis for control, the expertise that a person possesses or claims to possess must be acknowledged by those over whom the power is to be exercised so that they can submit themselves to it willingly and without force. Medical doctors, lawyers, accountants and renowned scientists are examples of those who possess expert power.

(vi) **Referent power –** This is defined by French and Raven as the influence that A has over B because B identifies with A French and Raven (1959). This sense of identification gives A the ability to influence B’s behaviour. A successful person who is highly respected can become his reference point. In this case, the successful person can exercise some influence over his admirer.

Regardless of its source, power makes it possible for a person to impose his will on others.

3.5 How People Respond to Different Types of Power

Different types of power produce different effects and responses from organisation members. The study by Amitai Etzioni shows that the involvement in organisations or responses to power by organisations members varies with the type of power that is used.

The first kind of response or involvement is called “calculative” involvement and it is generated by the use of reward or remunerative power. Calculative involvement is an economic – instrumental involvement whereby an individual participates voluntarily in an organisation for the benefits which he expects to get from his membership of the organisation. A person decides to be a member of an organisation after making a careful consideration of the costs and benefits of belonging to that organisation. In short, membership is the result of a rational calculation and decision. Calculative involvement is typical amongst employees of various types of organisations who may decide to remain in the employment of the organisation or leave the organization depending on the remuneration or benefits of the organisation to them.

The second kind of response or involvement is called ‘moral’ involvement and it results from the use of normative power which is the ability to exercise control by allocating or with-holding symbolic rewards such as acceptance or prestige. Moral involvement is an intense, committed, and strongly favourable form of involvement or identification with an organisation and its goals. Moral involvement is typical amongst members of religious and political groups where membership is maintained because of the commitment of the organisation's members to certain ideals.

The third kind of involvement or response is called 'Alienative' involvement and it results from the use of coercive power which is manifested as threats and punishment. 'Alienative' involvement is a state of non-identification with the organisation and its goals. It is a negative form of involvement whereby the individual strongly dissociates himself or herself from the organisation and what it stands for. In other words, his membership of the organisation is involuntary i.e. it is against his or her will. 'Alienative' involvement is typical of prison inmates and patients of mental homes where physical force is used to secure compliance.

In rounding up this chapter, it is worth restating that a manager must exercise some control over the behaviour of his subordinates if the goals of his unit or organization are to be achieved. This means that organizations must secure compliance from their members if they want to succeed. Whether this compliance will be freely given and productive or not depends on the type of power source that is used to gain it. As noted above, different types of power source produce different types of response or involvement.

The use of reward or remunerative power may be expected to produce a neutral, instrumental, and calculating involvement with an organisation and its goals. The use of 'legitimate' or 'position' power can lead to full compliance and control. This is because, the people that are subject to position power see themselves as responding to directives originating from those whom they see as having the legal right to issue such directives. But the people who receive such directives may not identify with the directives given to them or the goals they are intended to achieve because they themselves are not persuaded or personally convinced to follow the course of action concerned. Rather, they have been instructed to do certain things.

The use of coercive power tends to create feelings of alienation and hostility on the part of those over whom it is exercised. For obvious reasons, coercive power is not used in dealing with modern day employees.

4.0 CONCLUSION

The difference between authority and power is that the exercise of control through power is not officially recognised or formally sanctioned by an organisation whereas the exercise of control through authority is officially recognised, formally sanctioned and regarded as legitimate.

5.0 SUMMARY

We have been able to successfully examine and differentiate between Power and Authority, understand the nature of Authority and power, identify the sources of power and Authority and finally how people respond to Power and Authority.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain what you understand by authority and power. How are they different?
2. Of what use are authority and power in the management of an organisation? With suitable examples, discuss the main types of power that can be found in an organisation.
3. How do people respond to each of the following types of power?
    1. reward power
    2. coercive power
    3. normative power

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UNIT 2 THE NATURE AND CAUSES OF ORGANISATIONAL CONFLICTS

CONTENTS

1.0 INTRODUCTION

In this unit we would take you through the nature and causes of organisational conflicts, the negative effects of organisational conflicts, tools and strategies of conflict management, the meaning and objectives of organisational change, various approaches to organisational change and resistance to change: causes and solutions.

2.0 OBJECTIVES

At the end of this unit, you should be able to understand:

- the nature and causes of organisational conflicts
- the negative effects of organisational conflicts
- the various tools and strategies of conflict management
- the meaning and objectives of organisational change
- the approaches to organisational change
- resistance to change: causes and solutions.

3.0 MAIN CONTENT

3.1 The Nature of Organisational Conflicts

Conflict is a state in which two parties are in opposition to each other. Conflictual behaviour may be planned and formal or unplanned and spontaneous; it may be verbal or physical, ranging from passive resistance to active aggression. Conflictual behaviour includes direct interference with and resistance of the action of one party by another as well as other expressions of negative attitudes.

Conflicts may be interpersonal or intergroup. Interpersonal conflicts may be between a superior and his subordinate or between two individuals at the same level of the organisational hierarchy. Intergroup conflicts may arise between two trade unions, between two departments or between management and workers while attempting to implement the policies and programmes of their organisation.

3.2 Causes of Organisational Conflicts

There are many causes or conditions that could lead to interpersonal or intergroup conflict. Some of these conditions of latent or potential conflict are as follows:

1. **Orientation toward different publics and conflicting external norms and rules:** The conflicts and pressures in the ecosystem may be carried over into an organization any organizations have several publics-in-contact. For example, business concerns relate directly to customers, to suppliers of various materials, to government agencies, to unions and to other groups. The internal organization of such concern frequently reflects these basic is. Thus, an enterprise will have a sales department, a purchasing' department, a labour-relations department, etc. Some of the internal organizational conflicts which develop between departments result from their structural differences and diverse orientation towards different publics. Conflicts occur between various departments because they deal with different pressures twin diverse outside groups Blau and Scott (1963). In other words, many conflicts between departments in an organization are subject to a number of constraints external to the conflicting departments themselves. For example if the law requires one department to do one thing and another department is making it difficult conflict may arise because of incompatible needs or preferences regarding some action.
2. **Growth and complexity of organization:** These create social distance and reduce communication arid and interaction between organisation members. This leads to wrong enactments or perceptions of situations and issues between one department and another.
3. **Competition for resources:** Interpersonal and intergroup conflicts often occur where two parties are competing for resources. The resources which include money, materials, power,

prestige, position and status are generally valued by organisation members and the competition to obtain them usually evokes a vigorous exercise of power and an intense display of emotion. Such conflicts frequently manifest themselves between individuals who have diverse personalities and predispositions and are vying for positions and personal power and prestige. These types of conflicts also occur between functional departments and between workers' unions and management.

4. **Divergence or incompatibility of goals and ideologies:** Interpersonal and intergroup conflicts may occur where two parties who should work as a team cannot agree on the goals or objectives to work towards or the methods to use in achieving the goals The stronger the convictions of each party, the more serious and severe the conflict. Divergences of goals often result from departmentation which leads to conflicts of priorities or interests. For example, the marketing department may want low price items and variety of goods to get larger share of the market. The production department may want to have fewer products at a higher price in order to show greater profit in manufacturing.
5. **Competition for territory:** According to Rushbrooks and Glover, the word territory in the context of organizations means the rights, duties and jurisdiction of any job holder and the privileges and practices which may be evolved over time Glover and Rushbrooke (1983). Conflicts arising from competition for the territory can be a result of territorial violation, or territorial jealousy or overcrowding.

- **Territorial violation:** occurs where one party seeks to exercise control over gain access to something which another regards as his own. Examples of such situation are a challenge to the 'prerogative' or 'authority' of the management from the rank and file (the shop floor), or an attempt by specialist departments to force their advice and recommendations on and exercise control over line manager. In short, interpersonal or intergroup conflicts will occur where one party trespasses, or is felt to trespassing, on another's 'domain' or threatening its autonomy or security.

- **Territorial jealousy:** arises where one party envies the territory of another party because that other party enjoys some exclusive rights or privileges which the envious party does not have. Competition for such privileges can generate conflicts between individuals and departments.

Overcrowding occurs where too many people are doing too few jobs. When people have insufficient jobs or territory of their own, they will spend time and effort competing for territory thus creating conflict between them.

- **Sequential work flow:** When work is interdependent and two or more departments must depend on each other to complete their individual tasks, the potential for either conflict or co-operation exists conflict can occur when one group has more work to do than the other group. Conflict is especially likely when work is sequential and one group is unable to start work until the other group finishes its task.

3.2 Negative Effects of Organisational Conflicts

Organisational conflict is dangerous because it produces the following dysfunctional or destructive consequences:

1. It diverts attention from organisational goal attainment and creates resentment and anxiety among organisation members which make the organisation unable to function properly.
2. It causes delays in organisational action and reduces efficiency and co-ordination.
3. It can erode and destroy the bases for co-operation and teamwork among organisation Members.
4. It can lead to a high rate of lateness to work, absenteeism and deliberate sabotage.
5. Recurrent and -persistent conflicts can cause a feeling of alienation, a loss of morale and other forms of discontent which can make individual to withdraw completely from the organisation.

3.3 Tools and Strategies of Conflict Management

The following are the main mechanisms for resolving intergroup and interpersonal conflicts.

a. **The use of formal rules and agreed procedures:** These can be used to resolve recurrent superior subordinate conflicts and to settle continual disciplinary matters and grievances.

b. **Open encounter and negotiation:** This is a strategy of constructive engagement in which the parties in conflict engage one another over issues and attempt to arrive at a mutually desirable action or outcome by modifying their points of view or negotiating out their differences. The aim is to restore effective working relationship or achieve a workable solution: - Although the strategy is a negotiation exercise, it is not as formalised as collective bargaining. For this approach to succeed', there must be:

i. Open communication between We parties so that the parties can release any information that is vital to the resolution of the conflict.
ii. A flexible attitude towards the problem by the parties so that they can exchange concessions with each other until agreed terms are reached.
iii. People must make attempt to diagnose the problem before seeking solutions to it
iv. The use of threats must be avoided to permit the parties to fully articulate their grievances and arrive at mutually satisfactory agreement.

c. **Arbitration by a third party:** This is used when the division between the warring factions is so intense that open confrontation cannot be used because the factions are not ready to come together for a roundtable conference. The factions have taken definite positions and their divisions are very fundamental. The arbitration approach is then used to break the deadlock. The arbitrator, who acts at the request of and is chosen by both parties in conflict, examines the facts and makes a decision to settle the conflict. Although this approach may not eliminate the cause of the conflict, it could prevent its escalation and minimise its negative effects a major weakness of this approach is that the solution arrived at by the arbitrator can alienate one of the parties in conflict because the arbitrator acts as a judge.

(d) **Mediation-by a third party:** Here, a third party comes in to act as a peacemaker between opposing sides in order to bring about peace or agreement. Unlike the arbitrator, the mediator does not act as a judge. All he does is to find common grounds and bring the warring parties together.

(e) **Separation of the parties:** This is a very drastic strategy involving the redeployment of the warring personnel to separate departments or branches. The separation may be permanent or for a temporary period to allow tension and nerves to cool off. Difficult and sensitive interpersonal conflicts can be resolved in this way especially where the basis of the conflict is emotional.

(f) **Changes in role expectations:** Conflicting role expectations are immediate determinants of conflict behaviour. Changing such role expectations is therefore almost certain to change behaviour. This can be done by bringing about changes in the structure of conflicting roles, by sympathetic discussion, clearer job descriptions and demarcation of duties although these measures are likely to require prior changes in organizational policies and properties.

(g) **Dominance and force:** Here, the boss uses his superior authority and position to dictate the solution to a conflict which the warring subordinates are bound to accept.

4.0 CONCLUSION

Conflict among the people in an organization is inevitable and has adverse effect on the organisation, knowing the best approach to manage conflict is crucial to the survival of an organization growth and its ability to achieve its set goals.

5.0 SUMMARY

We have been able to examine the nature and causes of organisational conflicts, the negative effects of organisational conflicts and finally the various tools and strategies of conflict management.

6.0 TUTOR-MARKED ASSIGNMENT

1. Outline some of the causes of conflict among people in organisations.
2. Enumerate four ways of resolving conflict. Which of these would you recommend and why?
3. One of the emergent problems in the management of an organisation is the conflict that occurs between the different categories of staff and between departments while attempting to implement the policies and programmes of that organisation. Specify five causes of conflict in an organisation and five dysfunctional consequences of conflict.

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UNIT 3 MEANING AND OBJECTIVES OF ORGANSATIONA CHANGE

CONTENTS

1.0 INTRODUCTION

In this unit we would take you through the meaning and objectives of organisational change, various approaches to organisational change and resistance to change: causes and solutions and finally how to overcome resistance to change.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- the meaning and objectives of organisational change
- the approaches to organisational change
- Resistance to change: causes and solutions
- how to overcome resistance to change

3.0 MAIN CONTENT

3.1 Meaning and Objectives of Organisational Change

3.2 Meaning of Organisational Change

Organisational change is the adaptation or adjustment of an organisation to the changing demands that are made upon it by the environment in which it operates.

3.2 Objectives of Organisational Change

Six objectives of organisational change have been identified by Michael and Jones (1973). They are:

1. **Integration:** i.e. to resolve the conflicts between individual needs and organisational objectives, to reconcile individual freedom and autonomy with industrial and technological imperatives and needs.
2. **Social influence:** i.e. to redistribute power and prestige among members of the organisation.
3. **Collaboration:** i.e. to achieve collaboration and - resolve the conflict arising from division of labour and functional specialization that are found in modern organizations. The aim is to reduce the tension created by the narrow organizational perspectives of specialists.
4. **Adaptation:** i.e. to adjust to the rapid economic, political, technological and social changes that are taking place in society.
5. **Identity:** i.e. to maintain in the era of change the identity of an organization which evolves from the objectives it pursues, the strategies it devises and the people it employs.
6. **Revitalization:** i.e. to revitalize and renew the organization by learning from its own experiences.

3.3 Approaches to Organisational Change

According to Harold Leavit (1965), there are five approaches through which organisational change can be achieved. These approaches are enumerated below:

1. **Task approach:** i.e. a change in the specific jobs and activities that are performed in the organisation. This involves a redesign of the roles and jobs of organisation members.
2. **Technological approach:** i.e. a change in the methods of operation, the procedures and the equipment used.
3. **Structural approach:** i.e. a change in the organisation structure or administrative apparatus itself. This involves changing many organisational variables or properties such as channels of communication and authority relationships.
4. **Humanistic approach:** i.e. a change in the people,, the individuals and the social activities that are included in the organization, included here are improvements in selection and placement practices, training of workers and increasing employees motivation and commitment.
5. **Psychological and social approach:** i.e. an improvement in the quality of communication and interpersonal relationships that are

taking place within and between groups and people in organizations to reduce dysfunctional conflict and to improve the quality of managerial leadership processes.

It is pertinent to state at this juncture that the need for organisational change may arise because of changes in organizational task environment and in the technology of production and the objectives and strategy of a company.

3.4 Resistance to Organisational Change: Causes and Solutions

Why People Resist Change

Employees may resist change for the following reasons:

1. Because of extreme routinization of organizational structure and processes which makes employees to develop rigid way of doing things and an established pattern of behaviour.
2. Change, especially in the form of company reorganisation, is often seen as a threat to job security and creates anxiety for many employees.
3. Change may alter informal group relationships on the job for the worse. Since employees generally derive considerable satisfaction from these relationships, they will resist changes which are capable of disrupting such associations.
4. Change may involve additional education for the employees and this may be regarded with hostility and antagonism.
5. A general ignorance about the nature, scope and extent of an in pending change may cause employees to resist the changes.
6. Change may signify a loss of status and prestige for certain employees hence it will be resisted by such people because of their vested interests and personal involvement.
7. Change will be resisted where the agent of change, such as a consultant, is seen as an outsider who is intruding unnecessarily into the lives of organisation members.
8. Employees may resist a change because of their selective perception. People tend to respond to situations in terms of their existing attitudes and these tend to be enduring and rather difficult to change. For this reason, they are selective in what they perceive and retain and in the way they interpret reality so that they may distort or deny reality in order to make it conform with their existing attitudes.
9. Employees may also resist a change because of primacy. The manner in which a person first copes with a situation tends to become a response pattern which is rather consistent and

subsequent behaviour tends to be influenced by the initial behavioural patterns.

3.4.1 How to Overcome Resistance to Change

i. The involvement of employees in making decisions that directly affect their work could minimise potential resistance to change.
ii. Information regarding the proposed changes should be disseminated to employees so that they are notified early.
iii. The change should be introduced gradually i.e. in the form of phases.
iv. There should be regular meetings and possibly training programmes for all levels of organisation members in order to fill them in on current developments concerning the change.
v. Individuals who are capable of harmonious social relations should be brought together to work together and to serve as centres of introducing organisational change.

4.0 CONCLUSION

Organisational change plays a prominent role in resolving the conflict arising from division of labour and functional specialization that are found in modern organizations, therefore the need for organisational change may arise because of changes in organizational task environment and in the technology of production and the objectives and strategy of a company.

5.0 SUMMARY

We have been able to examine the meaning and objectives of organisational change, the approaches to organisational change, resistance to change: causes and solutions and finally how to overcome resistance to change.

6.0 TUTOR-MARKED ASSIGNMENT

1. What is organisational change?
2. Discuss the objectives of and the approaches to organisational change.
3. What do you understand by organisational change? Why do people sometimes resist change? How can this resistance be reduced or overcome.

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