

# Week 1 Lecture

21512 Understanding Organisations:  
Theory and Practice



Dr Rebecca Dong UTS Business School

A portrait photograph of Dr. Rebecca Dong, a woman with long dark hair, smiling at the camera. She is wearing a white collared shirt. The background is the curved glass facade of a modern building.



# Agenda

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Part 1: Nice to meet you!

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Part 2: Subject Overview

- Assessment
- Expectations

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Part 3: The introduction of Organizational Theory

- Fundamental Concepts
- The Role of Theories in Understanding Organizations



# Part 1: Nice to Meet you!

Welcome to the learning journey of Understanding Organisations:  
Theory and Practice with me!

## Dr Rebecca Dong | Subject Coordinator



About: [Dr. Rebecca Dong](#), Lecturer in the Management Department at the UTS Business School. She completed her PhD in Business at the University of Adelaide, Australia. Rebecca's primary research interests include international management and organizational psychology. Her papers appear in business management journals and psychology journals; and top-tier international conferences such as the Academy of International Business and the Academy of Management. Rebecca is an experienced academic with a demonstrated teaching history of business courses since 2015 at both undergraduate and postgraduate levels.

Contact: [rebecca.dong@uts.edu.au](mailto:rebecca.dong@uts.edu.au)

Location: UTS Sydney Campus, Building 8, Level 5, room (CB08.05.52)

Consultation by appointment: Please email to make an appointment in advance.

## Dr Junyan (James) Lai | Tutor



About: Dr. Junyan (James) Lai, Lecturer of the SILC Business School, Shanghai University. He completed his PhD in Technology Management at the National Tsing Hua University, Taiwan, China. His current research interests include technological change, technological trajectory, innovation process, institutional entrepreneurship, and non-linearity in management and business. He particularly focuses on how new technology emerges and interacts with the social system by using natural language processing (e.g., topic modeling approach). His papers have been published in the Journal of Product Innovation Management, Industrial and Corporate Change, IEEE Transactions on Engineering Management, Journal of Engineering and Technology Management, and some top-tier Chinese journals. He has also presented his research findings in the Academy of Management Annual Meeting.

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# Teaching team

Dr Rebecca Dong (Sydney)

Dr Jiunyan (James) Lai (Shanghai)

# LECTURE & TUTORIAL

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The subject is based on a combination of dynamic and interactive lecture and practical workshop sessions. The lectures involve critical debate, and the workshops are built around in-class exercises and presentations. Case studies will be a major component of these lectures and practical sessions.

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Lecture (online): 1.5 hour

will focus on conceptual understanding (theories and models), and enhance learning through examples, videos and scholarly articles from journals

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Tutorial (on-campus): 1.5 hour

Experiential exercises, case studies, development of personal and group skills.



# COMMUNICATION CHANNEL

21512 Understanding Organisations: Theory and Practice ... > Discussions

May-July 2023 (China)

All

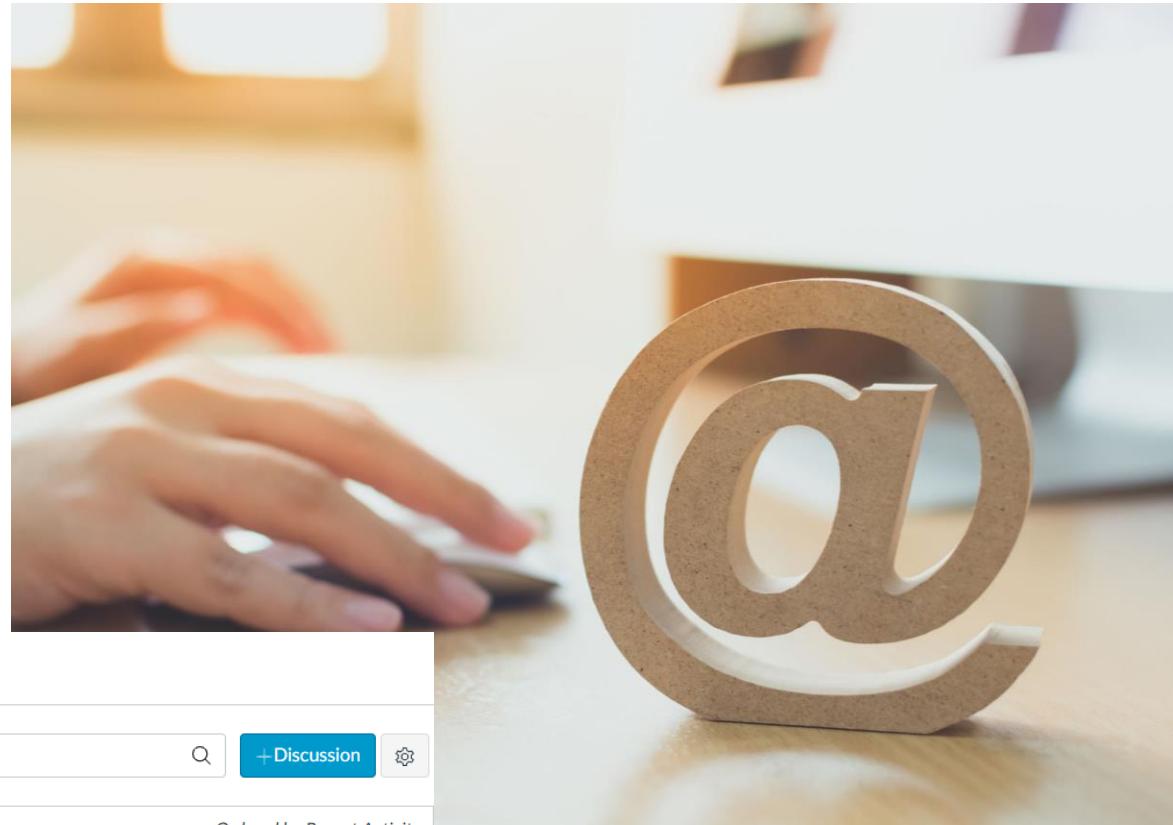
Search by title or author...

+Discussion

Ordered by Recent Activity

Discussions

- Communicate with Dr Rebecca Dong  
All Sections
- Subject questions  
All Sections
- Communicate with Dr Jiunyan (James) Lai  
All Sections



Your **tutor Dr James** is your first contact and key supporter!

# What are our expectations of you?

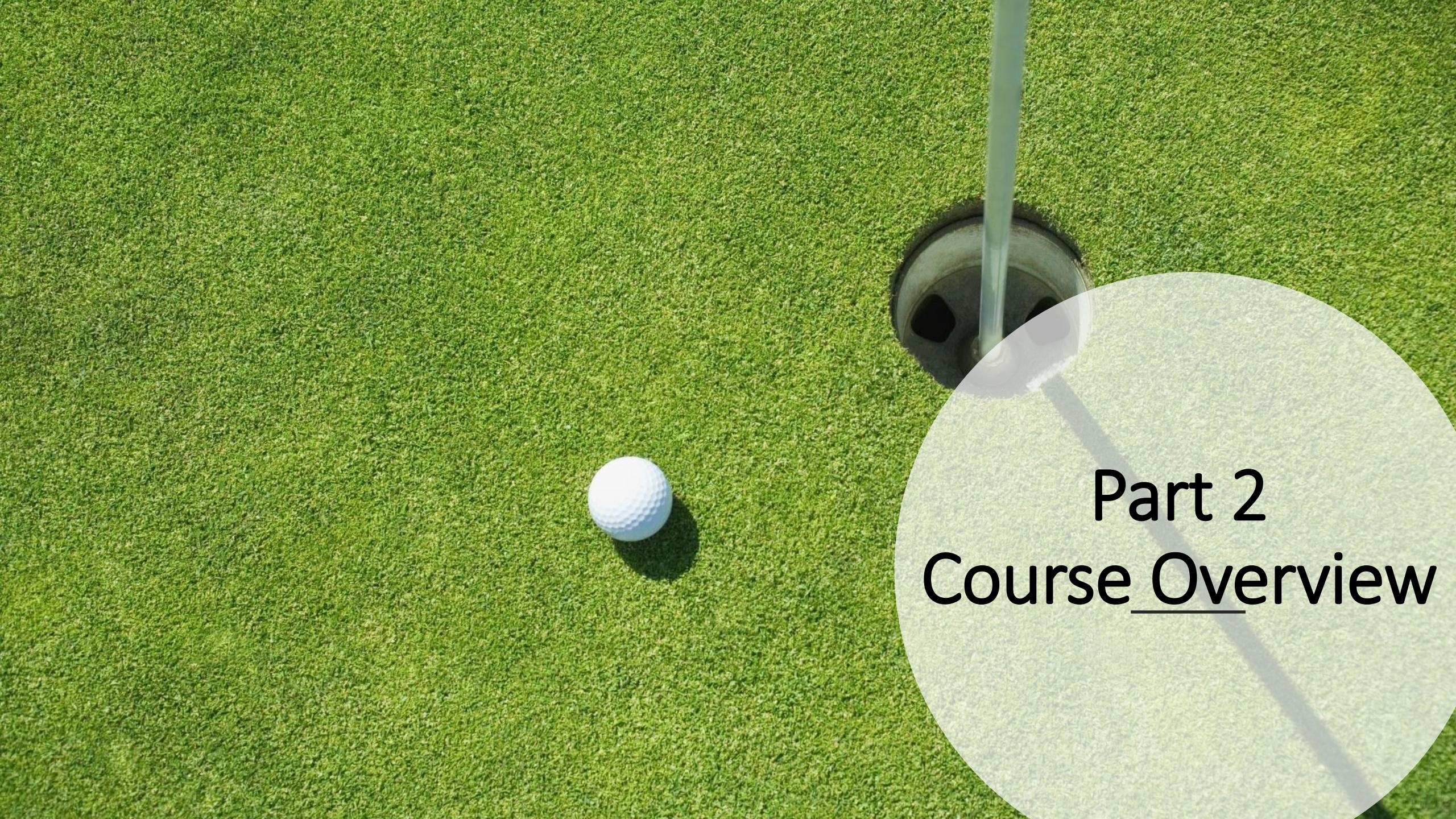
Attend all lectures and tutorials. There will be content covered in the class that will be examinable and relevant to all your assessments.

Come prepared to class and be attentive in class.

Seek help early rather than later.

Engage in class. The more you participate and ask questions, the better you will perform in this subject.



A photograph of a white golf ball resting on a well-maintained green grass surface. To the right, there is a circular putting green with a hole at its center. A flagstick is standing vertically in the hole. A large, semi-transparent light blue circle is positioned in the lower right corner of the image, containing the text.

## Part 2

# Course Overview

# Navigating the subject



## Theories that consider organizations as rational tools

- Week 2: Introduction to organizations and design principles
- Week 3: Scientific management and Bureaucracy theory
- Week 4: Contingency theory
- Week 5: Organisations as Social Systems: Power and Politics

## Theories that consider organizations as social systems

- Week 6: Organizational culture
- Week 7: Institutional theories
- Week 8: Critical perspective and ethical issues

## Theories that consider organizations as an interplay of representation and materiality (Post-Modern theories)

- Week 9: 'Alternative' Theories of organizations
- Week 10: Synthesis, Summary and Review of Topics



## Subject resources

Textbooks:

- Hatch, Mary Joe (2018) **Organization Theory**. 4th Edition. Oxford University Press, Oxford
- Richard L. Daft (2021) **Organization Theory & Design**, 13th Edition, Cengage.

The lectures will not follow this textbook closely. However, this is a very useful source for you to better understand the complex theories of the organization that are presented in the lectures and readings.

You will find also some useful reference books that can help you navigating the theories that we discuss:

- Cunliffe, AL and Luhman JT (2012) **Key Concepts in Organization Theory**. SAGE.

This book is organized as a 'vocabulary' of some key concepts in organization theory, discussing their evolution and the way in which they have been treated in the management literature. It is accessible as an e-book through the library.

- Miles JA (2012) **Management and organization theory**. Jossey-Bass.

Another reference book, offers a summary and analysis of some of the most popular, researched, and applied management and organization theories. It is accessible as an e-book through the library.

# Read academic journals



## Academic Papers:

Theory	Exemplary papers	Abstract/description
Contingency theory	<a href="#">Donaldson 1987, 'Strategy And Structural Adjustment To Regain Fit And Performance: In Defence Of Contingency Theory'. <i>Journal of Management Studies</i>, vol. 24, no. 1.</a> <span style="font-size: small;">↓</span>	<p>Comparative, contingency approaches to organization structure have been criticized as being inherently static. The present article argues that functionalist theories and quantitative methods can explain structural change. This is exemplified by a diachronic enquiry into strategy and structure. Neither of the two prevailing theories of structural change, 'contingency determinism' nor 'strategic choice', is completely adequate and a third formulation is advanced: that of structural adjustment to regain fit'.</p>
Design thinking applied to management	<a href="#">Gruber, M., de Leon, N., George, G., &amp; Thompson, P. 2015. Managing by design. <i>Academy of Management Journal</i>, 58(1): 1-7</a> <span style="font-size: small;">↓</span> <a href="#">Martin, R. L. 2007. Design and business: why can't we be friends? <i>Journal of Business Strategy</i>, 28: 6-12</a> <span style="font-size: small;">↓</span> <a href="#">Jacobides, M. G., Cennamo, C., &amp; Gawer, A. 2018. Towards a theory of ecosystems. <i>Strategic Management Journal</i>, 39(8): 2255-2276</a> <span style="font-size: small;">↓</span>	<p>The first two short papers (Gruber et al; Martin) discuss different aspects and potential managerial application of design thinking. They will be considered as a single source for the purpose of the assignment.</p> <p>Jacobides et al: We consider what makes ecosystems different from other business constellations, including markets, alliances, or hierarchically managed supply chains. Ecosystems, we posit, are interacting organizations, enabled by modularity, not hierarchically managed, bound together by the nonredeployability of their collective investment elsewhere. Ecosystems add value as they allow managers to coordinate their multilateral dependence through sets of roles that face similar rules, thus obviating the need to enter into customized contractual agreements with each partner.</p>
Stakeholder theory	<a href="#">Donaldson, T., &amp; Preston, L. E. 1995. The stakeholder theory of the corporation: Concepts, evidence, and implications. <i>Academy of Management Review</i>, 20(1): 65-91</a> <span style="font-size: small;">↓</span>	<p>The stakeholder theory has been advanced and justified in the management literature on the basis of its descriptive accuracy, instrumental power, and normative validity. These three aspects of the theory, although interrelated, are quite distinct: they involve different types of evidence and argument and have different implications. In this article, we examine these three aspects of the theory and critique and integrate important contributions to the literature related to each. We conclude that the three aspects of stakeholder theory are mutually supportive and that the normative base of the theory—which includes the modern theory of property rights—is fundamental.</p>

Organizational culture	<a href="#">Giorgi, S., Lockwood, C., &amp; Glynn, M. A. 2015. The many faces of culture: Making sense of 30 years of research on culture in organization studies. <i>Academy of Management Annals</i>, 9(1): 1-54</a> <span style="font-size: small;">↓</span>	<p>The study of culture is on the rise; still, this popularity comes with the cost of increasing fragmentation, as definitions and conceptualizations proliferate. The objectives of this review are twofold: first, we set out to disentangle the multiple conceptual strands used to describe culture, and second, we examine how culture relates to other key constructs, particularly identity, institutions, and practices.</p>
Power and politics	<a href="#">Fleming, P., &amp; Spicer, A. 2014. Power in management and organization science. <i>Academy of Management Annals</i>, 8(1): 237-298</a> <span style="font-size: small;">↓</span>	<p>This paper reviews and evaluates the concept of power in management and organization science. In order to organize the extant literature on this topic, we develop a framework that identifies four faces of power (i.e. coercion, manipulation, domination, and subjectification) and four sites of power (i.e. power enacted "in", "through", "over", and "against" organizations). This allows us to evaluate assumptions both shared and contested in the field. Building on the review, the paper then points to potentially novel areas of research that may extend our understandings of organizational power in management and organization science.</p>
Business Ethics	<a href="#">Palazzo, G., Krings, F., &amp; Hoffrage, U. 2012. Ethical blindness. <i>Journal of Business Ethics</i>, 109(3): 323-338</a> <span style="font-size: small;">↓</span> <a href="#">Stansbury, J., &amp; Barry, B. 2007. Ethics programs and the paradox of control. <i>Business Ethics Quarterly</i>, 17(2): 239-261</a> <span style="font-size: small;">↓</span>	<p>Palazzo et al: Many models of (un)ethical decision making assume that people decide rationally and are in principle able to evaluate their decisions from a moral point of view. However, people might behave unethically without being aware of it. They are ethically blind. Adopting a sensemaking approach, we argue that ethical blindness results from a complex interplay between individual sensemaking activities and context factors</p> <p>Stansbury &amp; Barry: Abstract: We analyze corporate ethics programs as control systems, arguing that how control is exercised may have pernicious consequences and be morally problematic. In particular, the control cultivated by ethics programs may weaken employees' ability and motivation to exercise their own moral judgment, especially in novel situations</p>
Institutional theory	<a href="#">Campbell, J. L. 2007. Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. <i>Academy of Management Review</i>, 32(3): 946-967</a> <span style="font-size: small;">↓</span>	<p>I offer an institutional theory of corporate social responsibility consisting of a series of propositions specifying the conditions under which corporations are likely to behave in socially responsible ways. I argue that the relationship between basic economic conditions and corporate behavior is mediated by several institutional conditions: public and private regulation, the presence of nongovernmental and other independent organizations that monitor corporate behavior, institutionalized norms regarding appropriate corporate behavior, associative behavior among corporations themselves, and organized dialogues among corporations and their stakeholders.</p>

## Organizational paradox

[Alvesson, M., & Spicer, A. 2012. A Stupidity-Based theory of organizations. Journal of Management Studies, 49\(7\): 1194-1220](#) ↓

[Berti, M., & Simpson, A. V. 2021. The Dark Side of Organizational Paradoxes: The Dynamics of Disempowerment. Academy of Management Review, 46\(2\): 252-274.](#) ↓

**Alvesson & Spicer:** In this paper we question the one-sided thesis that contemporary organizations rely on the mobilization of cognitive capacities. We suggest that severe restrictions on these capacities in the form of what we call functional stupidity are an equally important if under-recognized part of organizational life. Functional stupidity refers to an absence of reflexivity, a refusal to use intellectual capacities in other than myopic ways, and avoidance of justifications. The positive consequences can give rise to self-reinforcing stupidity. The negative consequences can spark dialogue, which may undermine functional stupidity.

**Berti & Simpson:** the idea that interdependent and persistent tensions are intrinsic to organizing is now well accepted. Organizational paradox theory has further stressed the importance of accepting such paradoxes, to convert them into generative forces. However, this recommendation assumes actors have full agency in responding to paradoxes and, therefore, overlooks the role of power dynamics. We expand on paradox theory by drawing attention to organizational pragmatic paradoxes: contradictory demands received within the context of an intense managerial relationship, such as when a subordinate is ordered to 'take initiative'. Our model highlights how organizational pragmatic paradoxes derive from power relations restricting actors' capacities for enacting legitimate responses to tensions. Specifically, we link different organizational power dimensions to various manifestations of pragmatic paradoxes.

# Assessment overview



## Assessment task 1: Individual essay

| 30 % | Due **11.59pm Friday 14 April 2023** (to be uploaded via Turnitin)

In this Essay you must use two organizational theories to analyse an organization of your choice. The purpose is to demonstrate both your capacity to effectively summarize these theories (capturing their key principles) and your ability to apply them to real context. In this you also must show you can appreciate both the value and the limitations of these theories.

Bonus points:

Considering that some theories are more complex and sophisticated than others there is also a bonus for those students who choose to meet the challenge. Here are the possible theoretical lenses you can use for your essay, and the bonus points that will be added to the assessment mark for those who choose to consider these theories (up to a maximum of 30/30):

- scientific management/bureaucracy theory (0 points);
- contingency theory (0 points);
- design thinking/open collaboration (1 point);
- power / organization politics (1 points);
- organizational culture (1 point);
- institutional theory (1 point);
- critical management/stakeholder/ethic theories (1 point);
- paradox theory (2 point);

The assignment must be written in "Essay" form: for information, refer to the [The UTS Business School Writing Guide \(2020\)](#)

Make sure you include several references (at least 4-5) from the recommended readings and/or from the references cited in the Lecture slides.

The essay must be submitted as a **Word document, of approximatively 2000 words (+/- 10%) references excluded.**

Your work will be assessed individually but you are encouraged to collaborate with your study group in its preparation, by exchanging information, discussing ideas, seeking feedback. However, each individual essay must be absolutely original (and authored by a single student).

# Assessment overview

## Assessment task 2: Team report

| 30% | Due **11.59pm Friday 19 May 2023** (report to be uploaded via Turnitin) - delivery in class **in Week 9 and 10**

Working in a team you will produce a report that demonstrates your capacity to apply academic knowledge in the workplace. In practice, you need to choose an organization that is experiencing a crisis or a challenge (a problem or opportunity) and select two academic papers from this list: [Academic papers on organization theory \(for Assessment 2\) to support your analysis](#). These papers discuss theories that you think can provide insights into how to address the organization's issues. Thus, you need to 'translate' the theoretical principles presented in these papers into concrete recommendations that can apply to the organization of your choice.

This assessment includes two deliverables:

- A report (one per team) of 2500 words max (excluding appendices and reference list)
- A presentation (10 minutes per team) in which all team members must have an active role (either by delivering part of it or by answering questions from the tutor and the audience). Teams must also prepare a presentation deck (10 slides maximum) to be used as audio-visual support for the delivery of the presentation.

# Example Case: Alibaba Group



Let me show you an example of an organization that is experiencing a crisis or a challenge:

*What were some of the business crises Alibaba faced and how they survive and thrive?*

Brian A. Wong is a Chinese American entrepreneur and investor. He was the first American and only the 52nd employee to join Alibaba Group, where he contributed to the company's early globalization efforts and served as Jack Ma's special assistant for international affairs. During his 16-year tenure, Wong established the Alibaba Global Initiatives (AGI) division and was the founder and executive director of the Alibaba Global Leadership Academy. Wong remains an adviser to the AGI team and regularly teaches courses on China's digital economy and the Tao of Alibaba management principles. Wong founded RADII, a digital media platform dedicated to bridging understanding between East and West.



*You don't need to choose Alibaba. There are more options for you.*

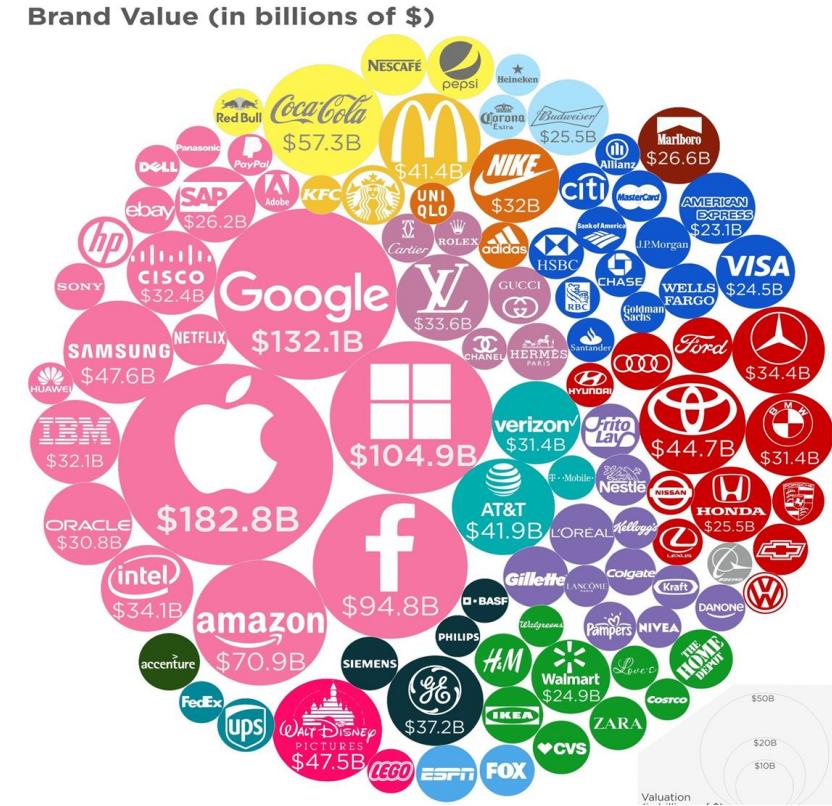
# Choose an organisation



Step 1: choose an industry that you have passions to know more (career options)



Step 2: Choose your favourite organisation (perhaps a famous company)





## Banking and investment/ Consulting

The top 10 global consulting firms by industry and service expertise



# Cosmetics / Automobile Industry

## TOP 20 BIGGEST COSMETICS BRANDS IN THE WORLD BRAND VALUE (\$BN)

1	L'ORÉAL	\$11.218
2	Gillette	\$8.988
3	Dove	\$5.821
4	PANTENE PRO-V	\$5.364
5	NIVEA	\$5.322
6	CHANEL	\$4.921
7	ESTÉE LAUDER	\$4.792
8	GARNIER	\$4.630
9	Olay	\$3.986
10	LANCÔME PARIS	\$3.984
11	AVON the company for women	\$3.897
12	Johnson & Johnson	\$3.591
13	CLARINS PARIS	\$3.550
14	natura bem estar bem	\$3.220
15	Dior	\$3.051
16	MAYBELLINE NEW YORK	\$2.814
17	head & shoulders	\$2.577
18	SHISEIDO	\$2.353
19	Neutrogena	\$2.122
20	Palmolive	\$1.997

Source: SyncForce 2015



BUSINESS INSIDER

# Luxury brands & Consumer goods



# Apps / digital firms



# Choose an organisation



## Step 3: Check information availability

Example: Australian public listed companies (ASX) Information available



Sophisticated technology

Streamlined trading solution

Login to MyASX

Register

ASX Closed ASX24 Closed Sun 24 Mar 19, 10:02 AM

Price and site search...

Search

Search for multiple prices

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	<table><thead><tr><th>Company name</th><th>ASX code</th><th>GICS industry group</th></tr></thead><tbody><tr><td>A-CAP ENERGY LIMITED</td><td>ACB</td><td>Energy</td></tr><tr><td>A.C.N. 004 410 833 LIMITED</td><td>ARI</td><td>Materials</td></tr><tr><td>A1 INVESTMENTS &amp; RESOURCES LTD</td><td>AYI</td><td>Diversified Financials</td></tr><tr><td>A2B AUSTRALIA LIMITED</td><td>A2B</td><td>Commercial &amp; Professional Services</td></tr><tr><td>ABACUS PROPERTY GROUP</td><td>ABP</td><td>Real Estate</td></tr><tr><td>ABILENE OIL AND GAS LIMITED</td><td>ABL</td><td>Energy</td></tr><tr><td>ABSOLUTE EQUITY PERFORMANCE FUND LIMITED</td><td>AEG</td><td>Not Applic</td></tr><tr><td>ABUNDANT PRODUCE LIMITED</td><td>ABT</td><td>Food, Beverage &amp; Tobacco</td></tr><tr><td>ACACIA COAL LIMITED</td><td>AJC</td><td>Energy</td></tr><tr><td>ACADEMIES AUSTRALASIA GROUP LIMITED</td><td>AKG</td><td>Consumer Services</td></tr><tr><td>ACCELERATE RESOURCES LIMITED</td><td>AX8</td><td>Not Applic</td></tr><tr><td>ACCENT GROUP LIMITED</td><td>AX1</td><td>Retailing</td></tr></tbody></table>	Company name	ASX code	GICS industry group	A-CAP ENERGY LIMITED	ACB	Energy	A.C.N. 004 410 833 LIMITED	ARI	Materials	A1 INVESTMENTS & RESOURCES LTD	AYI	Diversified Financials	A2B AUSTRALIA LIMITED	A2B	Commercial & Professional Services	ABACUS PROPERTY GROUP	ABP	Real Estate	ABILENE OIL AND GAS LIMITED	ABL	Energy	ABSOLUTE EQUITY PERFORMANCE FUND LIMITED	AEG	Not Applic	ABUNDANT PRODUCE LIMITED	ABT	Food, Beverage & Tobacco	ACACIA COAL LIMITED	AJC	Energy	ACADEMIES AUSTRALASIA GROUP LIMITED	AKG	Consumer Services	ACCELERATE RESOURCES LIMITED	AX8	Not Applic	ACCENT GROUP LIMITED	AX1	Retailing						
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# Step 3: Check information availability

## Example: IBISworld



**IBISWorld**

WHERE KNOWLEDGE IS POWER

Fresh faces: The imminent entry of AmazonFresh will boost already fierce industry competition

This report was provided to  
University of Technology Sydney (UTS) (2132147758)  
by IBISWorld on 03 April 2019 in accordance with their licence agreement with IBISWorld

**IBISWorld Industry Report G4111  
Supermarkets and Grocery Stores  
in Australia**

October 2018

Tom Youl

**IBISWorld**

WHERE KNOWLEDGE IS POWER

All dried up: Sharp falls in global milk prices have squeezed industry margins

This report was provided to  
University of Technology Sydney (UTS) (2132147758)  
by IBISWorld on 03 April 2019 in accordance with their licence agreement with IBISWorld

**IBISWorld Industry Report C1133b  
Milk Powder Manufacturing  
in Australia**

# OTHER DATA SOURCE(1 OF 2)



Site	Address	Description
globalEDGE™	<a href="http://www.globalEDGE.msu.edu">www.globalEDGE.msu.edu</a>	Data, information, search engines, and diagnostic tools on a full range of international business topics
Export.gov	<a href="http://www.export.gov">www.export.gov</a>	Country commercial guides and other US government resources to support international business
UK Trade and Investment	<a href="http://www.gov.uk/government/organisations/department-for-international-trade">www.gov.uk/government/organisations/department-for-international-trade</a>	United Kingdom data and resources to support international business
Industry Canada	<a href="http://www.ic.gc.ca">www.ic.gc.ca</a>	Canada data and resources to support international business
United Nations Conference on Trade and Development (UNCTAD)	<a href="http://www.unctad.org">www.unctad.org</a>	Country fact sheets and statistics for analysis of international trade, FDI, and economic trends

## OTHER DATA SOURCE (2 OF 2)

Site	Address	Description
World Trade Organization (WTO)	<a href="http://www.wto.org">www.wto.org</a>	Statistics on tariffs, government intervention, and economic conditions worldwide
World Bank	<a href="http://www.worldbank.org">www.worldbank.org</a>	National and international statistics, financial and technical information, sectoral data, trends in the world economy
World Bank Doing Business	<a href="http://www.doingbusiness.org">www.doingbusiness.org</a>	Reports on doing business in various countries
International Monetary Fund (IMF)	<a href="http://www.imf.org">www.imf.org</a>	Data and statistics on countries and economic and financial indicators
A.T. Kearney	<a href="http://www.atkearney.com">www.atkearney.com</a>	Various indices, including the Foreign Direct Investment Confidence Index

# Assessment overview



## Assessment task 3: Final exam

| 40 % | Due during the SILK exam period (to be uploaded via Turnitin)

You will be asked to answer 4 open questions. Each question will ask you to focus on a different theory or organizational issue, also requiring you to present concrete applications/examples. All the theories that have been discussed on the subject can be covered. In practice, each answer should look like a mini-essay (about 1-2 pages long, but not over 1000 words).

You must refer to literature from the subject in your answers, including references in APA 7th referencing style.

Marks will not be awarded for responses that do not address the question, are not well planned and constructed, or are full of unsupported assertions (i.e., mere opinions).

The exam will be delivered in "take home" mode: questions will be available on Canvas, on the exam date, from 9:30 am (China time). You will have up to 12 hours to upload your responses via Turnitin. If you fail to meet the submission deadline you will be marked 0. If you experience technical difficulties, you must alert the coordinator well before the deadline.

Please note that these exam papers were written by students who were sitting the exam in invigilated conditions, having only 2 hours and 10 minutes to complete the task. You are expected to match or exceed this benchmark, considering that you will have a full day at your disposal (for instance you must be thorough in your use of the referencing style).

At UTS, plagiarism  
is defined in rule  
16.2.1(4) as

- 'Taking and using someone else's ideas or manner of expressing them and passing them off as his or her own by failing to give appropriate acknowledgement of the source to seek to gain an advantage by unfair means'

**Consequences are serious**

- Failure
- Reported to Faculty Integrity Unit

**Instead:**

- Use your own words  
and refer to the author
- Use direct quotes with references
- [Take the plagiarism Quiz](#)



## Library Study Guide: Management

### Management: Home

Search this Guide

Search

This study guide looks at resources available for the study of business management, human resources management, sports management, events management, and other managerial subfields.

#### Welcome

If you are studying Management, this guide is for you.

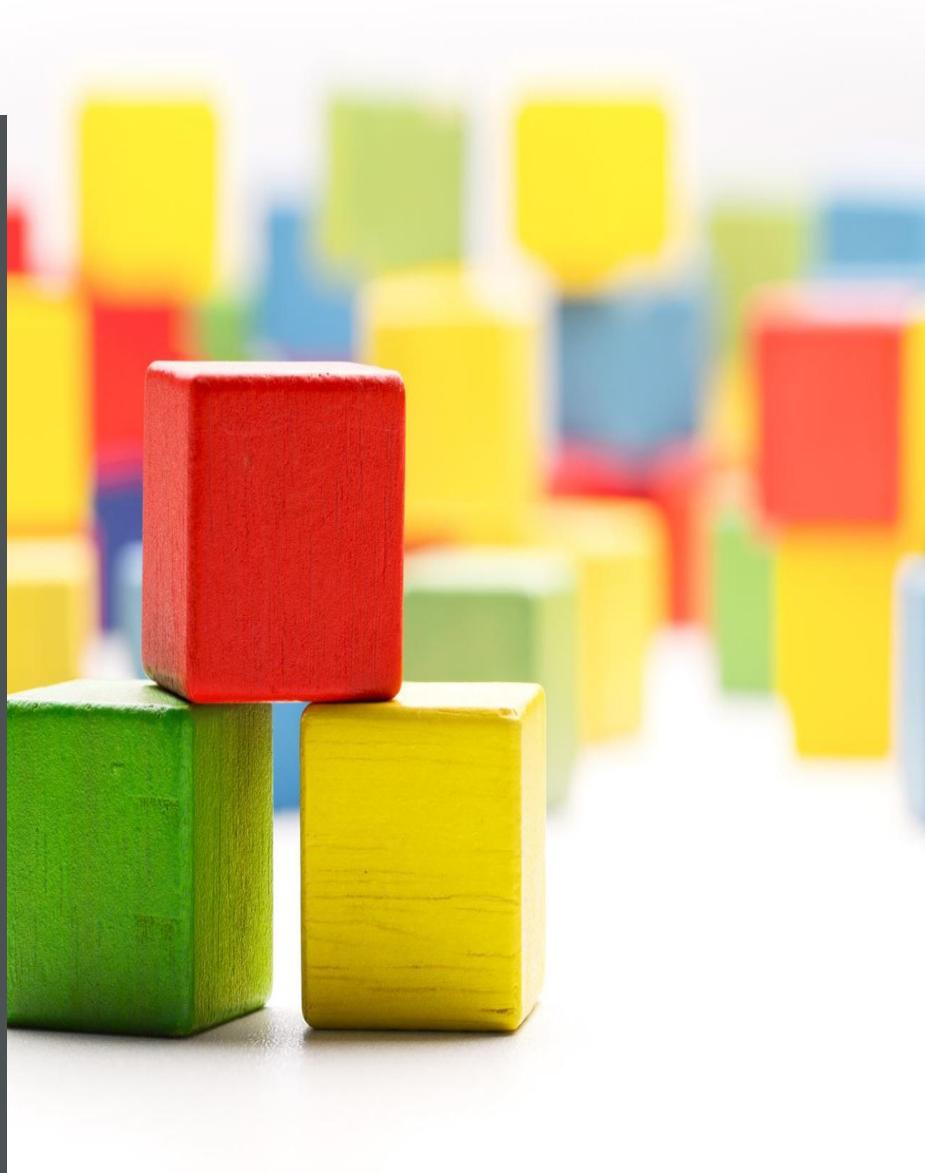
In this guide, you will find:

- Key resources for Management: books and journal databases
- links to newspaper databases, podcasts and relevant websites
- Company, industry and country information
- Statistics and grey literature resources
- APA referencing resources

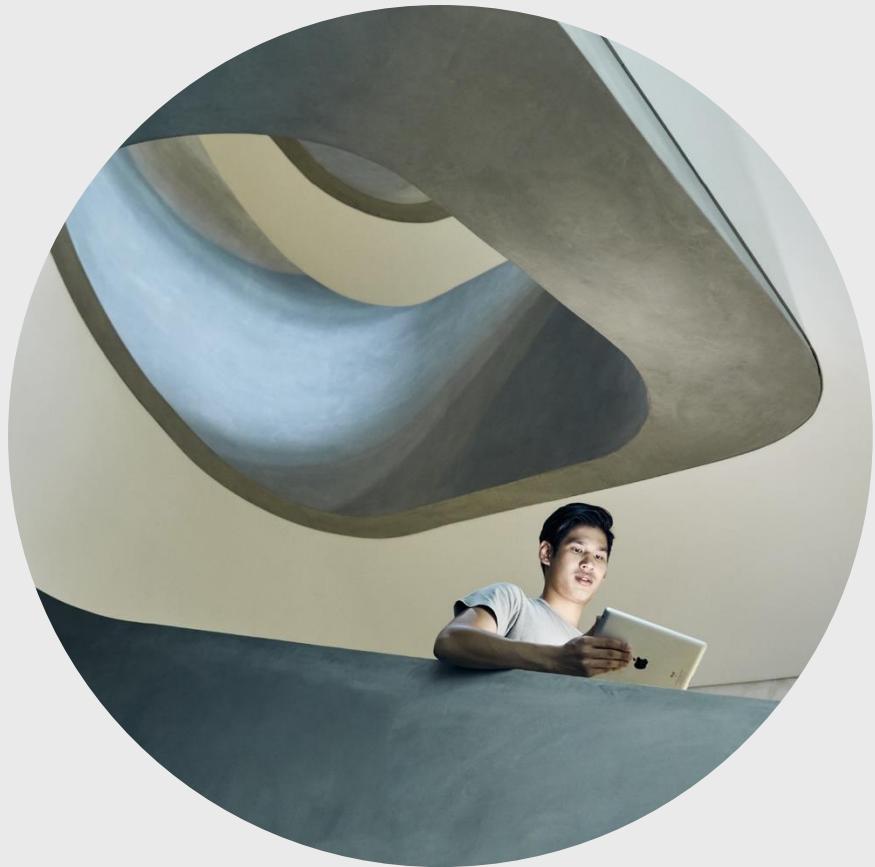
- **Home**
  - Welcome
  - Key resources
  - Resource types
- Plan Your Search
- Other Useful Resources
- Company, Industry & Country Information ↗

# Any questions?





## Part 3: Introduction to Organizational Theory



## Contents

- Introduction to some fundamental concepts
- What on earth is a theory?
- Why should I care about theories in business and management?
- Can you give me an example of a theory?
- How do I know that a theory is cool (i.e. good enough to use)?

# Fundamental Concepts



Organizational theory: The study of how organizations function and how they affect and are affected by the environment in which they operate

Organization: A tool people use to coordinate their actions to obtain something they desire or value

# What is an organization?



- a collection or gathering of people working towards a common goal or purpose
- a system of consciously coordinated activities of two or more persons.  
Barnard, C. I. (1938). *The functions of the executive*. Cambridge, MA: Harvard University Press, pg. 73.
- a body of individuals working under a defined system of rules, assignments procedures, and relationships designed to achieve identifiable objectives and goals.  
Greenwald, H. P. (2008). *Organizations: Management without control*. Los Angeles, CA: Sage, pg. 6.
- the accomplishment of an objective requires collective effort, men set up an organization designed to coordinate the activities of many persons and to furnish incentives for others to join them for this purpose.  
Blau, P. M., & Scott, W. R. (1962). *Formal organizations: A comparative approach*. San Francisco: Chandler, pg. 5.

# What is an Organization?

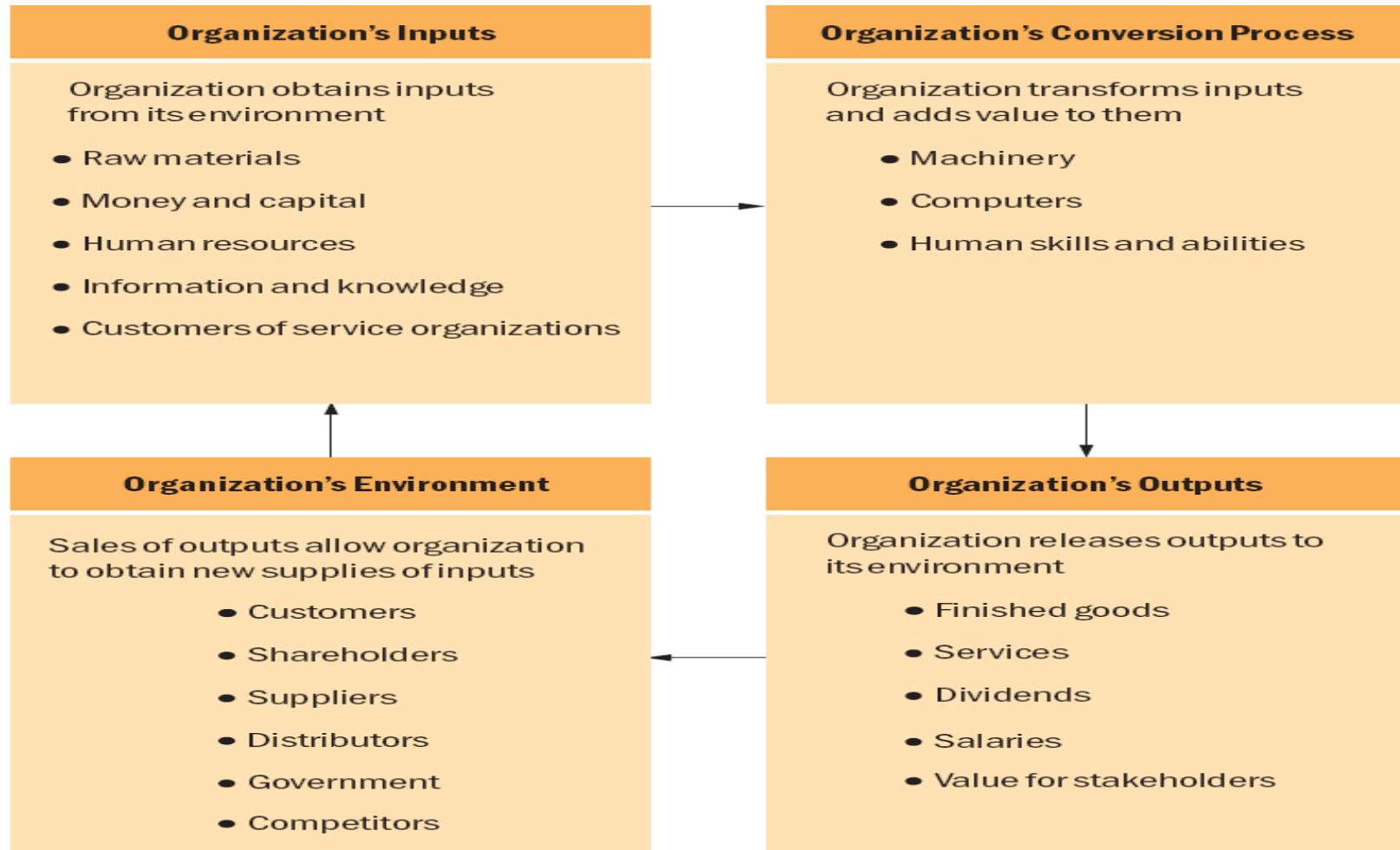
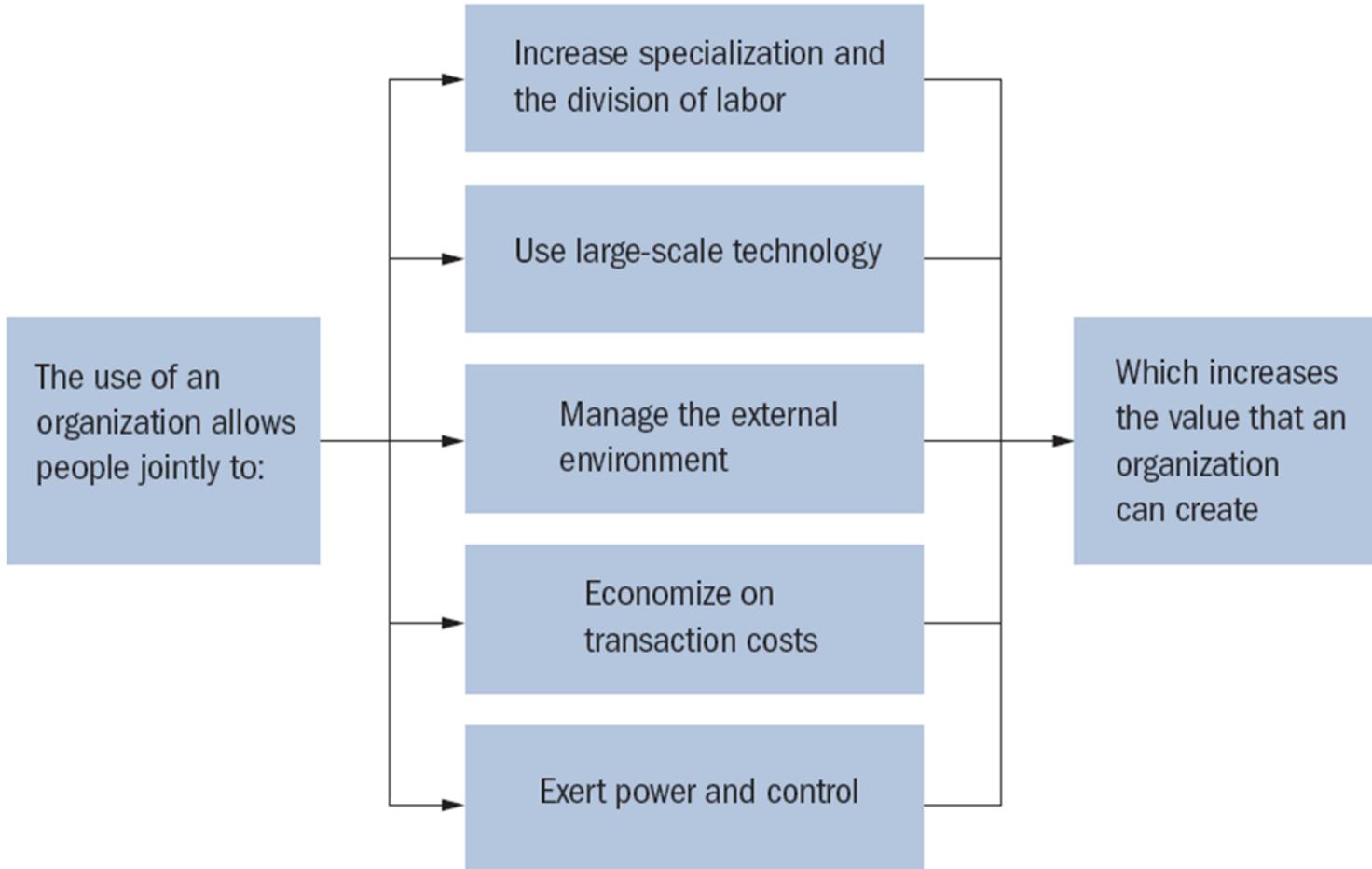


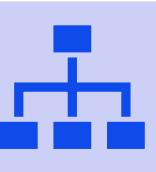
Figure 1.1 - How an Organization Creates Value

# Why Organizations Exist?





Organizational culture: The set of shared values and norms that controls organizational members' interactions with each other and with suppliers, customers, and other people outside the organization



Organizational design: The process by which managers select and manage aspects of structure and culture so that an organization can control the activities necessary to achieve its goals



Organizational change: The process by which organizations redesign their structures and cultures to move from their present state to some desired future state to increase their effectiveness

# The Relationship Among Organizational Theory, Structure, Culture, Design, and Change

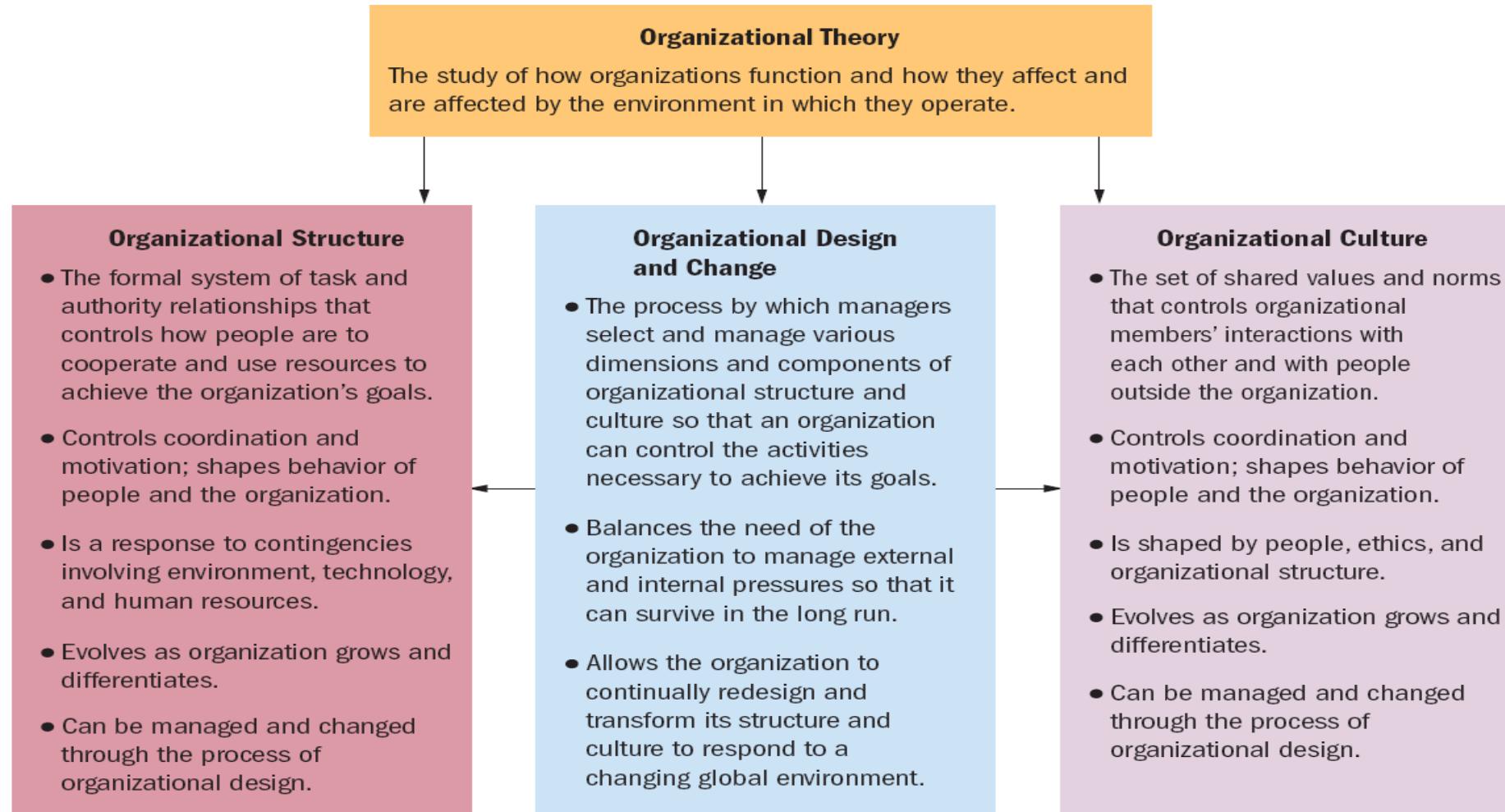




Image courtesy of [https://www.freepikcompany.com/about\\_us](https://www.freepikcompany.com/about_us)



Image courtesy of [https://www.freepikcompany.com/about\\_us](https://www.freepikcompany.com/about_us)

## Fabled Origin of the Universal Gravitational Theory

*"Legend has it that Isaac Newton formulated gravitational theory in 1665 or 1666 after watching an apple fall and asking why the apple fell straight down, rather than sideways or even upward."*

*"He showed that the force that makes the apple fall and that holds us on the ground is the same as the force that keeps the moon and planets in their orbits," said Martin Rees, a former president of Britain's Royal Society, the United Kingdom's national academy of science, which was once headed by Newton himself."*

Source: <https://education.nationalgeographic.org/resource/isaac-newton-who-he-was-why-apples-are-falling>

*The University of York claims that it was not a legend – the story of the falling apple was true :  
<https://www.york.ac.uk/physics/about/newtonsappletree/>*





This is the situation or phenomenon:  
An apple falling off a tree  
and dropping perpendicular  
to the ground

### **Newton's theory of gravity:**

- two objects attract each other
- with a force of gravitational attraction
- that's proportional to their masses and
- inversely proportional to the square of the distance between their centres.

Image courtesy of [https://www.freepikcompany.com/about\\_us](https://www.freepikcompany.com/about_us)

## What on earth is a THEORY?

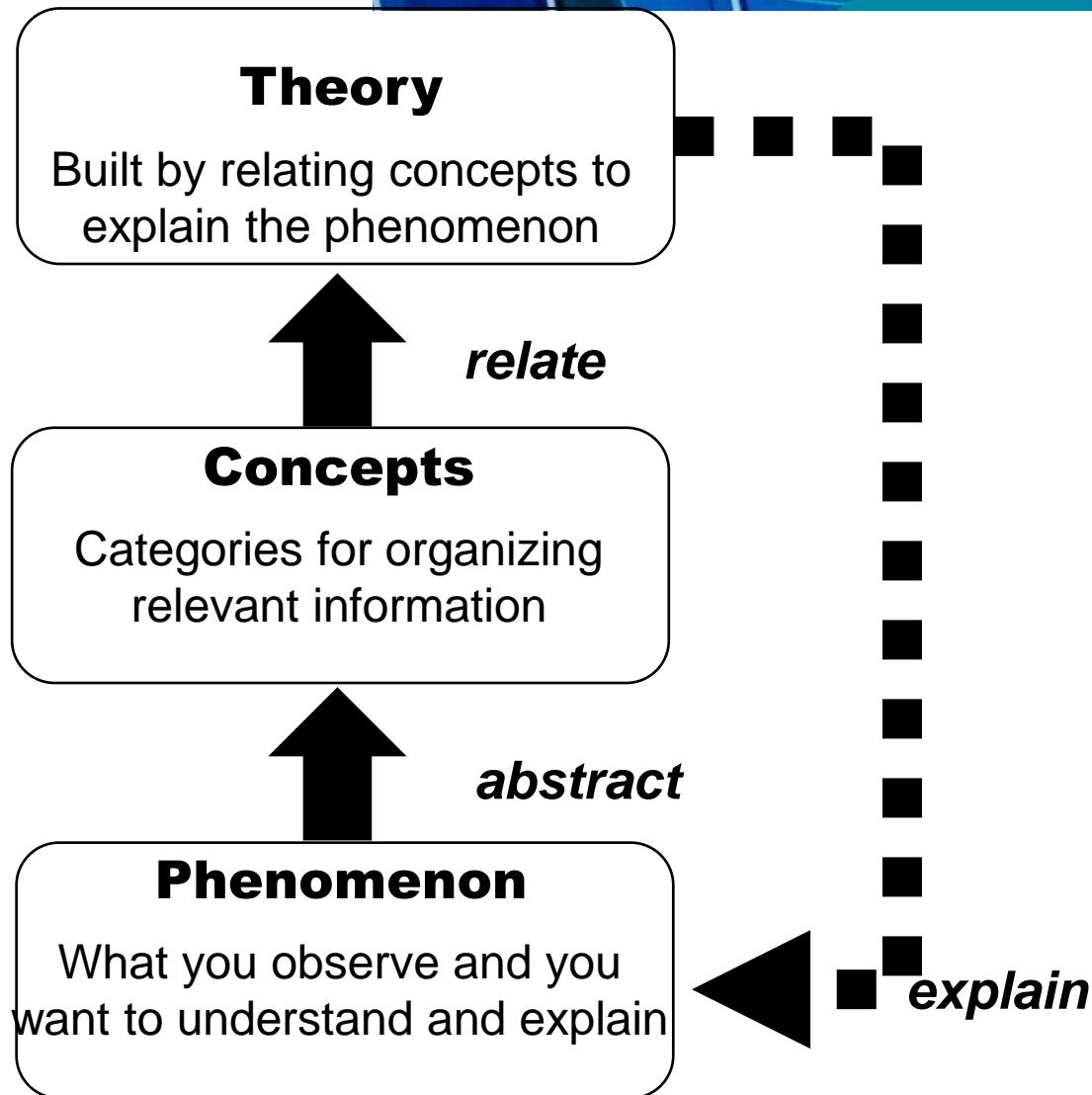
- general, abstract explanation
- explanation of connections among factors describing a phenomenon
- story about why acts, events, structures and thoughts occur
- describes the nature of causal relationships
- identifies what comes first and timing of events
- presented as a statement or group or statements that clarify the mechanics of the world and explain the relations among phenomena
- total set of empirically testable, interconnected ideas formulated to explain those phenomena

Sources: Sutton & Staw (1995); Mouza 2018

## What on earth is a THEORY?

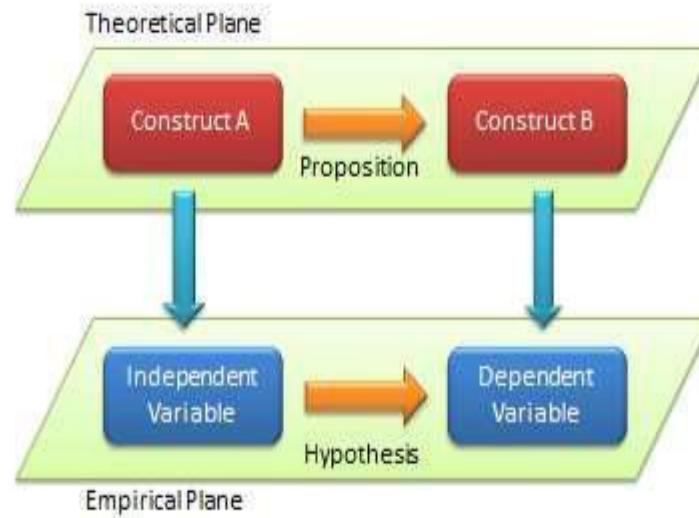
- “**coherent description or explanation** of observed or experienced phenomena”
  - (Gioia & Pitre, 1990, p. 587)
- “statement of **relations** among concepts within a **boundary** set of **assumptions** and constraints.
- It is no more than a linguistic device used to organize a complex empirical world”
  - (Bacharach, 1989, p. 496)

# What is theory



See Textbook chapter 1

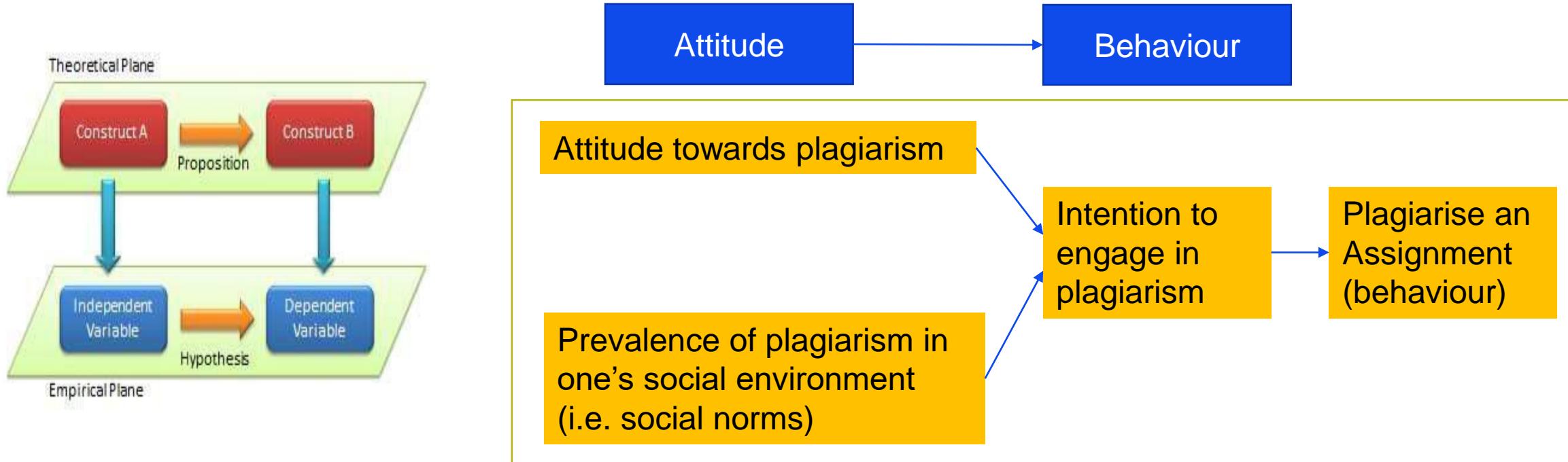
# Building Blocks of a Theory



1. Constructs: the 'what' of the theory – what concepts are important to explain a phenomenon
2. Propositions: the 'how' of the theory – how constructs relate to each other
3. Logic : the 'why' of the theory – why are these concepts related
4. Boundary conditions or assumptions – under what circumstances do the propositions work

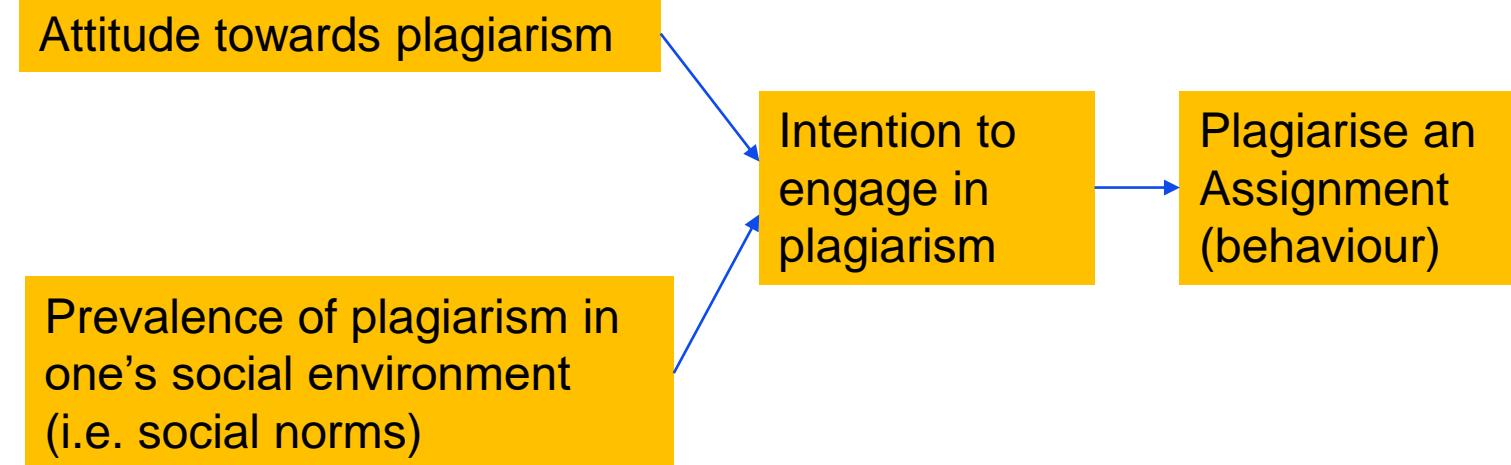
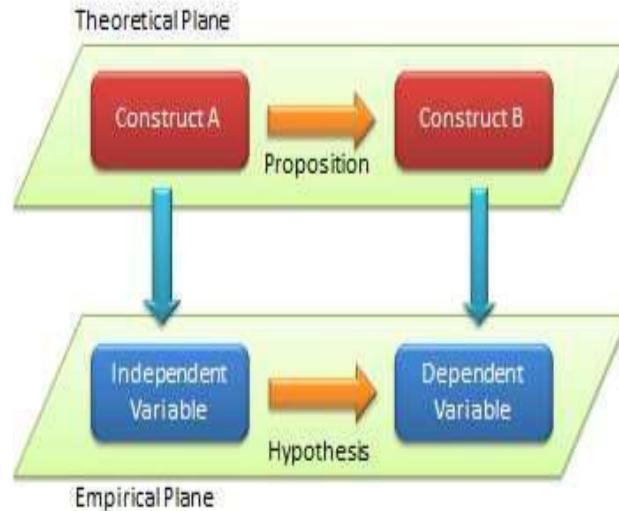
Source: Whetten (1989)

# Building Blocks of a Theory



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# Building Blocks of a Theory

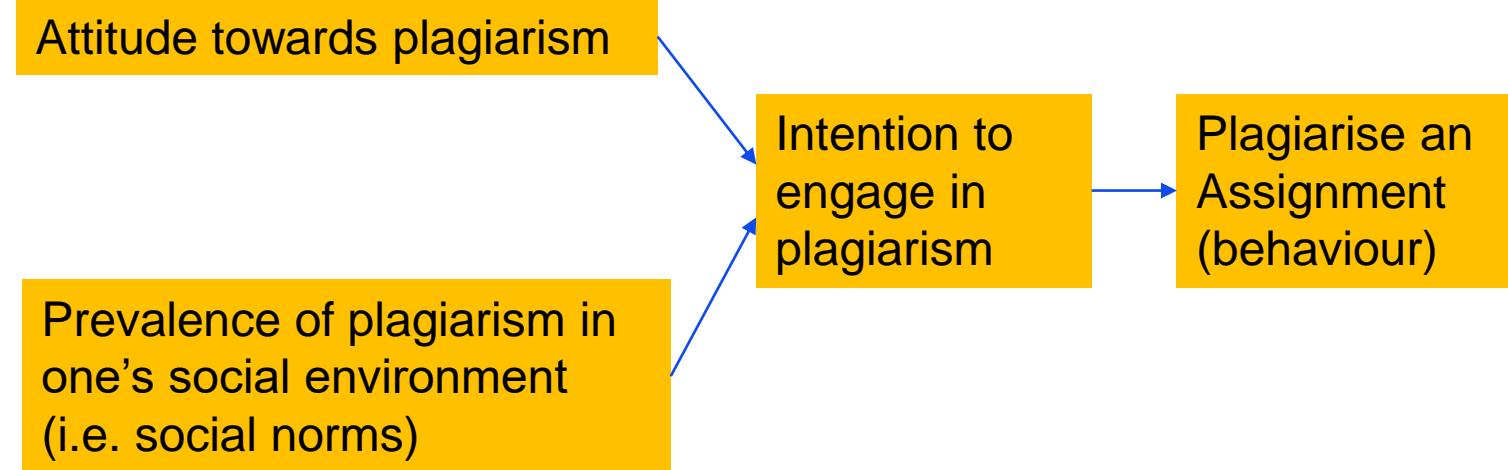
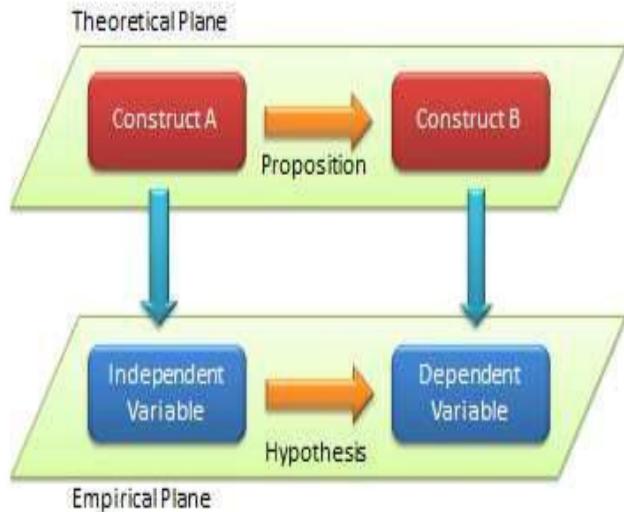


**Logic:** there are internal and external factors that shape one's intention towards a behaviour that leads into action (actions are based on rational decision-making and not random); that attitude is a strong predictor of behaviour

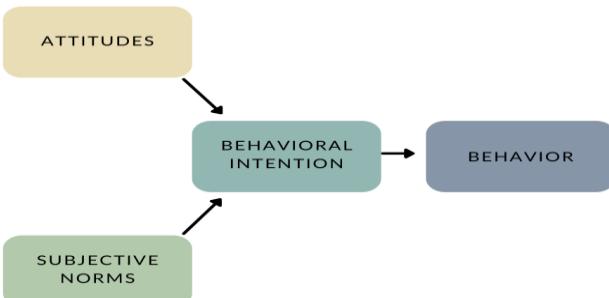
**Boundary conditions:** propositions apply to 'voluntary acts'; assumes that people make rational decisions all the time; assumes that people have the skills and capabilities to carry out the behaviour

1. Constructs: the 'what' of the theory – what concepts are important to explain a phenomenon
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# Building Blocks of a Theory



Theory of Reasoned Action (Fishbein and Ajzen 1975)



## Why do we need theories?

- to explain in ‘simple’ (i.e. intelligible) terms the complex world
- help us to focus on what is relevant in a given phenomenon or set of phenomena
- allow the building up of knowledge (falsifying old or existing theories and develop or proposed new ones)
- find probable solutions in a systematic way to problems
- provides a framework of analysis
- provides efficient method for knowledge development
- clear explanation for the practical world

## Example: *Theories on why we get sick?*

Germ theory of disease (late 1800's)

- Diseases: *not caused by miasma but of microorganisms spread from a sick body to another (e.g. healthy) body*
- x leads to y: x - exposure to a pathogen (germs) and y - development of a disease (e.g. cholera or malaria)*
- Louis Pasteur (your idol for making animal milk safer to drink!) in the 1860s conducted experiments to demonstrate the germ theory of diseases*
- the foundation for studies and experiments to understand and find ways to prevent or cure thousands of diseases (including studies to identify various germs such as E.coli, Anthrax, etc.)*
- Identification of pathogens (germs): cure or prevention – antibiotics & vaccines*

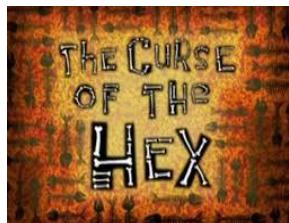
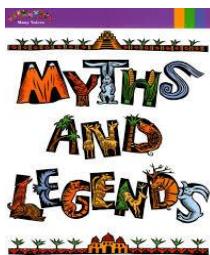
## Example: *Theories on why we get sick?*

The miasma theory of diseases (Middle Ages/1850s)

- you get sick by inhaling polluted 'bad' air = miasma = bad odour
- used to explain cholera during the 1850s
- to avoid catching the disease, do not inhale/avoid/stay away from the source of the miasma (e.g. dead/rotting animals)

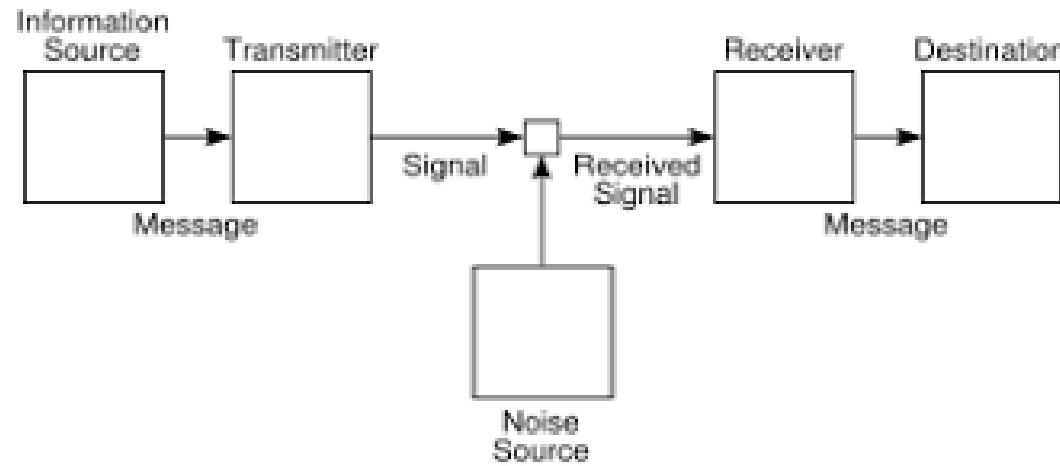


A (poor) theory to explain cholera as a phenomenon!



# Example: Information theory

Claude Shannon (1949): A mathematical theory of communication



Father of information age/computing theory

compressing and encoding ‘bits’ (binary digits) of data for transmission

Information theory is the foundation of your pride and joy : the internet, computers, and telecommunications

# Why does a manager need a theory?



apply a framework for disciplined and focused critical thinking and analysis of organisational issues.

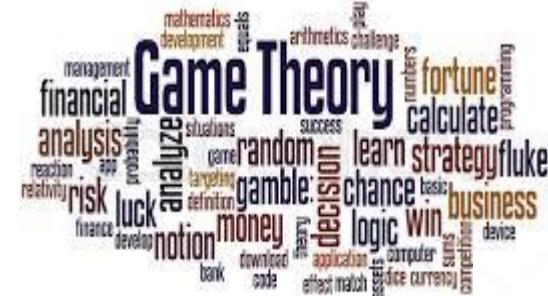
## Benefits of using a theory:

- ❑ framework: structured and systematic
- ❑ disciplined: draws on knowledge/expertise/ informed opinion
- ❑ focused: attention to details of the essentials (disregard the background noise)
- ❑ critical: challenging the assumptions or conventions
- ❑ thinking: exploring the what ifs, how's and why's
- ❑ analysis: intelligent reasoning
- ❑ fundamentals: the basic building blocks, the essentials

# **Managers and Theories**



- Managers consciously or unconsciously follow theories in different occasions or situations
  - Theories are useful to inform managerial practice and vice versa
  - Complex business issues can be addressed in various ways through the application of theories to achieve desired outcomes



## Why do we need theories?

- to explain in ‘simple’ (i.e. intelligible) terms the complex world
- help us to focus on what is relevant in a given phenomenon or set of phenomena
- allow the building up of knowledge (falsifying old or existing theories and develop or proposed new ones)
- find probable solutions in a systematic way to problems
- provides a framework of analysis
- provides efficient method for knowledge development
- clear explanation for the practical world

# What makes a good theory?



## 1. Logical consistency

the four building blocks are consistent and ‘make sense’

## 2. Explanatory power

does it predict reality better than rival or other similar theories? This is where empirical research plays a key role.

## 3. Falsifiability

the theory is potentially disprovable or empirically testable

“The sun is hot!” is not a falsifiable as it is a universal truth

## 4. Parsimony

a theory should explain a phenomenon in the simplest way possible using as few variables

# Summary: So what have we learned today?

Theory



Elements of a theory



What makes a good theory



What do we care...about theories?



# So what have we learned today?

Theory



Elements of a theory



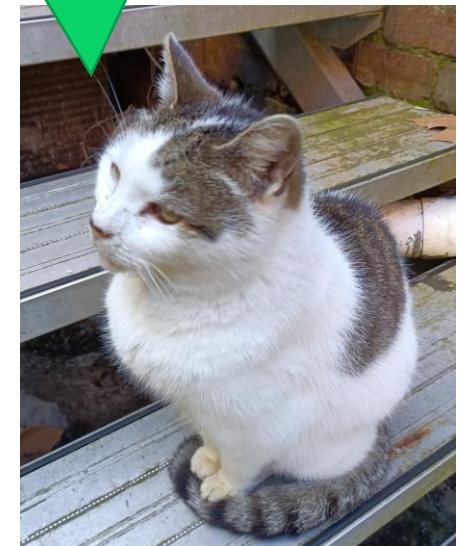
What makes a good theory



What do we care...about theories?



..and, yea...the evil bald lecturer also yodled about that dude and his apple...like I care...I don't like apples, you evil lecturer, you!



# References

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## CONVERSATION AFTER THE CLASS:



**COVID-19: HOW DOES THE PANDEMIC INFLUENCE ORGANISATIONS?  
HOW ABOUT THE POST-PANDEMIC?**

# Any questions?



A close-up photograph of a man with light brown hair, wearing a dark tuxedo and a black bow tie. He is holding a silver flute in his right hand, pointing it towards the camera. He has a slight smile on his face. The background is dark with numerous small, out-of-focus light spots, suggesting a night scene or a formal event.

*Rebecca said:  
I want you to  
succeed in my  
course!*

# Stay connected!

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-  @UTS\_Business

## Contact ME

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