

# **ORGANIZATIONAL THEORIES AND APPROACHES**

---

# Organizational Theories and Approaches

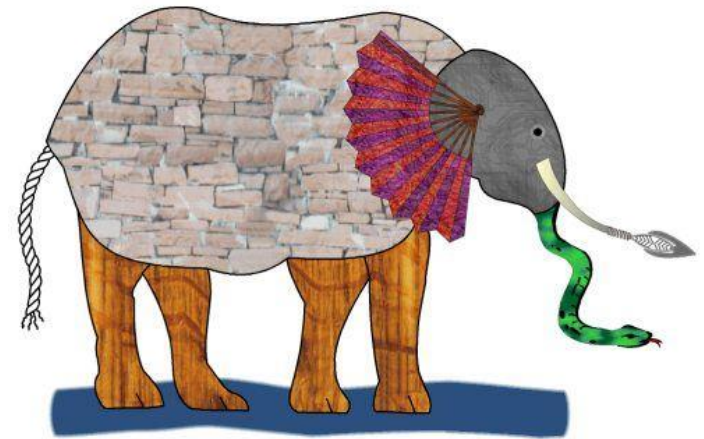
Scientific Management

Bureaucracy

Human Relations

Systems Approach

Contingency Theory



# Scientific Management

- Founded by Frederick Taylor
- A scientific (mathematical) approach to management
  - Time and motion studies
- Most impactful outcome: the invention of the assembly line



*Efficiency Crank:* YOUNG MAN, ARE YOU AWARE THAT YOU EMPLOYED FIFTEEN UNNECESSARY MOTIONS IN DELIVERING THAT KISS?

An anti-Taylorism cartoon (source not available)

# Scientific Management



## Problems with this approach:

- **Limited applicability**
  - Physical vs. cognitive tasks
  - Individual vs. group tasks
- **Undesirable consequences of optimization**
  - Repetitive work
  - Loss of autonomy



# Bureaucracy



- <https://www.nfb.ca/film/paperland/>

**Idea:** operate a business rationally and with efficiency

**Activity:** Apply the following rules to a UW job description:

<https://uwaterloo.ca/human-resources/support-employees/compensation/staff-job-descriptions-departmental-listing>

- (1) the role/office must have fixed and official jurisdictional areas ordered by rules.
- (2) positions/roles have a firmly ordered office hierarchy (i.e., chain of command).
- (3) the activities of the office should be based on written documents, or “the files”.

# Bureaucracy



- <https://www.nfb.ca/film/paperland/>

**Idea:** operate a business rationally and with efficiency

**Activity:** Apply the following rules to a UW job description:

<https://uwaterloo.ca/human-resources/support-employees/compensation/staff-job-descriptions-departmental-listing>

- (1) the role/office must have fixed and official jurisdictional areas ordered by rules.
- (2) positions/roles have a firmly ordered office hierarchy (i.e., chain of command).
- (3) the activities of the office should be based on written documents, or “the files”.

# Bureaucracy



- <https://www.nfb.ca/film/paperland/>

**Idea:** operate a business rationally and with efficiency

**Activity:** Apply the following rules to a UW job description:

<https://uwaterloo.ca/human-resources/support-employees/compensation/staff-job-descriptions-departmental-listing>

- (1) the role/office must have fixed and official jurisdictional areas ordered by rules.
- (2) positions/roles have a firmly ordered office hierarchy (i.e., chain of command).
- (3) the activities of the office should be based on written documents, or “the files”.

**Exercise:** Does this class exhibit bureaucratic structures? What are some examples?

# Bureaucracy

Problems with bureaucracy:

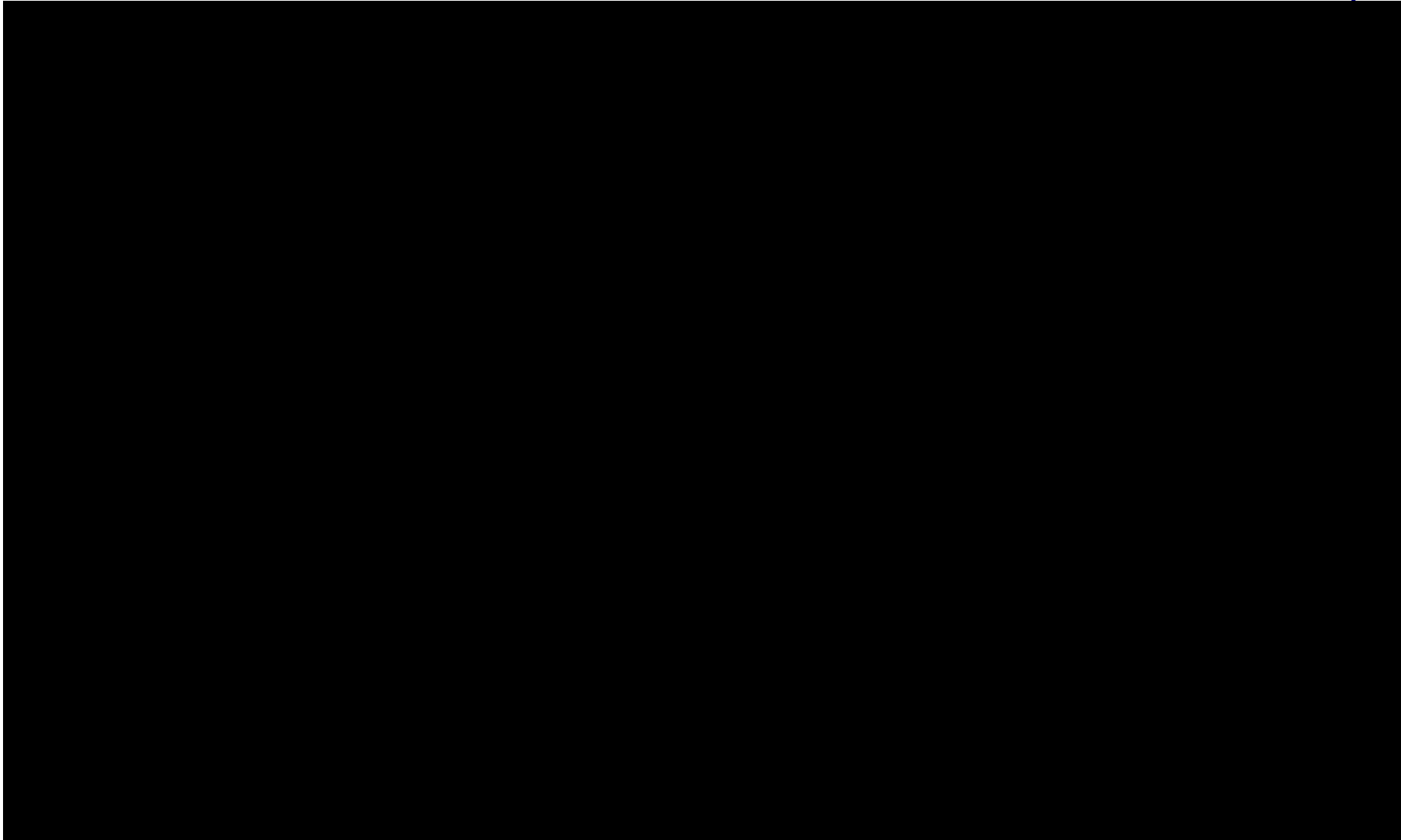
- Views the organization as rational
- Rules are not always appropriate
- Rules are hard to change
- Making decision on limited information



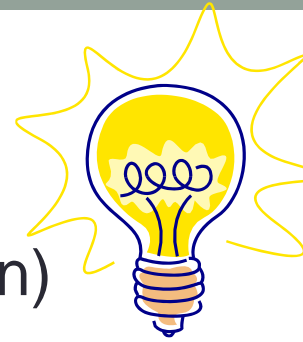




# Human Relations



# Human Relations

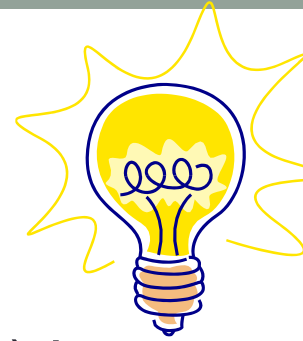


Existence of informal organization (social organization) with its own norms, values, and expectations

- 'Social organization' has great impact on productivity
- The Hawthorne studies have had a great influence on modern organizational science:
  - Managing involves getting things done through people, therefore management should focus on employee attitudes, and interpersonal relations (focus on individual behaviour) (MSCI 211)
  - Organizations are groups of people, therefore management should focus on group behaviour (using sociology, anthropology, etc.) Also called 'organization behaviour' (MSCI 211 and **MSCI 311**)
  - Organizations are co-operative social systems, involving ideas, forces, desires, and thinking. Also called '**organization theory**' (**MSCI 311**)
  - The socio-technical systems approach: technology affects behaviours and attitudes, therefore management should be concerned with the interactions of the social system with the technical system. (**MSCI 311**)



# Human Relations



## Problems with the Human Relations approach

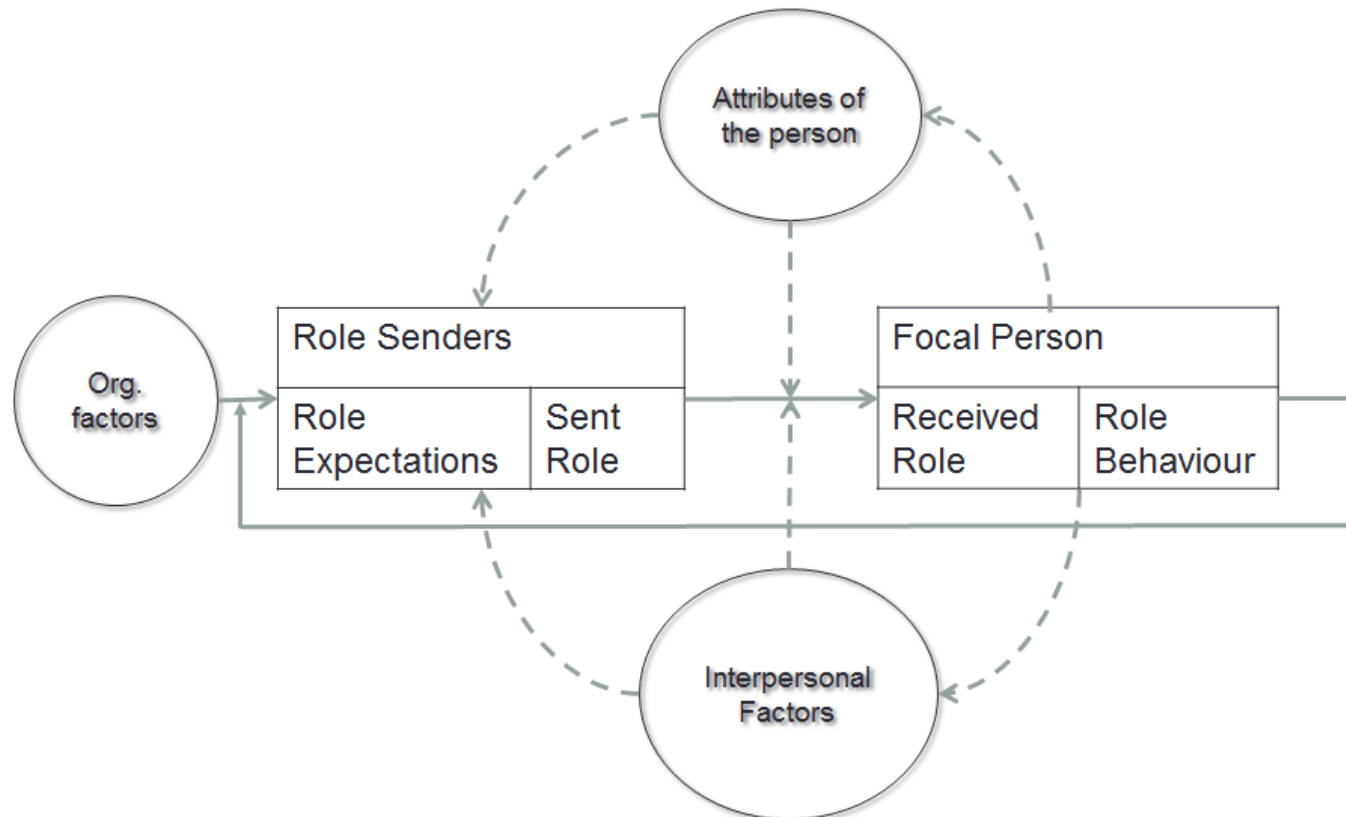
- Group decision making (to make everyone happy) is not always feasible
- Culture change is difficult





## Systems View

- Borrowing from the natural sciences
- System: a complex unity of things that are interconnected and interdependent
- Unit of analysis: cycle of events (see example below: organization as a system of roles)





## Systems View

**Exercise:** Can you represent this class as a system?

- Problems with the systems approach
  - Ambiguous level of analysis
  - Complexity

## Contingency Theory

- Organizational design depends on context
- Just like human behaviour =  $f(\text{person \& situation})$   
 $\Rightarrow$  organizational structure =  $f(\text{internal \& external factors})$
- Factors: environment, goals, technology, people, etc.

### Criticism:

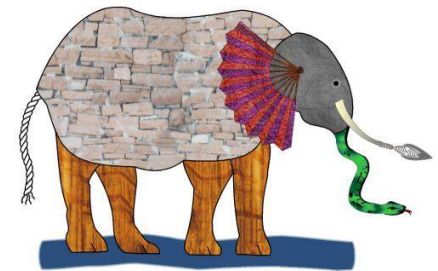
- “recipe for success”
- Nothing new; managers know that methods are always contingent on some factors.

## Other approaches

- Decision theory approach: focus on decision making because managers spend a lot of time doing it
  - See future module on Organizational Decision Making
- The 'management science' approach: management is an exercise in mathematical processes
  - Focus on optimization, derived from decision theory (see above)

# Summary

- Defining organizations
  - By categorization, by goals..
  - Patterns of behaviour resulting from formal and informal constraints
- Tools in studying organizations
  - Environment: Internal vs. External
  - Units of Analysis
  - Analysis: Descriptive vs. Prescriptive
- Some major organizational theories
  - Scientific management
  - Bureaucracy
  - Human relations
  - Systems view
  - Contingency theory



Scientific Management

Bureaucracy

Human Relations

Systems Approach

Contingency Theory