

#### THE NATURE OF ORGANIZATIONAL

**BEHAVIOUR** 

#### **Nature of Organizations**



- Organisations in one form or another have always been an integral feature of human civilisation.
- All organisations have some function to perform.
- They exist to achieve objectives and to provide satisfaction for their members.
- These corporate objectives could not be achieved without efforts of individuals.

#### **Nature of Organizations**



- Organisations are structures of people.
- •Through co-operative action, members of an organisation provide synergistic effect for production.
- Organisations form an integral part of society comprising the public and private sectors and charities other voluntary entities.

# **Common Factors in Organisations**



- Organisations comprise of individuals with character, culture and sense of identity with different attributes, processes and methods of working.
- Despite the differences, there are at least three factors common to all organisations:
- ..People
- .. Objectives
- ..Structure.

#### Corporate Structure

- An interaction between **people aimed** order to **achieve objectives** of organisation.
- Structures are needed because people interact regularly through coordination.



#### Management.



- •Management responsibility is to direct and control efforts of members in pursuit of objectives.
- The actual effectiveness of the organisation is dependent upon the quality of its people, its objectives structure, and the resources available.

# Watson's Common Aspects of Organisational Life

- Firms are supposed to be creative, critical and situation-defining characteristics of individuals
- There variety of interests and goals of individuals and groups in the organisation which brings conflict and political behaviour
- •The interactions between the organisation and the general environment.



### **Formal Organisation**



- •According to Schein, formal organizations a planned co-ordination of activities of people for the achievement of common, explicit purpose or goals,
- Division of labour and function
- Hierarchy of authority and responsibility

# **Elements of Formal Organisation**



- Deliberately planned and created concerned with co-ordination of activities
- Hierarchically structured with clear stated objectives
- Based on principles of task specification
- Defined relationships of authority and responsibility.

## The organisation as a coalition



- Formal organisation is a coalition of individuals with sub-coalitions/groupings
- Membership dependent upon type of organisation's rules
- Example are Managers, Senior Staff, Volunteers, Shareholders, Suppliers, Trade Union Officials, Leaders of interest Groups
- Others include Clients, Donors, Specialists, Consultants and Reps of External Agencies.

# Five Basic Components of an Organisation

- Top Management
- Middle Management
- Operational Core
- Organizational Support
- Operational Support



# **Private Enterprise Organisations**



- Owned and financed by individuals, partners, or shareholders in a joint stock company
- Are accountable to owners or members.
- Type and scope of goods and services provided.
- Main aim is of a commercial nature for profit, ROCE, ROI

### **Public Sector Organisations**



- Created by government in the form of Ministries, Department & Agencies
- •As government entities **profit is not** their goal.
- At local level, owned' by local payers
- •Financed through council taxes, rates, government grants, loans and charges for certain services.

#### **Public Sector**



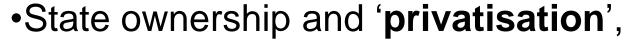
- At central government level are 'state owned' and financed by funds approved by parliament.
- Public sector organisations have political goals and do not distribute profits.
- Surplus of revenue over expenditure may be reallocated through improved services or reduced charges.
- Aim is to provide service for the well-being of the community.

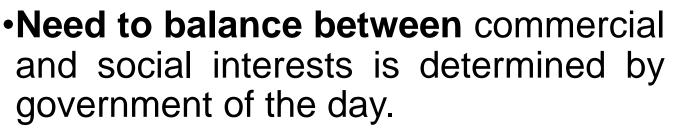
# **Privatisation/State Enterprises**



- Other public sector organisations aim at commercial and public service interest.
- Nationalised organizations with autonomy of day-to-day management
- Degree of commercial freedom with ultimate government control in the national interest.

# **Privatisation/State Enterprises**







#### Not-for-Profit Organizations

 Not-for-profit organisations include charities, private societies and most religious organisations, and on the other hand National Health Service, Universities, Prisons Service and most Government and Local Authority Departments.



# Measurement of social value



- Need to address social problems or needs that are unmet by private markets or governments
- Are motivated primarily by social benefits – social entrepreneurs fighting for social cause
- •Generally work with, not against, market forces social entrepreneurs pay attention to market signals without losing sight of their underlying mission.

# Measurement Effectiveness of Social Enterprises

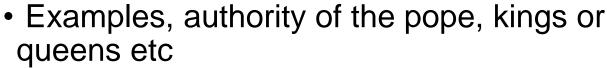
Organisations in terms of five ways

- Citizen satisfaction
- Identifying and acquiring adequacy of funding to meet its mission
- Efficiency of operations and the effective use of resources
- Successful attainment of goals of organisation
- Ability to adapt to dynamic environment and changing circumstances.



#### **Types of Authority and Organisations**







### charismatic organisations







### **Bureaucratic Organisations**



- Bureaucratic organisations, authority is based on the acceptance of law of formal rules and procedures
- Impersonal principles supported by legal rational authority which stems from hierarchical position in the organisation and not from personality.

#### Classification By Purpose



- Economic Organisations Business firms
- Public Service Organisations Government Departments, Local Authorities and Hospitals
- Protective Organisations Military, Trade Unions and Police Forces
- Social or Associative Organisations –
  Clubs
- Religious Organisations Churches
- Political Organisations Political parties
- Educational Organisations Universities, Colleges