Organization Management
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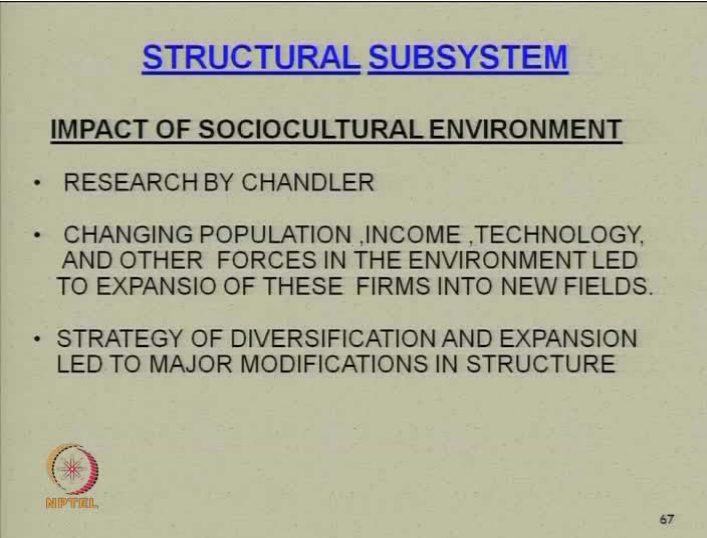
Module No. # 01
Lecture No. # 10
Systems and Contingency Approach to Organization Theory and Practice and
Techniques of Organizational Diagnosis (Contd.)

Let us look at the work done by Chandler, when it comes to the sociocultural environment. Chandler's work on structure and strategy is seminal and he asks a very basic question. Does structure impact strategy or does strategy impact structure? Then he looks at different variables, as any researcher does. Changing population, income, technology and other forces in environment that lead to an expansion of these firms into new fields and what kind of a structure does that create.
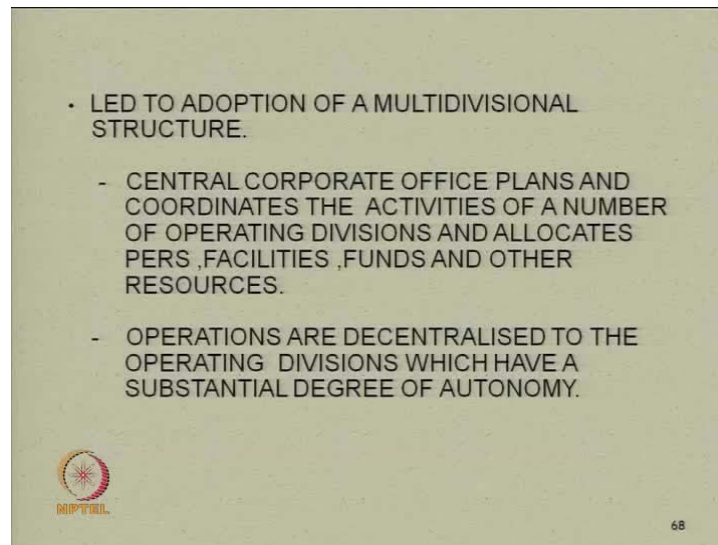
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Strategy of diversification and expansion also leads to a change in organization structure because there are various aspects which are correlated with structure - volume for one. Those people who have done any work in civil engineering know that the concern of volume and structure is interrelated.

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Similarly, it is impossible to have structure in a responding relationship. Sometimes structure takes its own shape and that affects organizational systems. Chandler's work needs to be studied to take an informed position on the relationship. It led to an adoption of a multidivisional structure. The central corporate office, plans and coordinates the activities of a number of operating divisions and allocates personnel, facilities, funds and other resources. Therefore, structure determines organizational systems.

If it is a multinational company then at what level are the man power allocations taken place - all centrally or at a local level. Again, if it is a multinational organization, how are facilities distributed? Consider for example, a very simple organization, but very complicated in its structure - the number of Indian embassies across the world. Literally, there are dozens and dozen categories of embassies. Embassies which are in countries with which India has intensive relationship, countries with which India has very little relationship and there are well over 120. How do you allocate facilities, chairs, tables, gadgets, computers, telephones? What will be the system you will operate to do it?

You will have to stretch your imagination to understand the complexity of it and that complexity cannot be handled without scientific structuring. So, structure will determine the kind of operations because everything has to be paid for by New Delhi.

Operations are decentralized to operating divisions which have a substantial degree of autonomy. So, the question then arises in organization system - what is vested at the

corporate office, what is vested in a divisional office and what is vested in an operating office? People, who do not understand this, can only perform a service function. They should not aspire for career progression at all.
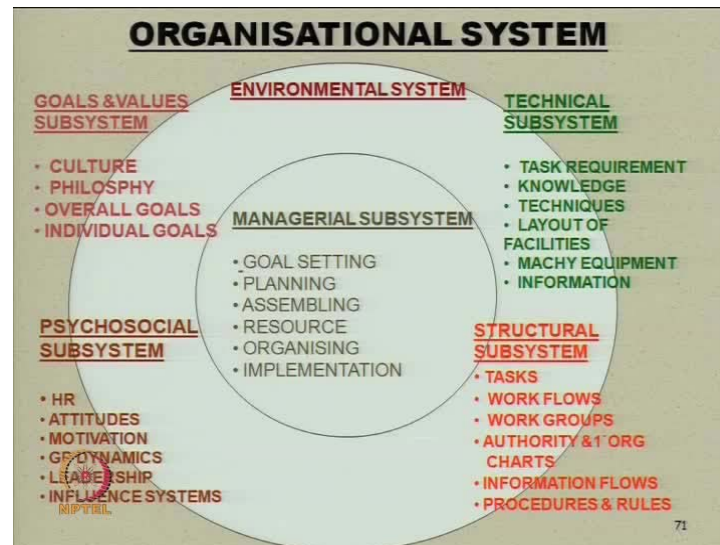
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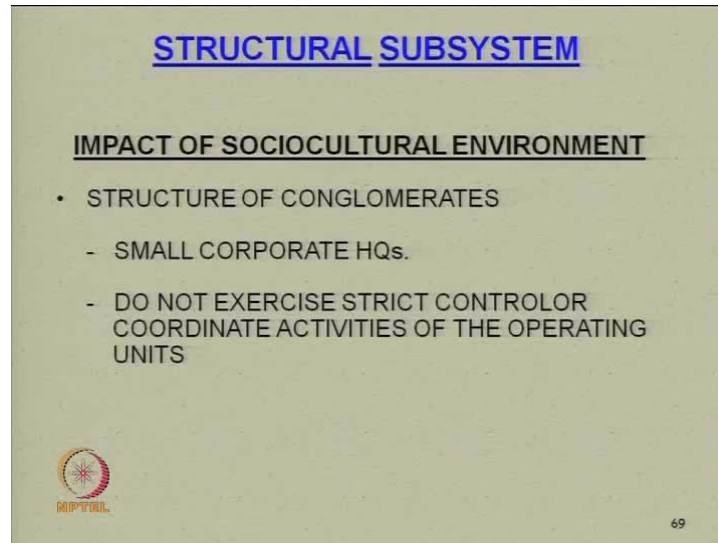
Impact of sociocultural environment: What kind of a country are you operating in? If you are operating in New York, obviously, it will have to be very different from the way you are operating in Bahamas, from the way you are operating in one of the pacific islands. The kind of operations where there is a strong ethnic Indian population to the kind of organization which we will have in a country, where there is no Indian population. Yes, there are countries in which there is no Indian ethnic population - Iceland being one.

So, if you stretch your imagination to understand the complexity of an organizational system, if you stretch your imagination to understand the nature of operations, then you will understand the significance of structure and environmental factors impacting organizational systems. Again, let us go back to the diagram.

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We talked of the technical subsystem; we talked of the psychosocial subsystem; we are talking of the structural subsystems. So, what determines the working method? Tasks, workflows, group work, authority, information flows, procedures and rules and it is there that the drafting of the procedures and rules itself becomes a very complicated affair – complicated, not in the sense that it cannot be managed, but it is complex and requires specialization.

Subunits are self-contained and autonomous. Integration achieved through corporate divisional interactions with minimum division to division integration. The basic strategy is to integrate at a strategic level. Please note the statement carefully. The ultimate determinant of organizational systems will be a strategic choice. How do you do it? The impact of technology, size and complexity of the organization.

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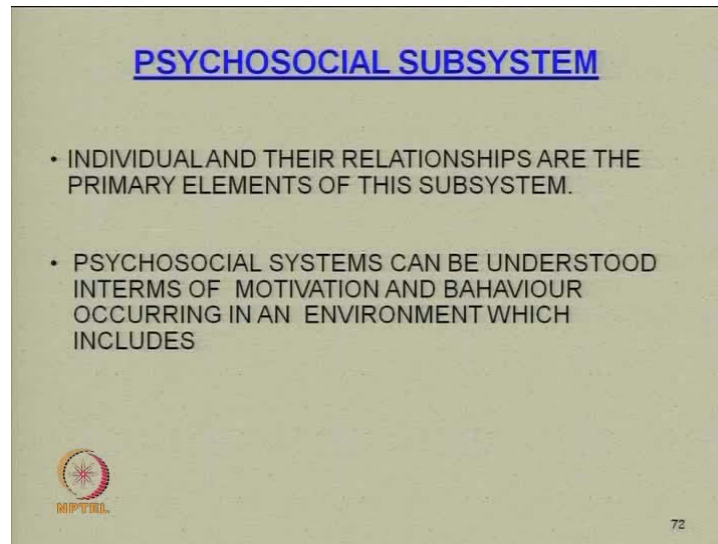
The psychosocial subsystems: the individual and their relationships are the primary elements of the subsystem. Ultimately, what is the first weapon a system has, to punish someone? Transfer, though I believe that transfer is no punishment. See what was the biggest fallacy of partition and I am not going to get into its political dimension. At an organizational level, if there is a communal problem which clearly was the plank of people, who wanted Pakistan and which clearly was the plank of people, who conceded Pakistan, god bless them both. You are committing a strategic error by believing that partition which is splitting an entity geographically into two will solve a problem.

If you split an entity into two, you are bifurcating a problem and you are not solving it. A classical example of what happens, when people do not understand organizational systems. As the last 60 years of the subcontinent shows, partition did not solve any problem. If anything, it intensified all the problems for both parts because it was a problem split. I am drawing your attention to the need to understand organizational system as a problem solving technique.

It is here that the psychosocial subsystem becomes significant and it is important to realize that people are not just assets, which it is fashionable especially after human resources accounting became a favourite subject to talk about. I was talking of fashions. It is very fashionable. People do not realize fashions are essentially a repeatable entity.

Take the fashion of women clothing. Just, let us look at the hand. After all, what will fashion do? Your sleeves may recede up to the level of your thumb, spread, then it will start receding from the level of your thumb, it will reach this particular point of your wrist, from this point of the wrist it will become three-fourths of the hand, from three-fourths of the hand, it would become half the hand, from half the hand it will become a short sleeve, from short sleeve Maggie, from Maggie, sleeveless then what do you do. You reverse the fashion. You start going from top to bottom. So, if you give it say 40, 50, 60 year lifecycle. You will keep going up and down; you cannot alter the nature of the hand, the fashions will change.
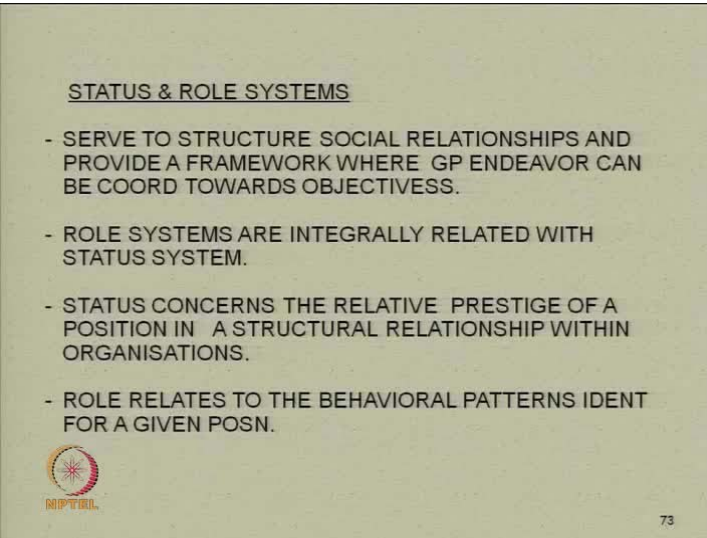
I remember wearing my first suit on the occasion of my senior Cambridge farewell dinner and having brought up in the sort of family and environment in which I was brought up, as a school student, you were not supposed to have suits. Now, you can question that I know it is not fashionable anymore, but that is how I was brought up. So, for the dinner I went to my father and I said, "Can I borrow one of your suits?" He said, "Yes, of course." So, I borrowed. I still remember a deep chocolate colour striped double breasted suit and I wore it to the dinner with great pride. You would not believe what a great hit it was and that suit was just about 22 years old. Everyone thought I had brought it from Savile Row.

When I came back, I told my father this and he laughed and I could not figure out when he would stop laughing and after he was through with it, I asked him what was so funny. He said, "You know, it is one of the oldest suits I have." I said, "I will be happy to give it back to you." He said again, "In our family, you do not take back a suit which a child has worn. Now, it is yours." You see the father would not wear the suit, which the son has worn. Now, you may think it is old fashioned. Again, fashions. Now of course, we live in a happy era, where you know the mother can wear the daughter's suit, the daughter can wear the mother's suit and everyone is so happy.

So, it changes. It comes back to the same which leads to the classical statement - the more things change, the more they are the same, but when you live in that era, you believe you are very updated, little realizing that after all whatever is the length of the sleeve of the blouse you are wearing, some grandmother must have worn it at some stage.

Unfortunately, organizational systems do not have this fashion syndrome. That is the point, I am trying to make. Organizational systems take all types of shapes, size, forms and very often unpredictable ones. So, what is it that you can do? You can prepare for handling the unforeseen in terms of what organizational system will emerge and that is, the psychosocial subsystem and it impacts organization systems.

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In psychosocial subsystems, status and role play a very important part, especially in a country like India where everything is so status oriented. Everyone wants status. Does not matter if he gets an increment of 50 rupees or 500 rupees, his designation must keep changing. While consulting for a major organization, I solved a major industrial relations problem with the officer's cadre because every DGM wanted to become a GM and there were simply not that many requirements or places. We were going to have a serious IR issue in the production unit. So, I suggested, let us create an intermediary rank of senior deputy general managers.

So, we promoted fifty percent of the DGMs to senior deputy general managers and predictably, believe it or not came the request from senior manager, "Sir, till such times we become DGMs, can we become additional deputy general managers." So I checked with the CMD he said, "Why not, as long as there is not more to pay?" So, we created 2 levels overnight; we created additional general managers. So, it became senior managers, additional deputy general managers, deputy general managers, senior deputy general managers, and then general managers. So, the ranks to repeat additional DGMs, DGMs, senior DGMs and GMs and they were very happy. It is 4 months later somebody realized that no pay hike had taken place. They came back again and they said, "What about a parallel pay hike." We said, "We never promised any." So, the other half said, "Does not matter; at least, we can go back home and say we have been promoted who will know anyhow." Till one person said, "My wife looks at the salary slip." He said, "Mine does not." So, the third one said, 'They cannot understand anyhow. You tell them what it is and they will believe you, whatever it is." He said, "This is deducted before showing it." Brilliant idea!

I am not joking about it. In India, status matters. Everyone must be a manager; everyone must be a director. Now, you can feel amused, but the fact is that even in space research organizations, there have been quarrels over being called just scientists a, b, c, d, e, f, g. They said, "This is not a promotion. You are just changing the alphabet." People do not feel happy working at the same level. After all, what is the point of my talking to you, if my heel is not a little longer than yours and I must show it whether you like it or not. These are facts of life - part of organizational systems.

Then, role: everyone wants a role. You go to any major conference. If you are an important speaker, you are supposed to comment as your turn for speaking comes and you are supposed to leave, soon after your turn is over. If you are really important, you usually jump the queue to say I have such a, such an important office and they invariably drop every names you know this big office, that big office. I will not name them; you can imagine what the bigger officers of this country are and "I must leave straight away." Then the person introducing them says, "So and so is so important. He has to leave. It was so kind of him to come." The fellow goes out, goes into his office and has a cup of coffee.
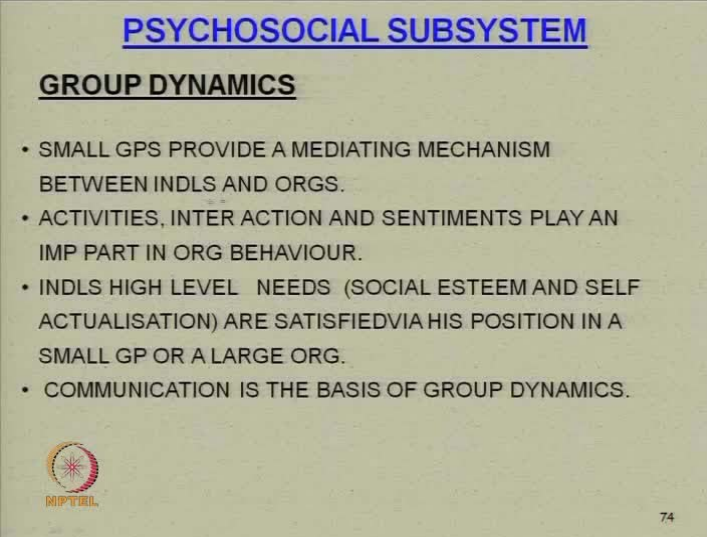
Everyone wants a role; everyone wants to speak; nobody wants to listen. These are normal human sensitivities; these are normal human feelings which need to be understood to run an organizational system effectively, is my case.

Therefore, role systems are integrally related with status system, status concerns, the relative prestige of the position in a structural relationship within an organization. Role relates to behavioural patterns and it indents for a given position. It comes out so beautifully in multistoried buildings, where there is a lift - not in Delhi. Delhi is a political power center, where all the powerful have installed private lifts for themselves and they enter from the back of the building.

You go to Bombay, where you have really the tall structures and then the deputy managing director walks in and that is something like 50 lakhs a month, walking in through the window. He is accompanied by the security man and all these people have lined in for the lift and he just flourishes his hand and everyone moves aside and deputy managing director walks up to the lift. Just the deputy managing director, what would happen if the managing director where there to come? The lift opens and he says. The security man stops everyone, the lift closes and the sheer pleasure of climbing a lift alone in Nariman point by yourself, accompanied by the security officer. Role, how does it matter what a mess I make of it, so long as I can travel the lift alone. The sheer pleasure far more than having half a bottle of black label like Indian heroes do on the Indian screen. I have really wondered how they can drink a whole bottle without any water, without any scotch, without any especially when they are emotionally disturbed. They just take the bottle and drink the whole lot here.

The interesting thing is after that they can still sing totally in tune. Now, if you think I am kidding about it, I am not. It is a feel good factor and I am telling you how role, status makes you feel good far more than alcohol. Now, as a shrewd analyst of organizational systems, you should be able to use these sentiments appropriately for organizing organizational health. That is my proposition to you and that is a serious proposition.

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Then there is group dynamics. Small groups provide a mediating mechanism between individuals and organizations. This is a very important principle. Ultimately in organizational struggle for politics, there are individuals, there are subsystems and there are small groups. This is not the best time to discuss it. We do not have time spaces too, but this is the time to let this pass your attention. Small group dynamics is a very important component of organization management and it is a world apart and different from large group dynamics - large groups behave differently. If there are 120 people in this room, the dynamics of the class will be very different to, if there where 20 people in the room. Believe me or not, even the coughing would go down. There is a certain power of anonymity; there is a certain power of identification by name. Ultimately as a mediating mechanism, small groups need to be created. and you should need, You could create small groups around special purpose tasks, which is why in organization management, special purpose vehicles have become so important today in organization management.

Unfortunately, in the Indian reprint editions of books, which have run out their life elsewhere in the world, you would find no reference point because in the cheap Indian editions of these books, you are really using a technology which has been phased out of other curricula. Why else do you think the people will sell off their copyright in India? Of course, Indian market picks them up and the Indian publishers just rushes to pick up these easy reprints of dated books from other traditions.

Understand the very simple phenomena; each group of people who works through the level of intelligence with which they analyze organizations and processes. Therefore, a framework of analysis and intervention mechanisms is important not only, to understand organizational systems, but to understand life itself. Activities, interactions and sentiments play an important part in organizational behavior. Individuals, high-level needs, social esteem, self-actualization are satisfied via his position, in small-group or large group.

People like to be number one. Brothers and sisters fight amongst themselves for being the number one in their parents' affection. I can give you very many examples that even in small group people do not like to be number 2; everyone wants to be number 1. It takes a lot of maturity to accept a second or a third or a no position and say there is a time to come, there is a time to go. I have had my turn or does not matter that I never had my turn, but this is not my turn. I can tell you this to those of few who are listening, it is mental peace and an equilibrium of attitude which leads to equanimity, is the essence of joy and the essence of happiness. It is not arriving somewhere which is important, but being at peace with yourself. The trouble is people do not realize it till they have been cracked hard on their knuckles, till they have realized a trauma of life intensely or whether until they have really realized that I have not got anywhere, I will not get anywhere and they have the wisdom to accept it that they realize that ultimately, all routes lead to the same destination of peace, joy and equanimity.

I am not teaching you spirituality. That is not the objective; the objective is to tell you to be a performing individual, you have to be at peace with yourself; otherwise, your potential does not emerge. So, it is alright to be competitive; it is alright to be vile to be number 1, but being at peace with yourself is also not all that unimportant. Wherever you be on that spectrum, please understand we are talking essentially of psychosocial subsystems.

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Then there are the influence systems. It includes virtually any interpersonal transaction which has psychological or behavioural effects. Well, if it includes virtually any interpersonal transaction, let me tell you, all interpersonal transactions have psychological and behavioural effects and I repeat that for the sake of emphasis, all interpersonal transactions have psychological and behavioural effects.

You pick up sentences; you pick up phrases; whether you accept it or not you have role models. When you see somebody, you want to behave like him. He picks up the phone and he says, "If you want me to come, send me the car." "Why cannot I say the same?" You should. He says," I would not travel, unless you give me the highest class of travel." "Cannot I say the same?" You do not realize that whereas, imitation is the best compliment, the very fact that there is a need for you to imitate, it puts you in the second class category.

Therefore, my message is, in an era where being competitive is very fashionable, an era in which it is fashionable to aspire without putting in the effort, am I making sense. I hope so because people want to aspire without putting in the effort, they do not want to listen, they still want to learn. They will fall asleep, they will still believe they are in with the subject matter and at times, it is very important to put them through behavioural lapse, with camera focused on them to show what is it that, they are actually worth. You understand the significance of what I am saying and I am grossly tempted to extend that

in reality, to show that actually behaviour is affected amongst other things by your inner stamina to believe in yourself. Correct; I am so happy you agree.

It is also important for you to realize that ways of influencing behaviour can sometimes include persuasion. You cannot expect non-adults to behave like adults. It is all very well to say, "Fine, these are the options. You take your choice." Is that fellow worth it? Can he take a decision on his own and the question which needs to be asked - does he know what he wants? So, at times let me tell you, contrary to a popular belief, persuasion is an important technique and also let me tell you to a certain class of people, coercion is the only technique. Anything short of coercion does not work. Therefore, do not go in for an idealized term. I do not believe in persuading people; I do not believe in coercing people. Well, then do not lead people. Different people need to be treated differently and this happy thought which is going around that everyone is just the same, there is nothing in behavioural science which proves that everyone is the same. As I said equality is at only 1 level - equality of opportunity. The rest, one person differs to another and if you want to lead organizational systems meaningfully and operationally, successfully, you have to realize that there are as many techniques as people that you have to deal with and you have to use the appropriate technique with the appropriate kind of person; otherwise, you can keep generalizing and hypothesizing; the system will not work.

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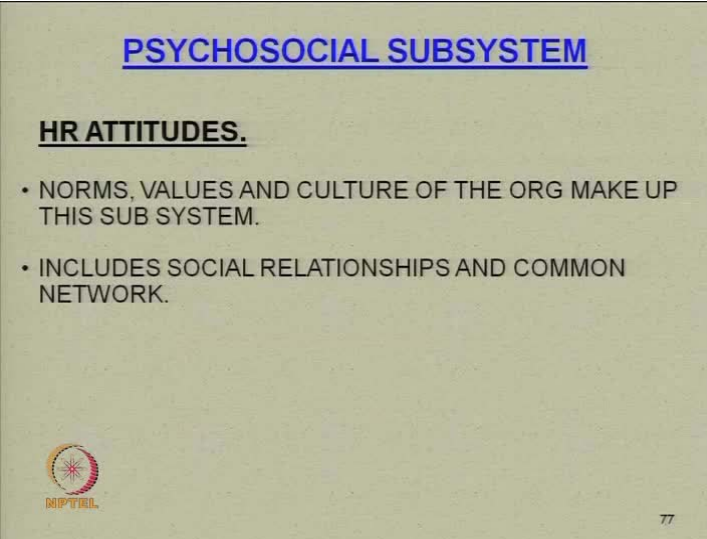
Then there is a question of leadership - the ability to persuade to seek defined objectives enthusiastically, which is a different dimension all together. It binds a group together and motivates towards its goals.

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There are human resources attitudes, norms, values and culture of an organization which make up the subsystem. It is in the culture of the IIT system that each class will be engaged; it is the hallmark of the system. No matter what quality of a teacher you are, taking a class is a part of your lifestyle; peer level pressures will not permit it to be otherwise. So, it becomes a part of organizational culture and there are no jokes about that. It is a defining characteristic and all organizations develop their defining characteristics.

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It includes social relationships and common networks. How people communicate and actually do the work strongly influences the organization through the psychosocial systems. The Tavistock experiments: Problem was workers had problems communicating with management and Tavistock experiment became significant by setting up inter group communication interventions. Remember, I was talking of that earlier on in this session.

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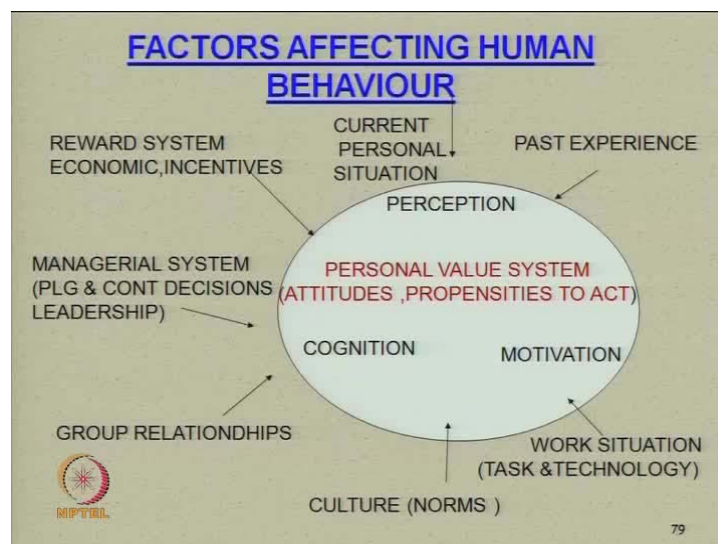
The factors which affect human behavior are perceptions, cognition and motivation. Let us go around the cycle: the current personal situation, past experience, work situation, task and technology, cultural norms, group relationships, managerial systems, planning and contractual decisions, leaderships, reward systems, economic incentives; it leads to the personal value system, attitudes propensities to act and that is the factor or factors singly or collectively affecting human behaviour.

The significant observation which I like to wind up this discussion with is, whereas, it is plausible and indeed possible to isolate the factors, it is not possible to measure each one of them separately, no matter how significant your instruments are. Those are the limitations of research, but that is another story, for another day.
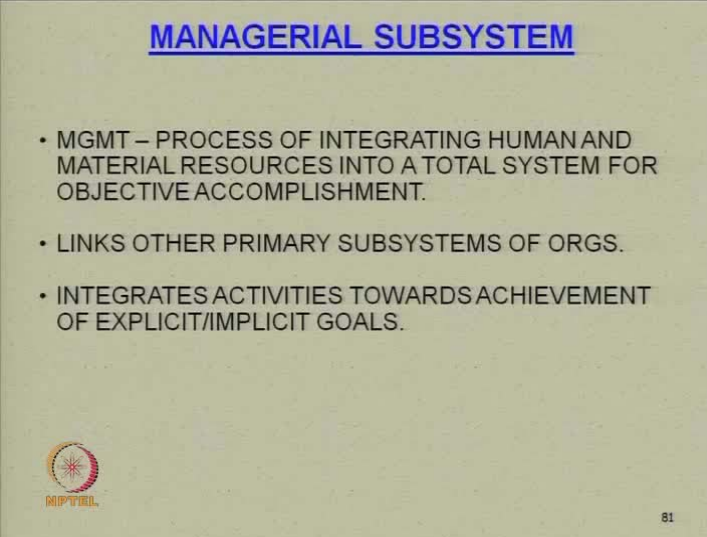
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So, we are back with the organizational systems. What have we looked at? The goals, values, subsystems, the psychosocial subsystems, the technical subsystems, the structural subsystems and the managerial subsystems; this is what is about systems theory, contingency and intervention strategies.

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What are the managerial subsystems to conclude therefore? Management processes are integrating human and material resources into a total system for objective accomplishment. Objective accomplishment is to be not read as accomplishment which is objective, but the accomplishment of objectives. Please get your syntax right. English is a tricky language, where punctuation plays a very important role in the meaning you get out of a sentence.

Links with other primary subsystems of organizations, integrates activities towards achievement of explicit and implicit goals. Now is the time to tell you that goals can be explicit and the goals can be implicit. Explicit means objective stated, implicit, objective not stated and not understood. For example, pursuit of once own ego is an implicit objective of most human behaviour. You will have to pursue things. Each woman likes to hear she is the prettiest of them all; each man wants to hear I am the handsomest of them all and of course, all mothers have the best children. Now, it is not necessary to argue with it; every woman is pretty in some manner; every male is handsome in some manner; every mother has a child which is a treasure, but then what is the difference between a stupid belief in this kind, which makes one on an ego trip and a genuine belief in this, which makes one a truly mature person. The ability to realize your own potential, the ability to realize your own significance, the ability to realize your own ability, the ability to realize your own worth and pursuing it scientifically without any vile, without any ranker, without any competitiveness, which is negative in its character.

Why must everyone be the world's best singer? Why must everyone be the world's best 100 yards sprinter? Why should everyone be the best footballer, the best cricketer, the best teacher, the best engineer? The world needs good people everywhere and whatever, you may or you may not agree with, there is one thing which is obvious and the obvious thing is that there is something to each person. Then you do not come to a situation where you are out of tune and remember happiness does not come from doing what your neighbour is doing; happiness comes from doing what you are supposed to be doing.

Leadership, managerial situation, therefore has to keep this in mind on man power allocation and it is my case that if somebody does not fit into the organizational system, he should be facilitated to move out of the system; he should be facilitated to come to terms with the system, but he should not be permitted to hold the system to ransom and that is an organizational responsibility. In other words, it is an organizational responsibility to deal with the deviants. Now, I am using the word deviant not as a dropout, not in a negative connotation, but somebody who does not fit in with the organizational objectives like you were never meant to be an engineer, but your mother dreamt of making you an engineer. So, she put you through a curriculum to become an engineer and you happily made that class too, but you would have been much better of being a painter, but being a painter does not give you the social status which being an engineer does. So, your mother did not want it.

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- PLG & CONT ARE THE PRIMARY ACTIVITIES INVOLVED IN INTEGRATING PURPOSEFUL ORG ACTIVITY.

- PLG & CONTROL HAVE TO CONSIDERTHE IMPACT OF EXTERNAL ENVIRONMENTAL SYSTEM AND THE INTERNAL TECHNICAL AND PSYCHOSOCIAL SYSTEM.

- BEHAVIOUR IS GOAL ORIENTED AND HUMAN BEINGS MOVE TOWARDS GOALS BY CHOOSING AN ALTERNATIVE.

- BEHAVIOUR IS A RESULT OF SEQUENCE OF DM.

In other words, internal consistency is the name of the game and these are the implicit goals that I am talking about. Planning and control are the primary activities involved in integrating purposefully organizational activity. So, I would like to recommend it to your attention, the role of some of the managerial interventions - planning and control.

Behaviour is goal oriented and human beings move towards goals by choosing an alternative. Behaviour is a result of a sequence of decision making. Please note this. Behaviour is a result of sequence of decision making and ultimately, your decision making characteristics make for the correct behaviour.

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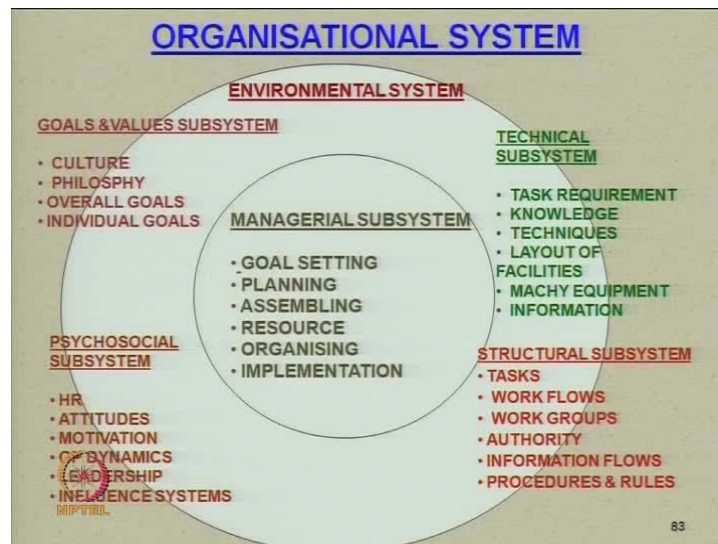
We are back again with the organizational systems and by design, I am showing you this diagram over and over again, as I said because you should be able to see its correlation in every manner and every component to the central managerial subsystems because we are now at a stage, where we are looking at the managerial subsystem itself and how it can be internally integrated.

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Goals and values subsystems: The basic values which underline goal setting and decision making are a fundamental part of organizational system. There are 5 levels: Individual values, group values, organizational values, values of constituents and cultural values. Of course, people who know nothing about values and know nothing about ethics, very often talk the most about it because again it somewhere makes you feel very holy. I believe in ethics. I do not know anybody who does not believe in ethics. "You know ethics is very important." "What a discovery you made. I did not know till you said that." Ethics is very important. People do not realize like most other significant concepts, this

is a differentiated concept. There are 5 levels of values which I want you to understand. Individual values, group values, organizational values, values of the constituents and cultural values. This is the environmental factor entering an organization. Ultimately, values determine behaviour; in fact, these are ethnic characteristics.

If as a culture, you do not feel bad about saying one thing and backing out at the last moment; if at a cultural value, it does not bother me that you made a commitment and you are not living up to it; at the level of the culture, it does not bother you that I assured a person totally and then 5 minutes before the event was to take place, you call up and say "Sorry." What do you think and to know, what you should be thinking, play it back on the reverse. Just before the plane is to takeoff, the pilot calls and tells the navigator, "Sorry, I cannot. I have just heard my (( )). I cannot." Yet, what I am saying is not so unusual and it is also not unusual that at a cultural level, a lot of us are very comfortable behaving that way. It is the unmaking of an organization; it is the unmaking of a system. I bless those people who with this kind of unmaking still can run their interpersonal relationships with people who are so awkward to deal with. I would rather be without relationships than to deal with people who are unreliable and this is not a value judgment; this is a personal choice.

My urge to be gregarious is not so dominant that I must be flogging myself at every turn because I need somebody to talk to; does not matter who he is - again, a personal value. Why am I giving you this illustration? You will have to choose the values by which you live and whatever you live with, bless you, but then the kind of value you live with affects the value of the organization in which you are and that will be the making and unmaking of that organization, which is why many organizations have closed down. [Who think] nothing of sending back a vendor 4 times. How does that matter? It matters very much. I know unreliability is the name of some people's success, but reliability is not out that all that outdated anyhow.

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Now, all this is a part of the larger value system and I do not want to emphasize it anything more than it is necessary. There is a relationship between goals and the value subsystems and this is at all levels. The important thing is these influence goals - personality of top executives, history of the organization, community environment, norms and values, with which the organization deals, structure, cultural safety - all these things affect goals. Which is why I said when I was writing for you, goals also become revised, reviewed, updated with times depending upon what kind of environment you are with and what kind of influences are operating within an organization.

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There is a supra subsystem; there are autonomous workgroups. There are 2 approaches really - that is, one of team building, the other is matrix organization, which compromises between safety and complete staff and between staff and the complete authority.

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Ultimately, there is much being made these days of autonomous workgroups, but if changes in each subsystem affects the other system, the problem of retraining workers becomes an important one. To sum up therefore, the classical question remains what kind

of autonomous workgroups do you create? Whether you like it or not, each era has its favourites. The present day and age has the favourite of autonomous workgroups. A value has been attributed to it; work groups must be autonomous. I cannot understand this; may be its all my personal problem. In fact, the truth is I can think of a lot of managerial situations where the workgroups cannot be autonomous; say typically, if you are running a well [dated] investigation team, one of the basic principles of running a well-run investigation team is not to let the larger objective be known to anyone. See, you break up the investigation team into small groups and you assign objectives to each group, but you do not tell them what the overall goal is, you do it in the case of confidential research and development projects. I can think of whole host of situations where autonomy can only be that of the work method and even that, at times it is not possible because if you give each group, the autonomy of the work method, it would not integrate with the speed of work of another group.

So, I for one, do not believe in creating a creed and a ritual of organizational management techniques. It is my one person's view that this approach is palpably wrong. If one is to understand different organizational roles, different organizational methods, it is merely to underline the choices. What method you adopt and what approach you take is a factor of what is the larger organizational objective which you are trying to fulfill.

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UNCERTAINITY
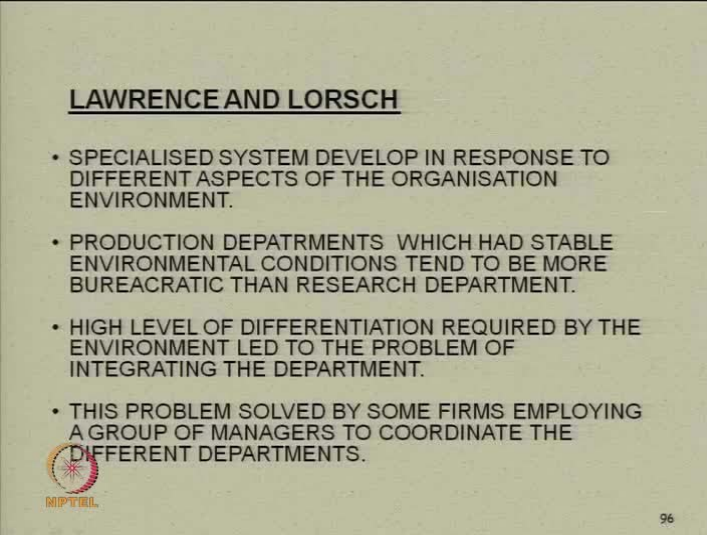
· BURNS AND STALKER SUGGESTED TWO FACTORS DETERMINANT OF ORG STRUCTURE AND PERFORMANCE - RATE OF CHANGE AND THE LEVEL OF UNCERTAINITY IN THE ENVIRONMENT.TWO TYPES OF SYSTEMS RECOMMENDED.

The psychosocial subsystem - the interpersonal relationships therefore, have to fall in place and above all in the present day and era, uncertainty and turbulence is the hallmark of the times. There is uncertainty everywhere; there is turbulence everywhere and I do not think this is going to be undone in a great hurry. As managers, you must learn to deal with turbulence and to deal with uncertainty, which means that basically you have to focus on competence and which is why I think competence is a critical word in designing your own futures.

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Burns and Stalker suggested two factors which are determinant of organization structure and performance - rate of change and the level of uncertainty in the environment - 2 types of systems recommended. Therefore, other scholars saying different things; there was Lawrence and Lorsch whose specialized systems developed in response to different aspects of organization environment.

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AFFECT OF SIZE

- RELATIONSHIP BETWEEN SIZE AND LEVEL OF BUREACRATISATION
- **ORG SIZE AND JOB SATISFACTION** STUDY BY REVANS AND PORTER--- LARGER THE ORG LOWER THE JOB SATISFACTION LEVEL ,HIGH LEVEL OF ABSENTEEISM AND LABOUR TURNOVER.

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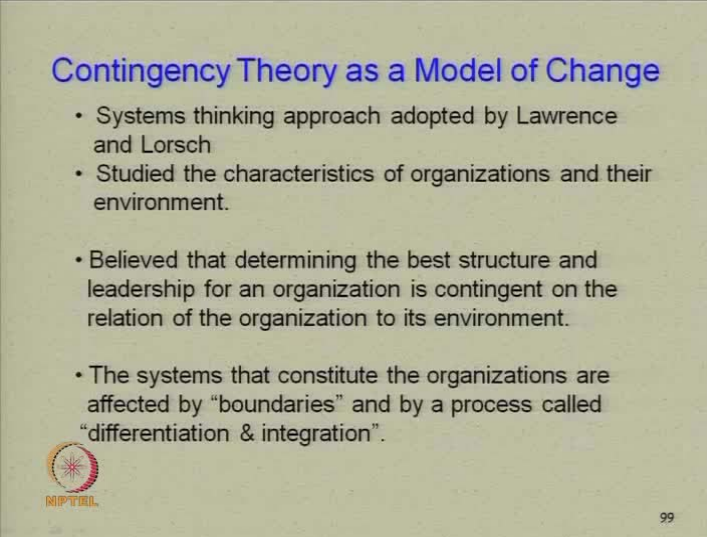
The affect of size - relationship between size and level; I have discussed that already when I was talking of structure and volume. Organization size and job satisfaction study by Revans and Porter which said larger the organization, lower the job satisfaction level, high level of absenteeism and labour turnover.

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- **ORG SIZE AND UNIONISATION**
- BAIN SUGGESTS A STRONG POSITIVE CORRELATION BETWEEN ORG SIZE AND WHITE COLLAR UNIONISATION.

- **ORG SIZE AND STRIKE PRONENESS**
- RESEARCH BY DOE AND PRAIS SUGGEST LARGER THE FACTORY GREATER THE FREQUENCY OF STRIKES.

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Organization size and unionization are in a relationship; organization size and strike proneness are in a relationship. Therefore, contingency theory, as a model of change is important because you begin with systems at one end of the spectrum and look at contingency at the other end of the spectrum and in between the two, you locate the kind of organization which you have and that is important.

Systems thinking approach adopted by Lawrence and Lorsch studied the characteristics of the organizations, believed that determining the best structure and leadership for an organization is contingent on the relationship of the organization to its environment. The systems that constitute the organizations are affected by boundaries and by a process called differentiation and integration. You can clearly see I am summing up what I have been discussing because ultimately, you will have to look at the characteristics of the individual subsystems, but weave it together in an integrated manner to focus on organizational goals.

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Boundary between an open system and its environment is permeable; similar to cells in a human body; sales people going out in market to sell, resource mobilization like physical goods and human resources from the environment. The problem in an organization first becomes visible at the boundaries. Drop in sales and complaints from the customer are a sign of organization's unresponsiveness towards customer needs. Therefore, again we go back to the correlation between symptoms and cause. The sales would not drop, if there was not a problem at the organizational boundary. What is the organizational boundary? It is the interface with the customer. So, like anywhere else, the trouble first begins at the boundary; it is for you to flag it there, to have as it were gatekeepers, interpret and take it back to the head office for proper treatment. If you do it in an organizational framework, even your sales and marketing issues get defined in terms of where the problem shows; in the open field, at the boundary level, within the organization and if within the organization, at what level?

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Integration requires specialized groups working together - units of tasks, independent style of interaction with organizations and there is a need for coordination between units to achieve organizational overall goals. I have explained to you differentiation, which is formality of structure, goal orientation, time orientation and interpersonal orientation. I have explained to you formal and informal systems and I would like to conclude with the 6 box model which shows essentially that there is a purpose, there are relationships, there is a structure, there is a leadership, there are helpful mechanisms and there are rewards.

Let us walk through this diagram. Purpose - what business are we in? That is the takeoff point of the organization, agreements on goals and mission; you cannot be debating here. Relationships - how do we manage conflict amongst people with technologies? How do workers get along? Structure - how do we assign the work and how it gets done? So, there is purpose, there are relationships, there is a structure and then there is a leadership. Does someone keep the boxes in balance? Ultimately, for intervention you need some person in a leadership role. Then there are helpful mechanisms - have we adequate coordinating technologies like budgeting, planning, control and management information? Rewards - do all needed tasks have incentives?

Now, this is what can be called a 6 box model, for want of a better phrase to show to you that the spectrum between systems theory and contingency helps you to plot the nature of an organization somewhere on that spectrum. The relationship of that plotting has to be worked out with organization theory and based upon this relationship, a whole host of integrative mechanisms will be developed, can be identified which will lead to a better organization, greater organizational health and therefore, greater effectiveness and efficiency.

Thank you all very much.