

**Organization of Engineering Systems & Human Resource Management**  
**Prof. Vinayshil Gautam**  
**Department Of Management**  
**Indian Institute Of Technology, Delhi**

**Module - 1**

**Lecture - 2**

**Understanding Organizations: Nature and Functions**

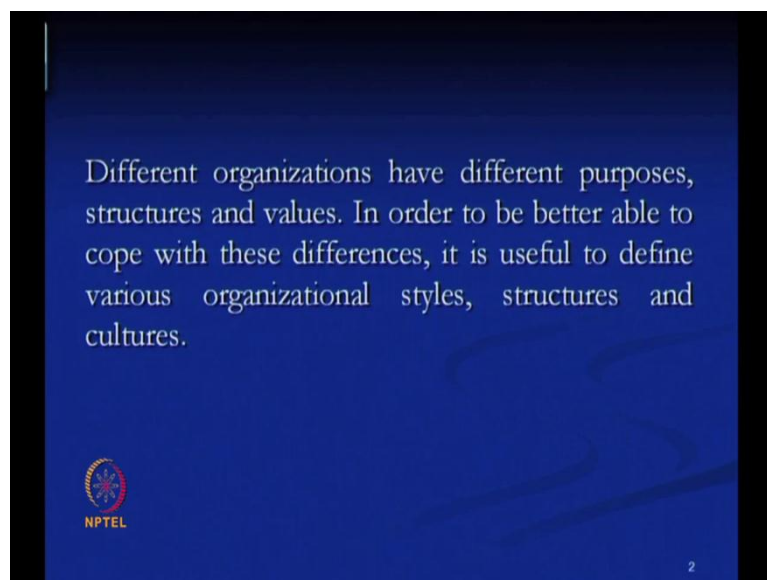
The first module, understanding organizations and human resources management begins with an elaboration on understanding organizations. Organizations as I told you, are an attempt to read cohesion amongst the elements, operating together for the fulfillment of an objective; so, that there is optimization, in all that course to achieve the results. A lot of experimentation has taken place on how to setup organizations; and therefore, there is a lot of contextual specificity in the making of an organization. There will be organizations which are dominated by just one individual. They will be organizations which will be dominated by a group of people. Now, in the first case, the organization would mean, the will of an individual determines how work will be carried out. In the second case, the will of a group of people will determine how the work will be carried out.

Then there is a system, where everyone pitches in and then they select their leaders and the possibilities of options and modules are almost endless. To get the multiplicity of the types of organizations which exist; one has to recognize that ultimately organizations are embedded in an environment and in a society. Therefore, the assumptions of the society permeate; the assumptions on which an organization is supposed to be run. This will happen to any organizational system, irrespective of how many people it has; irrespective of what it is seeking to produce; irrespective of whether it is a service or a manufacturing organization. The only element which will compete with setting patterns in an organization will be the technology which is existing in the organization or the technology through which an organization operates; therefore, we will be also touching upon socio technical systems. To some of them for what I have said so far, two things need to be understood; culturally and in terms of decision making styles and the principles in which work will be organized there is a possibility of a very large number of organizational models existing.

The second consideration which I want you to internalize is, that irrespective of this style; the technology through which the organization fulfills its objectives will be determined,

because they are extrinsic to the persons which are in the organization and they are the part of the production process. So, as it were there are two elements which will go into the understanding of an organization and I told you that there are a large number of possibilities, so far as organizing work is concerned; so far as organizing style of decision making is concerned; so far as distribution and man power allocation of jobs and tasks is concerned. Let me give you an existing example and you will see what exactly I am trying to convey to you. In doing so, I am drawing upon the existing literature on organization management and one name which comes easily to mind is of Charles Handy, who has written this seminal book Understanding Organizations.

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And I am going to walk you through in the coming few minutes, on the organizational styles and what he has labeled on the pattern of certain Greek deities. But before I come to that, I would like you to register a very simple definition of organization, with reference to its purpose and it reads in the following manner. Different organizations have different purposes, structures and values. In order to better be able to cope with these differences, it is useful to define each organizational style, structures and cultures.

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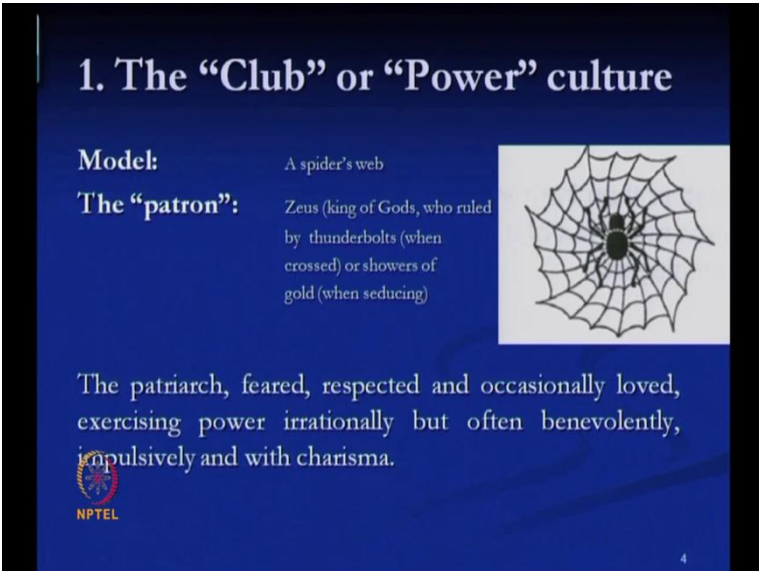
And from this vantage point of perception, I am going to walk you through, the views of Charles Handy, who was of the view that approaches and linkages with Greek Gods will help to explain the style of running an organization. And he went on to break it up under 4 heads; the club all the power culture which he called Zeus. Now Zeus for those of you who would know, was the king of Gods in Greek mythology and he ruled by what was called Thunderbolts. If you are the king, you knew best and you know what to decide and everyone else had to fall in place. Then came the role culture in which organization functioned by the role of the different functionaries and this was named after the Greek God Apollo, which means the God of order, rules and logic.

The third kind of organization which Charles Handy identified was a task culture, which he termed as the shadow image of Athena, who was a warrior goddess, a patron of problem solvers, craftsmen and pioneers. Therefore, there was certain symbols which he attributed to each of these categories and I will come to that later, but for the movement task culture was given the patron of the Athena.

Then finally, the fourth style in organization management was individual centered culture which was identified with Dionysus, which was the God for wine, song, the good of self oriented individuals and that also had a symbol. Therefore, to sum up this part of my presentation, all you need to register is to read meaning into the random existence of work. Charles Handy came to the conclusion, that no work could ever be accomplished unless it

had a basic underpinning of some systems, some organizations, some correlation, amongst the elements, some method. And then after discovering certain patterns, he identified four; and four elements titles which you see shown on the screen; the club, the role, the task, the individual. Were all symbolically represented by some deity of Greek methodology and for those of you who are aware, you would recognize that a lot of western culture has a underpinning of the Greek or Roman mythology. So, he drew upon the mythology and for the club or the power culture he attributed Zeus as the deity, who was the king of Gods; for the role culture he attributed Apollo, who was a God of order, rules and logic; for the task culture he allotted it to Athena, which was the warrior goddess patron of problem solvers and for the individual centered culture he identified Dionysus, the God of wine, song and self oriented individuals.

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**1. The “Club” or “Power” culture**

**Model:** A spider's web

**The “patron”:** Zeus (king of Gods, who ruled by thunderbolts (when crossed) or showers of gold (when seducing))

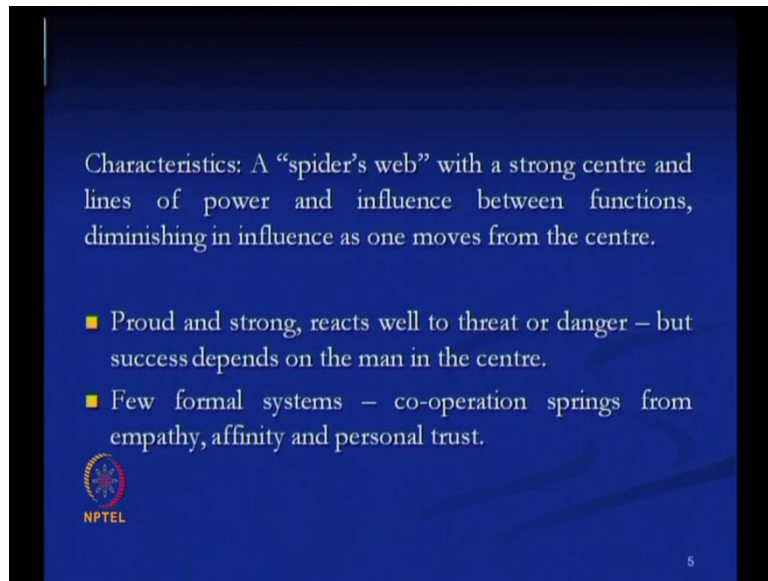
The patriarch, feared, respected and occasionally loved, exercising power irrationally but often benevolently, impulsively and with charisma.

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I now propose to take you to each one of the elaborations and you will be able to see for yourself, what the symbolism involved is. Now for the club or the power oriented culture, the representation is the spider and the web. Now the patriarch, feared, respected and occasionally loved would exercise power irrationally, but often benevolently, impulsively and with a charisma and that determined the kind of organization structure, process, decision making styles which will be in a setup.

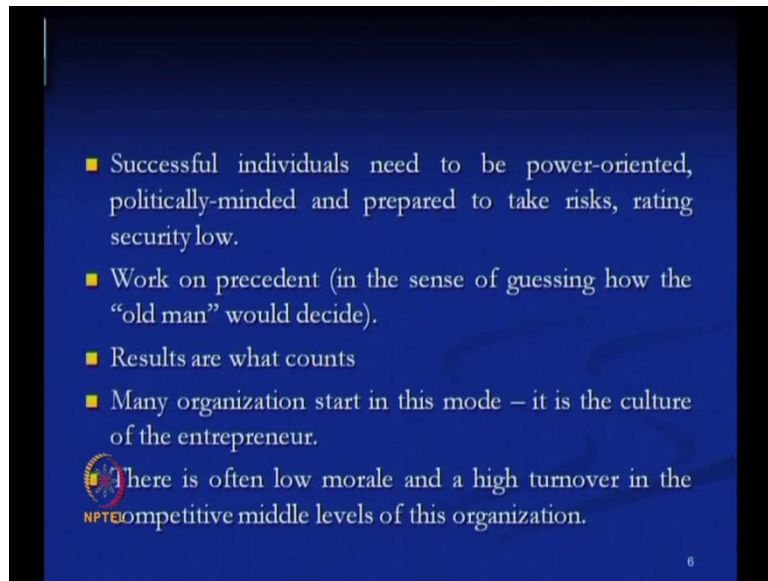
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Now, take this further, one has to recognize that the characteristic of a “spider’s web” is that it has a strong center and lines of power and influence between functions, which diminishing influences as one moves from the centre. So, if you go back to the spider illustration please note, that the spider is here and as you move away your distance from the power center gets reduced. That is why the use of the spider symbol. The determinant figure of this style, this kind of organization, this method of work, choose your world was that there was a proud and strong leader which reacted well to threats or danger, but success depended upon the man of the center.

So, if you want to understand an organization, if you feel that it has the club or the power culture, you need to understand, who is the most powerful figure there? Because, it is his view, his orientations which will determine the way that organization works. And your familiarity with the Greek culture will help you to see, while Zeus was identified as the person or the God or the style or was the representative symbol of this style. This is how you understand organizations. In such an organization, documentation and reference to rules and regulations are also very often person oriented. In other words, there are few formal systems – co-operation springs from empathy, affinity and personal trust and believe me, these organizations also can run very well.

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Successfully individuals need to be power-oriented, politically-minded and prepared to take risks, rating security low. Now, in times of crises, in times of a challenge to the very existence, in times of pressure of decision making very often even organizations which are task oriented or roll oriented do adopt this style. In other words, after you have familiarized yourself with all the four styles, it is not as if once you are adapting one style, you will stick to that style irrespective of the times and their challenges. There will be a certain interchangeability which is possible from one kind of organization to another depending upon the kind of challenges the organization faces.

To talk of the club or the power culture which has a symbolism of the spider, work on precedents, that is in the sense of guessing how the old man would decide is the pattern of decision making. So, you try to figure out how does the key figure of the organization take decision and then everyone adopt that style? It is the results that count. Many organization starts in this mode that is the culture of the entrepreneur.

Early organizations almost inevitably are spider symbols or Zeus oriented; and one person is the determining figure and that is how the early stages of any organization evolves. If you want to move on to a role model, that comes with organizations which are a little more evolved and have put in certain years of functioning. At it respect the found of figure can be accused of many styles which subsequent generations would not be comfortable with, but his style is what delivered result on those times. Therefore, a functional characteristic of

understanding of organizations, that organization is successful which adopts a style which suits its age and the kind of challenges which it faces. In this kind of organization which is club or power culture centered, there is often low morale and can have a high turnover in a competitive middle level of this organization. But that is a price which needs to be paid for quick movement, otherwise those organizations itself may get challenged or may have serious issues to handle.

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■ **Ways of thinking and learning**

- Zeus individuals tend to think intuitively and holistically.
- Management is an art.
- People are developed informally, by apprenticeship.
- You learn by modeling yourself on the boss (or a successful power figure in another organization.)

(NB “Apprenticeship” and “modeling” can become nepotism – but this is not a bad way of attracting those who share your culture values)

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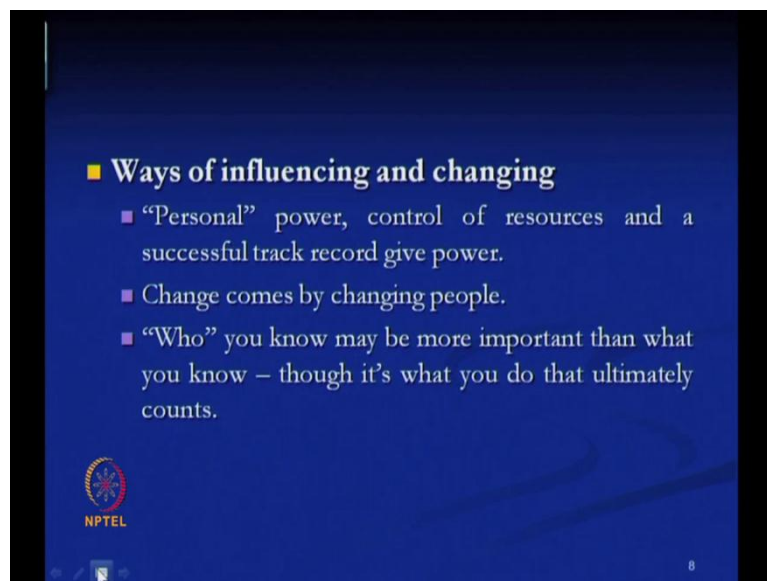
Therefore, ways of thinking and learning involve the following. Zeus individuals tend to think intuitively and holistically. They know that management is an art. People are developed informally by apprenticeship. You learned by modeling yourself on the boss or a successful power figure in other organization.

There is a story one will never know whether it is true or not, which touched upon Principal Mukherjee of Saint Stiffens College, when they issue was of moving Saint Stiffens College from Kashmiri Gate to its present location. And most people were not in favour of this movement, because what is today the Delhi University campus was fairly on in habited in the early part of twentieth century, and to go there was not the best place according to many for a college to be. So, the people who mattered in the organization decided that the college would not move. The Principal took a holiday went away for a week and came back, and announced that collage was moving to what is now the Delhi University campus.

Now you can clearly see here was an individual who could for see the future and if the college had stuck to its premises in Kashmiri Gate, in another 50 or 60 years the kind of impact that a campus of college makes today, would have been shrouded under an ageing ambience of an environment, which would not have a help the branding of the college. So, it is not as if, Zeus individuals have no role, but then there are certain contexts in which they have a role.

I would like to draw your attention to simple proposition, that apprenticeship and modeling can become nepotism. But this is not a bad way of attracting those who share you cultural values and the word nepotism itself does not have a negative connotation. If you realize that quick decision making, decision making by visionaries, decision making which moves things forward, in the interest of everyone is the style which many organizations need to adopt depending upon, what is it that they are trying to achieve. So, in terms of understanding organization, I am sharing with you, the first pattern which is recognized widely as a way of understanding organizational functioning.

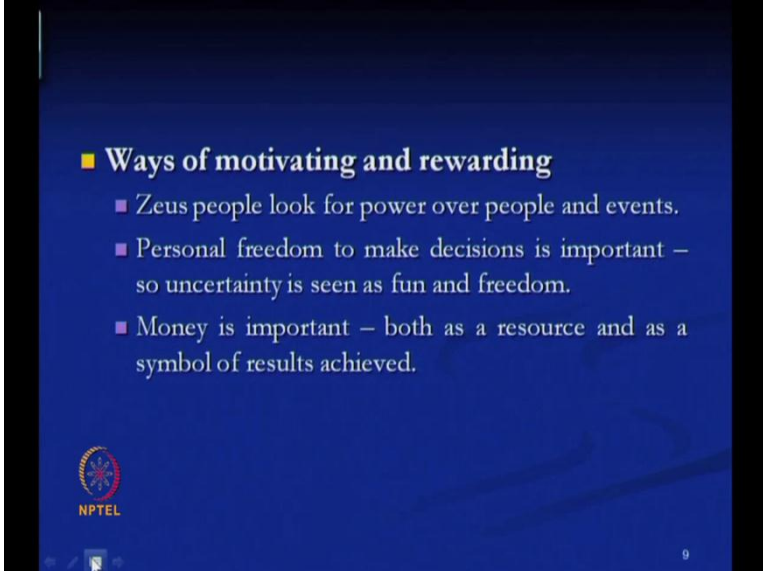
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There are ways of influencing and changing personal power, control of resources and successful track record, if your successful people give you more power. Therefore, there is not necessarily a negative connotation around it. Change will come in such an environment by changing people. Who you know, may be more important than what you know, though it is what you do ultimately that counts.



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■ **Ways of motivating and rewarding**

- Zeus people look for power over people and events.
- Personal freedom to make decisions is important – so uncertainty is seen as fun and freedom.
- Money is important – both as a resource and as a symbol of results achieved.

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Ways of motivating and rewarding such a system would be through personal freedom to take decision, which the leading figure then awards to people. So, as small setup trusted lieutenant grow up. This personal freedom is seen as fun and earned. Here again money is important, because no wasted would be permitted. Zeus would look for people, who would respond by compliance and who could deliver on events.

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**2. The "Role" Culture**

- **Model:** A Greek Temple, its pediment standing firmly upon its pillars. (i.e. functional divisions)
- **"Patron" God:** Apollo (the god of order, rules and logic)
- **Characteristics:**
  - The "classic" organization ("Bureaucracy")
  - Roles, not personalities, count.
  - Reason and logic pervade the organization.



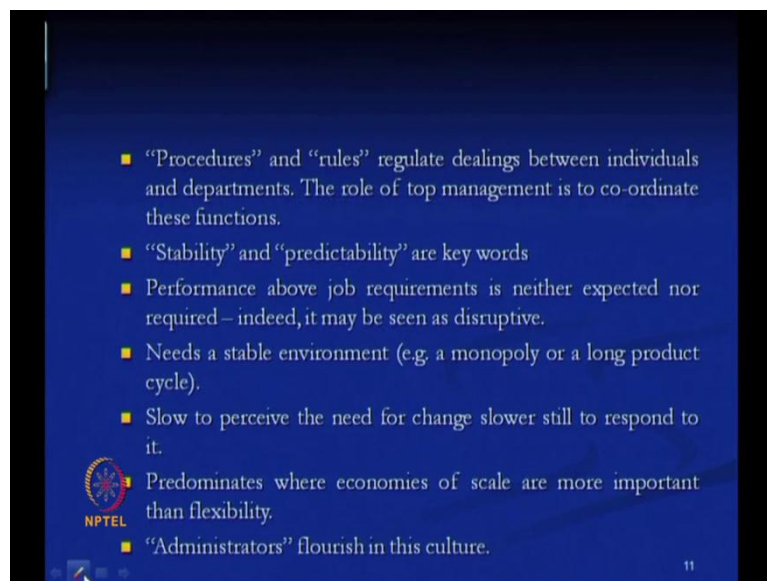
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The next pattern will have to do with the role culture or what can be called represented by the symbol of the temple. The temple here represents symbolism which rests on pillars. That

is such an organization would have functional divisions which is why the symbolism of a temple. The characteristics of such a function are bureaucracy, roles, reason and logic. Now Like the Zeus oriented culture, the Apollo culture that is named, that is the characteristic of the God, which is for order, rules and logic has its own aberrations. Not many people use the word bureaucracy. Well, it is not a complimentary word, but the fact of the matter is you cannot have an organization without some bureaucracy.

So similarly, when you are talking of the club or the power oriented culture, the Zeus culture where one person dominates also had its pejorative orientations. But then again that approach for running an organization is needed if the circumstances so required; therefore, again the reiteration of the simple principle. It is not how an organization runs? It is a question of what is required to keep growing and at times you have move from one style to another or more complicated still you may require a mix. Now the role culture is perhaps best represented according to Charles Handy, as a Greek temple model which rests on pillars.

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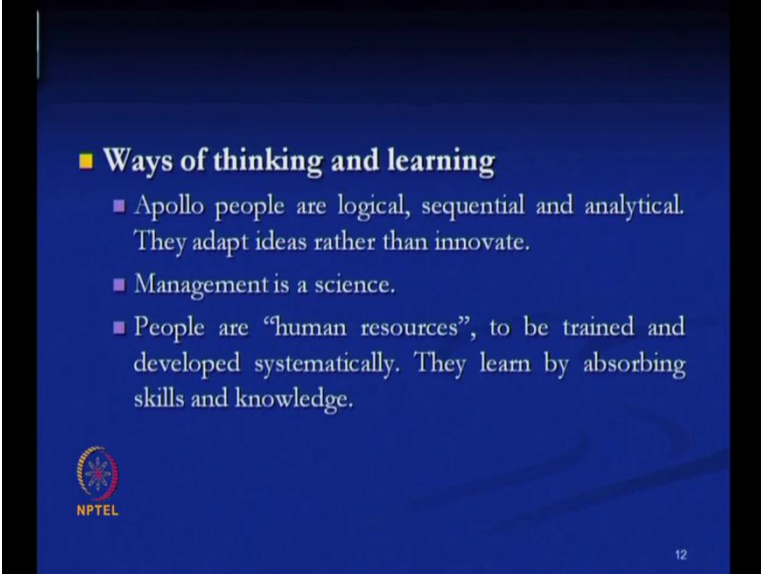
The procedures and rules in such a situation regulate dealings between individuals. This is a rule oriented organization and of course, many people who are on the way up on the ladder want to be Zeus, but would plead for a procedure oriented situation or a rule oriented situation, because thus see a rule oriented situation as a situation which will keep the Zeus under control. So, again there is added complexity. However, rules and regulations have

their own advantage. They create stability and predictability. Now, stability and predictability are natural aspirations of weak mortars, who do not have confidence in themselves and who feel threatened. So ultimately, the way and organization functions will be a twin factor of the kind of people which get in and the kind of technology which is operating the system, which is what we will take us later on to the understanding of socio technical systems.

In a culture which is based on the temple, Greek temple model, which is based on Apollo as its presiding deity. The performance above job requirements is neither expected nor required and therefore, this is not a situation where performance is super, where performance is excellent and where performance is beyond the call of duty, because there is hardly any reorganization that the system would provide to it. Therefore, if you are looking for outstanding performances the Apollo oriented culture, the temple oriented culture and remember the Greek temple has its pillars, does not create a great results.


Above all, it operates in a stable environment and it has a long product cycle. It is slow to perceive the need for change and slower still to respond to it. Which is why, even the people who admire rules and regulations and therefore, see it as a tool to keep the Zeus under control start cribbing about slow decision making processes in such a system. This predominates were economics of scale and more important flexibility are lacking. Administrators flourish in this culture and this is supposed to be very often confused with a lot of aberrations and we tend to attribute it to governance systems. But one needs to recognize that all government systems need not necessarily be bureaucratic in their essential.

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■ **Ways of thinking and learning**

- Apollo people are logical, sequential and analytical. They adapt ideas rather than innovate.
- Management is a science.
- People are “human resources”, to be trained and developed systematically. They learn by absorbing skills and knowledge.

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To take this description further one needs to understand the ways of thinking and learning in such a system. Apollo people are logical, sequential, analytical. They adapt ideas rather than innovate; which is why many people feel that innovation in governance processes is a big challenge. Just as in this Zeus culture, management was an art; in this culture the Apollo culture management is a science. People are seen as human resources, to be trained and developed systematically. They learn by absorbing skills and knowledge and therefore, you can take it further in to systemic consistency in to other components of organization management which determined the understanding of an organization.

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■ **Ways of influencing and changing**

- “Position” power is what counts.
- To bring about change you change the organizational structure (i.e. the roles and responsibilities of jobs) and / or the systems (i.e. rules and procedures).

■ **Ways of motivating and rewarding**

- Apollo people seek order, certainty and predictability.
- Because formal authority depends on the role, promotion and its outward visible signs (status symbols) are important motivator

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I would like to briefly touch up on, the ways of influencing and changing the Apollo situation. If you have an Apollo situation, position power is what counts. You are as good as you are designation; you are as good as your role space; you are as good as the power wasted in you. Your personality would not be the determining factor. To bring about change you change the organizational structure, that is the roles and responsibilities of the jobs and the system and the rules and procedures and that is the catch which you will find it easier to appreciate, once I walk you through understanding of organizational structure and processes. But for that you will have to wait for some time.

In the Apollo culture there are ways of motivating and rewarding. Apollo people seek order, certainty and predictability. Because formal authority depends upon the role, promotion and its outward viable signs, that is status symbols are important motivators.

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**3. The “Task” Culture**

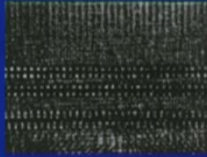
**Model:** A “net” or matrix.

**“Patron” God:** Athena (warrior goddess, patron of problem solvers, Craftsman and pioneering captains).

**Symbol:** A “net” or matrix

**“Patron” God:** Athena (warrior goddess, patron of problem solvers, Craftsman and pioneering captains).

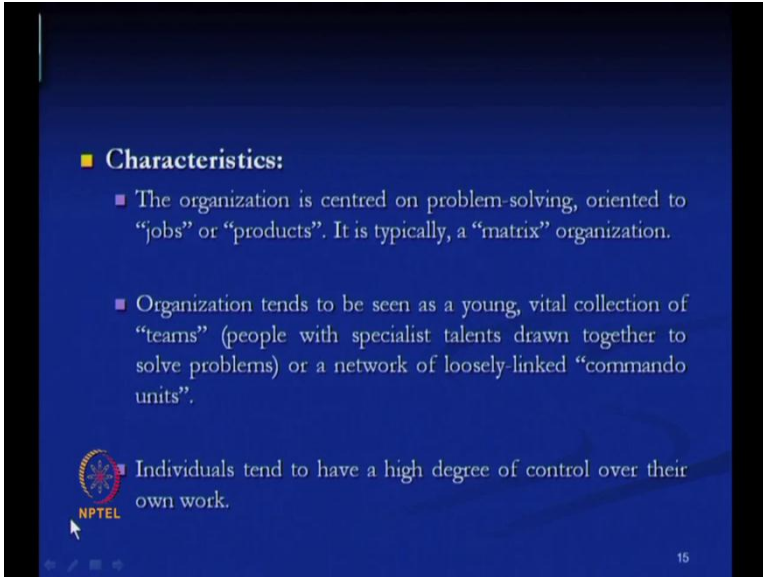
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Now compare this two, the task culture and you have a “net” or matrix here. The patron God is Athena, the warrior goddess, patron of problem solvers, craftsman and pioneering captains and the symbol is a “net” or a matrix. Athena herself was, as I have already told you, a warrior goddess, patron of problem solvers, but then this is a different kind of an organization altogether from what I have been elaborating so far.

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■ **Characteristics:**

- The organization is centred on problem-solving, oriented to “jobs” or “products”. It is typically, a “matrix” organization.
- Organization tends to be seen as a young, vital collection of “teams” (people with specialist talents drawn together to solve problems) or a network of loosely-linked “commando units”.
- Individuals tend to have a high degree of control over their own work.

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The characteristics of such an organization is, that it is centered on problem-solving, oriented to jobs or products. Unlike the preceding situation where the focus was on creating a task oriented situation. Organization tends to be seen as a young, vital collection of “teams” not just roles; people with specialist talents drawn together to solve problems or a network of loosely-linked commando units.

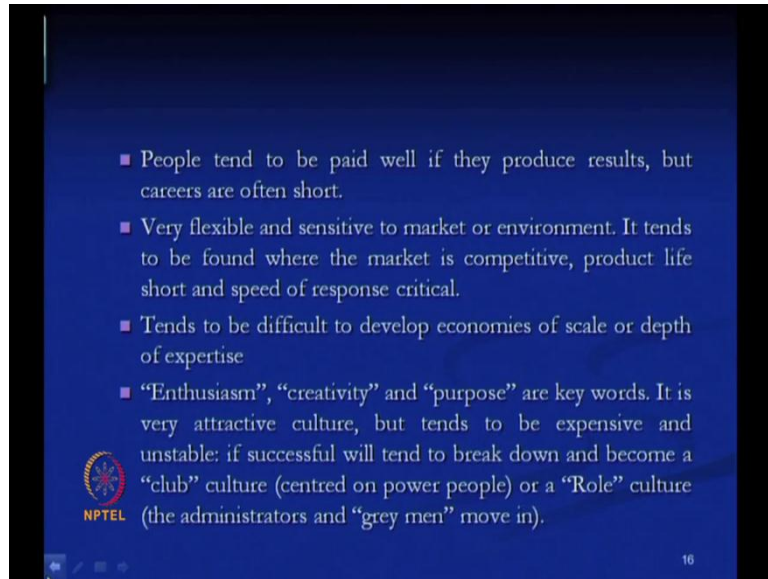
Now when I will come to organizations structure you will notice, that the project oriented structure is highly suitable for this kind of operation. But the topic which we are trying to understand just now is understanding organizations; and therefore, for understanding organizations the trust is, on how does this place function. Whenever you have dealt with any organization in personal capacity, you have a problem of payment of bills; you go to an electricity service providing organization, or you have a situation to deal with telephone so you go the service provider; you have a problem of payment or a problem of bills; you beat the counter person; the counter person cannot take any decision; he is even not willing to listen to you; he is a bad communicator. So, you want to move up on the ladder; you want to get to a supervisor who really does not have any discretion; then, you want to go beyond the supervisor; you want to get to a manager and the example can be multiplied. But put together the narration is meant to focus your mind in seeking to understand the organization. We all have a need to understand the organization. The organization with which we are dealing may not be functioning like the organization in which we work, and we tend to get

confused; we tend to lose patience; we tend to push boundaries which really cannot be pushed.

So, the proposition which I want to comment to your attention is really a very simple one. Understanding organizations is essential to leading once life effectively. One does not have to be management expert to have the need of understanding organizations. Indeed, if you create a backward linkage, you will find that you need to understand your own organization; the organization which pays you, your salary or the organization from which you get your livelihood, if you are an entrepreneur. Because very often organizations take shape on their own; organizations are live entities and they determine their own direction of growth. So, the skill to understand organizations is essential to the act of existence not just decision making. You may have to be in an organization or the organization which you have created, may get very powerful individuals or the organization with which you are dealing, may have people at levels where they do not have a role, but really have taken over larger decision making capacities; and therefore, tend to have a high degree of control over their own work. At each stage of your existence, at each stage of your life, you will find that understanding organizations is central to effectiveness.

I have talk to you about the club and the power oriented culture. I have talk to you about the orderliness and the roles and I am now talking to you about models. Now if you think, they can be ever a listing of kind of organizations which exists that is simply not possible. Each organization in the ultimate analysis will develop its own culture. It may be a mix of very many different types of models which you have studied or it may be a type of organization which you have never known existed before. The question would then arise, if listening to these different types of models of organization, does not necessarily give you all the models which may exists an organization. In which you may be earning a livelihood or an organization which with whom you have to deal or an organization with which you are in some form related. Then, what is the use of these models? It is like a drill to understand, how to understand an organization. What do you look for? You look for personalities which matters, you look for process flows in an organization, you look for individuals who need not necessarily be of the same size of the roles of the organization, and there will be more. So, it orients you in the method of understanding an organization.

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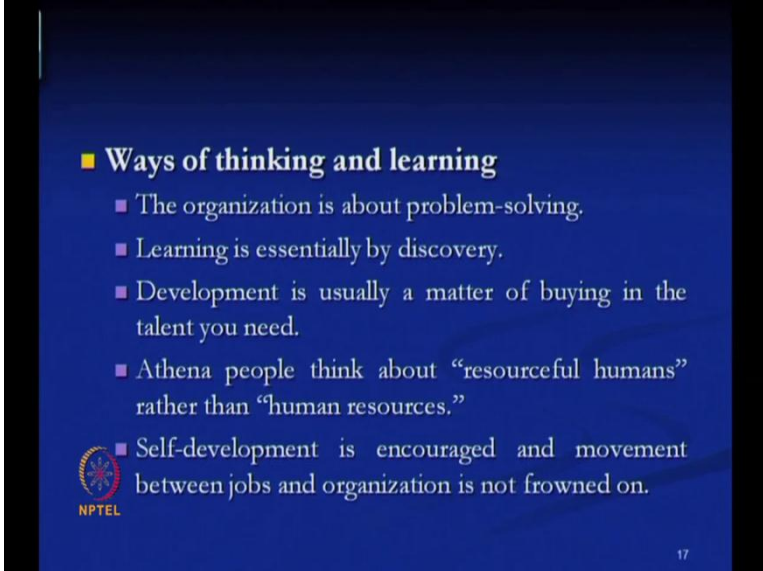


And I have just explained to you the third model which Charles Handy talked off. These characteristics of the third model have to do with people. People tend to be paid well in the Athena type of an organization. They produce results, but are not always rewarded the way they would be rewarded in a Zeus culture. An Athena culture is very flexible and sensitive to market and environment. It tends to be found where market is competitive, product life short and speed of response critical. Please go back to my opening statements in terms of understanding of organizations. Any organization style, any method of decision making in an organization is a factor of the kind of challenges with which it is faced, is a factor of the kind of environment with which it is embedded and therefore, this is a dynamic situation which is what makes organization such a life entity. But in an Athena type of an organization which had its own symbols and you noted that, the symbol it had of a “net”. The tendency is to develop economies of scale or depths of expertise because remember I told you teams matter.

In an Athena oriented organization the keywords would be “enthusiasm”, “creativity” and “purpose” in a state of mix. None of these three words would be individually the determining way. Whether it is enthusiasm, creativity and purpose they will be in an interactive relationship. It is a very attractive culture tends to be demanding and becomes a kind of a culture which is centered on people or role culture the administrator plays a role, but subsidiary role to people who are working together. The spirit of Athena which marks, being a patron of problem solvers and therefore gets focused on a style.



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■ **Ways of thinking and learning**

- The organization is about problem-solving.
- Learning is essentially by discovery.
- Development is usually a matter of buying in the talent you need.
- Athena people think about “resourceful humans” rather than “human resources.”
- Self-development is encouraged and movement between jobs and organization is not frowned on.

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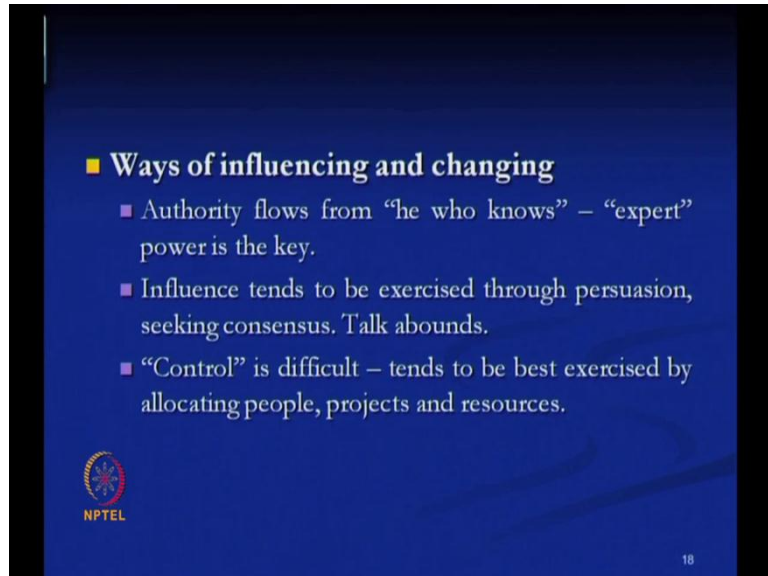
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Ways of thinking and learning of such an organization is essentially problem-solving. The individuals do not matter so much, but results do and it does not matter who solved the problem, but the credit is always generally shared. Here learning is essentially by discovery. So, there is a lot of scope for experimentation. Development is usually a matter of buying in the talent you need. Therefore, salary structures are very often flexible. There is no hierarchy of scale as rigged as it would be in an Apollo type of an organization, which you will recall was represented by the Greek temple model. The Athena people think about resourceful humans rather than human resources. And this is not just a play of words. You heard me say that in such an organization creativity is at a premium. Therefore, resourcefulness of individuals is critical.

Human beings are not used as an input. Human beings are the prime movers. Here self development is encouraged, and movement between jobs and organization is not frowned upon. You can move from one job to another. In fact, an appreciation of a parallel job is considered important illustratively. If you are in a production division, a manufacturing division, job rotation may help you to move on to a marketing job to understand, what the marketing function requires. If you are in the finance function you may move on to human resources function to understand, what is the problem in very severe implementation off? Rules and regulations essentially from an audit point of view, essentially from an implementational point of view, where the human factor is not accounted for. So, self-

development is encouraged and movement between jobs and organizations is not frowned on.

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To sum up therefore, ways of influencing and changing here would require authority flow from “he who knows” or the “expert”. That does not necessarily come out of a designation. The referent power is high in such an organization. Influence tends to be exercised through persuasion and seeking consensus. The way forward is dialogue. Everyone is talking to everyone else.

Now, as you can clearly see if organizations have a culture; then individuals who walk in to their organizations may also have the culture. You will have difficulties to sort out, if a Zeus oriented man works in to an organization, which is Athena oriented. Now, the leader of the organization will have to mold the Zeus oriented man in to an Athena oriented culture. Which is my way of showing to you, the complexity that is there in understanding organizations, because organizations when it comes to the actual process of decision making are neither clear to see through, nor easy to interpret. In an Athena oriented environment, control is difficult tends to be best exercised by allocating people to projects and resources. Whereas, in Apollo oriented organization as certainly a Zeus oriented organization, a person will take its decision. We are going to stop the discussion here, so far as different styles of running organization is concerned according to Charles Handy; and we

will be moving then on to linking it up with what would be called the Dionysus oriented situation or that which caters to individual stars.