स्वाध्याय स्वमन्थन स्वावलम्बन

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PGDHRD-02
Organisational Design, Development and Change

FIRST BLOCK
Understanding Organisations

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Block

1

UNDERSTANDING ORGANISATIONS

BLOCK 1 UNDERSTANDING ORGANISATIONS

This block seeks to present different ways of looking at organisations. It draws upon the key contributions from select writers on organisation.

It consists of two units. The first unit elucidates the principles of organisation evolving from three schools of thought viz; classical, neo-classical and modern (systems) theory. The second unit presents a framework to understand the typology of organisation structures. It briefly deals with formal and informal organisation, centralised and decentralised forms of organisation, vertical and horizontal structures, mechanistic and organic systems, product-function choices and the matrix form of organisation. The major features and the appropriateness of different structures are briefly discussed.

UNIT 1 APPROACHES TO UNDERSTANDING ORGANISATIONS

Objectives

After reading this unit, you should be able to:

- **understand** classical, neo-classical and modern approaches to the study of organisations
- **develop** a perspective on organisations

Structure

1.1 INTRODUCTION

What is an organisation? The dictionary definition of an organisation is "something that is organised". It could be a family, school, church or foot ball team. Or, it could be a corporation, army or government. "Organisation" is a social unit with some specific purpose(s).

"Organising" is a subject of the larger activity of "managing". It is the process by which the structure of an organisation is created and maintained. The process includes:

— **the determination of the specific activities necessary to accomplish objectives**

— **the grouping of activities and assigning these to specified positions/persons**

— **the creation of a network of positions/persons for purposes of planning, motivation, communication, coordination and control**

The word "organisation" may be used to refer to the process of organising, the structure that evolves out of this process and the processes/activities that take place within it.

All activities involving two or more persons entail the formation of an organisation. Organisations could be simple or complex depending upon their purposes, size, technology or nature of activities. They can have both macro or micro aspects. If a factory is considered 'macro' unit of an organistion, each section of the shop floor or each function or even a dyad comprising a worker and his/her supervisor can be considered as the 'micro' unit (or a component part) or a sub-system in the larger organisations. Each part/unit can have its own objectives or other characteristics.

The basic elements of organisations have remained the same over the years. Organisations have purposes (be they explicit or implicit), attract people, acquire and use resources to achieve the objectives, use some form of structure to divide (division of labour) and coordinate activities, and rely on certain positions/people to lead or manage others. While the elements of organisations are the same as ever before, the purposes of organisations, structures, ways of doing things, methods of coordination and control have always varied widely over the years and even at the same time amongst different organisations. For example, public sector organisation in India with their multiple objectives in early years were not roused by the profit

motive but are now required to make surpluses. At a given point in the time of history, Ford Motors relied more on centralisation and General Motors on decentralisation. The crucial aspect that accounts for the differences is how an organisation adapts itself to the environment. Organisation being part of the society affects and is affected by the changes in society. The changes could be social, economic, technical, legal or political; they could be in input (labour, capital, materials etc.) or output markets.

It is essential to develop a perspective understanding about organisations because human behaviour and organisational behaviour are influenced by the people in organisations and the specific characteristics in the basic elements in the organisations and the way they adapt themselves to the environment. There is considerable body of knowledge and literature, called organisation theories, developed over the years reflecting what goes on in organisations. Organisation theories are sets of propositions which seek to explain or predict how individuals and groups behave in different organisational structures and circumstances.

The study of organisations covers all areas of knowledge covering a wide range of disciplines from A (Anthropology) to Z (Zoology) and includes physics, philosophy, politics and psychology. A sample check-list of relevant knowledge from diverse fields is shown in Table 1. More disciplines could be added to the list. Anthropological concepts concerning cultural factors are as pertinent as biological

Table 1: Fields Contributing to the Study of Organisations

Anthropology
Cultural dynamics
Organisation theory
Status symbols
Ethnic relations

Biology
Organisation theory
Viability
Homeostasis

Business Administration
Accounting
Managerial finance
Industrial management
Personnel management
Theory of organisations
Economic theory
Labour economics
International economics
Statistics
Industrial relations
Operations research
Management science
Marketing

Ecology and Geography
Location theory
Nucleation
Environmental adaptation
Dispersion processes
Spatial forces

Mathematics
Information theory
Stochastic processes
Set theory
Descriptive and inductive statistics
Theory of games
Decision making
Probability theory
Linear programming

Philosophy
Ethical principles
Aesthetic principles
Principles of logic
Principles of semantics

Physics
Gravitation theory

Political Science
Administrative law
Administrative theory
Trade regulations and practices
Authoritarianism
Organisation theory
Bureaucracy

Psychology
Aptitude analysis
Personality analysis
Scaling techniques
Organisation theory
Senses and sensation
Projective techniques
Learning theory
Motivational analysis
Perception and sensation
Rationality

Sociology
Interpersonal relations
Morale
Class behavioral patterns
Role and status
Class stimuli
Innovation and change
Organisation theory
Primary group behaviour
Small-group activity
Environmental influences
Public opinion
Sociometry
Formal organisation
Social change
Group surveys and testing
Social stratification and values
Social institutions

Source: David L. Huff and Joseph W. McGuire, "The Interdisciplinary Approach to the Study of Business," **University of Washington Business Review**, June, 1960, pp. 50-51.

theories of evolution and psychological theories of human behaviour. While Arts and Sciences (e.g. humanities and physical and biological sciences) and social sciences (e.g. economics, history and politics) are relevant to understandings, from a behavioural point of view, the trio of anthropology, sociology and psychology have much to offer. As an academic discipline, anthropology, with its widest scope provides the basic behavioural science discipline. Amongst many of the subfields of specialisation in anthropology it is cultural anthropology whose main focus is on the study of origins and history of man's cultures, their evolution and development, and the structure and functioning of human cultures in every place and time that deals with the reciprocal relationship between culture and behaviour. Sociology deals with the study of society, institutions, the organisation, the group and norms and roles. Modern psychology is concerned with the study of individual human behaviour with the objective of understanding, prediction and control of human behaviour. The purpose here is not to discuss the contributions from each of the disciplines but to gain insights into the vast expanse of the field of study. What is important, however, is not mere accumulation of knowledge from diverse fields, but the integration of concepts and techniques developed in many fields.

Though formal study of organisations began only in recent decades, 'organisations' – human organisations – are as old as human civilisation itself. Claude S. George explained elements of organisations that were discernible over the past several thousand years. However, interest in formal study and understanding of organisations for purposes of management first found expression over the last 100 years or so. Before Industrial Revolution, when the handicraft and domestic system of production was dominant, the operations of an enterprise used to be under the direct control of the owner. But the developments in the wake of Industrial Revolution gave birth to scienticism in the nineteenth century.

1.2 THE CLASSICAL VIEWPOINT

In the late 18th century three streams of concepts i.e bureaucracy, administrative theory and scientific management began to be developed. These concepts have come to be popularly known as classical concepts or classical theories of organisations. The structure of an organisation received emphasis under this school of thought. According to the classical view, "An organisation is the structure of the relationships, power, objectives, roles, activities, communications and other factors that exist when persons work together."

The streams of concepts in the "classical" mould are based on the same assumptions, but are developed rather independently. Bureaucracy as a concept, first developed by Max Weber, presents a descriptive, detached, scholarly point of view. Administrative theories not only described macro aspects of organisations but also focussed on principles and practice for better performance. Scientific management thought focussed mainly on micro aspects like individual worker, foreman, work process, etc. The classical theorists on the whole, with scientific management stream being a minor exception, viewed organisations as mechanistic structures. Let us consider the three streams of classical theories briefly: i.e Bureaucracy, Administrative theory and Scientific Management.

1.2.1 Bureaucracy

Bureaucracy is the dominant feature of ancient civilisations as well as modern organisations in contemporary world. Max Weber describes an "ideal type" approach to outline the characteristics of a fully developed bureaucratic form of organisation. The features that he described as being characteristic of a bureaucracy are common to all social institutions, be they political, religious, industry, business, military, educational or government organisations. Size and complexity produce bureaucracy. As such, the rigid structures, fixed jurisdictions, impersonal rules and mundane routine, concomittant with bureaucracies often result in delays, produce inertia, encourage buck-passing, lead to wastage of resources and cause frustration. As such, in general parlance the word 'bureaucracy' has come to have a negative connotation and many tended to wish it away. But the features that characterise bureaucracy have become inevitable and ubiquitous with the growing size and

complexity in organisations. There is need, therefore, to understand and improve bureaucracies than indulge in dysfunctional debates over their relevance.

Features of Bureaucracy

The features which characterise bureaucracy have been identified by Max Weber by analysing the way modern officialdom functions. The more important features are considered here briefly.

A Rules and Regulations

The three elements that constitute bureaucracy include:

- **fixed formal rules and regulations specifying official duties in a given structure that imposes jurisdictional limits**
- **distribution of formal, positional authority to give commands required for discharging duties at various levels**
- **methodological provision for the fulfilment of duties and for the execution of corresponding rights by people with prescribed qualifications**

The emphasis is on consistency. Objective rationality is sought through impersonal means. Behaviour is subject to discipline and control within the framework of rules.

B Hierarchy

The principle of hierarchical authority in pyramidical structures is common to all bureaucracies. Each position in the hierarchy covers an area over which it has complete jurisdiction in terms of division of work, competence, authority and responsibility. Power and authority are delegated downward, beginning at the top, from each supervisor to his subordinates. The system firmly orders supervision of the lower offices by the higher ones, with provision for appeal of decisions of a lower office to its higher authority according to a laid down procedure.

C Paper Work

Every decision and the process thereof is recorded in a wide array of written documents and preserved in their original and draft form.

D Professional Qualifications and Expert Training

Recruitment is based on qualifications and ability. Skills are learnt through training and experience. Conformity with rules ensures job security. Promotions are based on seniority and merit. Knowledge of rules requires a special technical training which the officials possess. Such knowledge concerns jurisprudence and administrative rules and procedures.

Functional and Dysfunctional Aspects

The foregoing discussion is based on Max Weber's description of an ideal (normative) pattern of organisation. It is difficult to distinguish precisely how the functioning of organisations differs from the ideal. It can nevertheless be said that all organisations have some or all of these features and the difference between one organisation and the other is one of degree alone.

Functional Aspects

Some of the principal, prescriptive, normative functions that bureaucracies serve have positive significance to organisations. Whether and to what extent these positive features really obtain in an organisation depends on actual practice which often falls short of expectations. Subject to this limitation the following can be considered as the functional aspects of an 'ideal' bureaucracy:

A Specialisation

The emphasis on **specialisation**. A bureaucratic organisation—be it in government, industry or services—can be "compared with an assembly line in which each member performs his special functions" in a predictable manner. At various levels in the organisational bureaucracy, routinised work is assigned with fixed responsibilities and jurisdictional limits, providing for an element of specialisation.

B Structure

By structuring the duties and responsibilities and reporting relationships in a command hierarchy the organisation is provided a form or structure. Structure sets the pace and framework for organisational processes.

C Predictability and Stability

The rules, regulations, training, specialisation and structure impart predictability and thereby ensure certainty and stability to an organisation. The insistence on conformity to rules and roles in the framework of a given structure, regulations and jurisdictional limits, bring some order to cope with complexity and provide for certainty in the midst of uncertainty.

D Rationality

Since the criteria for decision-making in routine situations is prescribed ahead of events emphasising consistency in dealing with organisational questions, a measure of objectivity is ensured in organisation.

E Democracy

Bureaucracy makes an organisation more democratic by emphasising more on qualifications and technical competence for purposes of recruitment and highlighting the jurisdictional roles of people at all levels in a hierarchy. The top officials may have acquired the position through election, appropriation or succession but down the level in the hierarchy the processes are guided by laid down rules, regulations, policies and practices than patronage or other privileged treatment.

Dysfunctional Aspects

Bureaucracies, particularly in large complex organisations, may have unintended consequences which are often referred to as dysfunctional aspects of bureaucray. Over the years, there has been much disenchantment with the functioning of bureaucracies which created many antagonists of bureaucracy who prophesied about its gradual demise. The skeptics optimism however, did not fructify. None could propound workable alternatives. As a result, bureaucracies survived notwithstanding the myriad dysfunctional aspects. It is not possible here to list all the dysfunctional functions caused by what Thompson calls as 'bureaucratic' behaviour. There is also no agreement on whether all these are really counterproductive, because some of them at least are perceived at times as disguised blessings. The more prominent among the dysfunctional aspects include the following:

A Rigidity

Critics of bureaucracy argue that rules are often rigid and inflexible, encouraging status quoism and breeding resistance to change. Compliance with rules may provide the cover to avoid responsibility for failures.

B Impersonality

Bureaucracies emphasise mechanical way of doing things, giving primacy to organisational rules and regulations than individual's needs and emotions. Contractual obligations receive primacy, relegating human relations to a back seat. The office a person holds is important than the person *per se*.

C Displacement of Objectives

Rules originally devised to achieve organisational goals at each level become an end in themselves independent of organisational goals. Thompson calls such bureaucratic behaviour as a process of "inversion of ends and means". When individuals holding office at lower levels pursue personal objectives or objectives of sub units, the overall objectives of the organisation may be neglected. When objectives get so displaced it is often difficult for managers at higher levels or even for the other constituents of the organisations such as consumers and stock holders to seek redress.

D Compartmentalisation of Activities

Specialisation and division of labour are encouraged in bureaucracies to improve organisational effectiveness. But the resulting categorisation breeds the notion of watertight compartmentalisation of jobs, restricting people from performing tasks that they are capable of performing. For example, a pipe fitter can instal a pump, but is prohibited from making the electricial connection. It would also encourage a tendency to preserving existing jobs even when they become redundant. The sequential flow of work may usually have an element of idle time at almost every level. The bickerings over respective jurisdictions based on specialisation and categorisation may also often induce dysfunctional conflict in the place of coordination and cooperation among various subunits of an organisation.

E Empire building

People in bureaucracy often view that the office they hold bestows on them a sense of ownership and privilege with the result there could often be a tendency to use one's position and resources to perpetuate self interests or the interests of the subunit they represent than of the organisation.

As Max Weber observed, once it is fully established, it is hard to destroy bureaucracy even if it has outlived its utility. A common tendency in bureaucracies is to relate power and prestige with the number of subordinates a person has. Therefore the effort, more often than not, is to increase the number of people employed under one's control.

F Red Tape

Bureaucratic procedures involve much paper work and routing through proper channel causing inordinate delays and frustration. The procedures are nevertheless valued, perpetuated and multiplied for their own sake as also to pass the buck to others in the chain of hierarchy as far as responsibility for failures go. The negative aspects of bureaucracies can however be overcome if the individual needs and organisational goals are properly reckoned. Whatever the progress in the thinking about and in the actual working of modern organisations, bureaucracy has remained an integral and concommitant feature. There is no use wishing it away. There is every need to understand it better and cope with the possible problems effectively and proactively.

Activity A

a) Interview five persons in different organisations. Find out their notions about bureaucracy. Ask whether the organisation they work for has any of the features discussed so far in this unit. Prepare a resume.

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b) Try and find out whether there is any large organisation without the attriubutes of a bureaucracy. If at all you could, see how it is different from other bureaucractic organisations.

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c) Do you like to work in a bureaucracy? give reasons

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1.2.2 Administrative Theory

Administrative theory is another stream of thought in the classical mould. While the concept of bureaucracy was developed by sociologists in a detached, scholarly way administrative theory has been developed since 1900 by practical managers. Though both the schools of thought developed independently, they have many things in common. Both tend to be prescriptive about organisations and normally emphasise

the need for order and orderly procedures, and point to hierarchy, specialisation, structure, order and certainty among others as essential features of organisations.

Among the several proponents of the Administrative theory, the earliest and significant contribution came from Henri F Fayol, a French industrialist, in 1916. The 14 principles that capture the essence of the administrative theory could be summarised as follows:

Division of work. Divisions of work or specialization gives higher productivity because one can work at activities in which one is comparatively highly skilled.

Authority and responsibility. Authority is the right to give orders. An organisational member has responsibility to accomplish the organisational objectives of his position. Appropriate sanctions are required to encourage good and to discourage poor performance.

Discipline. There must be respect for and obedience to the rules and objectives of the organisation.

Unity of command. To reduce confusion and conflicts each member should receive orders from and be responsible to only one superior.

Unity of direction. An organisation is effective when members work together toward the same objectives.

Subordination of individual interest to general interest. The interests of one employee or group of employees should not prevail over that of the organisation.

Remuneration of personnel. Pay should be fair and should reward good performance.

Centralisation. A good balance should be found between centralisation and decentralisation.

Scalar chain. There is scalar chain or hierarchy dictated by the principle of unity of command linking all members of the organisation from the top to the bottom.

Order. There is a place for everything and everyone which ought to be so occupied.

Equity. Justice, largely based on predetermined conventions, should prevail in the organisation.

Stability of tenure of personnel. Time is required for an employee to get used to new work and succeed in doing it well.

Initiative. The freedom to think out and execute plans at all levels.

Espirit de corps. "Union is strength"

Fayol further explained about the importance of planning, organising, coordinating, and control in organisation. These aspects have been further developed by subsequent writers like Earnet Dale, Herbert G Hicks, Chester I Bernard, Lyndall F Urwick and many others. It is however not proposed to review the contribution of each of these writers here.

The principles of management enunciated under the administrative theory stream of thought have the potential to comprehend and cope with the growing complexity in organisations to an extent in the sense that they seek to bring order, provide structures relationships in channeling activities and processes and usher an element of certainty in actions though, of course, a maze of rules, regulations, policies, practices, etc. But the real problem is whether and to what extent they really serve as definite principles. For example, concepts such as centralisation, decentralisation and delegation suffer from superficiality and over-simplification. Several of the principles occur in pairs and there is little in theory to indicate which is the proper one to apply. Another basic problem here is that it views organisations as power-centred and do not provide for underpinning the elements of a democratic form of organisation.

1.2.3 Scientific Management

The third stream of classic school of thought is the scientific management. The principles of scientific management were first developed around 1900. Among the pioneering proponents of the principles of scientific management, particular mention should be made of Frederick Winston Taylor, an engineer by profession. Whereas

bureaucracy and administrative theory focussed on macro aspects of the structure and processes of human organisations, scientific management concerned itself with micro aspects such as physical activities of work through time-and-motion study and examination of men-machine relationships. Unlike in the other two, the scientific management laid emphasis on activities at shop floor or work unit level than management and based its inductive reasoning on detailed study and empirical evidence. In juxtaposition the principles of bureaucracy and administrative theory were formed by synthesising experience and observation with abstract reasoning.

Taylor's principles of scientific management could be considered as an improvement over the contributions in the other two streams of thought in as much as he tried to use the engineer's discipline to reduce personal factors, randomness and rule of thumb decision-making. Though Taylor too had his share of critics and criticism, his contribution to modern management and use of scientific methodology for decision-making and management practices are profound.

For Taylor, scientific management fundamentally consists of certain broad principles, a certain philosophy, which can be applied in many ways, and a description of what any one man or men may believe to be the best mechanism for applying these general principles should in no way be confused with the principles themselves.

Taylor described the following four principles of scientific management:

1. Develop a science for each element of a man's work, which replaces the old rule-of-thumb method.
2. Scientifically select and then train, teach, and develop the workman, whereas in the past he chose his own work and trained himself as best he could.
3. Management should heartily cooperate with the workers so as to ensure all the work being done in accordance with the principles of the science which has been developed.
4. There is an almost equal division of the work and the responsibility between the management and the workmen. The management should take over all work for which they are better fitted than the workmen, while in the past all of the work and the greater part of the responsibility were thrown on the workers.

The principal techniques he advocated were motion and time study, specialisation, standardisation, planning, slide rules and other work-saving implements, work standards and guidelines, piece rates, wage systems, routing systems and modern cost systems. Most of the developments in the field of industrial engineering and personnel management can be traced to his work.

Taylor did not emphasise much on relations between worker and worker; worker and management. He recognised the need for a 'mental revolution'. But most people paid attention to his suggestions concerning "efficiency experts", "motion and time study" and speeding-up techniques to improve output and productivity. When the basic philosophy of scientific management and mental revolution did not gain the same emphasis, the scientific management movement had began to be criticised as management gimmicks to get most out of workers. Nevertheless many of Taylor's contributions provide the essence of modern management practice. Several persons like Henry L Gantt, Frank and Lillian Gilbreth and Harrington Emerson made important contributions to the scientific management movement and expanded scope of the basic ideas propounded by Taylor.

1.3 NEOCLASSICAL VIEWPOINT

The neoclassical theory, also referred to as the human relations school of thought reflects a modification to and improvement over the classical theories. While classical theories focused more on structure and physical aspects of work (notwithstanding Taylor's concern for mental revolution), the neoclassical theory recognises the primacy of psychological and social aspects of the worker as an individual and his relations within and among groups and the organisation. Though neoclassical philosophy could be traced to ancient times, it gained currency only

...er the world War I, particularly in the wake of the "Hawthrone experiments" at Western Electric Company by Elton Mayo during 1924 to 1932.

The initial experiments carried out over a period of three years sought to determine the effects of different levels of illumination on workers' productivity. In the test groups, productivity raised irrespective of variations in illumination at indifferent experiments. In the second set of experiments which began in 1927 a smaller group of six female telephone operators was put under close observation and control. Frequent changes were made in working conditions such as hours of work, lunches, rest periods, etc. Still, over a period of time as the experiments continued with such changes, productivity continued to rise. It was concluded that the social or human relationships among the operators, researchers, and supervisors influenced productivity more decisively than changes in working conditions. The test group achieved higher morale due to special attention given to the employees as individuals and also the social structure of the work group. The Hawthorne experiments further revealed that a worker's feelings about himself and in work group matter most. The third set of experiments which began in 1931 attempted to understand how group norms affect group effort and output. It was noted that the informal organisation of workers controlled the norms established by the groups in respect of each member's output.

These and subsequent findings concerning human behaviour at work focussed on worker as an individual and considered the importance of caring for his feelings and understanding the dynamics of the informal organisation of workers–which affect the formal organisation structure, its activities, processes and output. The neoclassical viewpoint thus gave birth to human relations movement and provided the thrust toward democratisation of organisational power structures and participative management. The emerging changes in social, economic, political and technical environment of organisations also seems to have provided the rationale for such shift in emphasis.

The neoclassical viewpoint does not replace classical concepts. The need for order, rationality, structure, etc. have been modified to highlight the importance of relaxing the rigid and impersonal structures and consider each person as an individual with feelings and social influences that effect performance on the job.

Activity B

Look for examples, if any, in your (or any other Indian) organisation that seem to substantiate the conclusions of Hawthorne Experiments. Briefly record them here.

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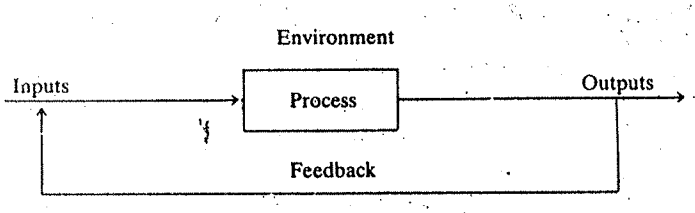
1.4 MODERN (SYSTEMS) VIEWPOINT

Modern theories of organisation and management have been developed largely since the 1930s. The perspective here is to provide a systems viewpoint. Among the several persons who contributed to the modern theory, it was perhaps Chester I. Bernard, who in 1938, provided a comprehensive explanation of the modern view of management and organisation. He considered the individual, organisation, suppliers and consumers as part of the environment. Ten years later, Weiner's pioneering work on cybernetics developed concepts of systems control by information feedback. He described an adaptive system (including an organisation) as mainly dependent upon measurement and correction through feedback. An organisation is viewed as a system consisting of five parts: inputs, process, output, feedback and environment as shown in Figure I.

Since 1940s, researchers and information theorists also looked at organisations in a Systems viewpoint. In 1956 Kenneth Boulding propounded General Systems Theory (GST).

Figure I: An Organisation as a System



The GST approach suggests the following nine levels of systems complexity:

1. The most basic level is the static structure. It could be termed the level of frameworks. An example would be the anatomy of the universe.
2. The second level is the simple dynamic system. It incorporates necessary predetermined motions. This could be termed the level of clockworks.
3. The next level is a cybernetic system characterized by automatic feedback control mechanisms. This could be thought of as the level of the thermostat.
4. The fourth level is called the "open-systems" level. It is a self-maintaining structure and is the level where life begins to differentiate from nonlife. This is the level of the cell.
5. The fifth level can be termed the "genetic-societal" level. It is typified by the plant and occupies the empirical world of the botanist.
6. The next is the animal level, which is characterized by increased mobility, teleological behavior, and self-awareness.
7. The seventh level is the human level. The major difference between the human level and the animal level is the human's possession of self-consciousness.
8. The next level is that of social organisations. The important unit in a social organisation is not the human per se but rather the organisational role that the person assumes.
9. The ninth and last level is reserved for transcendental systems. This allows for ultimates, absolutes, and the inescapable unknowables.

Each level is more complex than the one that precedes it. However, no stage is as yet fully developed and knowledge about different levels is of varying degrees. Beyond the second level none of the theories are comprehensive or fully meaningful. Over the last three decades further developments in research into organisations may have added to the existing knowledge, but human organisations continue to be extremely complex.

The systems approach points to the interdependent nature of everything that forms part of or concerns an organisation. A system is composed of elements which are related to and dependent upon one another and which, when in interaction, form a unitary whole.

Systems framework covers both general and specialised systems and closed and open analysis. A general systems approach to the management processes deals with formal organisation and concepts relating to different disciplines such as technical, social, psychological and philosophical. Specific management systems deal with aspects relating to organisation structure, job design, specific functions of management, etc.

A closed system operates in a closed loop, devoid of external inputs. An open system, in contrast, is a dynamic input-output system "in continual interaction with environment to achieve a steady state of dynamic equilibrium while still retaining the capacity for work or energy transformation".

While the classical theorists recognised only a closed system viewpoint, the modern theorists believe in organisations as open systems. The work of D. Katz and R L Kahn provided the intellecutal basis to merge classical, neoclassical and modern viewpoints.

This belief in viewing organisations as open systems widened the perspective further and led to the development of a "contingency approach" to the study of organisations. The contingency approach incorporates the environmental variables and relates them to management variables. The underlying logic is that concepts relating to organisations and management work differently in different situations (or environments). Jay Galbraith's modern structural organisation theory highlights the information processing model and captures the essence of the systems/congingency perspective on organisations. He constructs theories about the amount of information an organisation must process under different levels of (a) uncertainties, (b) interdependence among organisational elements, and (c) organisational adaptation mechanisms.

Over the years thus, fresh perspectives are emerging providing new vistas and opportunities to understand organisations better. There is as yet no single verified universally valid general theory of organisation as such.

1.5 SUMMARY

Organisations are social units with specific purposes. The basic elements of organisations have remained the same over the years. Several disciplines provide the knowledge and the means to understand organisations. However, it is appropriate to look at organisations integrally in a multi-disciplinary perspective. Three viewpoints have emerged, over the years in successive stages, each seeking to provide a window on the others. They are the classical, the neoclassical and the modern (systems) viewpoints. Within the classical approach, three streams stand out: bureaucracy, administrative theory and principles of scientific management. It is important to note that with the passage of time, the viewpoints have been changed or modified, but not replaced as such. Each major contribution brought new knowledge, awareness, tools and techniques to understand the organisations better. Thus, today we are richer than ever before in terms of our knowledge about approaches to understand organisations. All the same, more knowledge meant reckoning with more complex variables to comprehend the complexities of human organisations. There is, as yet, no general, unified, universal theory as such. Organisations being diverse and complex in more senses than one, it is difficult, if not meaningless to be too general or too specific about them.

1.6 SELF-ASSESSMENT TEST

1 What is the relationship between bureaucracy and administrative theory?

2 Discuss similarities and dissimilarities among the three streams of thought in the classical theory.

3 Discuss the major aspects of neoclassical viewpoint. Does it replace the classical theory?

4 How modern are modern theories of organisation in relation to classical and neoclassical perspectives?

5 Drawing from classical, neoclassical and modern theories, is it possible to evolve a general theory of organisation and management?

6 Explain whether and how Taylor's principles of scientific management find expression in neoclassical and modern viewpoint.

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UNIT 2 TYPOLOGY OF ORGANISATION STRUCTURES

Objectives

After reading this unit you should be able to:

- **understand** the basis for evolving different types of organisational structures
- **examine** the relative merits and demerits of different types of organisational structures

Structure

2.1 INTRODUCTION

This unit reviews briefly the typology of organisation structures. Organisation structures based on classical bureaucratic principles are hierarchical. But modern organisation theories attempted to modify them in the light of experience, changes in technology, and knowledge about human behaviour. The centralised structures gave way to some sort of decentralisation and thus transformed, partially at least, vertical (tall) organisations into horizontal (flat) ones, reflecting a shift in emphasis from command to consensus based self control. The relative conditions of instability and uncertainty transformed the classical mechanistic forms of management systems into organic ones. The advent of specilisation and requirements of coordination had thrown up new issues and strategic choices concerning product versus function and matrix organisation. The salient features of different organisation structures referred to above are briefly outlined here to provide an overview than comprehensive understanding of the underlying principles.

2.2 FORMAL-INFORMATION ORGANISATION

All organisations usually develop at least some formal procedures for regulating relations between members, among members and their organisation. Status is bestowed on persons. Norms are laid down, usually they are imposed from above. Relationships are prescribed and communications flow horizontally or vertically among members.

In contrast, informal organisation describes social relationships and actions that do not coincide with formal structure, roles, procedures and norms. Informal relations, to begin with, are unstructured and not given. Relationships are not prescribed, but sought by members in a group. Unofficial norms evolve in informal organisation out of consensus in a group. Interaction between or among members in an informal organisation is voluntary. Communications may flow in any direction (see Table 1).

In any organisation, informal organisation coexists with the formal organisation.

Informal organisation has both functional and dysfunctional aspects while in formal organisation the functional aspects have received much attention; in informal organisation, dysfunctional aspects such as conflicting objectives, restriction of output, inertia and resistance to change have received wide attention. With the result, there is often a misconception about the counter-productive role of informal organisation.

Informal communication channels like grapevine and rumour are the most potent forces in any organisation. Since these move fast and concern recent happenings affecting people at work in terms of what they know, managements should deal with and use them rather than ignore or curb informal communication channels. In reality, informal organisation can reinforce and facilitate the functional aspects of formal organisation in the following ways:

1. It is a very useful channel for communication in the organisation, if properly used. It can become an effective supplement to the formal system of communication.
2. It blends with the formal system and facilitates smoother, speedier and effective flow of work.
3. It provides satisfaction and stability to work groups.
4. It reduces the adverse impacts of the rigidity of formal organisation.

Table 1: Distinction between Formal and Informal Organisation

	Formal Organisation	Informal Organisation
1	Structured	Unstructured
2	Status bestowed on positions	Status acquired by persons
3	Official Norms; often imposed from above	Unofficial norms; often evolved out of consensus
4	Relationships prescribed	Relationships not prescribed, but sought
5	Interaction occurs as required by rules/roles	Interaction occurs as desired, voluntarily
6	Communication flows horizontally or vertically	Communications flow in any/many directions

Activity A

Briefly examine and describe the nature and significance of informal organisation on the formal organisation system in your company. Illustrate your response by citing instances.

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2.3 CENTRALISATION AND DECENTRALISATION

Centralisation refers to consolidating decision making in one coordinating head. Decentralisation refers to delegation of decision making to subordinate units. Both centralisation and decentralisation are intended to improve organisational effectiveness. Theories are of little avail in suggesting which is the proper thing to do in a given situation. At one point Ford Motor Company suffered because of centralisation and General Motors because of decentralisation.

If one were discerning enough, it is possible to identify two basic types of centralisation and decentralisation.

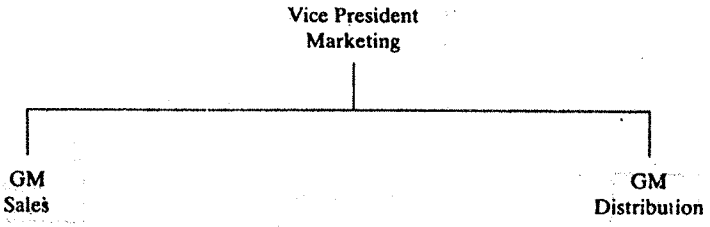
a) Geographic/territorial concentration (centralisation) or dispersal (decentralisation) of operation. If all operations are under one roof or in one geographic region, Geographic regions could refer to a city (eg. Bombay), State (Maharashtra), country (India) or continent (Asia). (Figure I).

b) Functional concentration or decentralisation. As an example, personnel functions in an organisation could be concentrated in one separate department or handled in various functional departments as shown in Figure II.

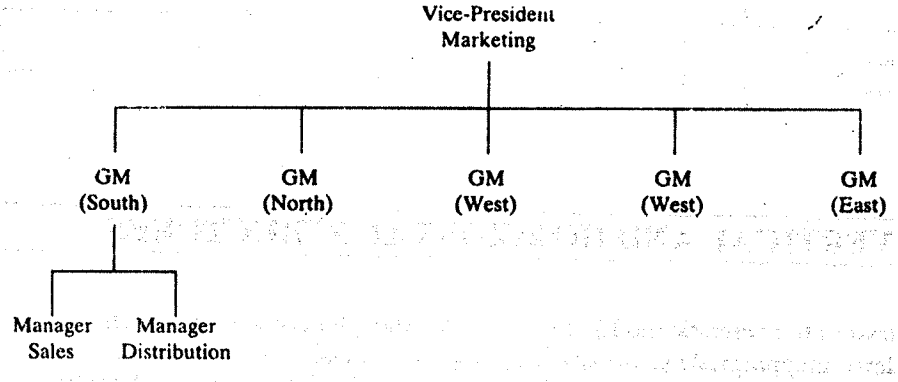
However, from a practical point of view, merely by looking at charts it is difficult to determine to what extent authority is concentrated or dispersed. There is need therefore to analytically study how the chain of command operates in an organisation. In reality centralised form will have some amount of decentralisation and vice versa. The difference is one of degree. "Centralised decentralisation" seems to be the dominating mode in organisation design and structure.

Figure I: Marketing Function in an Organisation with All-India Operations

a) Centralised



b) Decentralised (geographic/territorywise)



Alfred P. Slogan played an instrumental role in developing a model of central control of decentralised operations for General Motors based on the following twin premises:

1 The responsibility attached to the chief executive of each operation shall in no way be limited. Each such organisation headed by its chief executive shall be complete in every necessary function and enabled to exercise its full initiative and logical development (Decentralisation of operations)

2 Certain central organisation functions are absolutely essential to the logical development and proper coordination of the Corporation's activities: Centralised staff services to advise the line on specialized phases of the work, and central measurement of results to check the exercise of delegated responsibility.

Activity B

Examine whether your organisation belongs to a centralised or decentralised form of organisation. Analyse limitations, if any, of the present structure and make suitable recommendations.

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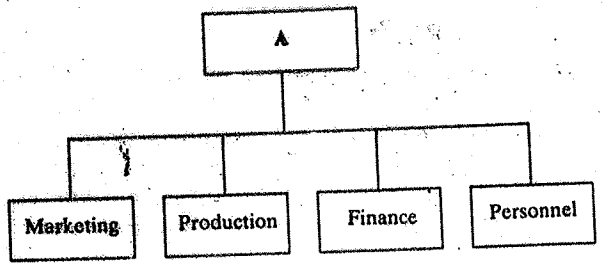
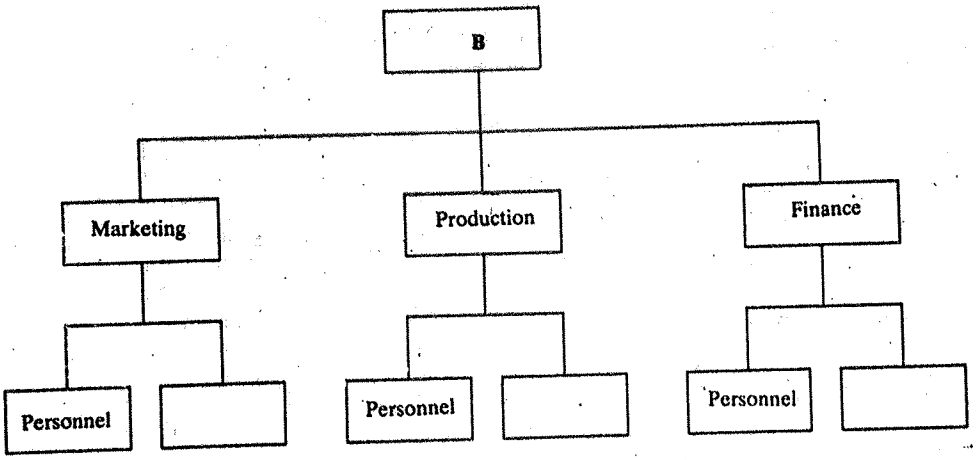
Figure II: Personnel as a centralised function



Personnel as a decentralised function



2.4 VERTICAL AND HORIZONTAL STRUCTURES

The classical bureaucratic model of organisation though pervasive, has been considered inappropriate to the changing requirements of modern times. A bureaucratic organisation was considered to be too inflexible and hierarchical to adapt to the changes occurring in organisations and technology. Parkinson's laws and Peter Principle highlight the negative aspects of bureaucratic organisations. Whatever be the criticism against bureaucracies, it is realised that to some extent they have become essential. Therefore, writers and organisations began to explore ways to modify the bureaucratic organisation structures. In essence these new structures reflect modifications to the classical principles of delegation of authority and standard of control. Delegation extends the scope of the principle to the point of an abiding organisation-wide philosophy of management. A tall organisation structure means a series of narrow spans of control, and a flat one incorporates wide spans and limited layers of control at horizontal levels. Both the structures have their advantages and disadvantages. They should be viewed on relevant concepts and not as ideal absolutes. A tall structure calls for control and close supervision over the subordinates. But close supervision may not necessarily produce better control. Similarly in a flat organisation with wide spans, it may not be possible to keep close control over subordinates but it provides for decentralisation, individual initiative and self-control. Tall structures are less favourably viewed in modern organisation analysis. From a behavioural point of view it is held that self-control is better than imposed control. The choice in this regard however rests ultimately on management assumptions about individuals and groups in organisations.

2.5 MECHANISTIC AND ORGANIC SYSTEMS

Burns and Stalker propose two contrasting forms of management systems to suit different conditions. These are called as mechanistic organic forms. A **mechanistic**

management system is considered appropriate to stable conditions while the organic form is suitable to changing conditions. The contrasting features of both these forms are shown in Table 2.

Table 2: Distinction betweeen Mechanistic and Organic System

Mechanistic System	Organic System
a) the specialized differentiation of functional tasks into which the problems and tasks facing the concern as a whole are broken down	a) the contributive nature of special knowledge and experience to the common task of the concern
b) the abstract nature of each individual task, which is pursued with techniques and purposes more or less distinct from those of the concern as a whole; i.e., the functionaries tend to pursue the technical improvement of means, rather than the accomplishment of the ends of the concern	b) the "realistic" nature of the individual task, which is seen as set by the total situation of the concern
c) the reconciliation, for each level in the hierarchy, of these distinct performances by the immediate superiors, who are also, in turn, responsible for seeing that each is relevant in his own special part of the main task	c) the adjustment and continual redefinition of individual tasks through interaction with others
d) the precise definition of rights and obligations and technical methods attached to each functinal role	d) the shedding of "responsibility" as a limited field of rights, obligations and methods. (Problems may not be passed upwards, downwards or sideways as being someone else's responsibility)
e) the translation of rights and obligations and methods into the responsibilities of a functional position	e) the spread of commitment to the concern beyond any technical definition
f) hierarchic structure of control, authority, and communication	f) a net work structure of control, authority, and communication. The sanctions which apply to the individual's conduct in his working role derive more from presumed community of interest with the rest of the working organisation in the survival and growth of the firm, and less from a contractual relationship between himself and a nonpersonal cooperation, represented for him by an immediate superior
g) a reinforcement of the hierarchic structure by the location of knowledge of actualities exclusively at the top of the hierarchy, where the final reconciliation of distinct tasks and assessment of relevance is made	g) omnisience no longer imputed to the head of the concern; knowledge about the technical or commercial nature of the here and now task may be located anywhere in the network; this location becoming the adhoc centre of control authority and communication
h) a tendency for interaction between members of the concern to be vertical, i.e., between superior and subordinate	h) a lateral rather than a vertical direction of communication through the organisation, communication between people of different rank also, resembling consultation rather than command
i) a tendency for operations and working behaviour to be governed by the instructions and decisions issued by superiors	i) a content of communication which consists of information and advice rather than instructions and decisions
j) insistence on loyalty to the concern and obedience to superiors as a condition of membership	j) commitment to the concern's task and to the "technological ethos" of material Progress and expansion is more highly valued than loyalty and obedience
k) a greater importance and prestige attached to internal (local) than to general (cosmopolitan) knowledge, experience, and skill	k) importance and prestige attached to affiliations and expertise valid in the industrial and technical and commerical milieu, external to the firm

Source: Based on Tora Burns and G.M. Stalker 1961. The Management of Innovation, Tavistock Publications, London.

It is observed that organic systems are not hierarchical in the same way as mechanistic systems and they remain stratified based on expertise. Also, people's commitment to the cause of the organisation is supposed to be more in organic than

mechanistic systems. In an organic form the hierarchic command gives way to consensus based commitment. The two forms of systems represent two ends of a continuum than being dichotomous. The relation of one form to the other is elastic and an organisation may oscilate from one end (mechanistic) to the other end (organic) as the transition occurs in its conditions from relative stability to relative change.

2.6 PRODUCT VERSUS FUNCTIONAL FORMS[1]

One of the issues in determining the form of an organisation relates to the question of whether to group activities primarily by product or by function. Should all specialists in a given function be grouped under a common boss even if they deal in different products or should the various functional specialists working on a single product be grouped together under the same boss? As with the problem of centralisation versus decentralisation, here too most managers find it difficult to say which choice will be the best one.

Lawrence and Lorsch studied from a behaviour point of view the criteria used in the past to make the choice to see whether a pattern emerges to provide meaningful clues to resolve the dilemma. Reviewing the literature they found that managers seem to make the choice based on three criteria:

1 Maximum use of special technical knowledge.
2 Most efficient utilisation of machinery and equipment.
3 The degree and nature of control and coordination required.

The major problem with each of these criterion concerns the trade-off involved in these decisions which may lead to unanticipated results and reduced effectiveness.

Lawrence and Lorsch highlighted important factors about specialisation and coordination. According to them classical theorists saw specialisation in terms of grouping of similar activities, skills or equipment. But this concept overlooks social and psychological consequences. There is an important relationship between a unit's or individual's assigned activities and the unit members' patterns of thought and behaviour. Functional specialists tend to develop patterns of behaviour and thought that are in tune with the demands of their jobs and training. As such these specialists (e.g. industrial engineers and production supervisors) have different ideas and orientation about what is important in getting the job done. This is referred to as 'differentiation' which means differences in thought patterns and behaviour that develop among different specialists in relation to their respective tasks. Differentiation is necessary for functional specialists to perform their jobs effectively

Differentiation is closely related to achievement of coordination which may also be referred to as 'integration'. Therefore, alternatively both differentiation and integration coexist. This is possible through effective communication channels. The appropriate mix of differentiation and integration in an organisation is considered to be dependent on the nature of external factors such as markets, technology facing an organisation as well as the goals of the organisation. Since organisational pattern affects individual members, management and show concern to the kind of stress and cross functional conflicts that a certain pattern may produce.

Walker and Lorsch studied two plants which were closely matched in several ways. They were making the same product; their markets, technology, and even raw materials were identical. The parent companies were also similar; both were large national corporations that developed, manufactured, and marketed many consumer products. In each case divisional and corporate headquarters were located more than 100 miles from the facilities studied. The plants were separated from other structures at the same site, where other company products were made.

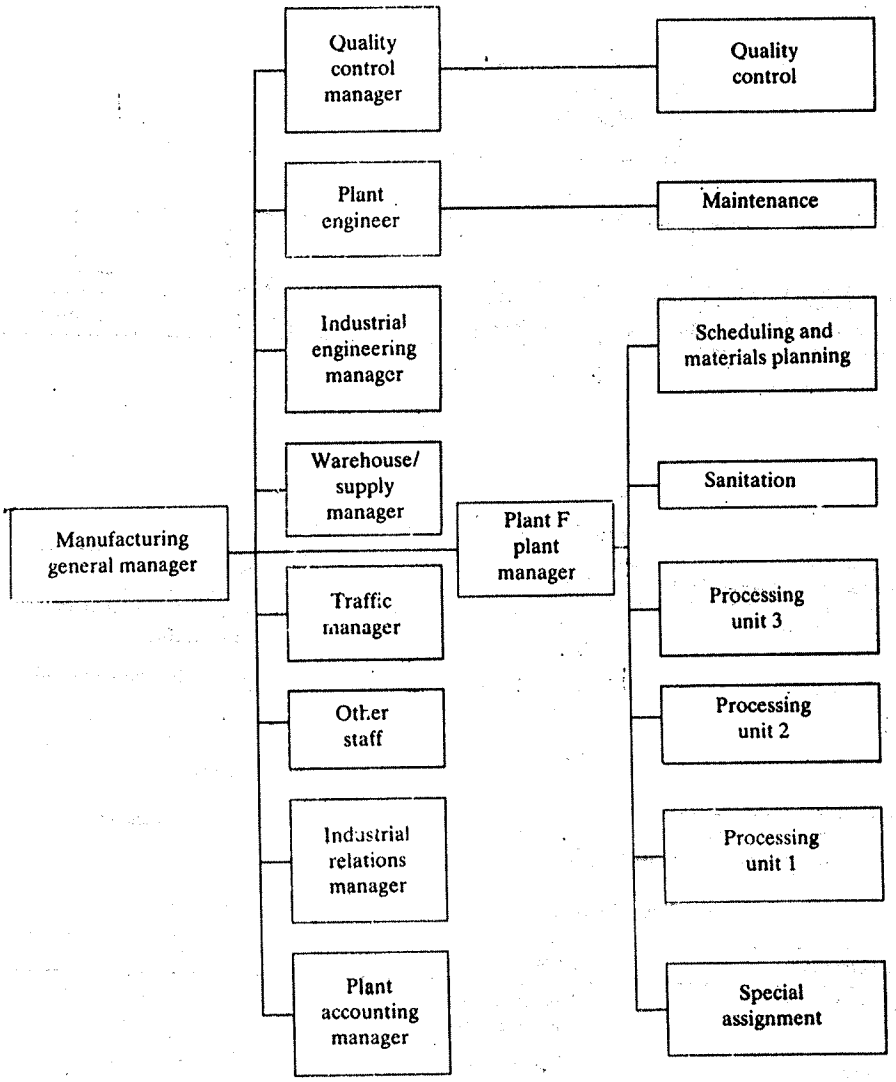
Both plants had very similar management styles. They stressed their desire to roster employee's initiative and autonomy and placed great reliance on selection of

1. Arthur H Walker and Jay W Lorsch, 1968. Organisational Choice: Product versus Function, *Harvard Business Review*, November-December 1968

well-qualified department heads. They also identified explicitly the same two objectives. The first was to formulate, package, and ship the products in minimum time at specified levels of quality and at minimum costs—that is, within existing capabilities. The second was to improve the capabilities of the plant.

In each plant there were identical functional specialists involved with the manufacturing units and packing unit, as well as quality control, planning and scheduling, warehousing, industrial engineering, and plant engineering. In Plant F (with the functional basis of organisation), only the manufacturing departments and the planning and scheduling function reported to the plant manager responsible for the product (see figure III). All other functional specialists reported to the staff of the divisional manufacturing manager, who was also responsible for plants manufacturing other products. At Plant P (with the product basis of organisation), all functional specialists with the exception of plant engineering reported to the plant manager (see Figure IV).

Figure III: Organi ational Chart at Plant



The nature of differentiation in plants F & P was studied by the authors in terms of orientation towards goals, orientation towards time and perception of the formality of the organisation. It was observed that wheras in plant F the specialisation focused sharply on their specialised goals and objectives, in plant P they were found to be not only concerned with their own goals but with the operation of the entire plant. Specialists in plant F were seen to be concerned with the short-term issues while in plant P they were equally concerned about long-term programmes (Table 3).

Both the plants had experienced some problem in achieving integration but the problems were more striking at plant F. Collaboration between maintenance and

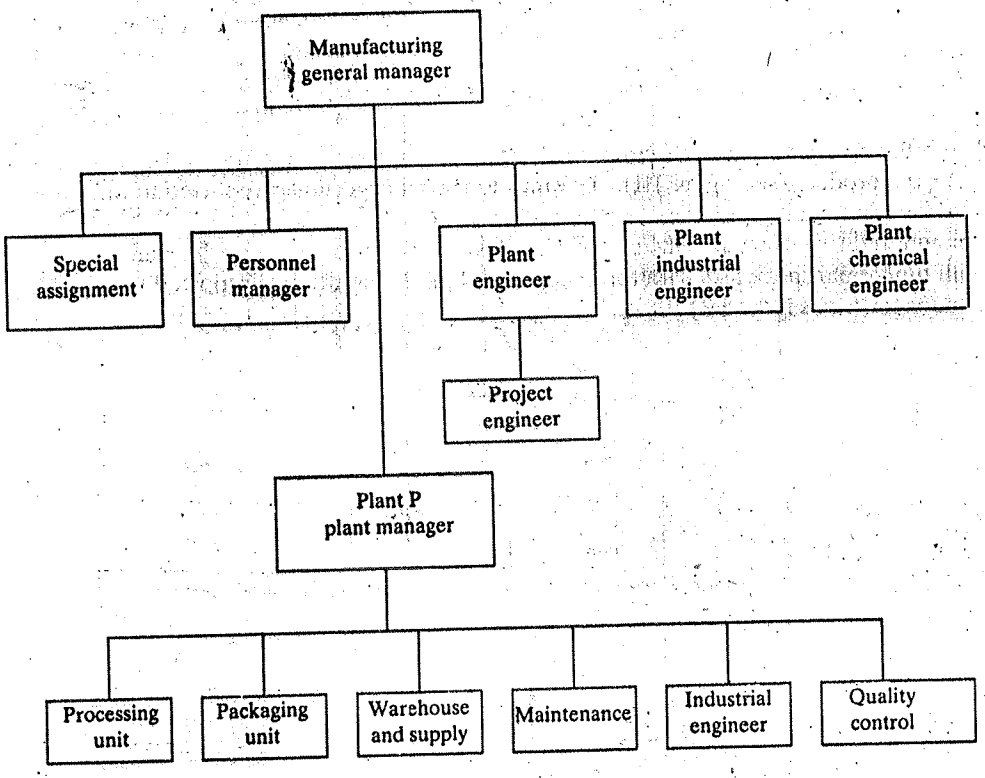


Table:3 Differentiation in Plants F and P

Dimensions of Differentiation	Plant F	Plant P
Goal orientation	More differentiated and focused	Less differentiated and more diffuse
Time orientation	Less differentiated and shorter term	More differentiated and longer term
Formality of structure	Less differentiated, with more formality	More differentiated, with less formality

Source: Arthur H Walker and Ju., W. Lorsch, 1968. Organisational Choice: Product versus Function, *Harvard Business Review*, November-December .

Table:4 Observed Characteristics of the Two Organisations

Characteristics	Plant F	Plant P
Differentiation	Less differentiation except in goal orientation	Greater differentiation in structure and time orientation
Integration	Somewhat less effective	More effective
Conflict management	Confrontation, but also "smoothing over" and avoidance; rather restricted communication pattern	Confrontation of conflicts; open, face-to-face communication
Effectiveness	Efficient, stable production; but less successful in capabilities	Successful in improving plant capabilities, but less effective in stable production
Employee attitudes	Prevalent feeling of satisfaction, but less feeling of stress and involvement	Prevalent feeling of stress and involvement, but less satisfaction

Source: Ibid.

production personnel and between production and scheduling was a problem at plant F. In plant P the only problem in coordination was between production and quality control specialists. Thus, plant P could achieve better integration than plant F. In plant P communication among employees was more frequent and less formal than was the case with plant F. Plant P managers could come to grips with conflicts more directly than in plant F. In terms of performance and attitudes, both the plants were aiming at two objectives, viz. maximising current output with existing capabilities and improving the capabilities of the plant. Plant F was rated better in terms of the first objective and plant P in terms of the second. As far as employee attitudes, the key personnel at Plant P appeared to be more deeply involved in their work than did managers at plant F. These characteristics of the two organisations are summarised in Table 4.

In comparing the performance of these two plants operating with similar technologies and in the same market, it was observed that because of its greater ability to improve plant capabilities, Plant P eventually will reach a performance level at least as high as Plant F. While this might occur in time, it should not obscure one important point; the functional organisation seems to lead to better results in a situation where stable performance of a routine task is desired, while the product organisation leads to better results in situations where the task is less predictable and requires innovative problem solving.

The discussion in the preceding section and an overview of literature on function vs product choice, permits us to observe that both forms of organisation design have their own set advantages and disadvantages. The functional structure facilitates the acquisition of specialised inputs. It permits pooling of resources and sharing them across products or projects. The organisation can hire, utilise and retain specialists. However, the problem lies in coordinating the varying nature and amount of skills required at different times. The product or project organisation, on the other hand, facilitates coordination among specialists; but may result in duplicating costs and reduction in the degree of specialisation. Thus, if functional structure is adopted, projects may fall behind; if product/project organisation is chosen technology and specialisation may not develop optimally. Therefore, the need for a compromise between the two becomes imperative.

The possible compromises between product and functional bases include, in ascending order of structural complexity:

1. The use of cross-functional teams to facilitate integration. These teams provide some opportunity for communication and conflict resolution and also a degree of common identification with product goals that characterises the product organisation. At the same time, they retain the differentiation provided by the functional organisation.
2. The appointment of full-time integrators or coordinators around a product. These product managers or project managers encourage the functional specialists to become committed to product goals and help resolve conflicts between them. The specialists will retain their primary identification with their functions.
3. The "matrix" or grid organisation, which combines the product and functional forms by overlaying one on the other. Some managers wear functional hats and are involved in the day-to-day, more routine activities. Naturally, they identify with functional goals. Others, wearing product or project hats, identify with total product goals and are more involved in the problem-solving activity required to cope with long-range issues and to achieve cross-functional coordination.

2.7 MATRIX ORGANISATION [1]

Matrix organisation structure originated with the United states Aero Space Programme of the 1960s and the Aero Space agency's extraordinary and conflicting

1. This section is based/on Stanley M Dairs and Paul Lawrence, 1977. Matrix, Addison Wesley, Reading, Massachusetts.

needs for system (for innovation) and order (for regulation and control). A matrix organisation employs a multiple command system that includes not only a multiple command structure, but also related support mechanisms and associated organisational culture and behaviour pattern. A matrix organisation is not desirable unless (i) the organisation must cope with two or more critical sectors (functions, products, services, areas); (ii) organisational tasks are uncertain, complex and highly interdependent; and, (iii) there are economies of scale. All three conditions need to be present simultaneously before a matrix is indicated.

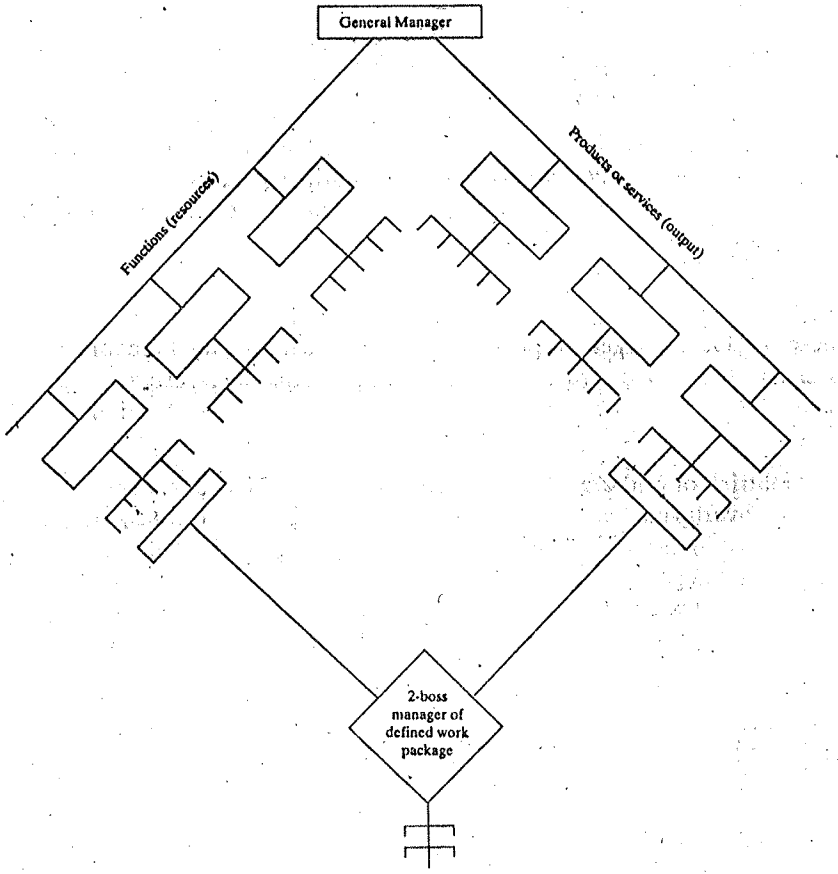
The structure involves the dual chains of command. The system must also operate along two dimensions simultaneously: planning, controlling, appraising and rewarding, etc., along both functional and product lines at the same time. Moreover, every organisation has a culture of its own and, for the matrix to succeed the ethos or spirit of the organisation must be consonant with the new form. Finally, people's behaviour, especially those with two bosses and those who share subordinates, must reflect an understanding and an ability to work within such overlapping boundaries.

The change to a matrix cannot be accomplished by issuing a new organisation chart. People are brought up, by and large, to think in terms of "one person, one boss" and such habits of mind are not easily changed. People must learn to work comfortably and effectively in a different way of managing and organising.

As seen in Figure V each of the three environmental conditions calls for organisational response, and all of them must be present simultaneously for an organisation to appropriately adopt and adapt to the matrix.

Ideally, the matrix form organisation induces (1) the focusing of undivided human effort on two (or more) essential organisational tasks simultaneously, (2) the processing of a great deal of information and the commitment of organisation to a balanced reasoned response, and (3) the rapid redeployment of human resources to various projects, products, services, clients, or markets. Figure VI can help in clarifying how the matrix induces these behaviours.

Figure V: Example of Matrix Design

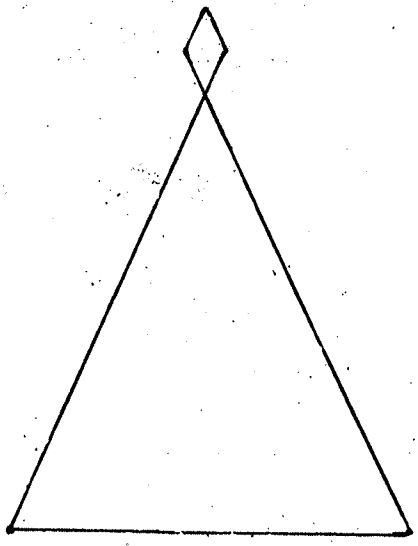


Source: This section is based on Stanley M Davis and Paul Lawrence, 1977. Matrix, Addison Wesley, Reading, Massachusetts

We see here a Diamond-shaped organisation rather than the conventional pyramid. The top of the diamond represents the same top management symbolized by the top of the pyramid. The two arms of the diamond symbolize the dual chain of command. In the typical case the left arm would array the functional specialist groups or what could be thought of as the resource or input side of the organisation. The right arm arrays the various products, projects, markets, clients, services, or areas the organisation is set up to provide. This is the output or transaction side of the matrix. Depending on how many people holding a specialist orientation, either resource or output, the organisation needs, these groupings can develop several echelons in response to the practical limits of the span of control of any line manager. At the foot of the matrix is the two-boss manager. This manager is responsible for the performance of a defined package of work. The manager is given agreed-upon financial resources and performance targets by superiors on the output side, and negotiated human and equipment resources from the resource manager. The two streams, taken together, constitute the work package. The manager is responsible for managing these resources to meet performance targets. To perform, the manager must handle high volumes of information, weigh alternatives, make commitments on behalf of the organisation as a whole, and be prepared to be judged by the results. This form of organisation induces the manager to think and behave like a general manager.

Even in a fully developed matrix organisation, only a relatively small proportion of the total number of people in the organisation will be directly in the matrix. Whereas a middle-level manager may have two bosses, those people reporting beneath that manager are likely to have only one boss. In an organisation with 50,000 employees only 500-1,500 may be in the matrix; and in one with 500 people, only 50 may be in the matrix. To keep in perspective the proportion of people that will be affected directly, it may be helpful to envision the diamond of the matrix perched on top of the traditional design of the pyramid. Drawn to scale, proportionate to the number of people involved in the matrix, the total organisation chart might look like this:

Figure VI: Matrix Organisation



Activity C

Prepare a chart describing the structure of your organisation. Find out to which typology it belongs. Hypothetically examine the implications of possible change in your organisation structure.

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2.8 SUMMARY

We have considered different types of organisation structures which have evolved over time, in response to complex, changing requirements. The continuum of structures range from centralisation to decentralisation, vertical to horizontal, mechanistic to organic and product to function. The predominant mode is decentralisation with centralised control and a certain type of matrix in complex organisations. Each form has its own set of advantages and disadvantages. Compromises are possible in the context of organisation's environment, technology, culture and aspects of human behaviour.

2.9 SELF-ASSESSMENT TEST

1. Examine how informal organisation is seen to be effecting the formal organisation in the institution where you are employed.
2. Review how centralisation and decentralisation are at work in your department.
3. Discuss the issues in product versus functional choice in the design of organisation.
4. What is a Matrix Organisation? Identify and study a matrix organisation in action and record your assessment about its merits and demerits.

2.10 FURTHER READINGS

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