THE REALITY OF ORGANIZATIONS

A Guide for Managers

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The Reality of Organizations

A Guide for Managers

ROSEMARY STEWART

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Introduction

MANAGERS are busy people. Is the study of organization sufficiently useful to be worth the time that it will take? This question is one that any teacher of, or writer on, the subject ought to answer. It is not as obviously useful a study as finance, or marketing. Yet many managers have organizational problems as well as financial and marketing ones. Can they be helped by learning more about the subject? This book is written in the belief that they can, based on the experience of discussing organizational problems with very diverse groups of managers at the Oxford Centre for Management Studies.

Small organizations can work well with little formal structure. But as they become larger more attention needs to be given to organization. Enthusiasm, flair and drive are no longer sufficient. Creative chaos, the enthusiastic pursuit of new ideas with the maximum of flexibility and little planning and co-ordination becomes progressively more costly as different activities get out of step. There comes a time, therefore, in the growth of a company when more thought needs to be given to how work and relationships should be organized.

Managers in larger organizations may be forced to think about organization because of the complexities inherent in trying to get a large number of people to work together for common objectives. Most of them will, at times, be only too well aware of organizational deficiencies: of work that does not get done, of conflicts between departments, of failures in communication up and down the hierarchy, and of the difficulties of knowing what is happening in other parts of the group.

A manager can learn to recognize when he should be thinking about organization. He can also learn to know when he has a problem which is, at least in part, an organizational one, and can learn to diagnose what kind of problem it is. He can also get some help in deciding what to do about it, although at the present state of our knowledge he can usually get more help in diagnosis than in prescription.

There is rarely a solution to an organizational problem that does not create fresh difficulties. Usually it is a question of finding the best balance between the advantages and disadvantages of different forms of organization. Only occasionally is there a clear-cut answer that is obviously preferable. The study of organization is, therefore, primarily useful as a means of achieving a greater understanding of the types of

problems that can arise, their causes, and their symptoms. It does not provide a set of answers that the manager can use to solve his problems.

The success of the form of organization must be judged by the extent to which it helps the achievement of common objectives. A good organization is one that does so as efficiently as possible. This book does not describe the process of defining objectives since this has so often been done elsewhere, but readers should remember that a review of organizational effectiveness must start with a definition of objectives for each of the main areas of the business or service.

AIMS OF THIS BOOK

One has only to look at the large number of books on organization to see that most of them were written for M.B.A. students rather than for practising managers. The present book was written to fill the gap that the author found when trying to assign suitable books for experienced managerial students to read. It is intended to be a companion volume to an earlier book, *The Reality of Management*. A book on management, or on organization, should have examples to illustrate the points made. The problem is what kind of examples? This book is addressed to managers, whether in industry, commerce, hospitals, public administration or elsewhere. Each may tend to think of their own problems as special. The fact that many of them are commonly found can be shown through illustrations from a variety of sources. Hence the examples are deliberately drawn from various types of organization, although the majority of them will be from industry.

Certain examples recur in the text. The reader may want to know why these particular examples were selected. In a book written for managers from different types of organizations some of the illustrations should be of activities with which they will be familiar. For this reason the canteen and the typing pool are used as basic examples of activities that are commonly found in medium- and large-sized organizations. These have the additional merit of being relatively simple types of activities, so that the problems that arise in organizing them can be easily described.

The computer department is used as a more complex example to illustrate two types of problems: one, that of relations between managers and specialist staff, and the other, that of the problems that arise in organizing a new activity. The computer department was chosen both because it poses so many organizational problems and because more and more managers are being confronted with them.

(The author has been doing research for the last few years on the impact of computers on management and organization.)

Managers in the public service are becoming increasingly aware that they too have organizational problems. Illustrations from this area are useful to them and can be illuminating for others. Two fields of public service are, therefore, drawn on repeatedly. One is the hospital world. Here is an organization with which many of my readers, not merely those employed by the hospital services, will be familiar. It illustrates to an unusual degree the problems that arise in employing professionals in organizations; problems that other types of organization are increasingly having to tackle as they recruit a greater number of highly trained specialists. The other public service example is the U.S. Forest Service. The main reason for choosing this is because of the wealth of information about how it works that is provided in an excellent study.¹ It is particularly useful as an example because its activities are easily appreciated by an outsider.

The word 'organization' is used in different ways by different writers. Sometimes it is only used to refer to the formal structure of work. This is an essential part of organizing. Tasks must be assigned, so must responsibilities and authority; activities must be grouped together into departments and provision made for co-ordination. The extent and nature of delegation to different levels must be decided. A communications system must be devised. But organization means more than that. It must include the people who have to make the structure work, as well as the formal structure itself. Therefore, this book will discuss both the formal planning of work and the relevance of people's behaviour for organizational planning. The aim of such planning is, of course, to achieve the common objectives as efficiently as possible.

This book is designed to be read either as a whole or for individual chapters. Summaries at the end of each chapter are there to help the reader decide whether it is one that he wants to read in full. The last chapter summarizes what has gone before by describing some of the most common mistakes. The aim throughout is to help the manager to understand his organizational problems and to know what are the advantages and disadvantages of different ways of dealing with them.

1. Herbert Kaufman, *The Forest Ranger: A Study in Administrative Behavior* (Baltimore, Johns Hopkins, 1960).