

Suggested lecture/seminar plan for Chapter 8

Introduce lecture by showing a slide of the diagram from Reflection Box 8.1. Allocate two of the environmental factors/actors to small groups of students until all eight are distributed throughout the class. Each small group should be asked to give two specific examples that illustrate the effects that their factors/actors can have on organizations. (15 minutes)

Outline the key features of population ecology, resource dependency and institutional theories. Draw attention to the similarities and differences between each theory. (15 minutes)

Outline the key differences between the Fordist and Post-Fordist eras. Ask students to consider how this shift might have affected the following:

- Career paths
- Management style
- Deskilling vs. upskilling
- Worker expectations (15 minutes)

Outline the features of N-V organizations. Working in pairs, ask students to consider the advantages and disadvantages of working in such organizations from the perspective of the employee (15 minutes). Discuss their answers with reference to the relationship between structure and control/motivation.

Discussion question guidelines for Chapter 8

1. Looking at the factors in the diagram in Reflection Box 8.1, what are the chief forces creating the need for more flexibility in organisational design and why?

One of the key factors influencing the need for organizational flexibility is the degree of turbulence in the business environment. As markets become ever more global, competition increases, and customer demands become more and more diverse and dynamic, organizations have to respond quickly if they are to survive. Such responses mean that product life-cycles decrease, and the development of new products and services, including those that provide added value become ever more critical. Flexibility is therefore crucial for enabling organizations to respond, and much of this flexibility is achieved by ensuring that fixed costs, like salaries and capital equipment are minimised.

Technology is also a key factor influencing flexible organizational designs.

Advanced Manufacturing Technologies, for example, require staff that are functionally flexible if the maximum profit is to be gained from them. Information Communication Technologies (ICTs) mean that organizations can reduce the fixed costs of a central work place by locating workers remotely.

Research additionally suggests that larger organizations build flexibility into their design through networks. By joining forces with governments, competitors, suppliers and other stakeholders, they can exert much influence over their environments, thus enabling them to not only anticipate changes in products and services, but also, to some extent, to create changes in the demand for certain products and services (see online case for chapter 8).

2. What do you see as the main consequences for organisations of the rise in knowledge work and the needs of knowledge workers?

For organizations, the rise in knowledge work creates both opportunities and potential costs. Because knowledge is essentially portable, through the knowledge worker him or herself, or through the use of information communication technologies, companies can outsource much of their business, leading to increased numbers of franchises, and multi-national corporations.

Second, because knowledge can be transferred (if appropriately communicated), organizations can make use of cheap and plentiful labour supplies in developing economies to carry out core tasks. Consider the growth of call centres in India as one example here.

Costs include the potential loss of control over knowledge assets, caused by losing valuable and critical core staff, or by not having knowledge assets embedded in appropriate practices or coded in appropriate technology.

Keeping abreast of developments in knowledge advancement is also critical for companies who rely on such assets. Organizations need to ensure that they have staff operating at the boundaries of the organization who can not only monitor such developments, but also be able to judge their likely impact. The now seminal story of Hoover's dismissal of Dyson's new vacuum cleaner is a case in point.

3. What limits do you currently see to the development of the virtual organisation?

While virtual organizations can confer many advantages to organizations, there are a number of issues that may limit their development. The first of these is the simple problem of control over staff. Where organizations rely on reasonably standardized outputs, virtual organizations can pose management problems, simply because managers are not able to monitor and control the performance of staff as closely as they can when they in regular face-to-face contact with them.

Organizations have historical modes of operating, of dealing with employees and of managing. A long established organization may well, on paper, be able to reduce costs by adapting a virtual form, but in reality will be constrained by such factors as the preferences of customers and suppliers; by the actions and attitudes of Trades Unions and by the amount of investment (financial and emotional) that a given company has in its traditional mode of organization. These factors suggest that virtual organizations are more likely to be the domain of newer businesses.

Finally, consumer behaviour probably poses the greatest limit to the development of the virtual organization. Consider women's clothing. Despite the growth in internet shopping services, most women prefer to go into town or into their local shopping mall to buy clothes from a retail outlet. The whole experience of buying clothes is beyond the simple transaction. For many women, buying clothes is a social and emotional experience as well!