

Organizations: Human Capital, Coordination and Cooperation

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Abstract: The article comprises of illustrations that elaborate relationships seen in context of coordination and cooperation within the present technologically advanced organizations. The significant role of theory is to give in detail the explanation of the said concept. It means that the theory of organization will facilitate in comprehension of what organizations are and the way organizations work in a particular environment and how organizations function in various contexts. This has been established as a consequence of the methodical study of modern organizations. Therefore, it is vast implications for several types of organizations. It also rejuvenates the ideas about the concept of organizations and administrating them. Organization theory essentially caters the organization level of analysis such as planning, design, structure, change, development, politics and culture. With reference to organization phenomenon, the investigation studies the productivity of the organization. The objective of the article is to critically examine the complicated process of cooperation and coordination related to the modern organization. The study focuses on models of organization such as the system model and the contingency model. According to the deliberations of the study, the article also focuses on Mintzberg's model for understanding the concept.

Keywords: Organization; Coordination; Contingency model; Cooperation, System model

Introduction:

The concept of modern organizations and the theory developed during 1900s and the Industrial Revolution. In the words of Weber, the bureaucracy was among the pure forms of the organizations and such structures enunciate the obligations of workers and the behavioral controls are set in the shape of predefined rules and procedures. Then, Fayol expanded the concepts of strategic planning, recruitment, motivation, and employee supervision as significant managerial roles for the successful organization. Their work found extensive application in presence of F. W. Taylor's contributions. His efforts rendered great part in explaining the processes of employee selection, training and development, wage incentives and standards of work for organizational performance at optimum level (Hicks & Gullet, 1975).

According to modern versions of organization theory, the system of organization has to transform and change as the environment evolves and develops. Considering the context of modern organization perspectives, the organization is considered as a forum of processes with plans, designs and structures where individuals interact to achieve organizational goals. The modern prospect of the organization is multifold and highlights the powerful nature of communication. Thereby, it also emphasizes the integration of individual and the organizational interests. *Theories of Management*, by C. Bernard, throws light on the

modern comprehensive view of management and organizations which also explain the above mentioned concepts (Bernard, 1990). Moreover, the contributions of several disciplines have been employed by operation research approach (1940) to present the solutions to the organizational problems. *General systems theory* discussed elements of organizations that describe the paradigm of modern theories (Von Bertalanffy, 1968).

The basic premise of the later organization theory originates from general systems theory as explained in the open systems theory. The system theory is developed from biological and the ecological sciences that illustrate that human organization is like an organic system where everything relates to everything else meaning thereby that flux in any component of the system will have a consequential influence on all other interactions and relations (Richard, 2007). Now, the elementary models must be explained within the modern view of organization theory.

Systems Model:

The organization is a structure made up of interlinked sub-systems which are mutually dependent. These sub-systems may also have sub-systems within them the model of modern view of organization theory suggests. The system can be formed of numerous processes, parts and functions. This system comprises of five primary components including individual roles, formal or informal organizations, accepted behaviors norms and patterns, role clarity and understanding and the physical context of organization. Also, the system model helps dynamic parts of an organization to function in a specified, organized and harmonic manner. The constituent elements of the organization interact in a way highly influenced by communication modes, decision making and coordination mechanisms. The open systems model describes the complication and unpredictability of the individual organizational components that includes individual contributors, subgroups and the weak connections among them. Each system or sub-system may work independently to some extent and have a capacity to act independently. Each and every component of the organization is also linked to other parts to some extent. In the process thereof, the individuals or the sub groups keep on forming and quitting coalitions due to which it is difficult to maintain control and coordination (Kast & Rosenweig, 1988). The system model of the organization is shown in the diagram below;

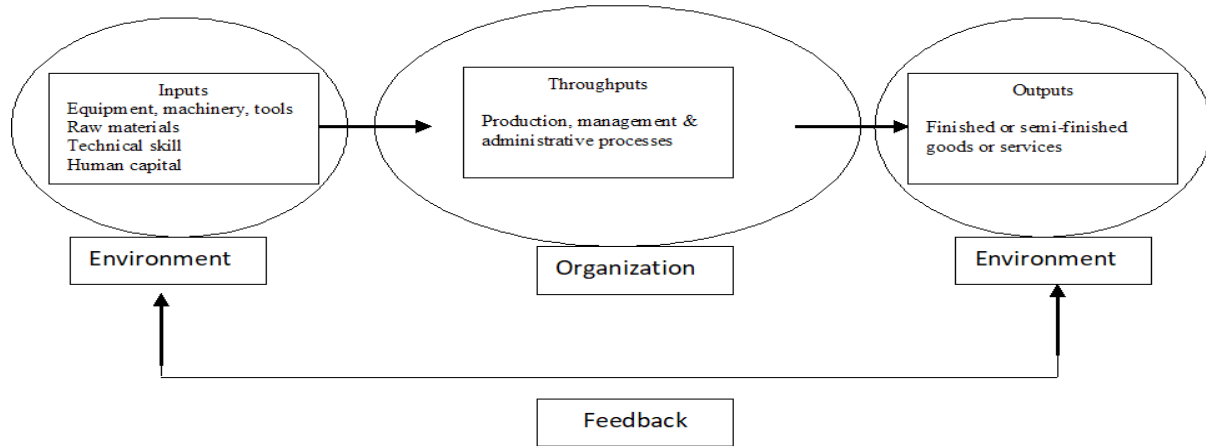


Figure No 1: The System Model Perspective

Adapted from (Kast & Rosenweig, 1988)

The above mentioned model shows that an organization obtains inputs and provides product to the environment from where they imported raw materials. The information which they receive from the stakeholders in the form of feedback about the product is essential for survival of the organizations. The model exhibits that the survival depends upon adjusting and adapting to the changing context.

Contingency Model:

This model is founded on the approach of contextual or situational perspective. The model of situation approach asserts that it is generally believed that there is no one best model which is considered appropriate in all contexts. Each model has own feature. The organization is dependent upon the context and situation. The model puts forward for consideration that the dynamic settings need unique or adapted organizational relationship for favorable results. The environmental factors include various social, technical, political, legal and economic variables (Pfeffer, 1982).

The modern theory of organization revolves around a string of relationship interactions among various subsystems in the contextual perspective. The systems approach provides a larger premise to comprehend organizations in a relatively generalized way. The contextual approach focuses on subsystems and aims to establish the relationship within the subsystems of organization. It also tries to grasp the interactions between the organizations and their contexts. This approach highlights the distinctiveness of environment and uniqueness of internal subsystem of organizations which guide the way to organize and manage organizations. All parts of the organization interlated.

The contingency view emphasizes that there are general rules for organizing and managing along with the uniqueness of the contexts. The most important supposition is that there should to be consistent

relations between the environment and organization and its several subsystems. Congenial environment creates a sense of harmony in the organization

The supervisory role is to expand the relationship between the environment and among the various subsystems. The relationship between the organizations, their sub-systems and the context, when corresponds to each other can enhance the productivity of the organization. The contingency perspective proposes that there are suitable relationship molds for various kinds of organizations by which we can enhance our appreciation of such variable interactions (Kast and Rosenweig, 1988).

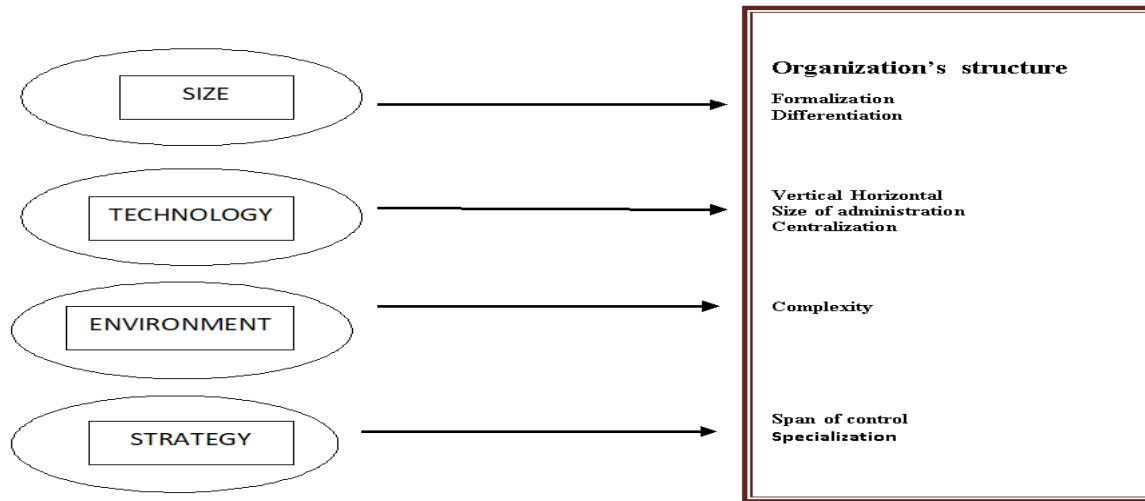


Figure No 2: Contingency Model Perspective (Source: (Kast and Rosenweig, 1988)

The above mentioned figure shows four significant components of contingency perspective which include size, technology, strategy and environment. These components are considered essential for cooperation and coordination whether internal and external to the organization. These play a useful role for gaining successes for organization in different areas. Organizational objectives and goals are the ends to be attained whereas the strategy encompasses both the goals and means to pursue them. This plan is considered as the prime aspect for the achievement of the organizational objectives. In accordance with the plan, resources and funds are allocated to accomplish such goals. The size has note-worthy impact on vertical differentiation and any increase in formalization will have a corresponding increase in the size of the organization. In order to convert inputs into outputs in the organization, technology is applied to maximize good results. Technology proves fruitful in getting the desired results for the organization.

According to Woodward, the production technology used to transform inputs into outputs include three types i.e. unit, process and mass. Perrow suggested a comprehensive version of technology by taking in to consideration task variability and the problem analyzability, whereas, Thompson reveals that technology developed dependency plays a vital role to determine the organization structures (Kast & Rosenweig, 1988). The binding factor or theme in the organization theory is that the organization should

acclimatize with its context in order to enhance its effectiveness. In an open system, the role of organization is to develop feedback and control mechanism that detects external trends and facilitate organization to adapt according to environment and change as the environment changes. Broadly speaking, there are two types of environment faced by the organization i.e. the general environment revolves around conditions having a strong effect on the organization but their applicability is not apparently vivid. Other is the internal condition of the organization playing an important role in accomplishing targets.

The mechanistic organizations are recognized by centralized and formalized structures. They are capable of completing their tasks aptly. They depend upon systematic and predefined performance and steady to react to the environment as they operate in accordance with the programmed routines and procedures.

And if compared with the other type of structures, the organic structure is considered as more adaptive and flexible qualified by competence rather than based on power structures. The roles and behaviors are flexibly defined and have not resolute job definitions which stress on information sharing instead on rigid commands. It shows that above mentioned three aspects of the theory influence the strength of cooperation and coordination that accelerate the productivity of the organization. It is important to consider the way these contingency factors help organization adjust in a way that improves organizational performance and increases efficiency. The information exchange mode is the center of attention for the usage of systems and to examine the operations of an organization in the modern organizations theory. In any organization, the communication process is composed of seven factors i.e. encoding, messages, transmission, receiving, deciphering, comprehension and the feedback (Robbins, 1987).

In the book, *Organizations: rational, natural and open system*, W. R. Scott mentions the power, control and goals in the perspective of the modern organizations. According to him, the purpose of developing modernist model of organizations is to design structures to facilitate coordination actions in the context of achieving specific goals. Set objectives can't be attained without good interrelation among the members of the organization.

The power has the strong impact on the ability to sanction and the authority is managed according to the standards when formal organizations are taken into account. In informal mode of organizations, the power of the group exists as sanctioning power strained by standards and endorsed via the subordinates (Richard, 2007).

Complexity, Cooperation and Coordination:

Keeping in view the above mentioned debate regarding the two important models of modernistic organization theory based on both the systems and contingency models, it can be summed up that the efficiency, communication and coordination are the most important components for the survival of the

organization. Organizations can't become successful without clear communication.

On the other hand, it is also worth mentioning that in the modern organizations, their survival is also identified as foremost aspect for the productivity of the organization. An important element is the coordination which is considered as significant for structure whereas cooperation is taken as the vital factor for the effective working of the organization. It is considered that in the system model weak structure may lead to the possibility of feeble cooperation and fragile coordination affecting the organizational operations often causing disorganization within the organization. Internal cooperation is highly important.

In the light of the contingency approach, the productive coordination relies on the dynamic organizational interactions due to the diverse social, political, technological and economic circumstances. The essential aspect discussed in both views is that the coordination and cooperation are designed, devised and strengthened with reference to the productive efficiency of the modern organization.

Acknowledging the useful functioning of cooperation and coordination in the context of organization, the writers have displayed scant acumen in the comprehension of actual interactional patterns in the modern organization imbued with complexities. However, in spite of the intricate modern organization, the coordination mechanisms persist there in weak or strong modes.

In the light of systems model, the coordination integrates tasks and operations of functional units to obtain the organizational objectives. For example, in the open system view, the coordination mechanism holds differentiated specialized organizational units together or apart and determines the patterns communication and interaction. Contingency model establishes the cooperation mechanism on the basis of strategy, environment and technology employed within the organization. It is realized by the organizational structure of authority and operating procedures of the organization (Kleinbaum *et al.*, 2008).

From the above theoretical arguments on several features of the modern organizations, the important concern for the modernists is that how they handle the complexity of coordination, cooperation and structure in the multi level organizations. Presently, the uncertainty of technology is a great challenge that the contemporary organizations face. Mintzberg organizational model emphasizes the necessity of an integrated approach to tackle the different modern organizations and their complex environments. The concept of maintaining equilibrium between the environmental variables and the organizational competence leads to the high performing organizations in ever changing vigorous environment.

Keeping in view, the utilization of five primary factors of organization as proposed by the model of Mintzberg to establish close knit equilibrium between the external factors and internal capabilities of organization offers a viable resolution. The diagram below is self-explanatory (Mintzberg, 1983). Employees are more than the people who only deliver goods, products and services to the customers (Farzard *et al.*, 2008). They have a decisive role in any organization. Therefore, the issues that are imperative to the human capital management are also significant for the organizational outcomes to the

extent of its survival (Winkelen). The human resource systems pertaining to collaboration practices push both the task and the people oriented cooperation accomplishing predictability of employees' behavior, facilitates task coordination, encourages adaptation and likelihood for further effectual helping (Bolino et al., 2002). They have a decisive role in any organization.

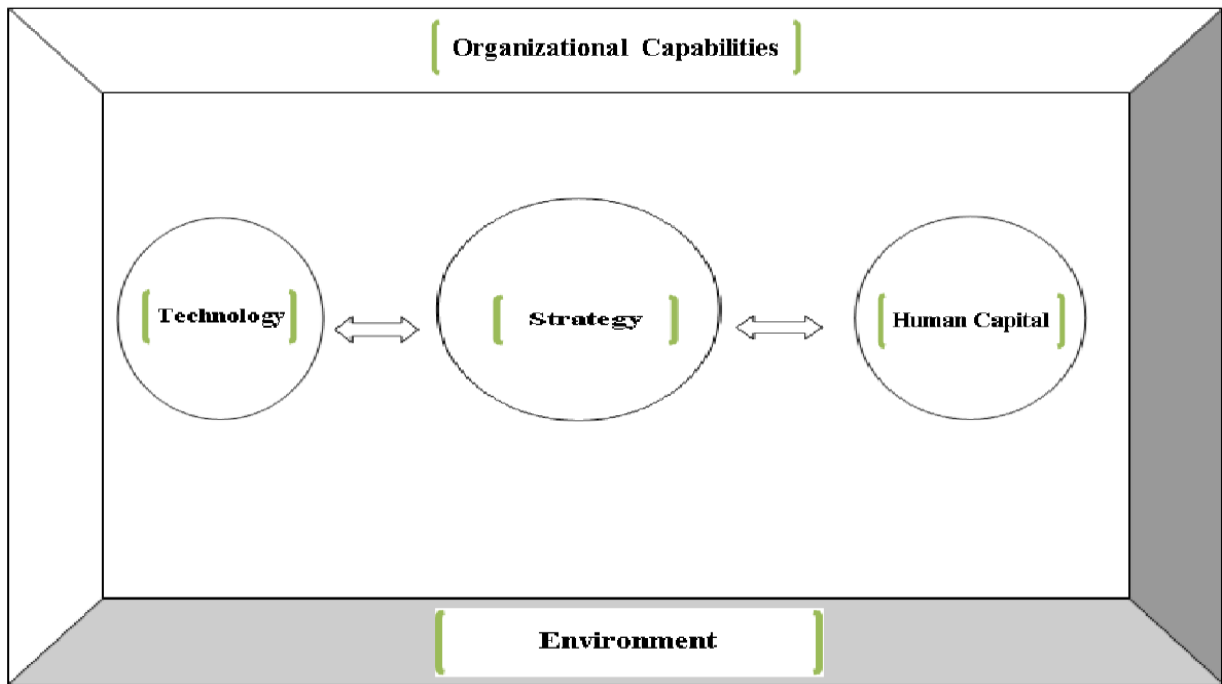


Figure 3: Adapted from Mintzberg, 1983

Conclusion:

In the light of the discussion with respect to coordination and cooperation mechanism in the organization, it can be summed up that the coordination system ought to be adapted for each organizational unit. The contingency factors such technical system, structure, environment, size and power depends on one of the four coordinating mechanisms. It can be concluded that successful organizations support the rational grouping of components for evolving synchronized internal processes of organization which requires effective cooperation and the role of human capital must be in tune. Mutual collaborations bring successes in organization This descriptive article shall be beneficial for future researchers for conducting research on a variety of modern organizations with reference to the coordination, complexity and cooperation in the modern organization.

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