

## Axis 8: Organization theories : Modern theory

### Introduction :

Modern theory of organization refer to a set of contemporary frameworks and perspectives that analyze and guide the understanding of how organizations operate in the current dynamic and complex environment. These theories, including Systems Theory, Contingency Theory, Resource Dependence Theory, Institutional Theory, and others, focus on adaptability, collaboration, and responsiveness to external and internal factors. They provide insights into the structure, behavior, and management practices of organizations in the context of today's evolving business landscape.

### 1- Total Quality Theory

Total Quality Management (TQM) is a management philosophy that emphasizes continuous improvement in all aspects of an organization. Here are key principles associated with Total Quality Theory:

1. **Customer Focus:** TQM places a strong emphasis on meeting or exceeding customer expectations. Understanding and satisfying customer needs are central to quality improvement.
2. **Continuous Improvement:** TQM encourages a culture of continuous improvement in processes, products, and services. This involves ongoing efforts to enhance efficiency, effectiveness, and quality.
3. **Employee Involvement:** Employees are considered valuable resources in TQM. Involving and empowering them in decision-making processes fosters a sense of ownership and commitment to quality.
4. **Process Approach:** TQM focuses on the systematic and process-oriented management of activities. Understanding and improving processes lead to better outcomes.
5. **System Thinking:** TQM views the organization as a system with interrelated components. Changes in one part of the system can impact the whole, emphasizing the need for holistic approaches to improvement.
6. **Leadership Involvement:** Leadership plays a crucial role in TQM. Top management is expected to demonstrate commitment, set a clear vision for quality, and provide the necessary resources.
7. **Supplier Relationships:** TQM extends beyond the organization to include suppliers. Building strong relationships with suppliers is essential for ensuring the quality of inputs.
8. **Data-Driven Decision Making:** TQM emphasizes the use of data and statistical methods for decision-making. Data analysis provides insights for making informed choices and improvements.

Overall, Total Quality Theory is about creating a culture of quality throughout an organization, involving everyone from top management to front-line employees in the pursuit of excellence.

## 2- Japanese Theory and Systems Theory in the Organization

### 2-1- Japanese Theory

The Japanese theory of organization is often associated with principles derived from Japanese management practices, particularly during the post-World War II period. Some key elements include:

1. **Kaizen (Continuous Improvement):** The concept of continuous improvement is fundamental. Organizations strive for incremental, ongoing improvements in processes, products, and efficiency.
2. **Just-in-Time (JIT):** JIT is a system where production is based on customer demand, minimizing inventory and reducing waste. This approach is closely linked to efficiency and cost reduction.
3. **Lean Manufacturing:** Similar to JIT, lean manufacturing focuses on eliminating waste, optimizing processes, and maximizing value for customers. It emphasizes efficiency without sacrificing quality.
4. **Teamwork and Collaboration:** Japanese organizations often prioritize teamwork and collaboration. Decision-making is often participative, involving employees at various levels.
5. **Quality Circles:** Small groups of employees come together to identify and solve work-related issues. This approach promotes employee involvement and continuous problem-solving.
6. **Respect for Employees (Hourensou):** The "hourensou" principle involves regular communication and information sharing at all levels of the organization. This fosters transparency and a sense of involvement.
7. **Lifetime Employment:** Historically, Japanese companies have practiced lifetime employment, providing job security and fostering a sense of loyalty among employees.
8. **Bottom-Up Approach:** Decision-making is not solely top-down. There is a recognition of the value of ideas and input from employees at all levels of the organization.
9. **Total Quality Management (TQM):** TQM principles, emphasizing customer focus, continuous improvement, and employee involvement, are often integral to Japanese organizational theory.
10. **Long-Term Perspective:** Japanese organizations often take a long-term perspective, planning for sustained success rather than short-term gains.

These principles, often associated with Japanese management practices, have influenced organizational theories and management approaches globally,

contributing to the development of concepts such as lean management and agile methodologies.

## 2-2- Systems Theory in the Organization

Systems Theory, when applied to organizations, views them as complex, interconnected systems where various components work together to achieve common goals. Here are key aspects of Systems Theory in the organizational context:

1. **Holistic Perspective:** Systems Theory takes a holistic view of organizations, considering them as more than the sum of their individual parts. It emphasizes understanding the interrelations and dependencies among different elements.
2. **Interconnected Components:** Organizations are seen as having interrelated components, such as departments, teams, individuals, and external stakeholders. Changes in one component can have ripple effects throughout the system.
3. **Input-Process-Output Model:** Systems Theory often employs the Input-Process-Output model to analyze organizations. Inputs (resources) are transformed through processes into outputs (products or services).
4. **Feedback Mechanisms:** Organizations are dynamic, and feedback loops are crucial. Systems Theory recognizes the importance of feedback mechanisms to maintain balance and make necessary adjustments in response to changes.
5. **Open Systems:** Organizations are considered open systems that interact with and are influenced by their external environment. Adaptation to external changes is essential for survival and growth.
6. **Emergent Properties:** Systems Theory acknowledges that organizations exhibit emergent properties—qualities that arise from the interactions of components but are not inherent in any single part. Examples include organizational culture and synergy.
7. **Equifinality:** Organizations can achieve similar outcomes through different paths. Equifinality in Systems Theory suggests that there can be multiple ways to reach the same goal.
8. **Hierarchy of Systems:** Organizations can be seen as subsystems within larger systems. For example, a department within a company is a subsystem of the overall organizational system.
9. **Entropy:** Systems Theory recognizes entropy, which refers to the tendency of systems to move toward disorder without energy input. Organizations must actively manage and renew their resources to counteract entropy.

10. **Cybernetics:** The study of communication and control in systems. It explores how organizations regulate and maintain stability through feedback and self-regulation.

Understanding organizations through the lens of Systems Theory helps managers and leaders appreciate the complexity of their environments and make informed decisions to enhance efficiency, adaptability, and overall performance.

### **3- Situational Theory and theory of Management by Objectives in the Organization**

#### **3-1- - Situational Theory in the Organization**

Situational Leadership Theory, often applied in organizational contexts, posits that effective leadership is contingent on the situation and the readiness or maturity of the followers. Here are key aspects of Situational Leadership Theory in organizational settings:

1. **Leadership Style Flexibility:** Situational Leadership suggests that effective leaders should be adaptable and able to adjust their leadership style based on the specific circumstances.
2. **Four Leadership Styles:** The theory identifies four primary leadership styles:
  - **Telling/Directing (S1):** High task focus, low relationship focus.
  - **Selling/Coaching (S2):** High task focus, high relationship focus.
  - **Participating/Supporting (S3):** Low task focus, high relationship focus.
  - **Delegating (S4):** Low task focus, low relationship focus.
3. **Follower Readiness/Maturity:** The model proposes that the readiness or maturity of followers can be assessed based on their competence and commitment. Readiness levels range from low to high.
4. **Matching Leadership Style to Follower Readiness:** Effective leadership involves matching the appropriate leadership style to the readiness level of the followers. For example, a telling/directing style might be suitable for low readiness followers, while a delegating style might be more appropriate for high readiness followers.

5. **Dynamic and Fluid Relationships:** Situational Leadership recognizes that readiness levels can change, and effective leaders must be attuned to these changes, adjusting their approach accordingly.
6. **Communication and Feedback:** Effective communication is vital in Situational Leadership. Leaders should provide clear expectations, guidance, and feedback to help followers develop their competence and commitment.
7. **Developmental Approach:** The theory aligns with a developmental perspective, aiming to enhance the capabilities and maturity of followers over time.
8. **Application Across Various Situations:** Situational Leadership is applicable in a range of organizational situations, from routine tasks to complex projects, and it can be used with individuals or teams.
9. **Practical Implementation:** Leaders are encouraged to diagnose the readiness level of their followers and then apply the appropriate leadership style, making it a practical and hands-on approach.

By emphasizing flexibility and adaptability, Situational Leadership Theory provides a framework for leaders to navigate different situations and effectively lead their teams toward success.

### **3-2- Theory of Management by Objectives in the Organization**

Management by Objectives (MBO) is a management philosophy and a systematic approach that involves setting specific objectives for individual employees or teams and then managing and monitoring the progress toward achieving those objectives. Here are key aspects of the Theory of Management by Objectives in an organizational context:

1. **Goal Setting:** MBO begins with the establishment of clear and specific objectives. These objectives should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound).
2. **Participative Goal Setting:** The process encourages collaboration between managers and employees in setting goals. This participatory approach fosters commitment and motivation.

3. **Alignment with Organizational Goals:** Objectives at different levels of the organization are aligned to ensure that individual and team efforts contribute to the overall success of the organization.
4. **Performance Measurement:** Regular assessment and measurement of performance against established objectives are integral to MBO. This involves monitoring progress, providing feedback, and making necessary adjustments.
5. **Employee Involvement:** Employees are actively involved in the goal-setting process, which enhances their sense of ownership and accountability for achieving the objectives.
6. **Feedback and Review:** Continuous feedback and periodic performance reviews are essential components of MBO. These reviews provide opportunities for discussion, clarification, and adjustments to ensure goals remain relevant.
7. **Clear Communication:** Effective communication is crucial in MBO. Employees need a clear understanding of their roles, responsibilities, and the expectations associated with their objectives.
8. **Recognition and Rewards:** Successful achievement of objectives is often linked to rewards and recognition. This helps motivate employees and reinforces a performance-oriented culture.
9. **Adaptability:** MBO allows for adaptability as circumstances change. The process is not rigid, and adjustments can be made to objectives based on evolving organizational priorities.
10. **Management and Leadership Role:** Managers play a facilitative role in MBO, guiding employees and providing the necessary resources. Leadership involves supporting the team's efforts toward goal attainment.
11. **Continuous Improvement:** MBO supports a culture of continuous improvement. The process encourages learning from experiences and refining objectives for ongoing organizational success.

MBO was popularized by management theorist Peter Drucker and has been widely adopted in various organizations as a means to improve performance, enhance communication, and align individual efforts with organizational goals.