

EVOLUTION OF APPROACHES IN ORGANIZATIONAL MANAGEMENT. CHANGING ORGANIZATIONAL PARADIGM

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Abstract:

Organizations and their analyses captured in a great measure the attention of researchers over time. We propose in this paper, the presentation of the evolution of approaches relating to organizations and their management, analyzing the classical theories and approaches of the twentieth century, to reach and to embrace the new paradigm in the organizational world, from the beginning of the 21st century.

Key words: *organizations, management, organizational theories, knowledge-based organization*

JEL classification: *M10*

INTRODUCTION

Analyzing the literature devoted to organizational matters, in an attempt to identify trends, over time, in the approaches of the organizations and their management, we found that there is no single way of reporting to organizations, and the less, a unitary definition thereof or universally accepted by specialists. Although organizations and their trial captured in a great measure the attention of researchers over time, some doubts still persists on the definition, description, analysis, classification, or their interpretation, and there is a unitary vision on organizations. I noted, thus, the existence in time of different perspectives of approach and understanding of matters relating to organisation, noting at the same time a specific definition of them depending on the perspective (economic, sociological, psychological, etc.) in which they are analysed.

Lack of a uniform vision on organizations is underlined and explained by Professor Mielu Zlate, which identifies three major causes in this sense: the multitude of perspectives taken in the analysis of organizations; the indiscriminative use of concepts, creating confusion, uncertainty, overlapping terms; sometimes abusive use of metaphors in the design and interpretation of organizations. [12]

Based on these considerations, we propose in this work, the presentation of the evolution of approaches relating to organizations and their management, passing in review of specific approaches and theories of the 20th century, to reach and to embrace the so-called new paradigm in the organizational world, from the beginning of the 21st century.

CLASSICAL THEORIES AND APPROACHES ON ORGANIZATIONS AND THEIR MANAGEMENT

A very complex and relevant analysis on the evolution of thinking relating to organizations was undertaken by Richard W. Scott, in 1998. Synthesizing the contributions made by the most significant authors to define organizations, Scott identifies three dominant perspectives of their approach, namely: *rationalist approach, organizations as natural systems approach, addressing organizations as open systems.*

[10] Within each of the three perspectives, organizations have been defined and analyzed by emphasizing some different features, a fact which has led to different interpretations that we will synthesize and present below.

Rationalist approach of organizations is the approach which has dominated for a long time theories and organizational analysis, continues even today to provide a reference point for many analysts.

This type of approach is based on the classic image of the organization, the image of a social entity explicitly established to achieve specific objectives. In this perspective, organizations are tools for achieving a goal, having a set of specific and clear objectives, and their internal structure is so arranged that can contribute to achieving the objectives.

The approach of organizations as natural systems - this perspective was developed as a critical reaction to rationalist approaches but at the same time has promoted their own ideas and interpretations relating to organizational issues.

The rationalist approach emphasized the highlighting features of the organizations which differentiates them from other forms or social groups. In contrast to this approach, the promoters of the organizations as natural systems perspective highlights the common characteristics of organizations with other social groups, while stressing the importance of reviewing organizations as social communities or organisms. Therefore, it occurs the alienation of a rationalist interpretation of organizations as tools of compliance with the aims, approaching them as one of the many forms of structured social behaviour. The implications of this approach is reflected in the orientation of the concerns from the formal structures of the organization toward the study of problems related to informal structures, interpersonal, and acceptance of a unit on the goals and prospects of the structure. It is considered that if there is a fundamental purpose which governs the entire organization that can be designated using a single word: survival.

The common feature of these two approaches, rationalist and the one centred on natural systems, consists in *considering organizations as closed systems, isolated from the outside world and which do not come into contact with it*. The consequence of this approach is the organisations analysis related only to what happens inside it, despite of the external environment.

The approach of organizations as open systems was developed in the 1960s, when theorists more concerned about organizational issues have found that the organizational behaviour is largely influenced by the external environment. Accordingly, *they put emphasis on the study of the relationships between organizations and between the Organization and the environment*. In this case, has no relevance the study of a single organization, the centre of interest travelling on the analysis of the multitude of organisations and the context in which they evolve.

A definition which summarizes the characteristics of the approach organizations as open systems is the following: *"organizations are interrelated systems activities involving changing coalitions of participants; systems are etched in environments in which they work and are dependent on continuous exchanges with them."* [10]

Comparing the three approaches of organizations, we see that each one highlights the specific characteristics of these, corresponding to a certain way of thinking and understanding of organisational matters in a certain period of time. Although each of the three approaches has its limits or shortcomings, they show us that there is a single point of view or a single perspective in understanding and interpreting the organizational phenomena, helping us also to realize a classification of the main stages of evolution theories and organizational practices.

Organizational Theories have emerged as a result of the efforts of researchers from various fields in the analysis of the evolution of management organizations and

organizations in general. In the literature we find sufficient tests for the classification of these theories (g. Burrell and g. Morgan in 1979, j. Pfeffer and m. Zald in 1993, Van Maanen in 1995) which have proved their legitimacy in time.

Particularly relevant from the perspective of our approach, we believe that is the classification made in 1998 by Richard W. Scott, whom by combining the three perspectives of organizational approach, identifies *four distinct phases in the historical evolutions of organizational and managerial theories*. [10] The author has based his study on two analysis criteria:

- a) relationship between organizations and their environment;
- b) functioning of the organizations as systems.

Thus, four distinct categories of organizational theories have resulted, situated at the intersection of the two classified axes (table 1):

- the axis "rationally-social", which examines the organizations as rational systems, designed just for the achievement of objectives that are clearly determined or as social systems (natural, similar in behaviour with living organisms);
- the axis "closed-open", which proposes analysis of the organizations from the perspective of the relationship with the environment.

Based of two criteria of analysis, organizational theories existing in the literature have been grouped into four stages:

- *first stage* includes the main theoretical models developed during the years 1900-1930 and synthesized by *classical school*, being situated at the crossroads between organizations as closed systems approach, on the one hand, and the approach organizations like rational systems, on the other hand; It's about the stage of the analysis of organizations as *closed and rational systems*, main theories being: *scientific management (F. W. Taylor)*, *the theory of organization and administration (H. Fayol)*, *theory of bureaucracy (Max Weber)*; specifics of these theories is given by the classical vision on organizations, designed as a true "machine" for the performance of specific purposes;

- *second stage* is between the years 1930-1960 and is characterised by changing the mechanistic perspective on organizations with perspective organizations as natural systems; because in this period continues the approach organizations as closed systems, this stage is designated as the *stage analysis organizations as closed and natural systems: human relations school (G. E. Mayo, F. Roethlisberger, D. McGregor)*, *theory of co-operator behaviour (Chester Barnard)* and *institutional theory (Philip Selznick)*;

- *third stage*, between 1960-1970, represents a *fundamental change of paradigm in organizational analysis*, by replacing perspective approach to organizations as closed systems, with the perspective approach to organizations open systems; It is returning, however, during this period, to the perspective of the approach organizations as rational systems, reason for which this stage is designated as the *stage of the analysis of organizations as open and rational systems* of belonging: *theories of contingency (T. Burns, P. Lawrence, J. Woodward, J. D. Thompson)* and *analysis of transactional costs (O. Williamson)*; the main merit of these theories is that it reports the organizations and mechanisms of functioning to a essential parameter, *the environment*, at which ensures their survival;

- *fourth stage* begins around the 1970s and is representative for evolution theories and organizational analysis, being characterized by addressing organizations as *open and natural systems*; main theories of organizations as the open and natural systems, meeting within the framework of the school of social systems, are: *theory of organization (K. E. Weick)*, *organic analysis comprising addressing addiction resources (Pfeffer & Salanick)*, *ecology of the multitude of organizations (Hannan & Freeman, Singh & Lumsden)* and *institutional theories*.

Types of organizational theories

Table 1

Functioning of organizations	Organizations and the environment		
		<i>Closed systems</i>	<i>Open systems</i>
	<i>Rational Systems</i>	Theories of organizations as closed systems and rational (1)	Theories of organizations as the open and rational systems (3)
<i>Social Systems (natural)</i>	Theories of organizations as closed and natural systems (2)	Theories of organizations as the open and natural systems (4)	

Source: processing after Vlăsceanu, Mihaela, Organizații și cultura organizării, Editura Trei, București, 1999, p. 72.

Concluding, we can say that the consolidation of these theories is useful for several reasons: they serve as a frame of reference in various analyses, thus contributing to an understanding of how to conceive work and social relations are conducted within the organization; enable a better knowledge of the past and offer items by which is prefigured the evolution of the organization, its future.

KNOWLEDGE-BASED ORGANIZATION - THE NEW ORGANIZATIONAL MODEL

We live in a world of changes which are visible both in people's lives and that of the organizations.

Society, in which we currently employ, is characterized as a *society of knowledge* and *at the same time an organisational society*. But, it is all about a different type of organization, different from the classic one. As noticed by Kets de Vries, new types of organizations, arising in the post-industrial society, are *more harmonized than their predecessors with the changes caused by globalization and the information and communications revolution*. [8]

A large part of the specialized works advance, in the context of the new organisational paradigms, concepts as *knowledge-based organization, knowledge management or cognitive management* [1], [3] [5], [9].

Organizations based on knowledge are considered the intelligent collective players of the informational society, with its decisive role in asserting it as a society of knowledge. Foundation knowledge means, for organizations, to achieve full maturity stage, concordant with the essence of informational society to which they belong. The operation of this type of organization is based on the passage of the processes described by the phrase "*three C*" (control, compliance, subdivision), designated by the phrase the processes "*three I*" *innovation*, respectively (the creation of new knowledge), *learning* (assimilation of new knowledge) and *interactivity close collaboration* relating to knowledge. [8]

The concept of knowledge-based organization has emerged in the years 1984-1988, and has registered, since then, successive phases of crystallization. The first one, recognising the need for an organizational model for its own new type of company's which succeeds the industrial, and puts explicitly issues related to nature and designing organizations 'post-industrial' was Huber, in the year 1984. [6] The idea of knowledge-based organization ranks, a few years later, in the framework of the two approaches which explain its determination either from *technological factors*, either from *organisational factors*, each of them proposing specific solutions and operations.

At the first approaches fall Holsapple and Whinston (1987) that define the knowledge-based organization from the perspective of computer technology, as "*a community of workers with work design, interconnected by a computer infrastructure*". [5] The authors consider that the existence of such organizations, referred to the local workstation, support centres, communications channels and collections distributed knowledge, requires an explicit approach to design and realization, the nature of an advanced computerisation, with applications of artificial intelligence.

In the framework of the management approach, Drucker (1988) treats company based on the information as an *organizational model of the 21st century* and advocates the main features: composition dominated by professionals, small number of intermediate levels of hierarchical management, ensuring coordination by means of invoice non-authoritarian (standards, rules, rules of cooperation etc.). [4]

Challenges related to nature and designing organizations post-industrial have attracted a large number of scholars, fact which led to the existence of a plurality of terminology in the literature, consisting of parallel use of notions "*organization centred on memory*", "*company intellectual-intensive*", "*smart*" organization etc. After Kets de Vries, models falling in the new approach are: *virtual organization* (made up of weak components linked together), *Organization "chemical soup"* (where the combinations of components develops permanently), *organization type "amoeba"* (of which appear permanently parts that are separated by a whole). [8] The last decade of the 20th century is regarded by some specialists as being the period in which the convergence between technology and the managerial perspective, by coupling between the needs of organizations and facilities solutions assistive computer science.

After 1995, intensified concerns about organizational problems which have become increasingly more complex, has contributed to the emergence of the first significant results in the creation and functioning of organizations based on knowledge.

In the new type of organization, the managerial act is based on the priority systems and processes based on intangible assets, focusing on the development of adequate strategies and coordination actions permanent change of creative, competent professionals, capable of self management and self-empowerment actors, with a proactive behaviour and a new attitude toward work, organization and its values. (table 2).

Although all organizations are conditioned in one way or the other of knowledge, at least at the level of individual behaviours of their members, specific organizations from the information society is the way in which it is based on knowledge: *in a deeper sense, systematically and expanded the scale of collective behaviour of groups and the Assembly of the organization.*

CONCLUSIONS

The new constructive paradigm of the *knowledge-based organization*, bring to front a new vision on organizational priorities, along with a new way of conception and effort management, managerial practice knowledge oriented. It is a viable alternative to the positivist traditional paradigm for the organization based on control and authority.

Having regard to the specific issues mentioned above, we can say that in organizations from the information society, unlike the classical management practices the typology of managerial practices should be exchanged radical. Managerial practices can no longer, simply, be the same as those charged in hierarchies. Coercion, the main component of management, has disappeared. Leadership by force and

pressure no longer find their place. Organizations are no longer in a privileged situation to elect people. Now people choose organizations.

Features of the managerial approach referred to the traditional organization and to the knowledge-based organization

Table 2

Comparison criteria	Organization based on control and authority	Knowledge-based Organization
The object approach	Classical, tangible assets resources, scheduled tasks	Priority systems and processes based on intangible assets
Dominant Logic	The logic of the workstation and the formal organization	Logical focus on the organizational competencies as sources of performance
Orientation in time	Flashback (control and register)	Prospective (employment projects)
The nature of the approach	Mostly ameliorative, with emphasis on continuity of existing systems	Mainly design, with emphasis on design and piloting of changes
The way of practice	Routinely, impersonal, centred on factual aspects	Creative, custom, centred on conceptual and strategic aspects
The way of materialization	Corrective intervention of deviations reactive behaviours	Intervention transformers based on projects, proactive behaviour

Source: processing after Dragomirescu, H., Organizații bazate pe cunoaștere, Studiu tematic elaborat în cadrul proiectului prioritar "Societatea informațională – societatea cunoașterii" al Academiei Române, București, 2001.

Managers, for what they should do need new skills. They operate in a reality completely different from that for which they were prepared. Knowing, as a resource and organizational process requires a type of dedicated managerial intervention, which requires being formalized and professionalized, excellence remains, however, reserved for those who practice it of vocation. As specialists noted, in management of organizations based on knowledge, a major role lies with the integration of informational technologies into managerial processes of command, control, communication, and obtaining information, and take account of the comprehensive nature of human skills.

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