

ENGINEERING TRIPOS PART II A 2008

REVISED CRIB, MODULE 3E6: ORGANIZATIONAL BEHAVIOUR AND  
CHANGE

Exam Questions

1.

- a) What are the characteristics of Weber's 'model' of bureaucratic organizations? [30%]
- b) Explain why the reality of organizational life might deviate from the 'ideal type' bureaucracy [30%].
- c) What is the difference between formal and substantive rationality, and what are the implications of this difference for organizations? [40%]

2.

- a) Explain social loafing in groups [20%]
- b) Explain Tuckmann's model of group development [30%].
- c) Describe *groupthink* and outline its impact on organizations [50%]

3.

- a) What is organizational culture? [20%]
- b) What techniques can be used to manage organizational culture and what practical limitations do these have? [50%].
- c) Discuss whether organizational culture management is just another form of management control [30%]

4.

- a) Describe Lewin's '3-phase' model of organizational change. [30%].
- b) Discuss the limitations of Lewin's model of organizational change. [20%]

c) Contrast the *unitarist* and *critical* perspectives on organizational conflict. [50%]

### Exam Crib (Revised 19<sup>th</sup> May 2008)

1.

a) What are the characteristics of Weber's 'model' of bureaucratic organizations? [30%]

Weber's Ideal Type Bureaucracy can be summarised as four principles: Hierarchy of authority, Functional Specification, System of Rules, Impersonality. Each of the four should be mentioned. Students should demonstrate understanding for each one.

#### Hierarchy of Authority

- Organization is typically represented as a pyramid. Authority flows from top to bottom.
- Every person has a superior who they report to and take orders from.
- Employees derive authority from their office and not from themselves
- A break from charismatic authority, which comes from personality and traditional authority in which position is inherited.

#### Functional Specification:

- Tasks to be performed in an organisation are allocated as official duties
- This is reflected in job descriptions, where employees get a list of duties you're expected to perform.
- Division of labour: Work is broken down into smaller tasks which are performed by different people.

#### System of Rules:

- Littler (1982) argues that the organization commits to the employee: to offer clear selection policies, commitment to training and opportunities for promotion within

the relationship. Hence we have benefits including mobility through internal labour market, pay and layoff rules, grievance procedures, etc

- Appointment is on the basis of qualifications and experience
- Nepotism out, meritocracy in.

#### Uniformity and impersonality

- Uniformity is achieved through the application of rules.
- Impersonality means people are treated the same regardless of personal circumstances.
- Especially prevalent at the University. Eg, to get into this course, you need these grades. Recent debate about Labour proposal to take into account personal circumstances.

For extra marks:

- The underlying principle is that the organisation is rational and logic. Rationalisation... capacity for calculability, predictability and routinisation. Perhaps elaborate on the historical currency of rationalization.
- 'Ideal type' does NOT mean what Weber considered 'most desirable type' (he was worried about some of the consequences of bureaucracy) but rather that it's the most logical way to organise work.
- Illustrate each of the above with good example.

Note: in some cases students will not use the categories as underlined above, but will show their understanding of these concepts, using other terms. Marks are awarded for this.

b) Explain why the reality of organizational life might deviate from the 'ideal type' bureaucracy [30%].

Weber's claim was that his theory explained the phenomenon of large organisations in a newly industrialized society. Some writers argue that Weber actually got it wrong – that

bureaucracy theory provides a poor explanation for what really happens in large organisations. They argue he only describes the formal system governing bureaucratic organisations. The reality of organisational life much more concerned with informal aspects. Students should mention, describe and illustrate four of the following:

1. Crozier – ‘the myth of impersonality’. In bureaucracies people do not act simply as functionaries carrying out jobs. They have specific aims, motives and prejudices of their own. Therefore, decisions (eg, promotion) can often be made on irrational criteria (such as friendship/ gender/ etc). Crozier (1964) observed that rules are often completely ignored, with employees drawing on a range of prejudices.
2. Gouldner (1954) used a similar finding to coin the term ‘mock-bureaucracy’, which describes organisations where rules such as safety regulations are routinely ignored. He examined gypsum mines in a closed, rural community. He showed how a form of bureaucracy based on shared knowledge and consent to rules ...a “mock bureaucracy” (because it was based on an ‘indulgency pattern’ reflecting the nature of the community), was challenged by a new manager acting on behalf of a cost-conscious parent company. Control was reasserted in a “punishment-centred bureaucracy” through highly-centralised authority, formalization of rules and new technology.
3. Blau – counters Weber’s claim that large organisations function effectively because they are based on rule-following. Blau studied a state employment agency and a federal law enforcement agency in the US. At the law enforcement agency it was more functional to ignore rules such as those related to reported attempted bribery, in order to be in a position of power over the perpetrators at a later date. Another illustration: Work to rule. Blau noted how disruptive it is to production when workers ‘work to rule’ ie-performed exactly their prescribed functions and no more.
4. Merton & Selznick – ‘Goal displacement’: The idea of “red tape” (TMC p39). Bureaucracy is not efficient because the following of rules becomes an end in itself ie-the goal changes from becoming “an efficient organization” to “following the rules”. Officials see rule-following as all-important because of the rule-based nature of bureaucracy, so standardization and predictability can actually degenerate into rigidity and defensive behaviour.

5. Ritzer – McDonaldisation: Extends Weber’s thinking and says bureaucracy theory is not just applicable to production-oriented organisations. If anything, bureaucratic rules are spreading more rapidly in the service sector. Ritzer grew up in NYC during 1950’s/ saw opening of first McDonalds/ before NYC was an ethnic city/ ethnic neighbourhoods/ people had their own shops, received personal treatment, homemade food, high quality/ Ritzer was shocked by fast food restaurants/ travelled to Europe, France, disgusted by generic McDs on the Champs Elysees. Saw this as a manifestation of Weber’s “iron cage of rationality”. Coined a phrase “McDonaldization”. Features of “The spreading tentacles of mcdonaldization” ... All areas of life organized around these principles (USA Today), snippets (mc nuggets of news) colour graphics, fun titbits “today’s hero” and “critter watch” (expand as per rest of lecture).

Note: The important thing, in answering this question, was to show understanding of the notion of the *informal organization*, and illustrate it with reference to the above writers.

c) What is the difference between formal and substantive rationality, and what are the implications of this difference for organizations? [40%]

Rationality was a theory (of Weber’s) explaining the transition from traditional to modern societies. For Weber, social stability was established through acceptance of authority as a forum of control which people regarded as legitimate (TMC 357: Second tranche in this book on this lecture course). Note that for Weber, rationality extended beyond economic life, into law, politics, religion and scientific method itself. All were becoming governed by impersonal objectives, procedures and knowledge, embodied in structures and processes which confront “individuals as something external to them” (Brubaker, 1984: 9). This is formal rationality: a framework for coping with uncertainty: rational calculation makes the world more purposeful and manageable. (Alternative) Formal rationality- the methods of achieving a given end are the most appropriate and efficient for this purpose, e.g. “The Search for Maximum Efficiency” (Ritzer)

The key to note is that for Weber, rationalization was a morally and politically problematic development. Substantive rationality refers to a situation where the ends of the action are themselves rational: rational action is guided by, and subordinated to human values (Ritzer). S.R. emphasises the dominance of norms and values in the choice of means to ends.

Implications for organizations:

For example, the pursuit of profit by merging and “asset stripping” companies, may be substantively irrational in terms of social consequences. Downsized companies may improve short term profitability but find they have lost the tacit and organizational knowledge necessary for long-term efficiency and innovation.

Other example: September 11: The aim was to kill lots of people in the Twin Towers, a very efficient way of achieving that aim was to hijack planes and fly them into the building. The petrol in the tanks would create a huge explosion etc etc. You could argue it's formally rational – it was an efficient way to kill thousands of people. But, then there would be an argument about whether the September 11 attack was substantively rational. It's more difficult to say that killing 3,000 people, many of them Muslim, was the rational way to advance the claims of the perpetrators. So, an action can be formally rational without it being substantively rational.

Thus, critical organisation theorists say they that when Weber said bureaucracy was rational he meant it was formally rational but not necessarily substantively rational. Many critics have argued that bureaucratic organization is substantively irrational, for 3 reasons:

- It dehumanises and represses individuals because it treats them as cogs in the machine performing narrow specialised functions defined by rules. The argument is that dehumanisation of individuals is an irrational end (it's irrational to take 'being human' out of humans) even if it is a rational means.. This has links to Taylorism.

- Bureaucracy ignores morality because it focuses on means and not ends. We've talked about September 11, another extreme example is the genocide of Jewish people in Nazi Germany. This was highly bureaucratized and efficient as genocide, and many arrested said 'we were just following the rules'. Formally rational, yes, and yet the extermination of the Jews was an irrational end.
- Unintended consequences: even if bureaucracies are rational in themselves, the consequences of their actions are not. Eg, it may be rational for a large company to pollute the environment (cheaper to pour waste into the nearby river). But if every company does it undermines the possibility of human life and it is therefore irrational.

2.

a) Explain social loafing in groups [20%]

Social Loafing: Social loafing occurs when someone is not seen to be pulling their weight and assumes that others carry out their work for them. Can be particularly common where a group is large, where the loafer feels that they can be anonymous. This is best illustrated by the Ringelmann experiments, which looked at the force exerted by a group pulling a rope, compared to when the members pull the rope as individuals. A group exerts less force than the sum of the individuals and the deficit in force increases as the group size gets bigger. Again, it's related to the idea that the results of the group cannot be attributed to any one individual. Therefore, people can get away with being slack. Social loafing can be reduced if individuals have clearly assigned tasks, as this makes failure more visible. Social loafing can be reduced by keeping group size small. The tendency to freeload varies across cultures, depending on whether they are more individualist or collectivist: groups in Western countries are more likely to suffer, while groups in a collectivist culture like China show that group effort generally exceeds the sum of what its individual components can achieve.

b) Explain Tuckmann's model of group development [30%].

This is a process theory (concerned with how groups develop). It was developed by Tuckman in 1965 and says that groups follow a specific sequence in their development. In class, rowing was given as an example of this. Students were also encouraged to look at Weick's Mann Gulch disaster paper in this week, and could use it to illustrate the following answer:

### Stages of Group Development

#### Forming-

- Basic information about what the group is about
- Uncertainty about the group's purpose, its structure, leadership and the way it functions as a group.
- Members begin to test the water with each other: Both Interpersonal (about what is acceptable behaviour) and Task-related (about what the group will achieve).
- They begin to develop a sense that they are a group. Relationships are developed
- Can be establishment of dependency: relationships with leaders, other members

#### Storming-

- Some but not all groups go through this phase – members test and sometimes challenge the power of other individuals in the group. .. Conflict over power and influence
- Can be a time of intra-group conflict over who is in charge, how decisions will be reached and what is expected of members.
- This stage may clarify the hierarchy of leadership within a group.
- Groups that avoid conflict in early stages may encounter resistance and greater conflict at later important stages.

#### Norming-

- Norms are expected patterns of behaviour that develop. Described as 'just the way things are done'.
- Once developed, very resistant to change. Eg, silence in lectures



- This stage is the establishment of shared expectations

#### Performing-

- The group is functional and doing what it was set up to do. Group energy has moved from getting to know and understand each other to actually performing the task.
- Rules and roles should resolve most conflicts. If not, then group will return to storming stage.
- Collaboration, cohesiveness and Commitment

To this basic model were later added two other stages which only relate to groups that exist temporarily....

Adjourning — disbanding the group and then assessing and evaluating the group's work. This stage was added in 1977 to accommodate temporary groups and committees. Post-mortems if the group was not successful – where did we go wrong? Or it may be a time of reflecting on successful achievement.

Mourning – a feeling of loss experienced by losing group membership and identity.

#### Extra Marks:

- Important to realise this is not a rigid framework that all groups conform to. Some important exceptions are:
- Where the group has a formal leader and well-defined work roles the storming stage may not happen. Eg, armed forces. In these groups performing will start almost immediately, especially if the task is well defined. In business this is rarely the case, so in most management teams we would expect storming to occur. As mentioned earlier, storming may be one that some groups return to often, especially if they haven't really addressed some of the conflict issues adequately.
- Some groups never reach the stage of performing because they stay at the norming stage – this happens when the social pleasure of being in the group becomes more important than the task itself (e.g. study groups and chatting).

- Mourning will occur only if group identity developed at the norming stage is high.
- In summary, not necessarily a linear model. Groups may be in several stages at once; they may return to an earlier stage later in the process
- Theory says that while virtually all groups go through this process, often members are not conscious of the transitions.
- Students might also mention that PE (punctuated equilibrium) is a response to the five-stage model. Gersick found that groups don't go through a universal series of stages. She found that groups with a time deadline develop through a process called PE (students to describe this)

c) Describe “groupthink” and outline its impact on organizations [50%]

Groupthink: Where a norm of consensus overrides realistic appraisal of information available. The social pressure to conform or agree becomes strong so contradictory ideas are suppressed or not discussed fully. e.g. at a meeting – someone says something, no one disagrees, taken as acceptance – outside many say what a bad idea – but no one spoke up because they thought they might be the only person disagreeing. Classic example of groupthink is jury cases – where to reach a verdict everyone has to agree. Almost all juries return a verdict: are the cases that open and shut or does groupthink occur? The Challenger Shuttle disaster example was used in class to illustrate this.

Features of groupthink include:

- Illusion of Invulnerability: Members ignore obvious danger, take extreme risk, and are overly optimistic.
- Collective Rationalization: Members discredit and explain away warning contrary to group thinking.
- Illusion of Morality: Members believe their decisions are morally correct, ignoring the ethical consequences of their decisions.
- Excessive Stereotyping: The group constructs negative stereotypes of rivals outside the group.

- Pressure for Conformity: Members pressure any in the group who express arguments against the group's stereotypes, illusions, or commitments, viewing such opposition as disloyalty.
- Self-Censorship: Members withhold their dissenting views and counter-arguments.
- Illusion of Unanimity: Members perceive falsely that everyone agrees with the group's decision; silence is seen as consent.
- Mindguards: Some members appoint themselves to the role of protecting the group from adverse information that might threaten group complacency

Groupthink can be avoided partly by knowing the potential danger and partly through sensitive leadership. Leaders who encourage different views and who do not dominate groups with their own views have a better chance of avoiding groupthink.

As with 1 a) above, marks were awarded for providing understanding of the above concepts, even where the terminology above was not used.

3.

a) What is organizational culture? [20%]

There are many definitions, the most general of which are.... The ways in which people (in organisations) are linked through shared values, beliefs and behaviours/ The way we do things around here. Point is that : culture is deep. It's about values, beliefs and assumptions and it's manifested in behaviour. It's not formalised (written-down) because it doesn't need to be – it's understood.

b) What techniques can be used to manage organizational culture and what practical limitations do these have? [50%].

The aim of these techniques is to get everyone to subscribe to the values identified as significant by senior management. These techniques include:

- Recruitment – selecting people whose values already fit with the organisation, according to results on psychological tests. Human resource management department has a big role to play
- Redundancy – the other side of the coin. Selecting out those who don't conform. Since culture management programmes typically involve the removal of middle management positions (the theory being that culture replaces close supervision as a form of control) then this can be easy. Danger is that the organisation loses technical expertise in the desire for cultural homogeneity. Good example in ENRON story. Bottom 20% culled in an annual rating (1 to 5). Reflected Darwinian ethos of the firm.
- Training – educating people into the values of the organisation. Generally done through induction programmes when people join. Eg, Accenture/ KPMG. Training can be costly, especially for front-line staff where wages are often low and turnover high.
- Communication – e.g., through missions statements, newsletters
- Reward systems – e.g., performance related pay, team bonuses
- Symbolic management – Many aspects of organizational life also can become symbolic: who has assigned parking, where people eat, who has an office or art on

the wall, who gets a metal versus a wooden desk. These symbols can be managed to reinforce the desired cultural values.

### Problems and Limitations of Culture Management

These include:

Resistance – people might not want to have their values defined for them. They might leave the organisation, but they might also stay if they don't believe they can get a better job or think culture change won't affect them too much. People can give an outward pretence of belief and yet hold a different belief internally (ie, they may say the right things but not really believe it). That matters because the whole aim of culture management is to change beliefs and not just behaviours. It aims to secure commitment and consent, but in reality may only secure compliance (where people follow but don't self-direct)

Contradiction – culture management programmes frequently have contradictions which make gaining commitment difficult. E.g., trying to develop loyalty and commitment whilst at the same time laying off middle managers, many of whom might have been with the organisation for many years. This doesn't just affect people who leave, it affects the people left behind (call this 'survivor syndrome'). 'Who's going to be next?' E.g., there might be huge differences in rewards between senior and junior staff, which makes it hard to sustain the belief that 'we're all in this together'. It is especially difficult to generate value consensus amongst workers who are poorly paid, part-time or temporary, as in many service organisations like retailing, catering.

Overall point: it is difficult for managers to control culture.

c) Discuss whether organizational culture management is just another form of management control [40%]

Control: KEY POINT: the idea that culture management is not an *alternative* to control, it's another form of control. Under bureaucratic control, individuals are prompted to behave as if the company is a source of meaning and commitment. That doesn't mean

people necessarily believe it, meaning control remains externalised rather than internalised.

Under strong corporate cultures, control is internalised – it works through informal processes, value systems and management of the emotions rather than through formal structures and mechanisms. This results in an intensification of control in that it seeks not only to control behaviour at work, but also to control emotions, beliefs and values for the good of the organization. Some critics have gone further still....

Willmott claims that culture management is a form of totalitarianism, and he compares it to George Orwell's book, 1984. Willmott argues culture management seeks to identify the interests of the individual with the interests of the organisation as a whole. This parallels the actions of the state in totalitarian societies such as Nazi Germany and the USSR, where the interests of the individual were identified with the interests of the state, which resulted in undermining of individual freedom. In simple terms, Willmott sees culture management as brainwashing. An obvious criticism is that individuals have more freedom to leave an organisation, in a way they couldn't leave the USSR. But, Willmott's argument suggests that people subjected to culture management may be perfectly happy precisely because they have been taken in by the propaganda. From his perspective, the fact that people choose to work in 'totalitarian' organisations does not make them less totalitarian.

Thompson & McHugh give a response to Willmott in Chapter 13. While they agree that firms try to be totalitarian and develop unitary, cohesive mono-cultures, they think Willmott over-estimates their ability to succeed. They cite the fights over UK public services to make the point that culture can't eliminate powerful sub-cultures that form the base of organisational life. The resistance by nurses, doctors, teachers, academics shows the difficulty corporate change agents face when they attempt to impose a 'strong culture' on professional groups. It's not only professional norms they run up against, it's also the values of trade-unions, which emphasise collectivity in the employment relationship. This is at odds with CMT, which sees the employment relationship as an individual

Lewin's model has been profoundly influential.

b) Discuss the limitations of Lewin's model of organizational change [20%]

Main critiques of Lewin's model:

- Concept of refreezing, the idea that changes can be cemented into place in order to create a new organizational reality.
- It tends to ignore the increasingly turbulent environment within which many modern organizations operate and the need for continuous change.
- Burnes et al (2004): It assumed organizations operate in a stable state
- Only suitable for small-scale projects
- Ignores organizational power and politics
- Top-Down, management driven
- Ignores the sociality: complexity of people
- Assumes a "science of universal laws"... search for general patterns
- Assumes change and continuity are oppositional

Students should discuss each point

c) Contrast the "unitarist" and "critical" perspectives on organizational conflict. [50]

The Unitarist View assumes that the views of top management are shared by all employees. Thus this view is frequently managerialist.

- Tends to play down Multiple Interests
- Tends to ignore power
- Tends to play down/ pathologize conflict: Conflict is seen as dysfunctional rather than a reflection of different interests.

Students should discuss each of these points with reference to a text that takes a unitarist perspective (e.g. Armenkakis and Bedeian, 1999 and texts this refers to).

Critical perspectives

- Critical perspectives take a pluralist view regarding the diversity of interests within an organisation. For example, the interest of managers might be to increase profits, whereas the interest of workers might be to increase their wages. These interests can collide and create conflict, however in contrast to unitarism, this conflict is not viewed as dysfunctional, but inevitable.
- Critical perspectives attempt to connect these topics to the wider political and economic context in which organisations operate.
- This is because critical views argue that internal dynamics reflect broader patterns of power and inequality in society, which simultaneously constrain and enable the political activities of organisational members.
- An example of a critical perspective is Marxist analysis, which links work organisations to the dynamics of the capitalist system. From this perspective, organisations are social arenas where wider social and political inequalities of power are played out, such as between the interests of capital and those of labour. Other critical perspectives highlight what they see as the incompatible interests of men and women, different ethnic groups etc.
- Critical approaches have a different view of conflict from the mainstream's unitarist and pluralist perspective. Unitarism sees conflict as dysfunctional since it assumes all organisational members share common interests. Pluralism sees conflict as relatively functional since it is the inevitable outcome of divergent interests held by organisational members. Pluralism believes these divergent interests can be negotiated so that a level of harmony is restored to the organisation. Critical perspectives regard the conflict that results from these differences as deep-seated and systemic and therefore less freely negotiated and settled. From this perspective, the conflict has its origins in wider social relations, such as those that exist under capitalism, which leads the owners of the means of production to exploit workers through paying them much less than the value of their labour.

Students should discuss each of these points with reference to a text that takes a unitarist perspective (e.g. Sewell and Wilkinson, or Ehrenreich).



relationship between employer and employee. Unions are seen as outside parties and are viewed with suspicion.

Finally, Willmott and others have looked at the idea of empowerment, which is a key idea in all CMT we have discussed, including culture.

The theory is that in strong cultures people need less managing because they are empowered to make their own decisions, informed by the values of the company. Critics argue that empowerment is something that is bestowed on individuals, rather than achieved by individuals. Managers allow employees to be empowered conditional on them subscribing to the values of the organisation. Is this genuine empowerment?

In answering this question, students should show their ability to develop this debate.

Extra Marks: Using Rosen/ Willmott/ Enron/ Other examples from papers on the course reading lists.

Note: A number of students, in the exam, presented very good arguments as to why culture management should *not* be seen as a form of control, but rather, a necessary part of building a healthy and productive organization. These discussions were generally very well founded and thought-through, and marks were awarded accordingly.

4

a) Describe Lewin's '3-phase' model of organizational change [30%].

Lewin (1951) conceptualized change as progressing through successive phases called unfreezing, moving, and freezing. This model consists of a series of phases (or steps/stages):

Unfreezing.

This concerns the "shaking up" of people's habitual modes of thinking and behaviour to heighten their awareness of the need for change.

This implies disturbing the status quo by either strengthening the forces that could push for change and/ or weakening the forces which are maintaining the situation (Cummings and Worley, 2005).

This is likely to include the introduction of information showing discrepancies between desirable goals and modes of operating and what is currently happening. This might even include selectively promoting employees or terminating their employment (Goodstein and Burke, 1993). For example... unfreezing....

#### Moving:

This is the process of making the actual changes that will move the organization to the new state. As well as involving new types of behaviour by individuals, this includes the establishment of new strategies and structures, with associated systems to help secure the new ways of doing things. (Detailed example)...

#### Refreezing:

Involves stabilizing or institutionalizing the changes. This requires securing the changes against "backsliding". It may include recruitment of new staff who are 'untainted' by the old habits. The continuing involvement and support of top management is crucial to this step. Johnson et al. (2005) describe a cultural web that helps conceptualise what needs to be considered: Stories, Symbols, Power Structures, Organizational Structures, Control Systems, Rituals and Routines. Once strategy, structure and systems have been changed it is equally important to reinforce the changes through symbolic actions and signs such as a change of logo, forms of dress, buildings design and ways of grouping people to get work done. The use of continuous data collection and feedback is essential to keep track of how the change is progressing and to monitor for further change in the light of environmental changes. See Goodstein and Burke, 1993, for example of Lewin's model at British Airways.

#### Advantages:

It provides a framework for organizations to reflect on where they are and where they want to go, and it is just a general guide.