The effect of organisational design on group cohesiveness, power utilization and organisational climate.

by

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ABSTRACT

Modern organisations are facing many challenges that are threatening their survival. These challenges come in the form of social, political, economic and rapid ongoing technological change.

As organisations search for appropriate designs for the nineties and beyond, clear schools of thought have developed, vehemently supporting either the organic or mechanistic approach. While these debates rage on, several critical considerations are being ignored. One such consideration is the effect of organisational design on organisational climate, utilisation of power and group cohesiveness.

This research sets out to explore this consideration. Various questionnaires were utilized to measure employees' perceptions of climate, power utilisation and group cohesiveness within organistic and mechanistic orientated organisations.

A systematic research and design process was undertaken within two business units of a large financial organisation, from which the sample for the study was drawn.

Statistical analyses revealed that organisational design does have a significant effect on job satisfaction, work group support and employee support. The employees which perceived the organisation to be more mechanistically inclined reported higher levels of employee empower-ment; workgroup support and job satisfaction than their counterparts who perceived the organisation as more organistically inclined.

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CHAPTER 1

INTRODUCTION

1.1   BACKGROUND

During these days of increasing competition (nationally and internationally), rapidly changing technology and shifting consumer preferences, the slow-moving bureaucratic organisational design seems to be more outdated than ever before. By the time decisions reach the top of the hierarchy, organisations may well be too late to respond to environmental change. Hence, many large organisations have recently attempted to implement an array of techniques to enhance decision-making through for example, matrix management.

The bureaucratic organisational design has suffered due to its inability to foster personal growth and development. Employees within these organisations often complain of being treated "like children". Yet, despite its problems and limitations, people seem to cling to the bureaucratic organisational design, as though there were no other alternatives which could be considered (Banner 1987).

In a predictable and stable environment the rules and boundaries are rather simple, and therefore organisations in more complex environments with bureaucratic structures tend to experience survival problems. More recently, organisations are facing an increasingly competitive, global economy which requires that old rules of competition that dictate success, be replaced by new rules (Luthans and Lee, 1993).

Nel (1993) argues that prevailing systems which confine people to little

boxes drawn within rigid corporate structures, are often a direct reflection and consequence of a non-integrative and exclusivist world-view which seeks to divide living systems and people into artificially separated subcomponents. This ignores holism which permeates all of existence. The separation and restriction of people to constructions of organograms, hierarchies and chains of command, alienates them from their sense of self worth and belonging .

The author is of the opinion that capitalistic organisations tend to alienate people and follow exclusive methods which deny the intrinsic interdependence of all coalitions in the environment.

Ivancevich and Matteson 1990, express the view that organisational structure is a stressor that has rarely been studied. One rare study of salespersons, examined the effects of tall (bureaucratically structured), medium, and flat (less rigidly structured) arrangements on job satisfaction, stress and performance. It was found that salespersons in the least bureaucratically structured arrangement, experienced less stress, higher levels of job satisfaction and tended to perform more effectively than salespersons in the medium or tall structures.

Power utilisation within bureaucratic organisations are highly centralized. Each person in the organisational hierarchy enjoys delegated authority to make decisions and take certain actions. Subordinates who are hired and who elect to remain with the organisation, generally do so with the understanding that they accept legitimate authority. In other words, for authority to be exercised, each subordinate should obey rules almost mechanically, without particularly examining the merits of the order and carrying it out on its merits (cf. Simon 1976). In chapter 2, the above-

mentioned aspects will be discussed in more detail.

In view of the above discussion, it appears that alternative organisational designs should be explored in which the focus is placed on creating an environment in which individuals and teams can develop a sense of belonging and identification. According to Arien (1993), world-class organisations will be those in which people live in harmony with their environment. Being accepted and absorbed into a system larger than oneself is an expansive experience which unleashes the best of mind and body. True participative processes and corporate "citizenship" create the opportunity for people to explore themselves.

Mbigi (1993) points out that the traditional African community is characterised by something akin to an organistic structure in which primary and informal relationships as well as formal relationships are of great significance. In traditional African communities, ceremonies, rituals and symbols are of significant importance. These artifacts, therefore, have to be expressed in organisational forms in the African context.

New organisational forms in Southern Africa therefore need to gravitate towards organistic structural designs, rather than mechanistic, bureaucratic designs. In its embryonic form this has emerged in companies without purposeful designs, development and recognition.

Mbigi seems to suggest that a relationship between traditional, African community and organistic organisational design exists. Several authors relate this notion to "ubuntu" as a cultural philosophy of the traditional African community.

1.2 PROBLEM STATEMENT

The South African workplace has traditionally been dominated by white managers who are slowly, as a result of affirmative action, being replaced by black managers. New challenges are created by these new decision makers who are permitted to manage, and at the same time, to bring to the workplace, their life and cultural experiences. As a new sense of national consciousness, pride is developing in what is essentially African. In terms of values and philosophy, it can be expected that these previously disadvantaged groups would want to live out these re-enkindled values and philosophies in the workplace. However, the question arises whether the traditional organisational design (mechanistic) is appropriate to successfully manage the new changes facing the South African organisation. The purpose of this study is to investigate the effect of organisational design on organisational climate, power utilization and group cohesiveness as important indices of organisational success. The appropriateness of the mechanistic design for South African organisations will be investigated and, in view of transformation in the country, alternative designs will be considered. This will be followed by an empirical study of the effect of organisational design on power utilisation, group cohesiveness and organisational climate.

1.3 RATIONALE

The purpose of the study will be pursued by means of a thorough literature survey of the nature of organistic/mechanistic organisation . In view of the literature survey (chapter 2), hypothesis with regard the effect of organisational design on organisational climate, power utilisation and

group cohesiveness will be formulated and tested by way of relevant statistical methods. Hypothesis will then be tested in (chapter 3) and the results of the study will be discussed and conslusions will be made in (chapter 4).

CHAPTER 2

LITERATURE SURVEY

The purpose of this chapter is to present a review of literature on the development of mechanistic and organistic organisations, followed by a comparison of the organistic organisation with the concept of "ubuntu" and egalitarianism in the workplace.

2.1 HISTORICAL PERSPECTIVE

The highly centralized and mechanistic structures of classical theory had their genesis in the state monopolies of Egypt and the military empire of Rome. Faced with the need for co-ordinating structures through which to manage their new organisations, managers during the industrial revolution-era tended to adopt structures and principles of the older, pre-industrial organisations. This included centralized hierarchies of command and specialization which soon became the norm (cf. Thompson 1967). According to Toffler (1971), the classicists faced relatively simple environments in which unchanging values of economic individualism and hard work prevailed. By the thirties, various factors had drastically altered the nature of the environment with which organisation theorists were confronted. The American depression forced many researchers to question the underlying values of economic individualism which resulted in a partial replacement of the work ethic with a social ethic. More important perhaps, the second World War has stimulated research. By the end of the war, many organisations had embarked on strategies of diversification. Gradually, the environments of organisations became very complex as organisations found themselves to be more dependent upon effectively coping with

environmental demands. According to Clifton & Kelley (1972), classical theorists (e.g. Taylor, Fayol, Urwick, Moony and Reilly), generally focused on the question of organisational design, reflecting the mechanistic structural prescriptions proposed by the pre-industrial researchers. This could be ascribed to the routine nature of tasks in classical organisations, the Protestant Work Ethic which supported economic individualism and therefore, the religious justification of the economic advantages of highly specialized work.

Tasks studied by the classical theorists tended to be routine, repetitive, and easily measured. Fredrick Taylor, for example, focused almost entirely on jobs in the production shop, which tended to be routine and mechanical in nature. Classical theorists tended to design organisations very much in the same way as one would approach machine design (Morgan 1991).

Morgan (1980) is of the opinion that when an engineer designs a machine, the task is to define a network of interdependent parts arranged in a specific sequence, anchored by precisely defined points of resistance or rigidity. According to Morgan, the classical theorists attempted to achieve a similar design in their approach to organisations. One sees this in the way that the organisation is conceived as a network of parts. Functional departments such as production, marketing, finance, personnel and research and development, are specified as networks of precisely defined jobs. Job responsibilities interlock to compliment each other and are linked together through a chain of command. This is expressed in the classical dictum of "one man one boss".

During this period, the tasks facing workers were relatively routine and

repetitive in nature. Efficiency, rather than creativity or adaptability, was the rule. Jobs like these could objectively be measured and closely supervised. Close supervision and financial incentives were therefore useful techniques for ensuring compliance. Similarly, there was little or no need for workers to engage in problem solving and creative decision-making, because decisions were centralised and enforced through a chain of command (cf. Massie 1965).

During this period, organisational environments (eg. competitors, customers and labour resources), were relatively simple and stable. Particularly during the early twentieth century, most managers found a strong demand for their products and focussed their attention on efficiency, rather than environmental needs.

More recent organisational theorists (eg. Burns, 1961; Fayol, 1949 and Mooney and Reiley, 1931) postulate that organisational functions as well as their environments are important determinants for the design and management of organisations. This gave rise to something akin to a paradigm shift from classical bureaucratic organisation structures toward a more organic, egalitarian approach to organisational design.

The efficiency-orientated, mechanistic structure of the classicists has thus gradually been replaced by adaptive, relatively open structures due to the increasing role of behavioural scientists in the study of organisational design (cf. Lorsch and Lawrence,1970).

It was on the question of compliance that the above authors differed most markedly from the classicists. The classicists emphasized the use of rules, close supervision and financial incentives for task accomplishment.

However, Lawrence and Lorsch, amongst others, emphasized self-control by employees rather than external control. Barnard (1968) for example, stated that the power of material incentives, when minimum necessities are satisfied, "is exceedingly limited to most men". He therefore emphasised non-material inducements (eg. prestige for ensuring compliance). March & Simon (1958) made a similar distinction and said that through training, loyalty and being effective, managers would be able to control the behaviour of employees. Behavioural scientists, for example McGregor (1972) and Argyris (1964), built upon these ideas and proposed management by objectives, participative leadership, job enlargement and delegation to facilitate self control.

2.1.2 Mechanistic Organisations

Mechanistic organisations emphasise the importance of achieving high levels of production and efficiency through the utilization of extensive rules and procedures, centralized authority and high specialization. Therefore:

(a)   activities are specialized into clearly-defined jobs and tasks;

(b)   persons in more senior positions have more knowledge of the problems facing the organisation than those at the lower levels. Unresolved problems are thus transferred to higher levels in the hierarchy;

(c)   standardized policies, procedures and rules guide decision-making processes in the organisation; and

(d)   rewards are gained through obedience.

The mechanistic model achieves high levels of efficiency due to its structural characteristics.   It is (a) highly complex due to specialization of labour; (b) highly centralized due to strict authority and accountability; and (c) formalized due to departmentalization (cf. Burns 1961).

The classical theorists were   interested in problems related to management practice rather than philosophy. Hence, they sought to describe their experiences of successful organisations for others to follow. The basic thrust of their thinking is captured in the idea that management is essentially a process of planning, organising, command, co-ordination and control.   Collectively, they have set the basis for the modern management techniques such as management by objectives (MBO), planning, programming, budgeting and other methods of rational planning and control (cf. Foyol, 1949; Mooney, 1931; Ulrich and Probst, 1984).

2.1.3 Organic organisations

The organic organisation with its "egalitarian ethos" has a threefold system of ideas which includes inclusion, consent and excellence (cf. Srivastva and Cooperrider, 1986).

Baxter (1982) describes the spirit of inclusion as every person's right to share responsibility and actively participate in the creation, maintenance and transformation of the organisational activities. "Partnership" is a co-operative, relational stance which obliges individuals actively to pursue individual and organisational development.

The spirit of consent implies that: (a) organisational decisions, plans or rules become morally binding to the extent that they emerge from a process in which group members enjoy full, active and mutual involvement; (b) authority is not vested in a single individual, formal position or expertise but in the dynamic consent of the group; and (c) there is no authority that can unilaterally command obedience nor any tradition that can demand conformity without seeking to elicit voluntary agreement on the basis of dialogue, persuasion or negotiation. This refers to the inner rather than the external, and to the chosen rather than the imposed, to the indigenous rather than the alien, to the natural rather than the artificial. It refers to that which is capable of self-movement and self-direction, rather than to that which is externally driven (Gouldner 1976).

In a landmark study of equality, de Tocqueville (1969, p. 452-456) postulates that an egalitarian system: "...puts many ideas into the human mind which would not have come there without it and it changes almost all the ideas that were there before. Members of such a system discover that nothing can confine them, hold them, or force them to be content with their present lot. They are all, therefore, conscious of the idea of bettering themselves."

de Tocqueville also mentions that increased levels of interaction between people are set into motion through the broadening of inclusionary boundaries. New facts and truths are discovered and changes are continuously being witnessed. Under these conditions ".... the human mind images the possibility of an ideal but always fugitive perfection (de Tocqueville)." Everyone enjoys equal opportunity to discover and develop to their fullest potential. The main challenge is to recognize and develop

potential.

The word "excellence" implies an indefinite phenomenon. It has no stable empirical basis and therefore lacks a precise definition as a scientific construct (Peters & Waterman, 1982). As an idea or ideology, the symbolism of excellence holds an imaginative quality which is expressed in organisational life based on commitment. It can also be referred to as "a goal without design", characterised by intensity of becoming more, achieving more, learning more, and higher levels of experiencing optimality. Bell (1976, p46) describes excellence as: "...the self-willed effort of a style and sensibility to remain in the forefront of advancing consciousness which represents a "self-infinitzing spirit".

2.1.3.1   Organic organisations and egalitarianism

According to Gullet (1975), the organic organisation tends to be egalitarian in nature which tends to be in sharp contrast with the mechanistic organisation. The organisational characteristics and practices that underlie the organic model are distinctly different from those that underlie the mechanistic model. The most distinct differences between the two models result from the different effectiveness criteria which each seeks to maximize. The mechanistic model seeks to maximize efficiency and production whereas the organistic model seeks to maximize flexibility and adaptability.

According to Ivancevich and Matteson (1990), egalitarian organisations have the following characteristics:

(a)   There is a de-emphasis of precise job descriptions and

specialization. Persons become involved in problem-solving when they have the knowledge or skills that will help solve problems.

(b)   It is not assumed that persons holding higher positions are necessarily better informed than those at lower levels in the organisation.

(c)   Horizontal and lateral relationships are given as much or more attention than vertical relationships.

(d)   Status and rank differences are de-emphasized.

(e)   The formal structure of the organisation is less permanent and more changeable (cf. Ivancevich and Matteson, 1990). The management philosophy of the bureaucratic organisation seems to be supported by a traditional capitalistic ethic whereas egalitarian organisations are apparently based on a more contemporary ethic (cf. Kast and Rosenzweig, 1970). These differences are explained in figure 2.1.

2.1.3.2   Organisations as closed versus open systems

The open system approach has generated many new concepts for understanding organisations. The open-systems approach usually focuses on a number of key issues.

There is an emphasis of the environment in which organisation exist. The classical management theorists devoted relatively little attention to the environment. They treated the organisation as a closed mechanical

system and become preoccupied with principles of internal design. This was changed by the open-systems view which suggests that one should always organise with the environment in mind. Thus, much attention has been devoted to understanding the immediate task environment defined by the organisation's direct interaction, (e.g. with customers, competitors, suppliers, labour unions and government agencies), as well as the broader contextual or general environment (Peters and Waterman, 1982).

See figure 2.1 on page 16 (adapted from Kast and Rosenzweig, 1970) Management philosophies of bureaucratic and egalitarian organisations. This gave rise to something akin to a paradigm shift from a traditional, capitalistic ethic to a more contemporary ethic. Rosenzweig summarises the characteristic of this movement as follows:

Bureaucratic Traditional capitalistic ethic	Egalitarian Contemporary ethic
Protestant ethic, individual rights, self-determination, socio-cultural influence focused on individual welfare	Social ethnic growth, group participation
Individual maximizes self- interest to attain higher levels of social welfare	Need for co-operative social behaviour
Efficiency is attained through division of labour and specialization	Specialization limits the satisfaction of individual needs
The organisation is an economic unit	The organisation is a socio-economic institution
Profit maximization is a single objective	Profit is an important objective but social objectives are increasingly being recognized
Total emphasis on effective and efficient economic performance	Emphasis on efficiency, effectiveness and participant satisfaction
Organisation is a closed system	Organisation is an open system interacting with its environment
Organisation only responds to competitive markets	Organisation responds to interest groups and social forces
Laissez-faire view of government action	Recognises the role of government in meeting social needs
Humans seek exploitation and control over nature	Living in harmony under constraints of nature
Commitment to growth through exploitation of resources	Recognizes limits to growth through conservation of resources
Unrestrained, Laissez-faire, deterministic utilisation of science and technology	Recognizes the limits of technology and science and the need to control technology
Society expects business to produce goods and services	Society expects business to deal with the broader issues of quality of life

Figure 2.1. Characteristics of the tradiitional, capitalistic ethic versus a more contemporary ethic. (Adapted from Kast and Rosenzweig, 1970).

2.2 ORGANISATIONAL TRANSITION IN SOUTH AFRICA

2.2.1 Traditional capitalistic ethic in South Africa

This ethic had religious, political and economic roots in the crusades and feudalism, (Tilgher and Fisher, 1930). Although Protestantism did not condone the pursuit of wealth, it did encourage intense activity as the goal of a good life. Similarly, the wasting of time and unwillingness to work were viewed as sinful. The division and specialization of work was the result of a divine will, should it lead to an increase in the quality and quantity of production. Furthermore, this division of work placed each man in his calling and required him/her to do his/her best. Non-specialized employees demonstrated a lack of grace and therefore, of predestination (cf. Tawney, 1954).

Through classical theories of efficiency, Taylor advocated the use of time-and-motion study as a means of analysing and standardizing work activities. His scientific approach called for detailed observation and measurement of even the most routine work, to find the optimum mode of performance. Under Taylor's system, menial tasks such as pigeon handling and earth shovelling became the subjects of science. He fused the perspective of an engineer with an obsession for control (cf. Taylor, 1911).

Prominent models of his approach to scientific management are found in numerous manufacturing firms, retail organisations and offices. One would only need to consider the fast food chains such as steak houses, pizza parlours and more recently in South Africa, Mac Donalds. Here, the

work is often organised in the minutest detail on the basis of designs that analyse the total process of production, find the most efficient procedures, and then allocate specialized duties to people to perform tasks in a very precise manner.

Taylor's methods are often seen in the organisation of office work through "organisation and methods " and "work study" projects. These projects break integrated tasks into specialized components that can be allocated to different employees.

To a large extent the hierarchical, mechanistic model of organisations still predominates in South Africa as the primary method of organizing people to achieve objectives. The mechanistic organisation expresses itself in authority relationships, rigid and time consuming decision-making structures and rules and regulations. Fundamental to this structure is a control-orientation which manifests itself in a win-lose competition (cf. Tucker, 1991).

At present, South African management philosophy and practice seems to remain imbued with traditional capitalistic ethic. The earlier signs are recorded in history, since 1652. European missionaries, navigators and settlers, on seeing the different life style of the South African people, perceived them as lazy and ungodly, believing that the only way to save their souls was to organise and set them to work. In South Africa, today this organisational structure is increasingly being challenged. There is an uncompromising demand for inclusion and participative decision-making by employees which is a "knee-jerk" reaction to the exclusive nature of apartheid. The result of the exclusive nature of apartheid is highlighted by Watkins (1994), when he purports that the creation of opportunities for

black managers will probably become the focus of human resources policy in the very near future. The exclusive nature of apartheid also created the uncompromisingly negative expectations on the side of the priviledged minority. To a large extent, white South Africans benefited most as the privileged group and apartheid played a decisive role in keeping and concentrating most of the wealth and the means to create the wealth, in the hands of this group. Hence, the white group maximised their wealth and the black majority felt exploited and excluded (cf. Mbigi and Maree, 1995).

2.2.2 Movement Towards Egalitarianism Based On Ubuntu

Ubuntu is a conception of humanity. It is imbedded in traditional custom, institutions, stories and ways of thinking. It is based on a concept of what people are and how people relate to each other in society. According to Setiloane (1986) this can best be described as "umuntu ngamuntu ngabantu". This means a person is a person through persons, based on the notion of seriti (the personal power or energy that manifests itself in human relationships).

Menkiti (1979) contrasts European thinking with regard to the relation of the individual to the group with traditional African ways. Menkiti is of the opinion that Europeans view the individual as pre-existing society and society as being made up of individuals being brought together or added to each other. It is an individualistic conception of persons, and a mechanistic view of society.

The key element in the African idea is that persons develop as persons only in personal relations with other people. The self is seen not as

something inside oneself, as private and self-produced, but as outside oneself in one's relationships, and given to oneself by others. The interpersonal interaction between people therefore is important for the existence and development of people (Menkiti, 1979).

Ubuntu does not support hierarchical, power based, autocratic organisational relations. It is based on democratic principles of inclusivity, consultation, participative decision-making and taking control of one's own destiny. This would imply empowerment and the decentralisation of authority. The joint problem solving of communities is replicated in the work place, getting everyone involved in the identification of problems and the proposal of solutions (cf. Wolmaraans, 1995).

Shutte (1994) suggests that Africans generally have relinquished the above conceptions of persons and community to the dominant contemporary European value systems which tend to be more individualistic.

Individualistic conceptions underlie liberal and capitalistic theories of society. They embody an idea of human freedom, in other words freedom is only possible through separation of some nature. (cf. Taylor, 1975; Teilhard de Chardin 1965; Engels, 1963; Senghor, 1963 and Shutte 1994).

The well known African philosopher Leopold Senghor refers to a "community society". He defines this as a community-based society which is rather communal than collectivist. Senghor (1963) states that a community is not a mere collection of individuals, but people conspiring together. In this notion, the focus is on the broader community as well as

interpersonal interaction and reciprocity. The group enjoys priority over the individual without oppression of individual needs and opportunity for growth is created (cf. Shutte, 1994). The key characteristics of a "community society" are: (a) members identify with the common activity of the group; (b) participation is secured by continued conversations or dialogue between all members; (c) the goal of this is consensus and ideally, unanimity. Wiredu (1980) believes that a much commended trait of ubuntu is its infinite capacity for the pursuit of consensus and reconciliation. Busia (1967) describes the meeting of a traditional council as follows: "...so strong was the value of solidarity that the chief aim of the councillors was to reach unanimity and they talked till this was achieved".

There seems to be correspondence between a more contemporary ethic management development and the conception of "ubuntu". Both regard the actual qualities of persons and personal relationships as the foundation for all systems and organisations. Both also tend to emphasize empowerment and effectiveness (cf. Mbigi and Maree, 1995 and Shutte, 1994). Covey (1989) refers to this as interdependence and synergy. Traditional African thought expresses it in it in the saying "umuntu ngumuntu ngabantu" (a person is a person through other persons).

From this discussion the debate arises whether the relationships between a contemporary ethic and traditional African philosophy can serve as a management philosophy for South Africa. Should this be possible, a sound foundation for competing effectively with the rest of the world in a mileu of integration and competition. Should South Africans organise business according to guidelines suggested by various authors (Deming,

1986; Covey, 1989; Morgan, 1991; Lawler, 1973; Lorsch, 1967; Cooperrider and Srivastva, 1986; Pheffer, 1978; Toffler, 1980; Shutte, 1994), a business culture in which "ubuntu" would be well established, and in which the energies of the African spirit can combine with the genius of European science and technology, may well be created.

Shutte (1994) supports a "begin with people" approach to organisational reform through the personal, interpersonal, managerial and organisational processes. At each level, interpersonal interaction is strongly emphasised. At the individual level, the organisation strives to move towards establishing trustworthiness in each individual. At the interpersonal level, the organisation moves from competition towards trust between employees and at the managerial level, movement from control towards empowerment. At the organisational level movement from hierarchical structures towards a principled alignment of structures and systems take place.

Covey (1989) suggests that organisational reform should be based on interdependence. He refers to seven "habits" or attitudes which organisations should acquire namely, (a) be proactive; (b) begin with the end in mind; (c) put first things first; (d) think "win/win"; (e) understand - then be understood; (f) synergize; and (g) sharpen the saw.

Shutte (1994) asserts that business in a post-apartheid South Africa faces two special challenges, namely; (a) an external challenge to interact and compete internationally and (b) an internal challenge to integrate the previously separated African and European cultures in the organisation.

Mbigi and Maree (1995) postulate that the inclusion of employees from previously disadvantaged backgrounds at managerial levels would require that the concept of the "traditional African village" should be taken into account in organisations. Mbigi says that these issues, which are reminiscent of the African village are hardly being debated. This would include aspects such as trust, multiple stakeholder accountability, group care and loyalty. There is also emphasis on participation and inclusive organisational structures and management. Further, companies would be aware of the need to create rituals and ceremonies to celebrate their achievements and to mourn their misfortunes. Mbigi postulates that this is a clear testimony that the mechanical, scientific organisational design that attempts to marginalise human feelings and manage organisations purely on rational logic, has failed.

The challenge for corporate organisations in the "new" South Africa also seems to be moulding itself into the community-orientated values of an "African village". Mbigi and Maree also contends that the present South African organisations are generally dominated by the bureaucratic ethic, which is not really reconcilable with the general South African black culture and the powerful, growing black consumer market.

It is therefore, the purpose of this study to investigate the influence of egalitarianism (which seems to be very much aligned with "ubuntu") on organisational climate, cohesiveness and power utilization.

2.3 THE IMPLICATIONS OF EGALITARIAN, ORGANIC ORGANISATIONAL DESIGN FOR ORGANISATIONAL CLIMATE, GROUP COHESIVENESS AND POWER UTILISATION.

2.3.1 Organisational Climate

Tagiuri (1968) defines organisational climate as an enduring quality of the internal environment which (a) is experienced by its members; (b) influences behaviour and; (c) can be described in terms of the values of a particular set of characteristics of the organisation as a holistic entity.

According to literature (Lawler and Oldham 1974), work environments generally cannot be described as psychologically "neat" and orderly. They rather represent ambiguous and conflicting stimuli. Organisational members should, therefore be viewed as active perceivers and interpreters of their work environments. These perceived stimuli can be thought of as psychologically meaningful descriptions of contingencies and situational influences that individuals use to apprehend, order, predict outcomes and gauge the appropriateness of their behaviours (Campbell and Dunnette 1968). According to Lawler and Oldham, climate is functional in nature. Schneider and Rentsch (1987) on the other hand, see organisational climate as a "sense of imperative". This sense is derived from the incumbent's perceptions of organisational policies, practices and procedures which are strengthened through rewards, support, expectations and organisational goals.

Organisational climate is a multidimensional construct with a core value of dimensions that apply across a variety of work environments. The following dimensions are considered to be the common elements of organisational climate:

(a)   Goal emphasis, which is the extent to which management makes known the types of outcomes and standards that employees are

expected to accomplish.

(b)   Means emphasis, which is the extent to which management makes known the methods and procedures that employees are expected to use in performing their jobs.

(c)   Reward orientation in that various organisational rewards are perceived to be allocated on the basis of performance.

(d)   Task support in that employees are being supplied with the material, equipment, services and resources necessary to perform their jobs.

(e)   Social support in that employees experience that their personal welfare is protected by considerate and humane management (cf. Campbell & Dunnette, 1970).

Literature regarding the definition of organisational climate, conceptualizes climate in terms of: (a) psychologically meaningful descriptions of work environment that serve as a basis for interpretation and as a guideline for behaviour (b) an individual level construct, which can likely aggregate at the organisational level; and (c) a central core of dimensions that apply across a variety of work environments (the content focus may vary between organisational units (Tagiuri, 1968; Lawler and Rhode, 1976; and Campbell and Dunnette, 1968).

Climate dimensions (which particularly relate to organisational design and thus to the purpose of this study), are decision-making, job satisfaction, group cohesiveness and conflict handling. Basset (1993) supports the

view that organistic organisations have a more positive effect on organisational climate than mechanistic hierarchical organisations.

Basset also suggests that supportive groups should contribute to creating a positive organisational climate through membership. He says that membership in face-to-face work groups, socio-emotional support and affirmation of the uniqueness of each individual. Basset concludes that the organistic organisation would be more inclined to create such an environment within which supportive groups could flourish.

2.3.1.1 Decision-Making

According to Gullet (1975), decision-making, control and goal-setting processes are decentralized and are shared at all levels in an organistic organisation. Communication flows throughout the organisation, not simply downwards through a chain of command. This rests on the assumption that the organistic model will be effective to the extent that its structures ensure interactions and the forming of relationships in the organisation. Each member, in the light of his/her background, values, desires and expectations, will experience a support and a sense of personal worth and importance.

One of the egalitarian ideologies which comes closest to dealing with decision making is called "spirit of consent". This is described by Gouldner (1976) who says that "....organisational decisions, plans or rules become morally binding to the extent that they emerge from a process where all relevant stakeholders have access to full, active and mutual involvement in their determination. The ultimate basis of authority does not rest with any one individual based on ownership, formal position,

or expertise, rather it is based on the dynamic consent of the group and there is no authority that can unilaterally command obedience nor any tradition that can demand conformity without seeking to elicit voluntary agreement on the basis of dialogue, persuasion or negotiation".

Lawler and Galbraith (1994) argue that large organisations tend to be slow in decision making and lack effective, synergistic co-ordination. Lawler and Galbraith describe this as a tendency to magnetically "gravitate" towards centralized co-ordination of activities. In mechanistic organisations this is based on an erroneous logic, according to which control is centralized and co-ordination tend to produce synergies among the varied parts of the organisation. This practice increasingly seems to be negative, especially when it is borne in mind that organisations have to be responsive to environmental needs which would require constant employee participation.

According to Lawler and Galbraith, hierarchical mechanistic systems are often institutionalized by an array of titles, pre-requisites and privileges for the elite. Consequently, the top of the organisation is isolated from the external world, as well as from the rest of the organisation. The institutionalization of hierarchy tends to reinforce the tendency for decisions only to be made at the top. As a result of the hierarchy, individuals are given power that is commensurate with their positions, which may burden the decision making process, because role players may find it difficult to understand the complexity of decisions that have to be made. Timely, responsive decisions are best made close to the point of contact with the external environment. This is very difficult to attain in an organisation which is structured to reinforce top-down decision making processes.

2.3.1.2 Job Satisfaction

Great strides have been made to define job satisfaction (Herzberg, Mausner, Peterson and Capwell, 1957). Although a review of publicized work indicates that definitions of the construct vary, there appears to be general agreement that job satisfaction is an affective reaction to a job, which results from the incumbent's comparison of actual outcomes with those that are desired.

It is also generally accepted that job satisfaction is related to job characteristics. These job characteristics share the common element of mental challenge (cf. Barnowe, 1972). Literature also suggests that job satisfaction stems from factors in the work environment, for example the supervisor's management style, policies and procedures, work affiliation, working conditions and fringe benefits (cf. Kelman, 1961). Jobs which are characterized by a high level of responsibility, challenge and self-control, should induce higher levels of satisfaction, (Cook, Hepworth, Wall and Warr, 1981). People who are successful in their jobs should also be more satisfied due to experiences of growth and accomplishment (cf. Herzberg, 1966). Research has also shown that work should not only be challenging, but also be meaningful and interesting (Herzberg, 1959). However it should be borne in mind that not all employees necessarily desire work that is mentally challenging (Hulin and Blood, 1968).

There seems to be some disagreement among authors about the effect of job satisfaction on productivity. Evidence that a satisfied worker is not necessarily a high performer, is rather overwhelming. However, the assumption that a high-performing employee is likely to be satisfied seems to hold true (cf. Ekeh, 1974).

Literature suggests that dissatisfaction increases when technological change which leads to greater specialization, is introduced. Employees who control the pace of their work are more satisfied than those who are machine-paced. People who feel that their jobs require that their skills and abilities are utilised, tend to be more satisfied than those who feel that this is not the case. Those who find significant personal identity in their job roles tend to be more satisfied as a result of self expression in their work (cf. Basset 1993).

2.3.1.3   Empowerment

Literature (Morgan, 1991; White and McSwain, 1983; Ulrich, 1984 and Tichy, 1973), reveals that mechanistic descriptions of job content, tend to encourage organisational members to adopt "mindless", unquestioning attitudes and feelings of "it's not my job to worry about that"; "that's his responsibility, not mine" or "I am here to do what I am told".

There also seems to be general agreement amongst authors that a mechanistic approach to organisations can bring about institutionalized passivity and dependency which could even lead to people making deliberate mistakes on the premise that they are just obeying orders (Morgan 1991). The hierarchical organisation of jobs builds on the idea that control must be exercised over the different parts of the organisation (to ensure that they are doing what they are designed to do) rather than being built into the parts themselves (Burns 1961).

Apathy, carelessness and lack of pride are often encountered in the modern workplace.   Mechanistic organisations discourage initiative, encourage people to obey orders and conform to rules rather than taking

interest in, and accepting challenges in the work situation. Therefore, apathy often reigns in a situation where people learn to feel powerless about problems which they collectively may understand and ultimately have the power to solve. (Miles, 1980; Mezaros, 1970; Morgan 1983; and Gouldner, 1976).

North (1973) is of the opinion that the organising is often based on control rule and dictatorship. Dictatorship has been shown to be an inhibiting factor for democratic rule and the facilitation of competitiveness. On the contrary, empowerment is the equivalent to democracy. Empowerment does, therefore, not seem to be possible in mechanistic organisations (Jackall, 1988).

To deal with empowerment in a mechanistic organisation without addressing the fact that there will always be fundamental inequality in the power relationship between managers and subordinates, is a misunderstanding of organisational reality. Therefore, while top management teams may believe they have empowered work teams and that work teams make decisions, this is often not the case in bureaucratic organisations (cf. Block, 1990).

2.3.1.4   Conflict Handling

According to Morgan (1991), conflict will always be present in organisations. This may either be personal, interpersonal, or task-related in nature. This may well occur as a result of organisational structures, roles, attitudes and stereotypes, or even arise over a scarcity of resources.

Most modern organisations promote various kinds of politicized behaviour because they are designed as systems of competition and collaboration. People should collaborate in pursuit of a common task, yet they often engage in competition for limited resources, status and career advancement. These conflicting dimensions are, according to Burns (1978), most clearly symbolized within the hierarchical organisation which is both a system of co-operation (in that it reflects a rational subdivision of tasks) and a stratification of career paths. The fact that there are more jobs at the bottom than at the top, enhances competition and a "career race" in which there are likely to be fewer winners than losers.

In mechanistic organisations sub-units tend to become more specialized. Hence, different goals are often pursued which often leads to conflict. This gives rise to status differences which manifests itself in negative perceptions of the organisation (Downs, 1968).

2.3.1.5   Power Utilisation

Pfeffer (1981) suggests that the utilisation of power is usually dependent on (a) interdependence (b) heterogeneous goals or inconsistency amongst goals and (c) scarcity or insufficiency of resources.

Power can be used to accomplish goals, utilize resources more efficiently or help followers to feel more powerful. Power is primarily determined by the structure of an organisation. The structure of an organisation is therefore the   control mechanism through which the organisation is governed. In the organisation's structural arrangements, decision making discretion is allocated to various positions (McClelland 1975). Kanter and Zurcher (1979) postulates that power stems from access to resources,

information, support and the ability to gain cooperation. Power is increased when an individual has open channels to resources for example, human resources, technology and materials.

McClelland describes power as having positive and negative effects. The negative effect of power is best described by a primitive, unsocialized need to have dominance over submissive others. On the positive side, power is a socialized form of leading and initiating behaviour which achieves the common goals of leaders and subordinates .

Kattis (1993) argue that in mechanistic organisations, one can distinguish between (a) formal or positional power, emanating from the position one holds, and (b) informal or personal power, which manifests itself from relationships and interactions with other people inside or outside the organisation, in order to achieve desired results. According to Kazemak (1990) power sharing through involvement has transformed companies in a variety of industries. Some of the key lessons are that (a) allowing employee involvement, instills a sense of ownership amongst employees and managers, and (b) treating employees as responsible adults, enables management to utilize power to empower others.

Peters (1989) also seem to suggest that sharing power is a better option than holding on to it. He cites the example of Japanese management, who use their power effectively by placing it at the service of society. A series of experiments have shown that Japanese managers tend to view a work team as an environment in which information is shared in pursuit of improved performance. Americans on the other hand, tend to utilize groups to share responsibilities and reduce risks.

Sadler (1992) proposes that the best way to utilise power is to share it with all the role players at all levels of the organisation. The key to success is, therefore a climate that motivates employees to accrue power in order to accomplish the organisation's goals and objectives. Open organisational structures with few job classifications create the opportunity and freedom to find and correct problems, and thus to improve organisational effectiveness. Bhatia and Valecha (1981) have found that employee participation in decision making and behaviour modification programs, has tended to successfully reduce absenteeism.

Bell (1976) challenges the notion that positional power within bureaucratic organisations is effective. According to Bell, shared governance represents a search for an effective political process that substitutes the processual criteria of participatory efficiency for hierarchical efficiency. He challenges the assumption that organisations can only achieve their purposes through hierarchy and a classification of superiors and subordinates.

Srivastva & Cooperrider (1986) presents a rather revolutionary description of how power can be utilized effectively within organisations. In their study of egalitarian organisations, they contend that power enhances the formation of group will. Power in the system is viewed as a function of the participatory process, leading to the formation of a collective, public meaning. Power is therefore not a person-centred or position-centred phenomenon, but a situational and interactive phenomenon which manifests itself in a collective vision in response to specific challenges and aspirations.

In a participative system there is little formal authority in which

"subordinates" are expected to forfeit their own judgements and opportunities to make decisions, to the commands of a superior. Essentially, the class distinction between the governing and the governed is eliminated not only because it is just or moral, but because it is the only practical means of securing the widest possible cooperative ownership and involvement.

According to Charlton (1993), bureaucratic hierarchies tend to inhibit the human need to learn, grow and develop through meaningful work, creativity, responsibility and competence. Charlton adds that the hierarchical organisation tends to be expressive through authoritarian relationships, rigid and time-consuming decision-making processes. Job descriptions are designed not to complement the person, but for the person to fit into. Intrinsic to the bureaucratic hierarchical organisational form, is control and power, a situation which manifests itself in win-lose relationships.

Hofmeyr (1989) contends that the bureaucratic use of power is potentially dangerous for South African industrial, employer-employee relationships. South Africa stands at the brink of new industrial growth potential. Many major South African companies stand poised to compete internationally, but although apartheid is gone, the economy, industry and employees still live and have to cope with its side effects, for example illiteracy, an unskilled labour force and adversity between "bosses" and unions.

Literature has shown that the immediate supervisor has more influence on the attitudes of his/her subordinates than the job itself. (cf. D'Souza, 1989; Maier, 1978 and Patchen, 1960). Hence, the supervisor is generally regarded as an important determinant of moral behaviour.

Surveys have repeatedly shown the relation between productivity and supervisory behaviour (cf. Maier 1978).

For South African organisations to survive and remain competitive management will have to promote a notion that power is not a fixed sum (cf. Binidell, 1990). Managers who hold this view are outdated and present a serious risk to South African organisations. They are basically retarded in getting extraordinary things done. Mbigi and Maree (1995) contends that people who feel powerless, regardless of whether they are managers or subordinates, tend to hoard whatever shreds of power they have and adopt petty and dictatorial management styles. According to Charlton (1993) powerlessness creates organisational systems where political skills become essential and passing the buck becomes the preferred style for handling conflict or differences. Charlton also suggests that reciprocity of influence by giving power to gain power, is essential for organisational effectiveness.

2.3.1.6   Group Cohesiveness

Feldman (1984) describes group cohesiveness as closeness or commonness of attitude, behaviour and performance. It is a force which acts on the members to cause them to remain in a group and is greater than those forces pulling the members away from the group. Turner (1981) studied group conflict and group co-operation and found support for Feldman who postulated that superordinate or collaborative group goals tend to induce group cohesiveness.

Reeves (1970) adds another perspective to group cohesiveness when he says that cohesiveness also implies improved communication. Cohesive,

close relationships among employees should, therefore lead to more permissiveness regarding individual work methods.

Goal-orientation and interdependence not only leads to improved productivity, but to an increased willingness to help and accept influence from other members of the group.(Raven and Eachus 1963; Smith, Madden and Sobel, 1957; Thomas 1957; and Zonder and Wolfe, 1964). Deutsch (1973) also found that members of cooperative groups, as opposed to competitive groups, tend to be more aware of their mutual interdependence, coordinate their efforts and be attentive to one another.

Feldman (1984), asserts that the term "peak" performance is used to describe extraordinary achievement in an athletic context. Group performance is created by synergy and the integration of resources and capacities of its members which are focused on clearly understood and deeply valued goals.

Research has shown that highly cohesive groups tend to be more effective than those with less cohesiveness. Due to groupthink, it would be somewhat naive to state that high cohesiveness is necessarily good. High cohesiveness is, however both a cause and an outcome of high productivity, moderated by performance-related norms (Robbins 1993).

Kayten and Springsten (1990) note that cohesiveness tends to influence productivity and productivity influences cohesion. Camaraderie reduces tension and provides a supportive environment for the successful attainment of group goals and the members' feelings of having been part of a successful unit. This can enhance the commitment of members. Hackman (1987) adds that the relationship between cohesiveness and

productivity depends on the nature of performance-related norms established by the group. The more cohesive the group, the more goal-orientated the members are likely to be. If performance-related norms are high, a cohesive group will be more productive than a less cohesive group. Hackman (1987) however asserts that, should cohesiveness be high and performance norms are low, productivity will likely be low. Should cohesiveness be low and performance norms high, productivity should increase, but remain to be lower than in the case of a high cohesiveness - high norms situation. Where cohesiveness and performance-related norms are both low, productivity will tend to fall into the low-to-moderate range.

According to Boschken (1990) there is a tendency for subunit conflicts to develop within a professional bureaucracy. The various professional functions seek to pursue their own narrow objectives, often at the expense of the interests of other functions and of the organisation as a whole, due to a need to follow rules. According to Boschken, the lack of co-operation between groups is furthered when few incentives are present in bureaucratic structural designs.

In a provocative analysis, Thayer (1981) reviews the history of the organisational hierarchy and suggests that its contribution to productivity is rather meagre. Thayer agrees with Hackman (1987) that productivity is attained through co-operative rather than hierarchial relations. Nielsen (1984) argues that the "task arena" is marked by a belief that all members have control over critical resources which ensure organisational success. The system's capacity for achievement and innovation should also be higher when interdependencies are agreed upon. Akin and Durkhaim's theory on solidarity and the acknowledgement of technical

interdependencies, gives people the insight to act in ways that benefit the whole (cf. Collins & Makowsky, 1978).

There seems to be a general agreement among some organisational researchers that broadening authentic participation in the workplace will continue to be one of the most important areas of study of our time (Bell, 1976; Cordova, 1982; Vanek, 1971; Toffler, 1980; Ferguson, 1980, Bennis & Slater, 1968; Kanter and Zurcher, 1979; Trist, 1968; Laidlaw, 1980; Baxter, 1982; Ouchi & Johnson, 1978). The need for authentic participation is underscored by Srivastva & Cooperrider (1986) who postulated that every person should participate in the creation, maintenance and transformation of the organisation's operations. Baxter (1982) discusses the concept of a "inclusionary ideal" with an aim to draw upon the totality of member energy to optimise organisational activities. Inclusion, therefore represents a desire to open the process of organising to the latent and existing powers, inherent in a collective body of active participants. Cooper (1983) agrees with Baxter and adds that inclusion refers to a continuous pursuit of a largely mythical state of wholeness, integrity, shared meaning, coordination and balance. Srivastva (1983) also sees this as more than just an economic or legal arrangement. The notion of inclusion refers to a subtle, yet profound systemic "recognition that we are partners" in an interdependent world.

McNamara (1994) cites an example of some South African coal mines, in which production teams have shrunk and the remaining members were required to perform additional manual tasks such as simple repairs to machines. He asserts that work teams should enjoy high levels of internal motivation, ownership and responsibility for work goals to achieve productivity goals. For this reason, there will need to be less bureaucratic

management and control over everyday team activities and decisions.

The only competitive advantage the managers of the future will have, is to learn faster than their competitors. There will be less emphasis on hierarchy and the parts of the organisation and greater emphasis on the whole. There is a growing realisation that human energy is best released when we tap the intrinsic or internal motivating forces within people (cf. De Gous 1988).

Lock (1970) asserts that small, close-knit work groups exhibit greater satisfaction with socially sensitive, non-authoritative leaders. Small work groups with a limited supervisory span are likely to require less formal order and permit more flexibility of response.

In the next chapter, attention will be paid to an investigation of the effect of organisational design on organisational climate, utilization of power and group cohesiveness.

CHAPTER 3
RESEARCH METHODOLOGY

In the previous chapter, attention was paid to the literature review. In this chapter the empirical nature and findings of this research will be discussed.

3.1   The Organisation

The organisation which was involved in this study is the largest (insurance) financial institution in Africa with its head office in Cape Town and branches and offices located throughout the nine South African provinces and other African countries.   Hence, financial services are marketed and distributed both nationally and abroad. Two subunits of the organisation (referred to as subunit A and subunit B) were involved in the study.

3.1.1 Sub-unit A

Sub-unit A of the organisation provides employee benefits to groups and organisations within South Africa and other areas in Africa.

In 1990, Sub-unit A   experienced a significant senior management change with the employment of a general manager who wanted to break with the past bureaucratic management practices. He encouraged and led a number of strategic initiatives. These directions were aimed at achieving a more participative and accessible leadership image. This encouraged the formation of self management work teams through which senior managers lost their old titles and were called team leaders.

Hierarchical structures were changed to flatter structures and personnel at the lowest level, were encouraged to share their ideas with their senior managers. The general manager encouraged the performance management process to involve feedback from teams and peers. Another part of this unit's strategic plan was the development of a shared set of organisational values, attitudes and beliefs.

Therefore, based on these contingencies it was the researcher's opinion that they came closest to being an organisation which displayed tendencies toward an organic organisation.

3.1.2 Sub-unit B

Sub-unit B is the oldest organisational unit within the larger organisation. As a consultant to the organisation the author has, through observation, noticed certain organisational characteristics which showed a tendency towards a more mechanistically inclined organisation, ie:

(a)   Emphasis on the "production" of financial services.

(b)   Clearly defined jobs arranged in hierarchical patterns.

(c)   Clearly defined authority and power vested in formal positions in the hierarchy.

(d)   Communication takes place in a vertical pattern, specified in various rules and regulations.

(e)   Employees are committed to responsibilities associated with their

own particular jobs and loyalty and obedience seems to be important.

3.1.3 The Sample

Four hundred questionnaires were distributed amongst employees in the two organisational units. The questionnaire was sent via internal post to facilitate a quick and high response rate. A covering letter from each of the respective divisional managers accompanied the questionnaire. Reminder letters were also sent to each respondent as the due date drew nearer (See Appendix A for questionnaire). Of the 400 questionnaires, 233 were returned of which 20 were completed incorrectly and therefore had to be omitted from further analyses. Descriptive statistics of the sample are presented in Table 3.1 (see table 3.1.).

Table 3.1 Descriptive statistics of the sample

		n
Division	Agency	65
	Broker	72
	Client Services (Direct) National	35
	Risk Benefits	40
	Intermediary Client Services	17
	Unknown	4
Status Level	Clerical (Paterson Grades 16-13)	146
	Section Heads (Grades 12-11)	39
	Department Heads (Grades 10-8)	37
	Assist. Divisional Managers (Grades 7-5)	8
	Divisional Managers (Grade 4-3)	0
	Unknown	3
Gender	Male	80
	Female	150
Age	Less than 20 years	3
	20 - 24	40
	25 - 29	37
	30 - 34	71
	35 - 39	38
	40 - 49	28
	50 - 59	11
	60 years +	4
	Unknown	2
Length of service with the organi-sation	0 - 1	28
	1 - 5	82
	6 - 10	55
	11 - 15	29
	16 years +	37
	Unknown	2
Home Language	English	146
	Afrikaans	67
	Xhosa	10
	Zulu	1
	Unknown	9

3.2   MEASURES

The data were gathered by means of a compilation of existing questionnaires, which was divided into the following sections:(see annexure "A").

Sections	Questions/Items
Biographical information	questions 1 - 6
Module I - Mechanistic/Organistic	questions 7 - 18
Module II - Organisational Climate	questions 19 - 70
Module III - Power Score	questions 71 - 88
Module IV - Group Cohesiveness	questions 89 - 91

3.2.1 The Mechanistic/Organistic Questionnaire

In this module, a questionnaire was used to assess whether the organisation tends to function more mechanistically or organistically (cf. Sashkon and Morris, 1984). It should be noted that the questionnaire is designed to assess whether respondents perceive the organisation as either more mechanistically or organistically orientated. High scores indicate a perception that the organisation is more mechanistically orientated and low scores indicate that the opposite holds true.

3.2.2 The Organisational Climate Questionnaire

The organisational climate questionnaire consists of 52 items which measure the following aspects of organisation climate:

a.   Job satisfaction
b.   Empowerment

c. Decision Making

d. Handling Conflict

e. Work Group Support

3.2.2.1 Job Satisfaction

The job satisfaction scale measures the attitude which results from a balancing and summation of many specific likes and dislikes experienced regarding the job. This attitude manifests itself in evaluation of the job and of the organisation as contributing suitably to the attainment of personal objectives.

The job satisfaction scale covered the following dimensions:

a. Satisfaction with job content

b. Pay satisfaction

c. Satisfaction with supervisor

d. Satisfaction with fellow employees

e. Satisfaction with the organisation as a whole

3.2.2.2 Empowerment

This scale focuses on the extent to which the employee is given responsibility to autonomously make decisions without always having to consult higher authority (cf. Randolph, 1992).

3.2.2.3 Decision-Making

This scale measures participative decision-making. Decision-making is

the organisational mechanism through which an attempt is made to achieve a desired state. It is in effect, an organisational response to a problem. Every decision is the outcome of a dynamic process that is influenced by a multitude of forces (Patchen 1960).

3.2.2.4   Handling Conflict

This scale focuses on the frequency and acceptability of conflict in the work place. The natural reaction to conflict in organisational contexts is usually to view it as a dysfunctional force that can be attributed to some regrettable set of circumstances or causes. Conflict is therefore regarded as an unfortunate state that in more favourable circumstances would disappear. Modern organisations promote various kinds of politicizing behaviour because they are designed as systems of competition and collaboration (Burns 1978).

3.2.2.5   Work Group Behaviour

This scale focuses on the work group regarding co-operation, friendliness, warmth and *espirit de corps*. Deutsch (1973) found that members of co-operative groups are inclined to be aware of their interdependence, co-ordinate their efforts and are attentive to one another, than competitive groups.

3.3.1 The Power Questionnaire

In this module, a questionnaire was used entitled "Determining Your Power Bases". The questionnaire consists of six scales with 18 items.

The eighteen items in the power profile reflect six distinct types of power. Three of these power bases can be categorized as *positional power* and the other three, as *personal power.*

The positional power scales measures:

(a)   Reward Power (When someone can exercise Reward Power over another person, he or she is in a position to provide something the other wants or values.)

(b)   Coercive Power (This is the opposite of Reward Power. To say that someone has Coercive Power over another is to say that he or she is in a position to take away something the other possesses and desires to keep).

(c)   Legitimate Power (Legitimate Power is based on a definition of the rights and privileges that adhere to persons because of the roles they fulfil, such as presidents, generals, executives etc.).

The personal power scales measures:

(a)   Expert Power (Is the capacity to influence because of the knowledge or skills a person has or is presumed to have).

(b)   Referent Power (Referent Power is based on one person's or group's affection for, or identification with another person or group).

(c)   Associative Power (This kind of power is normally used when

people attempt to influence others on the basis of who they know, rather than what they know and can do).

3.3.2 The Group cohesiveness Questionnaire

In this module, Seashore's (1954) Group Cohesiveness Index questionnaire was used.

The index measures group cohesiveness, defined as attraction to the group or resistance to leaving. The tests consist of three questions:

3.3 Hypotheses

In view of the literature survey in Chapter 2, the following hypotheses are stated:

Null Hypothesis 1

Organisational design has no significant effect on organisational climate.

H1.2   Organisational design has a significant effect on job satisfaction.

H1.3   Organisational design has a significant effect on employee empowerment.

H1.4   Organisational design has a significant effect on decision making.

H1.5   Organisational design has a significant effect on conflict handling.

H1.6   Organisational design has a significant effect on workgroup support.

Null Hypothesis 2

Organisational design has no significant effect on utilization of power.

H2.1   Organisational design has a significant effect on the utilization of positional power.

o

H2.2   Organisational design has a significant effect on the utilization of personal power.

Null Hypothesis 3

Organisational design has no significant effect on group cohesiveness.

H3.1   Organisational design has a significant effect on group cohesiveness.

3.4   PROCEDURE

The following steps were followed:

(a)   The sample was split into two sub-samples namely a group which tends to perceive the organisation as more mechanistically and

a group which tends to perceive the organisation as more organistically orientated. The split was made between the fortieth and sixtieth percentile rank on the organisation design (mechanistic/organistic) questionnaire.

(b) The reliabilities of the questionnaires were investigated, by means of Cronbach's Alpha.

(c) Variance analysis of main effects was performed to determine the effect of organisation design (mechanistic or organistic) on the dependent variables that is, organisational climate, group cohesiveness and utilization of power.

(d) For interpretation purposes, the significance of differences between respondents who view the organisation as more organistic and those who view the organisation as more mechanistic, was determined with regard to climate, cohesiveness and utilization of power.

3.5 RESULTS

3.5.1 Determining of subsamples according to perceptions

Table 3.2 (see page 50) provides the descriptive statistics of the organisational design questionnaire. Having omitted responses between the fortieth and sixtieth percentile, the subsamples were divided as follows:

Mechanistic perceptions   = scores above 33

Organistic perceptions   = scores below 31

Table 3.2   FREQUENCY DISTRIBUTION OF ORGANISATIONAL DESIGN
             QUESTIONNAIRE

SCORE	FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
18	2	0.9	2	0.9
22	2	0.9	4	1.7
23	4	1.7	8	3.4
24	2	0.9	10	4.3
25	4	1.7	14	6.0
26	14	6.0	28	12.1
27	7	3.0	35	15.1
28	11	4.7	46	19.8
29	12	5.2	58	25.0
30	18	7.8	76	32.8
31	17	7.3	93	40.1
32	25	10.8	118	50.9
33	21	9.1	139	59.9
34	11	4.7	150	64.7
35	18	7.8	168	72.4
36	15	6.5	183	78.9
37	12	5.2	195	84.1
38	7	3.0	202	87.1
39	9	3.9	211	90.9
40	5	2.2	216	93.1
41	2	0.9	218	94.0
42	6	2.6	224	96.6
43	3	1.3	227	97.8
44	2	0.9	229	98.7
45	3	1.3	232	100.0

Table 3.3 shows that 93 subjects fell in the mechanistic group and 76 in the organistic group. Sixty three responses were omitted from further analysis.

Table 3.3   FREQUENCY DISTRIBUTION OF SUBSAMPLES

	FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
Mechanistic	93	55.0	93	55.0
Organistic	76	45.0	169	100.0

Frequency Missing = 63

3.5.2 Reliability Analysis

The initial test for Cronbach Alpha reliability of the Organistic-Mechanistic scale revealed a low correlation score of 0,23. It was then decided to omit the items that yielded item-total correlations less than 0,20. This resulted in the omission of three items out of the Organistic-Mechanistic scale after which an acceptable coefficient of 0,74 was attained. The means, standard deviation and reliability coefficients of the measure are given in table 3.4.

Table 3.4   Means, standard deviations and internal consistencies of the measures.

Scale	Means	SD	No of items	Relibilities
Mechanistic/Org	32,6	5,0	9	,74
Group Support	84,8	14,7	24	,92
Conflict Handling	5,7	5,7	2	,56
Decision Making	8,9	8,9	3	,77
Empowerment	26,6	3,4	7	,62
Positional Power	21,8	6,3	9	,77
Personal Power	22,2	6,5	9	,80
Group Cohesiveness	18,1	3,2	5	,75
Job Satisfaction	57,2	5,9	16	,54

The Empowerment (0.62), Job Satisfaction (0.54) and Conflict Handling (0.56) scales yielded somewhat low reliabilities, but bearing in mind that the questionnaires were utilised to gather group data, these scales are quite acceptable for the purpose of this study.

3.5.3 Analysis of Main Effects

An analysis of main effects was performed to determine the effect of organisational design on the dependent variables as measured by the questionnaires which were used in this study. In other words, it was determined whether belonging to the group which views the organisation as more organistic or more mechanistic, has an effect on the above-mentioned variables. These analyses are indicated in table 3.5

Table 3.5 Variance analysis of main effects with organisational design as independent variable and climate, cohesion and power utilisation as dependent variables.

DEPENDENT VARIABLE	F	R^2	P
ORGANISATIONAL CLIMATE			
Job Satisfaction	32,103	0,12	0.0001
Workgroup Support	45,158	0,16	0.0001
Employee Empowerment	44,366	0,16	0.0001
Decision Making	0,492	0	0.4836
Conflict Handling	2,119	0,05	0.1468
UTILIZATION OF POWER			
Positional Power	2,226	0,06	0.1371
Personal Power	10,554	0.40	0.0013
COHESIVENESS			
Group Cohesiveness	2,304	0,60	0.1304

For interpretation purposes, the significance of differences between the sub-samples were determined with regard to the dependent variables. Student's t-test with the Bonferonni-test for type one experimentwise errors was utilized. These results are illustrated in Table 3.6.

Table: 3.6   Significance of difference between groups which
view the organisation as mechanistic and organistic.

Variable	Subsamples	Mean	SD	t	P
Empowerment	Mechanistic	29.82	3.09	5.11	0,0001
	Organistic	27.05	3.81	5.21	0,0000
Decision-making	Mechanistic	8.47	3.11	1.18	0,2393
	Organistic	9.06	3.34	1.18	0,2359
Group Support	Mechanistic	89.72	14.44	4.97	0,0001
	Organistic	78.90	13.69	4.94	0,0000
Job Satisfaction	Mechanistic	58.89	6.08	4.30	0,0001
	Organistic	54.97	5.73	4.27	0,0000
Conflict Handling	Mechanistic	5.49	2.23	1.32	0,1867
	Organistic	5.89	1.68	1.28	0,1990
Positional Power	Mechanistic	21.93	5.97	0.39	0,6963
	Organistic	21.53	6.93	0.39	0,6921
Personal Power	Mechanistic	23.10	7.12	1.75	0,0820
	Organistic	21.27	6.45	1.73	0,0850
Group Cohesive-ness	Mechanistic	18.52	3.23	1.26	0,2065
	Organistic	17.88	3.26	1.26	0,2061

3.6 HYPOTHESIS TESTING AND INTERPRETATION OF RESULTS

3.6.1 Hypotheses Regarding Organisational Climate

It was hypothesised that organisational design has a significant effect on job satisfaction. It is evident that organisational design explains more of the variability in job satisfaction scores than expected by chance. (F = 32,103; R^2 = 0,12; $p < 0,01$). Twelve percent of the variability in job satisfactions scores are explained. Hence the organisational design has a significant effect on job satisfaction. The hypothesis that organisational design has a positive effect on job satisfaction, can therefore not be rejected.

It was hypothesised that organisational design has a significant effect on workgroup support. It is evident that organisational design explains more of the variability in workgroup support than expected by chance (F = 45.158; $p < 0,01$). It explains 15,6 percent of the variability in the work group support scores. Hence, organisational design has a significant effect on work group support. The hypothesis that organisational design has a significant effect on work group support,can therefore not be rejected.

It was hypothesised that organisational design has a significant effect on employee empowerment. It is evident that organisational design explains more of the variability in employee empowerment than expected by chance (F = 44.366, $p < 0,01$). It explains 15.9 percent of the variability in the employee empowerment scores. Hence, organisational design has a significant effect on employee empowerment. The hypothesis that organisational design has a significant effect on Employee Empowerment

can therefore not be rejected.

It was hypothesised that organisational design has a significant effect on decision making. It is evident that organisational design explains less of the variability in decision making than expected by chance (F = 0,492; p = 0,4836). Organisational design explains zero percent of the variability in decision making. Hence, the null hypothesis cannot be rejected.

It was hypothesised that organisational design has a significant effect on conflict handling. It is evident that organisational design explains less of the variability than expected by chance (F= 2,119; p = 0,1468). Organisational design explains 0.5 percent of the variability in conflict handling. Hence, the null hypothesis cannot be rejected.

3.6.2 Hypothesis Regarding Utilization of Power

It was hypothesised that organisational design has a significant effect on the utilization of positional power. It is evident that organisational design explains less of the variability in the utilization of positional power scores (F = 2,.226; , p = 0,1371). Organisational design explains 0.6 percent of the variability in utilization of positional power. Hence, the null hypothesis cannot be rejected.

It was hypothesised that organisational design has a significant effect on utilization of personal power. It is evident that organisational design explains more of the variability in the utilization of personal power than expected by chance (F = 10,554; p = 0,0013). Organisational design explains 4 percent of the variability in the utilization of personal power scores. Hence, the hypothesis that organisational design has a

significant effect on utilization of personal power cannot be rejected.

3.6.3 Hypothesis Regarding Group Cohesiveness

It was hypothesised that organisational design has a significant effect on group cohesiveness. It is evident that organisational design explains less of the variability in group cohesiveness than expected by chance (F = 2,304; , p = 0,1304). Hence organisational design explains 0.6 percent of the variability . The null hypothesis therefore cannot be rejected.

3.7 DIFFERENCES BETWEEN SUBSAMPLES WHICH VIEW THE ORGANISATION AS MORE MECHANISTICALLY OR ORGANISTICALLY DESIGNED

Employee empowerment

The t-value (t = 28,15; p<0,01), which indicates a significant difference between the mean on Employee Empowerment scores of the groups. The mean scores indicate that subjects in the "Mechanistic" group feel more empowered than those in the "Organistic".

Decision making

The t-value (t = 1,15; p=0,2848), which indicates no significant difference between the mean on Decision Making scores of the "Organistic" and "Mechanistic" groups.

Group support

The t-value (t = 26,51; p<0,01) which indicates a significant difference between the "Organistic" and "Mechanistic" groups. Subjects in the "Mechanistic" group feel that they have more group support than those in the "Organistic" group.

Job satisfaction

The t-value (t = 18,54; p<0,01), which indicates a significant difference between the mean on Job Satisfaction scores of the "Organistic" and "Mechanistic" groups. Reflecting on the means - subjects in the "Mechanistic" group feel they have more job satisfaction than those in the "Organistic" group.

Conflict handling

The t-value (t = 1,74; p=0,1889), which indicates no significant difference between the mean of Conflict Handling scores of the "Organistic" and "Mechanistic" groups.

Positional power

The t-value (t = 0,34; p = 0,5625), which indicates no significant difference between the mean of Positional Power scores of the "Organistic" and "Mechanistic" groups.

Personal power

The t-value (t = 4,76; p = 0,0305) which indicates a significant difference between the mean of Personal Power scores of the "Mechanistic" and "Organistic" groups. The "Mechanistic" group feel they have more personal power than those in the "Organistic" group.

Group cohesiveness

The t-value (t = 1,165; p = 0,1730) which indicates no significant difference between the mean of Group Cohesiveness scores of the "Organistic" and "Mechanistic" groups.

To summarise, the research results indicate that organisational design does have a significant effect on the following dependent variables; Group Support; Job Satisfaction, Empowerment and Personal Power.

CHAPTER 4

DISCUSSION AND CONCLUSIONS

As was mentioned earlier, the Mechanistic and Organistic groups, showed results contrary to contemporary literature which tends to propose organistic orgranisational structures as the best solution for the caveats involved in the mechanistic organisations. The results of this research are however interesting and can be interpreted from various perspectives.

4.1   Organisational climate

In this study, it was found that organisational design has a significant effect on job satisfaction, empowerment, group support and personal power.

4.1.1 Job satisfaction

Katzell, Barret and Parker (1961), proposed a general work model in which they regard the work situation as a system and employee job satisfaction and performance as the most important outputs. Herzberg et al (1959) conclude that five factors (all focusing on the job itself) appear to play an important role in job satisfaction, namely achievement, recognition, work content, responsibility and advancement. Two results also emerged from the data concerning performance effects. First, attitudes towards a job have a significant influence in the manner in which the job is done and secondly, favourable attitudes have a significant impact on performance.

Jaque (1989) seems to offer a plausible explanation for the interesting results of this research when he argues that an organistic approach to problem-solving (which tend to concentrate on work teams) fail to take into account the real nature of the employment. People are not employed in groups. They are employed individually, and their employment contracts (real or implied) are individual in nature. Once the work is completed, the members of the group look for individual recognition and individual progression in their careers.

It is not groups, but individuals who are held accountable by the company. In the literature survey, attention was paid to mechanistic organisations with its stratification of individual status and power positions in the hierarchy. In organistic organisations, the focus tends to shift towards power-sharing. Jague purports that ambiguity between emphasis on the individual and the group, may well lead to lower job satisfaction. This may happen in situations where organisations are experimenting with new organisational designs. Hence, the shift from individual to group accountability, could well be counter-productive and have the opposite effect. In this study, support for this notion was found in that employees who perceive the organisation as more mechanistically inclined, tend to experience higher levels of job satisfaction than their counterparts in the work situation.

As organisations attempt to respond to their external environment by changing their organisational structure, they often redesign jobs without giving due consideration to the impact it may have on them. According to Argyris (1995), job content and the work itself are the objects of much concern among those involved with worker satisfaction. As a result of the significant impact of jobs on the structure and culture of organisations,

organisational redesign may also have a significant impact on employee commitment to the values and goals of an organisation. Among these effects, is a decrease in motivation and morale among those who remain behind and an acute cynicism towards redesigning efforts (cf. Gupta and Govindarajan, 1991).

Job redesign, enlargement, enrichment and rotation receive a great deal of attention from human resources practitioners in order to improve work satisfaction and consequently, productivity. Variety of work, autonomy and task significance are important for increasing job satisfaction, but not every worker, wants enriched, more varied, more responsible and a more interesting job (Basset, 1994). Workers often resist change introduced by management. Some prefer mindless simplicity in their work. When job enrichment adds responsibility, workers may believe that their remuneration should be adjusted upward and if this fail to occur, a drop in job satisfaction could emerge due to the expectation of rewards which is not satisfied.

It must be borne in mind that, to add responsibility to some jobs may limit responsibility in others. Extensive job redesign may amount to a substantial redefinition of work roles that requires a major redistribution of power and responsibility within the organisation. The extent of change and the newness of the work experience may themselves become a source of considerable dissatisfaction (cf. Factor 1982).

Jaque (1989) purports that hierarchical organisation design is the only way to structure unified working systems with large numbers of employees. The reason for this is that managerial hierarchy is the expression of two fundamental characteristics of work, namely (a) tasks

are complex, but they also become more complex as they separate out in discrete categories or types of complexity and; (b) mental work becomes more complex as it separates out into distinct categories or types of mental activity. Jaque concludes that these two characteristics permit hierarchy to meet any organisation's fundamental needs, namely to add real value to work by identifying and establishing accountability at each stage of the value-adding process. This ensures that people with the necessary competence at each organisational layer, are placed in the right positions.

Another possible explanation for the findings may be linked to Morris and Sherman's (1981) research which found that both, initiating structure and consideration (not only the one or the other) tend to contribute to employee commitment. They suggest that initiating structure is necessary during crisis times in an organisation, while consideration is desirable during normal or routine times. Inducing structure may stimulate employees to improve their performance.

Ghoshal and Nohria (1989) contends that organisations consist of sets of relationships among individuals, groups and units, and very different relationship patterns can flourish within the same organisation. Hence, to fully understand, describe or categorize organisations, one must focus on the pattern of these relationships. Group process can, on the other hand not be ignored.

Lorsch (1967) purports that management should be concerned, with "good fits" rather than one best way of managing. Different approaches to management may be necessary to perform different tasks within the same organisation, and quite different types of organisations are needed

in different types of environments. It therefore seems whether organisations should maintain balance between the mechanistic and organistic approaches, depending on the nature of contingencies. Organisations which are structured to handle crisis situations (eg. emergency units at hospitals) should be structured more mechanistically to manage crises, whereas organistic structures may well be suitable for project engineers for whom teamwork if of utmost importance.

Bearing in mind the size of the organisation where the study was conducted and the structured nature of financial institutions, it becomes clear why employees who perceive the organisation as mechanistic, experience higher levels of job satisfaction than their counterparts in the workplace. The "organistic" group may also be reflecting a clear message through their lower scores in that balance may not have been achieved between strategy, structure, technology, the commitments and needs of individual employees and the external environment. Another possible explanation for the "organistic" group's lower scores is management may have been treating all sub-units as one homogenous mass of people. Instead of refining the contingency approach by implementing different organisation styles and recognizing that they may have to vary their managerial style within the organisational sub-units. This can be ascribed to the characteristics of their sub-environments. (eg. production departments face task environments characterized by more clear-cut goals and shorter time horizons, and should, therefore adopt more formal or bureaucratic principles than sales departments which rely heavily on interaction with the external environment).

According to motivational theory, satisfiers consist of pay, benefits, company policy, administration, supervision and working conditions.

Myers (1990) argues that these factors, while traditionally perceived by management as motivators, were actually rather found to be satisfiers. Hence, one may assume that should these factors be absent, levels of job satisfaction would decrease. Myers asserts that for most individuals, the greatest satisfaction and the strongest motivation are derived from achievement, responsibility, growth, advancement, work itself, and earned recognition. People whom Herzberg (1966) refers to " motivation seekers" are primarily motivated by the nature of the task and have high tolerance for poor environmental factors. From this, one could deduce that even under mechanistically inclined conditions, satisfiers such as achievement and responsibility would increase job satisfaction.

According to Griffin (1981), structured supervision may improve role clarity for employees. They may well appreciate clarified expectations and reflect the common feeling of: "tell us what our goals are and we'll do everything we can to attain them. We are all in this together and at least moving in the same direction". This may enhance unity of effort, teamwork and identification with the goals of the organisation even if it is mechanistically designed. In this study, it is therefore not surprising that the "mechanistic" group indicated that they are satisfeid with supervision. Employee satisfaction with supervision, may be an antecedent to commitment since both job satisfaction and satisfaction with supervision contribute to overall satisfaction.

According to Caudron (1995) the conditions of motivation are task centered and depend on the supervisor's skill in planning and organizing work. Ideally, the planning and organizing of work begins at the top, to provide members at each succeeding organisational level with responsibilities, which in turn can be subdivided into meaningful tasks that

challenge capabilities and satisfy aspirations. Matching jobs with people requires knowledge and control of the task as well as an understanding of individual aptitudes and aspirations.

4.1.2 Empowerment

A greater sense of being empowered exists among the "mechanistic" group as opposed to the "organistic" group. It would appear that when individuals are given responsibility and accountability for doing a specific job, the feeling of being empowered is higher than in a situation where a team is given the responsibility and accountability to complete a set of tasks or a project (cf. Jaque 1989).

Literature describes the organistic environment as more empowering. Burns (1978), however questions whether the strategy to achieve this, is effective. The effort invested in developing new skills and relationships, to cope with higher levels of ambiguity and uncertainty can sometimes be questioned. Empowering people also means they also would need to change their old habits and attitudes in the process of which some of their skills may become obsolete.

Should these considerations not exist to support successful transition toward employee empowerment, the incumbents may well experience feelings of being disempowered. Hence, a brute force attempt at empowerment without the necessary support, could have the inverse effect that one would expect.

Employees tend to resist empowerment programs when they fail to understand the purpose of such attempts. Employees need strategic

goals and they need to understand the impact of their work on the achievement of these goals. Bearing in mind that organistic workplaces tend to be highly ambiguous as a result of constant adjustment to a changing environment, one could expect that goals/objectives would change. This could create the potential for a lack of clear direction.

Individuals involved in re-designing, tend to feel beleaguered by demands and anxious about the future. There is always a premature anxiety as people try to cope with a world in which the present is uncertain and the future unpredictable. Hence, faced with the whole sense of personal efficiency may be totally eroded when individuals face ambiguity (cf. Tomaski 1992).

4.1.3 Group Support

Organisational environments can also be seen as products of human creativity, since they are created through the actions of individuals and groups. Adverse circumstances can also bring out the best in people and through social support they offer each other, they are able to cope with their reality. The higher score of the "mechanistic" group should be seen within this context (cf. Argyris 1995).

A group that experiences high support among its members could for instance be meeting its members' security needs. According to Massey and Meegan (1982), security needs may be met by membership of an employee group which acts as a mediator between employees and the organisational system. Without such a group, an individual may feel alone in facing management and organisational demands. The "aloneness" leads to insecurity which can be avoided as a result of

membership support.

Employees have a tendency to compensate for the dehumanizing aspects of modern industrial life by bonding together into informal groups. The working environment is one of the dehumanizing aspects of industrial life. Employees often compensate for these conditions by developing work groups that afford some form of relief through social interaction (cf. Felberg 1976).

Argyris (1995) found that when work settings are undermanned, there tends to be greater effort and people work harder. Also, individuals tend to experience more difficult tasks as challenging and important. In addition, each occupant is called upon to engage in a greater variety of activities. Individuals tend to see themselves as suitable for previously "inappropriate" tasks. Moreover, the person has to meet and interact with a greater proportion of the total variety of people present.

Apparently as a result of such conditions, individuals tend to experience a greater feeling of responsibility, a greater sense of challenge. The probability exists that they may enhance their feeling of psychological success and self-esteem.

4.2   Conclusions

In this research a static picture of a single organisation was described, hence the results are limited with regard to generalizibility. However, despite these limitations the research shows organisational design does have a significant effect on aspects of organisational climate, group cohesiveness and power utilisation.

Moreover, the author is of the opinion that the aspects which were touched upon in this study, will be useful for debate and discussion on the choice of appropriate organisational design.

The equivocality of the findings suggests that the relationship is complex and not explainable by any one formulation.

The most important aspect which emanates from the results, is that many disparate variables impinge on job satisfaction, group support and empowerment. Perhaps, therefore the general model proposed by Katzell et al (1961) offers the most appropriate perspective since it recognises not only the difficulties of proving causality, but also the influence of environmental and personal characteristics on organisational behaviour. The debate of which is the most appropriate design is ongoing. Future research would surely need to consider the role of moderating variables on the effect of organisational design on human factors.

Similar to other constructs in organisational research, the independent and dependent variables on which this research concentrated, are very complex in nature. Hence, it may be important to discover how these variables evolve as it is too simple to report its existence and correlational antecedents.

On the one hand, influential academics and consultants have been urging organisations to abandon simplistic structures and to build multidimensional network organisations with distributed management roles and tasks, overlapping responsibilities and relationships with inherent ambiguity and redundancy. The prescriptions offered by a

myriad of well-intentioned comments are more complex than they may be suggesting. Moreover, the intense advocacy accompanying these arguments has made it difficult for the manager and organisations alike to get a perspective on such diverse prescriptions (cf. Aldrich, 1979).

The result of this research, while equivocal does caution Human Resources practioners and organisations alike, to ponder very carefully before they embark on a whole-scale organisational redesign - especially when the aim and emphasis of redesign is to rework the organisational design towards a organistic structure. The research results show that a complete switch from one design to the other is fraught with complexities and to date, unresolved questions about he causality of dependent and independent variables over each other.

South African managers and organisations need to search for successful ways to facilitate more effective organisational functioning through a contingency approach which incorporates employee needs, characteristics of work environments and organisational requirements. To achieve this, managers may well have to become more holistic in their approach to identifying the determinants of job satisfaction and other dependent variables discussed in this research.

Should one look politically and socially at the South African scenario, caution is raised to this potentially "run-away-steam-train" view. Literature makes it abundantly clear that organisational design in these modern days needs constantly to respond to its environment including consumers, competitors, suppliers and employees. Therefore, an inflexible view through only supporting one approach on organisational design is both unintelligent and foolhardy.

Burns and Stalker (1961) are of the opinion that there is no one best way of organising. The appropriate form depends on the kind of task or environment one is dealing with.

Modern contingency theory has essentially been furthered by Lawrence and Lorsch (1967), who have done work on two principle ideas. First, that different kinds of organisations are needed to deal with different market and technology conditions and secondly, that organisations operating in uncertain and turbulent environments need to achieve higher degrees of internal differentiation. Lawrence and Lorsch refined the general idea that certain organisations need to be more organistic than others, suggesting that the degree of organicism should vary from one organisational sub-unit to another. Reflecting on their ideas, one can appreciate that even in the dynamic contexts of some organisations, (where the dominant ethic may be to remain open, flexible and innovative), there may be exceptions to the rule.

CHAPTER 5

SUMMARY

Organisations are confronted with several challenges, some of which are threatening to their survival. These challenges are in the form of social, political, economic and technological forces which manifest themselves in complex environmental demands.

As organisations search for appropriate designs for the nineties and beyond, clear schools of thought have developed, vehemently supporting either the "organic" or "mechanistic" structure as being the more appropriate design. While these debates rage on, several critical considerations are ignored. One such consideration is the effect of organisational design on organisational climate, utilization of power and group cohesiveness.

Organisations cannot afford the luxury of these protracted debates which do not seem to produce substantial conclusive evidence on the appropriateness of organisational structures

In South Africa, organisations are not immune from either the passing fads or having to make decisive decisions about their organisational design. Informing this decision would have to be South Africa's past and its unique context, with inherent caveats as well as enormous potential. One caveat would be to ignore the effects of organisational design on organisations.

Socio-political change in South Africa has presented organisations with clear challenges. Bearing in mind that managerial positions in South

African organisations have largely been dominated by white managers, it is evident that these managers also brought their life and cultural experiences which were largely based on eurocentric values, to the work place. To a large extent, this influenced organisational design and management according to traditional capitalistic principles based on the Protestant work ethic.

Presently, white managers are being integrated with black managers as a result of affirmative action policies. New challenges are created by these new decision makers who are bringing their life and cultural experience which is Afrocentric in nature to the work place. As a new sense of national consciousness and pride develops in what is essentially African, it can be expected that previously disadvantaged groups will want to live out these re-enkindled values and philosophies in the work-place. Traditionally, South African organisations have been dominated by the Eurocentric Management principle and work ethic. The organisational design is largely mechanistic in nature. Hence, the question this study sought to answer is whether the mechanistic organisational design is the most appropriate for successfully managing the new changes facing the South African organisations.

The purpose of this study was, therefore to investigate the effect of organisational design on group cohesiveness, power utilisation and aspects of organisational climate.

The purpose of this study was pursued by means of a thorough literature survey on the nature of organistic/mechanistic organisations. In view of the literature survey, hypothesis with regard the effect of organisational design on organisational climate, power utilisation and group

cohesiveness was formulated and tested by way of relevant statistical methods.

In the literature review, a review of literature on the development of mechanistic and organistic organisations was presented, followed by a comparison of the organic organisation with the concept of "ubuntu" and egalitarianism in the work-place. The literature review suggested that there was a great deal of similarity between "ubuntu" and organic/egalitarian organisations exists. This similarity presented a major challenge to organisations in the "new" South Africa.

The organisation involved in this study is the largest financial institution (Insurance) in Africa. Two sub-units of the organisation (referred to as sub-unit A and sub-unit B) were involved in the study. Sub-unit A according to the researcher came closest to being an organisation which should display tendencies toward an organic organisation. Sub-unit B came closer to being described as a mechanistic organisation. This perception was based on the researcher's experience of being a consultant to the sub-units. The author observed certain organisational characteristics which showed a tendency towards a more mechanistically inclined organisation.

Four hundred questionnaires were distributed amongst employees in the two organisational units. The questionnaire was distributed via the internal mail to facilitate a quick and high response rate. Of the four hundred questionnaires, two hundred and thirty three were returned of which twenty were completed incorrectly and therefore, had to be omitted from further analysis.

The data was gathered by means of a compilation of an existing questionnaire which was divided into the following sections: (a) Biographical information, (b) Module i - Mechanistic/Organistic, (c) Module ii - Organisational Climate, (d) Module iii - Power Score and (e) Module iv - group Cohesiveness.

In view of the literature survey, hypotheses were stated that:

-   Organisational design has a significant effect on job satisfaction.

-   Organisational design has a significant effect on employee empowerment.

-   Organisational design has a significant effect on decision making.

-   Organisational design has a significant effect on conflict handling.

-   Organisational design has a significant effect on workgroup support.

-   Organisational design has a significant effect on the utilization of positional power.

-   Organisational design has a significant effect on the utilization of personal power.

-   Organisational design has a significant effect on group cohesiveness.

The following statistical procedure was followed:

(a)   The sample was split according to a more mechanistic or organistic perception of the organisation by omitting responses between the fortieth and sixtieth percentile rank on the organisation design (mechanistic/organistic) questionnaire.

(b)   The reliabilities of the questionnaires were investigated, by means of Cronbach Alpha.

(c)   Variance analysis of main effects was performed to determine the effect of organisation design (mechanistic/organistic) on the dependent variables that is, organisational climate, group cohesiveness and utilization of power.

(d)   For interpretation purposes, the significance of differences between respondents who view the organisation as more organic and those who view the organisation as more mechanistic, was determined with regard to climate, cohesiveness and utilization of power.

In this study it was found that organisational design did have a significant effect on the following dependent variables: Job satisfaction, work-group support, employee empowerment and utilisation of personal power.

The differences between sub-samples who view the organisation as more mechanistically or organistically designed also yielded very interesting results.   The mechanistic sub-sample group indicated that they experienced being empowered more significantly, experienced higher

group support among members and experienced a higher level of job satisfaction than their counterparts in the organistic sub-sample.

While the results were contrary to contemporary literature, it can be interpreted from various perspectives.

(In summary the research concluded on the following points.) The equivocality of the findings of the impact of organisational design on the related dependent variables, ie; job satisfaction, group support and empowerment suggest that the relationship is complex and not only explainable by one design. The one conclusive point which does seem to emanate from the results is that there are many disparate variables impinging on job satisfaction, group support and empowerment.

The results of this research does caution organisations to ponder very carefully on the considerations that need to be made before they embark on a whole-scale organisational re-design. South African managers and organisations should therefore search for successful ways to facilitate effective organisational functioning. A contingency approach incorporating the needs of workers, the characteristics of their work environments and the requirement of the organisation should be adopted.

The research concludes that there seems to be no one best way of organising. The appropriate form depends on the kind of task or environment with which one is dealing. The results will be useful if to stimulate debate and discussion on the effect and choice of organisational designs.

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ABOUT THIS QUESTIONNAIRE

This questionnaire is designed to obtain information about this organisation from individuals employed here. Your answers will be treated as completely confidential. No one in this organisation will ever have access to your individual answers.

The value of this project depends upon your being absolutely frank and honest when answering the questions.

When you have completed the questionnaire, please place it in the envelope provided. Please mail it to **Individual Life Human Resources Department: Attention: William Peterson.**

Thank you in advance for your co-operation and assistance. I hope you find the questionnaire interesting and thought provoking.

GENERAL INSTRUCTIONS

Almost all the questions can be answered by ringing a number that appear on a scale to the right of the item. You are to choose the one number that best matches the description of how you feel about the item. For example, if you were asked how much you agree with the statement

"I enjoy my work"

and you feel that you "to a very great extent agree" would circle the number under "to a very great extent agree" like this:

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

I enjoy my work	5	4	3	2	1

It is essential that you mark your choice by **ringing** the number by using **a pen** and not by making a cross.

PLEASE NOTE THAT THE SCALE DESCRIPTIONS ARE DIFFERENT FOR DIFFERENT PARTS OF THE QUESTIONNAIRE. For example:

"To what extent do you feel that you are really a part of your work group?"

A ☐   Really a part of my work group

B ☐   Included in most ways

C ☐   Included in some ways, but not in others

PERSONAL INFORMATION

Please answer the following questions. The purpose of the following questions is in **no** way intended to breach confidentiality.

| **PLEASE PUT A CROSS (X) IN THE APPROPRIATE BOX:** |

1.   How long have you worked in Old Mutual?

     0 - 1 year   ☐

     1 - 5 years   ☐

     6 - 10 years   ☐

     11 - 15 years   ☐

     16 year or more   ☐

2.   What is your home/first language?

     English   ☐

     Afrikaans   ☐

     Xhosa   ☐

     Zulu   ☐

     Others (Please state)   ☐ ....

3.   Your Gender?

     Male   ☐

     Female   ☐

4.   How old are you?

Under 20 years old   ☐

20 - 24 years old   ☐

25 - 29 years old   ☐

30 - 34 years old   ☐

35 - 39 years old   ☐

40 - 49 years old   ☐

50 - 59 years old   ☐

60 years old or over   ☐

5.   In which business division do you work?

Agency Branch   ☐

Broker Branch   ☐

Client Services (Direct)   ☐.........................
National

Risk Benefits   ☐

Intermediary Client Services ☐..........................

6.   In what status band are you?

Clerical (Grades 16 - 13)   ☐

Section Head (Grades 12 - 11) ☐

Department Head (Grades 10 - 8) ☐

Assistant Divisional Manager   ☐
(Grades 7 - 5)

Divisional Manager (Grades 4 - 3) ☐

MODULE I

Describe the extent to which each of the following 12 statements is true of or accurately characterizes your organisation.

	To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

7. This organisation has clear rules and regulations that everyone is expected to follow closely

5	4	3	2	1

8. Policies in this organisation are reviewed by those people who are affected before implementation takes place.

5	4	3	2	1

9. In this organisation a major concern is that everyone be allowed to develop their talents and abilities.

5	4	3	2	1

10. Everyone in this organisation knows who their immediate supervisor is.

5	4	3	2	1

11. Reporting relationships are clearly defined.

5	4	3	2	1

12. Jobs in this organisation are clearly defined.

5	4	3	2	1

13. Everyone knows exactly what is expected of a person in any specific job position.

5	4	3	2	1

14. Work groups are mostly temporary and change often in this organisation.

5	4	3	2	1

15. All decisions in this organisation must be reviewed and approved by senior management.

5	4	3	2	1

16. In this organisation the emphasis is on adapting effectively to constant environmental change.

5	4	3	2	1

17. Jobs in this organisation are usually broken down into highly specialized, smaller tasks.

5	4	3	2	1

18. Standard activities in this organisation are always covered by clearly outlined procedures.

5	4	3	2	1

MODULE II

THE FOLLOWING QUESTIONS ARE ABOUT YOU AND YOUR JOB. WHEN ANSWERING, BEAR IN MIND THE KIND OF WORK YOU DO, THE EXPERIENCES YOU HAVE HAD WORKING HERE. FOLLOW THE DIRECTIONS GIVEN IN THE BOXES AT THE BEGINNING OF EACH SET OF QUESTIONS.

Here are some statements about **YOU AND YOUR WORK.**
Indicate to what extent you agree

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

EMPOWERMENT

19. This organisation encourages its employees to continually challenge existing systems and procedures.

5	4	3	2	1

20. I am given total responsibility in my job.

5	4	3	2	1

21. I can make decisions without asking my senior.

5	4	3	2	1

22. Rules, goals and standards are laid down by my senior and I must strictly comply with them.

5	4	3	2	1

23. I am able to take responsibility for my work.

5	4	3	2	1

24. My manager expects me to take responsibility for my work.

5	4	3	2	1

25. I want to be responsible for my work.

5	4	3	2	1

I believe that it is difficult to get in contact with the real decision makers in our organisation because......

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

26. There are too many people to go through before reaching the real decision makers.

5	4	3	2	1

27. The real decision makers are not interested in what I have to say.

5	4	3	2	1

28. I do not know who makes the real decisions in our organisation.

5	4	3	2	1

The following are statements that may or may not describe your work group. To what extent do you agree.

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

29. Members of my work group have the necessary skills and abilities to do their work.

5	4	3	2	1

30. Members of my work group are adequately trained for their jobs.

5	4	3	2	1

31. My work group knows exactly what jobs it has to get done.

5	4	3	2	1

32.	Each member of my work group has a clear idea of the group's goals.	5	4	3	2	1

33.	I feel that I am really part of my work group.	5	4	3	2	1

34.	I look forward to being with the members of my work group each day.	5	4	3	2	1

35.	We tell one another how we feel.	5	4	3	2	1

36.	We listen to one another's opinions.	5	4	3	2	1

37.	If we have a decision to make, everyone is involved in making that decision.	5	4	3	2	1

38.	There are feelings among members of my work group which tend to divide the group.	5	4	3	2	1

39.	There is constant arguing in my work group.	5	4	3	2	1

40.	I have confidence and trust in my colleagues.	5	4	3	2	1

41.	Members of my work group encourage one another to give of their best effort.	5	4	3	2	1

42.	Members of my work group help me to find ways of doing a better job.	5	4	3	2	1

43.	My work group emphasizes team goals.	5	4	3	2	1

44.	My work group plans together and co-ordinates its efforts.	5	4	3	2	1

45. My work group is able to respond to unusual work demands placed on it.

5	4	3	2	1

46. I believe that in my work group I work as part of a team.

5	4	3	2	1

47. I believe that my work group works well as a team.

5	4	3	2	1

48. I believe that my colleagues and I share the same work goals.

5	4	3	2	1

49. I believe that I am accepted by others as a true member of my work group.

5	4	3	2	1

50. I believe that in my work group everyone's opinion is listened to.

5	4	3	2	1

51. I believe that pay in my department is based on the performance of the individual.

5	4	3	2	1

52. My work colleagues and I support each other in our work.

5	4	3	2	1

Here are some statements about you and your work. Indicate to what extent you agree.

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

53. I get a feeling of personal satisfaction from doing my job well.

5	4	3	2	1

54. My job is usually enough of a challenge to prevent me from becoming bored.

5	4	3	2	1

55.	If I had the opportunity I would take a different job within this organisation.	5	4	3	2	1
56.	All in all I am satisfied with my job.	5	4	3	2	1
57.	I will probably look for a new job in the near future.	5	4	3	2	1
58.	Doing my job well makes me feel good.	5	4	3	2	1
59.	I often think about resigning.	5	4	3	2	1
60.	I am satisfied with the way management handles pay administration.	5	4	3	2	1
61.	In general I like working here.	5	4	3	2	1
62.	I feel guilty when I do a poor job.	5	4	3	2	1
63.	In general I like my job.	5	4	3	2	1
64.	My salary is fair considering what other people in my work place are paid.	5	4	3	2	1
65.	I am satisfied with my immediate supervisor.	5	4	3	2	1
66.	I am satisfied with the persons (colleagues) in my work group.	5	4	3	2	1
67.	My work provides me with the challenges I require.	5	4	3	2	1
68.	I often learn something new at work.	5	4	3	2	1

CONFLICT HANDLING

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

69. I believe that conflict regularly happens in this area.

5	4	3	2	1

70. I accept that conflict is an essential part of any work environment.

5	4	3	2	1

MODULE III

POWER SCORE

To a very great extent	To a considerable extent	To a moderate extent	To a slight extent	To almost no extent

71. I have something my senior wants or values and can make it available to him or her.

5	4	3	2	1

72. I can hurt my senior.

5	4	3	2	1

73. The organisation has granted me the authority to ask for what I want.

5	4	3	2	1

74. I can help my senior achieve his or her goals or satisfy his/her wants.

5	4	3	2	1

75. I am in a position to influence someone who has credibility with my senior to act on my behalf.

5	4	3	2	1

76. I can convince someone else to hurt, punish, or deprive my senior if I so choose.

5	4	3	2	1

77. My senior believes we have a lot in common.

| 5 | 4 | 3 | 2 | 1 |

78. I know what names to drop to impress my senior.

| 5 | 4 | 3 | 2 | 1 |

79. My senior respects the knowledge I have in areas related to my goal.

| 5 | 4 | 3 | 2 | 1 |

80. I can hinder my senior from achieving his or her goals or satisfying his or her wants.

| 5 | 4 | 3 | 2 | 1 |

81. I can influence somebody else to give my senior what he/she wants if I so choose.

| 5 | 4 | 3 | 2 | 1 |

82. My senior regards me as a friend.

| 5 | 4 | 3 | 2 | 1 |

83. I know people who can influence my senior.

| 5 | 4 | 3 | 2 | 1 |

84. I am in a position to get a friend of my senior to act on my behalf.

| 5 | 4 | 3 | 2 | 1 |

85. I am in a position to get someone else who is well connected to influence my senior if I so choose.

| 5 | 4 | 3 | 2 | 1 |

86. My senior respects my skills/abilities as they relate to my goal.

| 5 | 4 | 3 | 2 | 1 |

87. If I asked directly for what I want, my senior would feel my making the request was appropriate.

| 5 | 4 | 3 | 2 | 1 |

88. I can get someone else who has legitimate "right" to do so, to request what I need from my senior.

| 5 | 4 | 3 | 2 | 1 |

MODULE IV

89. "Do you feel that you are really a part of your work group?"

A ☐ Really a part of my work group

B ☐ Included in most ways

C ☐ Included in some ways, but not in others

D ☐ Don't feel I really belong

E ☐ Don't work with any one group of people

F ☐ Not ascertained

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90. "If you had a chance to do the same kind of work for the same pay, in another work group, how would you feel about moving?"

A ☐ Would want very much to move

B ☐ Would rather move than stay where I am

C ☐ Would make no difference to me

D ☐ Would rather stay where I am than move

E ☐ Would want very much to stay where I am

F ☐ Not ascertained

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91. "How does your work group compare with other work groups in your organisation on each of the following points?"

	Better than most	About the same as most	Not as good as most	Not ascertained
A The way people get along together	☐	☐	☐	☐
B The way people stick together	☐	☐	☐	☐
C The way people help one another on the job.	☐	☐	☐	☐