**PREFACE**

In the name of Allah SWT, the Author want to say thanks to God, because only God help I can finished my paper which have a title “Organization” on time and without matter problem.

This paper we made for completed in order to deepening about admnistration science and make it more easy for learning in Health Administration and Policy. We also said thanks to Mr. Widodo J. Pudjirahardjo as our lecturer in AKK and consultant for maaking this paper. And also other help that giving us help, both matter and moralefor completion of this paper.

In a completion of this paper, of course it is very far from perrfection. Therefore, we are open for developing critique and advice for the perfection of this paper. Our hope that, this paper is able to giveknowledge and wisdom about things that involved and connected with organization where it scoping definition,scope and others.

Last word , we hope that this paper will bring benefit for all of the reader.

Surabaya, March 18th 2011

 Group Two

**CHAPTER 1**

**Definition and Scope of Organization**

* 1. **Definition of Organization**

There are many opinions about the definition of organization. It is derived from particular context and the different perspective of a person. Organization is derived from the Greek word, *organon*, which means the tool. The definition of organization has been expressed by the experts, but basically, there is no difference of principle. Check the definition of organization below :

1. Ralph Currier Davis & Alan C. Filley ( 1962 )

*“It has been pointed out that an organization consist of a group of individuals cooperating under the direction of executive leadership toward the accomplishment of certain common objectives”*

( Telah dinyatakan bahwa suatu organisasi terdiri dari sekelompok orang yang bekerjasama di bawah pengarahan kepemimpinan eksekutif bagi pencapaian tujuan – tujuan umum yang pasti.)

1. Dalton E. McFarland (1958)

*“An organization nis an identifiable group of people contributing their effort toward the attainment of goals”*

(Organisasi adalah suatu kelompok orang yang dapat disamakan dengan menyumbangkan usaha mereka bagi tercapainya tujuan – tujuan)

1. Herbert A. Simon (1958)

*“Organization is the complex pattern of communicatin and other relations in a group of human being”*

(Organisasi adalah pola komunikasi yang kompleks dan hubungan – hubungan lain di dalam suatu kelompok manusia)

1. Chester I. Barnard (1968)

*“A formal organization is a system a complex of physical, biological, personal, and social component which are in a specific systematic relationship by reason of the cooperation of two or more persons”*

(Suatu organisasi formal adalah sistem kerja sama yang kompleks dari unsur fisik, biologis, pribadi , dan sosial yang ada dalam hubungan teratur yang khusus yang beralasan dari kerjasama dua orang atau lebih)

1. Edgar Schein

*“An organization is the rational coordination of the activities of a number of people for a achievement of some common explicit purpose or goal, through division of labor and function, and through a hierarchy of authority and responsibility.”*

(Suatu organisasi adalah koordinasi yang rasional dari aktivitas – aktivitas sejumlah orang untuk mencapai beberapa tujuan yang jelas, melalui pembagian kerja dan fungsi dan melalui jenjang wewenang dan tanggung jawab.)

From the theories above, it can be conclude that an organization is a group of people working together in some type of concerted or coordinated effort to attain objectives. The elements of organizations are :

1. Consist of two or more peoples
2. There are intention to work together
3. The rules of relationship
4. Achieve some goals together
5. The rules that have to be obeyed
6. The delegation of authority and tasks coordination

An organization can be formed by several aspects, such as the unification of the vision and mission and the same goals. It shows realization of the existence of a group againts peoples. The good organizations is a recognized organization by peoples around it. Because it contributes to the peoples, for example : taking the human resources as its members and reduces the unemployment. The members of organizations have a continuous relationship but it is not a lifetime membership. The organization faces the constan change of their members. However, when they became the organizations members, they participate regularly.

From the perspective of relating-process, the organization is seen as organized entity. It focuses on the organization as a set of tasks or actions. From the functional of point of view, the focus is how to use the entity such as bussiness or the state authority. From the institutional perspective, the organization is seen as a structure of goals in a social context.

* 1. **Scope of Organization**

Organization is the unity of controlling and coordinating. So the members of organization have to understand the definition and the scope of organization. The scope of organization are :

1. *Organization Theory*

The theory of organization contains the basic of organization. The various of organization theories will give the illustration about how to establish the effective and efficient organization. in organization theory, there are various of opinions about the perspective, approach, doctrine, views, reviews, or model. Among the various perceptions of organization theory has no the absolute truth. Among the various perpective have to fill each other to solve problems in organization.

1. *The principles of Organization*

Every organization want their organization runs effectively and efficiently. The one of requirement is carry out the principles of organization. principle is the statement that considered right and used as basis that give a clue to cogitation and action. The members understand the principles as important characteristic of system and reflect the designed system.

1. *Organization Structure*

Organization structure is the formal pattern of activities and relation among the various of sub units in organization. The main authority is determined by the structure in organization. The function of organization structure as the control mechanism managing the organization.

1. *Type of Organization*

Before establishing the organization, we have to consider what kind of organization that we intend to establish. Based on legality, the organization is divided into formal, informal, and nonformal. Organization is considered informal because it is based on shared interests and goals just for entertainment. Organization is formal because it is a legal entity.

1. *Organization Development*

Certainly there is no organization that do not want to expand and have more extensive networks. To achieve it, organization should have a principle in order to develop.

1. *Organization Behavior*

Study concerning the behavior of an organization from the individual level and structure of the group that aims to achieve goals effectively and efficiently.

* 1. **Conclusion**

Organization is a group of people working together in some type of concerted or coordinated effort to attain objectives. The elements of organization are members, purpose, division of labor, and cooperation of two or more persons. An organization can be formed by several aspects, such as the unification of the vision and mission and the same goals. The members have to understand the scope of organization. so their organization will be success.

**CHAPTER 2**

**Organization Theories**

Organizational theory is study of how organizations runs their functions and how they affect and are affected by people working in it or the people in the scope of their employment. There are some kinds organizations theories :

**2.1. The Closed Model**

The Closed Model is isolated from outside world so the dynamics in this organization is very slow to follow development of outside world.

The Closed Model theory is supported by some organization theory :

A. Bureaucracy Theory

Pioneered by Max Weber, Weber observed the world, especially society, is seculary and rationally. To build and operate a human institute that involved in it, tend to base their actions on knowledge, making rational decision, technology, and very little on the mystical and magical things. He looked at the existing bureaucracy in the organization is a very efficient tool in which organizations operate in a large scale, both private and public.

Bureaucratic organization theory states that to achieve that goal, organizations must execute the strategy as follows:

1. The division and assignment of work in particular, so that the job holder may be experts in their respective jobs and this strategy is known as the principle of specialization

2. Each member is only responsible directly to a supervisor who called the principle of hierarchy

1. Promotion is based on years of service and job performance, and protected. from arbitrary dismissal and so-called principle of loyalty
2. Any work carried out no favoritism, no social status distinction, This strategy is called the principle of impersonal
3. Each task and work within the organization carried out according to a specific system based on abstract rules to the data. This strategy is called the principle of uniformity

B. Scientific Management Theory

Spearheaded by F.W. Taylor, the flow of scientific management put more emphasis on motion and time study scientifically, where every motion or works streamline recorded to be analyzed for the work of subordinates so that labor productivity increases.

Taylor developed the following four principles of scientific management for improving productivity:

1. Science, not rule-of-thumb

Old rules-of-thumb should be supplanted by a scientific approach to each element of a person's work.

2. Scientific selection of the worker

 Organizational members should be selected based on some analysis, and then trained, taught and developed.

1. Management and labour cooperation rather than conflict

Management should collaborate with all organizational members so that all work can be done in conformity with the scientific principles developed.

1. Scientific training of the worker

 Workers should be trained by experts, using scientific methods.

C. Administrative Management

Pioneered by Henry Fayol flow stresses that the principle - the principle of administration and management can be applied to all organizations in both government and corporate organizations and more in favor of the concept and perception of Weber's theory of bureaucratic organizations.

Fayol stated that all industrial activities can be divided into 6 (six) groups:

1. Technical activities
2. Commercial activities
3. Financial activities.
4. Security activities.
5. Accounting activities.
6. Managerial activities.

Fayol’s management principle :

1. *Division of work or specialization*

This increases productivity in both technical and managerial work.

1. *Authority and responsibility*

These are imperative for an organizational member to accomplish the organizational objectives.

1. *Discipline*

Members of the organization should honour the objectives of the organization. They should also comply with the rules and regulations of the organization.

1. *Unity of command*

This means taking orders from and being responsible to only one superior.

1. *Unity of direction*

Members of the organization should jointly work toward the same goals.

1. *Subordination of individual interest to general interest*

 The interest of the organization should not become subservient to individual interests or the interest of a group of employees.

1. *Remuneration of personnel*

This can be based on diverse factors such as time, job, piece rates, bonuses, profit-sharing or non-financial rewards.

1. *Centralization*

Management should use an appropriate blend of both centralization and decentralization of authority and decision making.

1. *Scalar chain*

 If two members who are on the same level of hierarchy have to work together to accomplish a project, they need not follow the hierarchy level, but can interact with each other on a 'gang plank' if acceptable to the higher officials.

1. *Order*

 The organization has a place for everything and everyone who ought to be so engaged.

1. *Equity*

Fairness, justice and equity should prevail in the organization.

1. *Stability of tenure of personnel*

Job security improves performance. An employee requires some time to get used to new work and do it well.

1. *Initiative*

This should be encouraged and stimulated.

In addition, Fayol detailing the functions of the administration to be elements of management", also known as Fayol's theory of functionalism, namely:
1. Planning

2. Organizing
3. Giving the command
4.Coordinating
5. Controlling

**2.2. Open Sytem Theory**

The term open system reflects a new belief that all theories of organization is unique because of its unique environment, where the theories of operation and organization theory that the organization should be structured to accommodate a variety of unique problems and opportunities. For example in the study during 1960 showed that the theory of traditional bureaucratic organizations generally have failed in many environments where a variety of technologies / markets - the market has grown rapidly. This theory also fails to realize the influence of regional culture imprtance of motivating workers.

Organization as an open system means that the organization is a part or sub-system from its environment, so the organization can be influenced and affected the environment. Previous approaches always see the organization as a closed system that is not influenced by the circumstances. Openness and dependence on the organization to its environment lead to forms of organization must be adapted to the environment in which the organization is located.

Organization open to outline the model consists of three streams are:

A. Human Relations

This theory comes from the assumption that the organization can be well taken care of and can reach targets within the organization if there is a harmonious interpersonal relationship is a relationship-level leaders, between leaders and subordinates, subordinates and superiors and among subordinates and subordinates.

This theory has a purpose: to get the psychological satisfaction of employees; moral high ground; discipline; high loyalty and high motivation. This theory recognizes the importance of harmonious relations between cloning, relation is based on harmony, kinship, mutual respect, and mutual-respect and the prices are complementary to each other, so the family is an element inherent in this theory.
This model emphasizes the motivation of members of the organization and the satisfaction of needs, including self-esteem, status, salary, and safety.

Abraham Maslow's famous hierarchy of needs describes the theory that human needs consist of physiological needs, safety, social, knowledge, and self-development as shown below.

Physiological needs include the need for food, clothing, housing, and biological (sex) and where a generalist in nature - where and only met with the money.

Therefore, money can be considered reasonable as motivation including disin additional salary and wages is a form of incentive.
Related to human needs is the story that could be an indication for motivation is the promotion, pension or retirement, the safety will work, facility development efforts in the form of training, communication, and human relations.

B. The Theory of Organizational Development (Organizational Development)

Organizational Development is a planned and organized effort broadly directed by the leadership in order to create and enhance the effectiveness of using behavioral knowledge.

C. Systems Theory

Ludwig von Bartalanffy states that a system is a set of elements standing in inter-relations Among Themselves and with environment. System is a set of elements - elements that are bound in an inter-relationships between the elements - these elements with their surroundings.

In management, the theory of sub-system consists of input systems, sub systems transformation, and output subsystems. Input consists of sub-system to sub system, method, money, material, machine, and the market,

Sub input system support and demand from the surrounding environment is needed slowly to sub - sub-human system as a resource that is essential to improving the quality, experience, dedication, skill possessed.

Element of the money as a fund to finance the activities of the organization to consider whether in the form of equity capital and borrowing short term or long term to better use in a rapid way.

Material element of either raw material or feedstock should be considered by the purchasing department in conjunction with our suppliers to the continuity of production is not halted, including how to do that.
Considered a bunch of machine elements considering the development of science and technology, as well as the human element will also handle tools - these tools.

Market elements (marketing), related to consumer responses to the goods and services in demand by consumers and businesses increase market expansion both domestically and internationally in terms of keeping in mind to avoid competition and to market and promote products to the international market.
Sub Transformation System consists of sub - sub-system structure, the sub - sub-system functions, and sub sub-system processes.

In the sub-system outputs are the results or output in the form of services or regulations as the implementation of the policy.
In addition there is also feed back or feedback from the sub-system sub-system output back to input as the process of evaluation of the results or the goods, services, and regulations that once applied or not in accordance with environmental needs.

**2.3. The Never Tradition Model (Synthese Between Closed and Open Model)**

In Indonesia the companies especially private enterprises in the form of state-owned enterprises and cooperatives, are generally not volatile environment such as the protection of the government. It shows that used to follow the will on subordinates and superiors purposes, which allows for situations where formality is a major factor.

The portrayal of Organization Theory by Thompson:

*Chart 2.1 Organization Theory by Thompson*

Albert Widjaja said that in general there are five streams namely organizational theory:

1. Theory of Rational Systems or Structuralists

 Organizational system theory of rational or structuralist emphasis on the importance of organizational goals and roles undertaken within the structure and the technologies used to support the activities of organizations that fit with environmental demands. Supporting this is the flow of structuralist and T. Henry Mintzberg Parsons.

1. Theories of Human Resources

 This theory emphasizes the dependence on human organizations that perform and interact in carrying out their duties. Therefore, to consider the human element in the self development through exercises and formal and informal education, including efforts to increase motivation, prosperity, job security, work procedures for the success of the organization's goals. One of the supporters of this theory is Chers Argyris.

1. The theory of symbolism

This theory recognizes the existence of supernatural power in a leader and besides the myths and beliefs in the days and time are considered good with a symbolic ceremony for the success of the organization's goals.

1. Political Theory

 Political theory emphasizes the problems of conflict, power, small group who successfully led the organization and allocation of limited resources. Leaders view the organization as something complicated, it would require the ability to resolve conflict, maintaining power, the coalition and cooperation in achieving organizational goals. Supporting this theory is Jeffrey Pfeffer.

Based on a review of the organization by using interment supervision and involvement of participants in the organization, Amitai Etzioni classified into 3 categories of analysis, namely the physical, material and symbolic.

1. Physical categories within their organization with the power of example done with a whip, the threat of weapons that directly affect the human body.
2. Material rewards in the form of money, goods, and services as a symbol would cause a person to obtain goods, money or services as a category of material and the person can be controlled as a military force (utilitarian power)
3. Symbolic use a pure symbol which does not contain elements of coercion and material rewards, it is in the form of symbols normalitif prestige, recognition, and full of symbols of social love. When implemented pure symbol at the receiver with the affection of the operation called for Normative strength, normative social or social power.
4. Theory Z
 Theory Z organization is the organization's activities are carried out by individual companies in Japan after the end of the second world war with the productivity of four times compared with the United States more slowly, including the UK often have difficulty.

Theory Z is essentially the understanding and flexibility, productivity, intimacy and bonding together as one important factor in a healthy society.

1. Top of Form

In a lifetime working relationship there are three factors that must be addressed:
 1. Any reputable company that pays its employees mostly in the form of a bonus every six months and annually up to five or six months' salary. Bonus cause employees to feel part because the company has paid bonuses based on profits rather than on individual compensation.
 2. Each of the leading companies in Japan have the working majority of women graduating high school who are expected to stop because of marriage after six years, and will work again when the child is school.
 3. Satellite companies are highly dependent on large companies and will not be a competitor because he did not obtain licenses to import raw materials.

**2.4 . Organizational behavior theories**

This theory is also called the theory of organization behavior is a theory which views the organization in terms of organization members' behavior, behavior that was originally oriented on its own, but because human beings are basically unable to live alone, always live in groups, their behaviors develop into behavior the organizational behavior theory of organization) of this theory argue that good or bad, success or failure of organizations to achieve targets that come from its members.

 The main problem. organization is facing. how to direct the members to think, behave, act or behave as a man of good organization, it is certainly marked by several characteristics which always firmly attached to each individual to be able to do something that is best for the organization, and behavior itself can be attitude or behavioral measures, which are divided into at least three types of behavior, namely: the behavior of formal and informal behavior of non-formal behavior.

**2.5. Process Theory**

One theory is viewed as a organization process. Cooperation between groups of people who are members of a formal group. This theory is looked at in terms of a dynamic organization, constantly on the move and in which there is a division of tasks and principles of a general nature (Universal). The principle of universality while providing a foundation of creative thinking that in principle there is a membership that really should be considered, namely the unity of a state hit hard once, it feels heavy to be carried out, but when each of the members want to learn to promote sense of belonging or a sense of salingn have, then any heavy bitter experience that is felt by the organization, it will be overcame.

**2.6. Theory Leadership Organization**

Leadership is a person to influence others so that others. Follow what was his will. This theory assumes that the success of the organization's goals depends on how far a leader able to influence their subordinates so that they can work with enthusiasm and organizational goals can be achieved efficiently and effectively, while at least a review of the theory of organizations that deal with leadership issues can be distinguished above:

1. Theory of Autocratic

All activities within the organization will run smoothly if all things are in the hands of the leadership, all decisions in the hands of the leadership.

2. Theory of Democracy

The activities of the organization run smoothly if all the problems. facing the organization resolved jointly between leaders and subordinates, all decisions based on consensus to reach a consensus.

3. The theory of freedom (laissez fairre Theory)

The subordinates are given the freedom to decide on any problems encountered, and then implement them in accordance. Leaders do not have function as a leader, but only to be a mere symbol.

4. Theory Patnernalisme

Organizations can run smoothly when the leader is able to provide guidance, direction, command and supervise their subordinates to Advanced, to the smallest problems sehinggapara subordinate diperilakukan as minors.

5. Theory of Personal or private.

Leaders are able to make contact directly with the subordinate relationship can last for up and down from the leadership to subordinates or top down communication, bottom-up, up-ward comunication.

6. Theory of Non-Personal

All forms of relationships within the organization through the hierarchy as defined in the organizational structure. Thus any form of orders, instructions, guidance, made a formal report (written).

1. Bottom of Form

**2.7. [Economic Sociology & Organizations](http://faculty.babson.edu/krollag/org_site/org_theory/theory_index/org_economics.html)**

Baker, W. (1984). "[The Social Structure of a National Securities Market.](http://faculty.babson.edu/krollag/org_site/org_theory/granovet_articles/baker_secur.html)" American Journal of Sociology,(Jan.): 775-811.

Networks of options traders on the floor of a major security exchange act in distinct social structure patterns that dramatically affects the option price volatility. Larger networks lead to less communication and higher volatility. At the exchange, options are traded at a specific location. Two "crowds" of buyers and sellers were selected for network analysis. In contrast to the ideal market, in real options markets actors have bounded rationality and engage in some opportunistic behavior. Taking orders involves satisficing instead of maximizing. Information is limited on the floor and search costs can be high.

The market in options is very uncertain, and actors will sometimes be restrained, and sometimes opportunistic. Market makers must maintain fair markets and often trade against their own position. The crowd size on a particular option is dependent on the volatility -- higher volatility means greater chances at profit-making and so more interest. A large crown has more potential relationships than a small crowd. But big crowds generate noise which reduces communication. Actors do not change their trading circles much with crowd size.

There were informal checks against market makers who held back and ignored some demands. In smaller crowds it was easier to spot and sanction opportunism, and so there was less of it.

1. Micronetworks

In a perfect market the actors trading network would be expansive, involving many actors. There would be no restriction of trade. In real networks traders tend to trade with people closer to them (less errors). In response to bounded rationality and opportunism, actors develop restrictive micronetworks and trade with fewer actors and smaller volumes than in the ideal situation.

1. Macronetworks

Ideally an expansive micronetwork should produce an undifferentiated macronetwork. In real networks there is much more differentiation, especially in large crowds, causing larger cliques. While larger crowds should produce more competition, in options crowds the opposite is observed. Based on these views a large market differentiates because large size and growth outstrip the capacity of actors to communicate efficiently.

1. Price consequences

In ideal markets there should be low variance in market prices of stocks. But in real markets crowd size is a determinant of option price volatility.

**2.8 Institutional Theory**

Institutional theory focuses on the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behavior (Scott, 2004). Different components of institutional theory explain how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse.

Powell and DiMaggio (1991) define an emerging perspective in organization theory and sociology, which they term the 'new institutionalism', as rejecting the rational-actor models of classical economics. Instead, it seeks cognitive and cultural explanations of social and organizational phenomena by considering the properties of supra-individual units of analysis that cannot be reduced to aggregations or direct consequences of individuals’ attributes or motives.

Scott (1995) indicates that, in order to survive, organisations must conform to the rules and belief systems prevailing in the environment (DiMaggio and Powell, 1983; Meyer and Rowan, 1977), because institutional isomorphism, both structural and procedural, will earn the organisation legitimacy (Dacin, 1997; Deephouse, 1996; Suchman, 1995). Multinational corporations (MNCs) operating in different countries with varying institutional environments will face diverse pressures. Some of those pressures in host and home institutional environments are testified to exert fundamental influences on competitive strategy (Martinsons, 1993; Porter, 1990) and human resource management (HRM) practices (Rosenzweig and Singh, 1991; Zaheer, 1995).

There is substantial evidence that firms in different types of economies react differently to similar challenges (Knetter, 1989). Social, economic, and political factors constitute an institutional structure of a particular environment which provides firms with advantages for engaging in specific types of activities there. Businesses tend to perform more efficiently if they receive the institutional support.

Martinsons (1998) developed a theory of institutional deficiencies (TIDE) suggesting that relationship-based commerce will prevail where rule-based markets can not flourish due to institutional deficiencies. Martinsons (2008) extends TIDE to show how the development of relationship-based e-commerce in China has resulted from that country's lack of trustworthy and enforceable set of rules for doing business. His theory suggests that factors such as personal connections (guanxi in China, blat in Russia, etc.), informal information, and blurred business-government relations (which also encourage corruption) will constrain the transition from the physical marketplace to online marketspaces.

**2.9. [Network Theory](http://faculty.babson.edu/krollag/org_site/org_theory/theory_index/network.html)**

Powell, W. W. (1990). "[Neither market nor hierarchy: network forms of organization](http://faculty.babson.edu/krollag/org_site/org_theory/Scott_articles/powell_network.html)" in B. M. Staw and L. L. Cummins. Research in Organizational Behavior. 12: 295-336.

Williamson argued that uncertain, frequent, and transaction-specitic investment-necessary transactions are more likely to take place in organizations. Straightforward exchanges take place in the marketplace. The inefficiences of the hierarchy are preferred to the uncertainties of the marketplace, caused by bounded rationality and opportunism.

Yet recently firms are blurring the boundary between hierarchy and market. Williamson now sees the market-hierarchy as a continium than a dichotomy. This implies that markets created organizations, which is historically untrue. Others point out that markets exist within a social structure. Many economic exchanges are now replaced with collaborations.

Market -like methods are now in firms (transfer pricing, etc.).

"Stylized models of markets, hierarchies, and networks are not perfectly descriptive of economic reality, but the enable us to make progress in understanding the extraordinary diversity of economic arrangements found in the industrial world today".

Exchanges in networks are indefinite and sequential. Sanctions are normative than legal. Firms create indebtedness and reliance over the long haul. Exchanges occur through reciprocal, preferential, mutually supportive actions. One firm is dependent on the resources of another, and it is to both's benefit to pool resources.

In networks, individual units exist only in relation to other units. Strings of reputation, friendship, interdependence, and altruism become integral parts of the relationship.l Network information is "thicker" than that gotten in hierarchies and "freer" than that obtained in the marketplace. They are useful in commodities where value is hard to measure.

**2.10. [Resource Dependency](http://faculty.babson.edu/krollag/org_site/org_theory/theory_index/resource_dep.html)**

Pfeffer, J. and G. Salancik (1978). [The External Control of Organizations](http://faculty.babson.edu/krollag/org_site/org_theory/Scott_articles/pfeff_salan_extc.html),, Harper & Row.

* organizations dependent on environment for survival
* dependencies create external control situations
* asymmetric dependencies create power
* power goes to those who control resources
* maginititude and criticality and alt. availability of exchange affect dependency
* org. behavior as the consequence of influences

Pfeffer, J. (1982). [Organizations and Organization Theory](http://faculty.babson.edu/krollag/org_site/org_theory/Scott_articles/pfeffer_orgtheory.html),, Pittman.

* action as purposive, intended, goal-directed
* action as externally constrained and situational
* action as random and emergent
* each perspective has different views and methodologies

Pfeffer, J. (1992). [Managing With Power: Politics and Influence In Organizations](http://faculty.babson.edu/krollag/org_site/org_theory/Scott_articles/pfeffer_power.html),. Boston, Harvard Business School Press.

* power is control over needed, scarce resources
* build allies
* become the center of an information network

**CHAPTER 3**

**PRINCIPLES OF ORGANIZATION**

Principle is a fundamental statement and general trurh or individual that made by a person or group as a guidance for think and act. A principle is spirit from change or developing. and accumulation of experience or robustnessby an objek or subjek . An organization stands because an interest to achieve common goals. To start, developing, and bring a change, having a principle is mandatory for an organization.

establishment of an organization, there are a lot of principles that support the organization. The principles of organization are:

1. ***Hierarchy***

An organization must have a hierarchy abstraction system. Hierarchy can be called by scalar chain which is line of authority from the top management to the lowest level. With hierarchy system, an organization will be easier to understanding the complex problems where those elements is a hierarchical and eventually provide an assessement of those elements also to determine a decision that must be taken. A communication between elements must follow the hierarchy chain.

1. ***Division of Work***

Organization can’t walk with one foot. So that, need for division of work among the crew of organization. Division of work should be adjusted to abilities and expertises or commonlu referred “*to the right man in the right place*” principle, so the execution of work running efficiently. Division of work must be rational and objektif. Isn’t emotional subjektif that based on like and dislike. By those principles, will give a warranty for stability, fluency and efficiency of work.

1. ***Authority and Responsibility***

Every personnel of organization given an authority to complet the duty. Any inherent authority responsibility. Authority and responsibility should be balanced. An authority can be delegated to subordinate. But, responsibilty can’t be delegated.

1. ***Unity of Command***

In an organization, a personel must observing the principle of unity of command. every personnel needs to know about whom they must responsibility accordance with the authority they have gottan. A command from another boss to the personel will demage the road of authority and responsibility also division of work.

1. ***Unity of Direction***

An organization formed by the common purpose, desire that will be achieved with procedure and method that has been agreed. Every personnel of organization should move towards the same goals and direction, Or the organization won’t be optimal.

1. ***Centralisation, Decentralisation, and Deconcentration***

An organization have a pyramidal structure or hierarchy level. Where every organization have a leader that responsibility to the success of the organization. Centralisation isn’t mean that the power used to authority, but to avoid an authority and responsibility confusion. Authoritie’s centralisation doesn’t relieve a delegation principle.

Decentralisation is the transfer of power from the top manager to the personnel to supervise, to take responsibility against several members who entered the authority. Decentralisation isn’t mean that a personel have an authority to take a decision without responsibility to the top manager. This concept named by deconcentration.

1. ***Delegation***

Top of Form

Delegation is the transfer of authority by members of the organization to subordinates without reducing the burden of responsibility for the delegated authority.

1. ***Span of Control***

An organization using a scale or hierarchy system to facilitate surveillance, communications, and lines of authority. Span of control is needed in an organization. Every single person can and should control some subordinates. It aims to facilitate the supervision of subordinate organizations to create a transparent, efficient and in accordance with the objectives to be achieved.

1. ***Stability of Tenure of Personnel***

In an organization there is need for personnel training organizations. So that, they can perform tasks and functions. Rotation and transfer of duties for employees with an intensity that is too high will reduce the efficiency of organizational performance. Management should provide orderly personnel planning and ensure that to fill the vacancy must be no substitute.

1. ***Subordination of Individual Interest to The General Interest***

Interests of the organization must take priority over individual interests. Individual interests will hinder the main purpose of the organization so that it will impede the progress of the organization.

1. ***Discipline***

A successful organization requires a joint effort. Each member organization must be disciplined to do its job. Punishment should be applied judiciously to promote the success of the organization's goals.

1. ***Equity***

All members of organization must be treated fairly. No members are treated specially. In addition there must be openness and honesty between superiors and subordinates.

1. ***Order***

An important principle which put the right people at the right position. Thus, the performance of the organization will run optimally and appropriately coordinated. As well as that expressed by Luther, and Lyndall Urwick Guilick in principle "*fitting people to the organization structure".*

The existence of order in an organization is nothing but a binder, limiting, and guidelines for the entire crew of the organization to keep it in line with the vision, mission and goals of the organization that has been set.

1. ***Remunaration***

Each member of the organization will receive a salary in accordance with the tasks that have been implemented. The more work, the employee will also receive an award in kind. Koontz, O 'Donnel (1976) which states the principle of leadership facilitation means that the higher and the amount of responsibility a person is entitled to the welfare of the work.

1. ***Initiative***

Management must take steps to encourage member organizations to do more than others. Every member has the right to remove oeganisasi, do all the creativity for the betterment of the organization.

1. ***Espirit De Corps***

Espirit De Corps is the spirit of the organization to make the members of the organization intends to achieve optimal results. This spirit should exist in an organization, because without the spirit of espirit de corps will be difficult to achieve organizational goals. Therefore, it is necessary to maintain good relations between members of the organization.

**SUMMARY**

Principle is a statement of fundamental principles or general truths or induvidualis made ​​by a person or group as a guideline to think or act. Every organization must have a principle which underpins its existence. Principles in the organization should be run with the balance. the loss of one principle, an organization will not run optimally

**BAB 4**

**THE TYPE OF ORGANIZATION**

In forming an organization, we should first decide what type of organization. The type of organization are:

**4.1 Based on the Formation Process**

a. *Formal Organization*

Formal organization is an organization which consciously formed with specific objectives in terms of formal. Activities and relations that occur are formal. Bonds contained in the organization is based on formal.

Examples of formal organization: the state, companies, schools.

b. *Informal Organization*

 Informal organization is an organization which formed informally, its purpose is not spesific, the terms also are informal, activities and relation are informal. (personal/private relationship not formal relationship).

Examples of informal organization: social gathering, bridge clubs.

**4.2 Based on the Area**

 a. *National Organization*

National Organization is an organization that covers the entire area of ​​the country.

Examples of national organization: central government.

b. *Regional Organization*

Regional organization is an organization that includes some specific countries.

Examples of regional organization: ASEAN

c. *International Organization*

International organization is an organization that covers all or most countries in the world.

Examples of international organization: WHO, UNESCO

**4.3 Based on Number of Superiors**

a. *Single Organization*

 Single organization is an organization that led by one people.

Examples of single organization: organizations led by the president, director, president, commander.

b. *Plural Executive Organization*

 Plural executive organization is an organization that led by some people as a whole.

Examples of plural executive organization: organizations led by a board of the directors, councils, assemblies.

**4.4 Based on the Objective**

a. *Public Organization*

 Public organization is an organization (nonprofit) which purpose to serve public necessity, without profit and loss calculations. Purpose of this organization are for sociality need. The purpose are giving social services, not to obtain the profit (nonprofit motive).

Examples of public organization: social foundation, social society, Badan Eksekutif Mahasiswa (BEM)

b. *Business Organization*

 Business organization is an organization established for commercial purposes, and obtain profit, and all actions motivated by profit (profit motive).

 Examples of business organization: Cooperative, corporation, firm, Badan Usaha Milik Negara (BUMN).

**4.5 Based on the Sociality Need**

a. *Economic Organization*

 Economic organization is an organization established for commercial purposes and profit.

 Examples of economic organization: shops, oil mills, pharmacies.

b. *Politic Organization*

 Politic organization is an organization that aims to achieve the division of politic in society.

Examples of Politic organization: politic party.

c. *Integrative Organization*

 Integrative organization is an organization that aims to provide social services to the community.

Examples of integrative organization: orphan institutions, hospitals, courts.

d. *Pattern-Maintenance Organization*

 Pattern-maintenance organization is an organization that aims to preserve culture, education, art.

 Examples of pattern-maintenance organization: museums, zoos.

**4.6 Based on Party Taking the Benefit**

a. *Mutual benefit organization*

Mutual benefit organization is an organization which the benefits are got by all organization members.

Examples of mutual benefit organization: cooperation.

b. *Service organization*

Service organization is an organization which the benefits are got by the customers.

Examples of service organization: bank.

c. *Business Organization*

Business organization is an organization works in business field

Examples of business organization: corporation.

d. *Commonwealth organization*

Commonwealth organization is an organization which the benefits are got by public.

Examples of commonwealth organization: public health service, hospital.

**4.7 Based on the Line Authority**

a. *Line Organization*

In line organization, delegation of authority will be done vertically from the superiors to the subordinates connected by a line of authority/command line.

Characteristic of line organization:

1. Organization is relatively small and simple.
2. Relationship between superiors to subordinates is the shortest straight through the line of authority.
3. Usually the top manager is owner of the company. The only source of authority, the decision maker of the organization.

*Chart 4.1 Line organization Structure*

Advantages of line organization:

1. Unity of command.
2. Decision making, authority are not complicated.
3. Coordination and solidarity are easy to do.

Disadvantages of line organization:

1. Organization depend on one person.
2. Planning, decision, policy are not good enough, because the edge of human.

 b. *Line and Staff Organization*

Is the combination between line organization and functional organization. Delegation of authority will be done vertically from the from the superiors to subordinates yet there will be division of work based on the specialization.

Characteristic of line and staff organization:

1. Only one of the top leaders, and assisted by the staff.
2. There are two types of auhority, line authority and staff authority.
3. Indirect relationship between superiors to subordinates.

*Line Authority* is an authority and responsibilities directly to the person on the achievement of corporate goals.

*Staf Authority* is an authority and responsibilities to provide services help the line manager.

*Chart 4.2 Line and staff organization Structure*

(\_\_\_\_\_\_\_\_) line authority

 (------------) staff authority

Advantages of line and staff organization:

1. Maintained the unity of the leadership, because leader is only one people.
2. The authority grouping, the line authority and staff authority.
3. The division of work and specialization among the leader, staff and executive.
4. This type of organization is flexible, can be applied to large or small organizations, as well as business or social organization.
5. Coordination is easy to do, because there are division of work.

Disadvantages of line and staff organization:

1. Confusing between the implementing command by line authority or staff authority.

b. *Functional Organization*

Functional Organization adalah organisasi yang disusun berdasarkan sifat dan macam pekerjaan yang harus dilakukan. Pembagian kerja didasarkan pada spesialisasinya.

Characteristic of functional organization:

1. There are two types of auhority, line authority and functional authority.
2. Division of work are based on the specialization
3. Subordinates will take commands from some superiors.

*Chart 4.3 Functional organization structure*

 (\_\_\_\_\_\_\_\_) line authority

 (-.-.-.-.-.-.-) functional authority

Advantages of functional organization:

1. Specialization of employees can be developed optimally.
2. Efficiency and productivity can be improved because the employees are skilled in their respective fields.
3. Solidarity and discipline.

Disadvantages of functional organization:

1. Confusing by commands from some superiors.

 d. *Line, Staff and Functional Organization*

Line, Staff and Functional Organization is the combination among ”line, line and staff, functional” organization, usually applied to large and complex organizations. This type of organization are combine the advantages and disadvantages from the three types of organization. At the level of presidents are the line and staff organization type, while at middle manager level are the functional organization type.

*Chart 4.4 Line, Staff and functional organization structure*

e. *Committee Organization*

Is an organization that its members have the same authority and collective leadership. Members of the committee organization grouped by the *Executive Committee* and *Staff Committee*. *Executive Committee* who have the *line authority*. *Staff Committee* who have the *staff authority*.

Charactheristic of committee organization:

1. The division of work are spesific.

2. The same authority of all members.

3.. Decision is the decision of all members.

**CHAPTER 5**

**Organization Structure**

**5.1 Definition of Organizational Structure**

Framework, usually a hierarchy, in which an organization set up lines of authority and communication, and allocate rights and obligations. Organizational structure that consists of activities such as task allocation, coordination and supervision, which is directed towards the achievement of organizational goals. An organization can be structured in different ways, depending on their destination. The organizational structure will determine the mode in which it operates and performs.
 The organizational structure affects organizational action in two major ways. First, it provides the foundation on which standard operating procedures and routines break. Second, determine which individuals can participate in decision-making process, and thus to what extent they form a view of organizational action.
 Two important aspects of organizational structure and job design is a design organization. Job design refers to the process used by managers to specify the contents, methods, and the relationship of each job in order to meet the demands of organizations and individuals. Organization design shows the overall structure of the organization (Gibson, 2002).

 According to Luthans (1992), the organizational structure was built by three dimensions, namely:
a. Complexity: the degree of differentiation in vertical, horizontal, and spatial organization.
b. Formalization: refers to the extent to which rules, procedures, guidelines were written and implemented measures. It is an attempt to standardize the work.
c. Centralization: the dimensions of organizational structure refers to the extent to which levels of decision-making power is maintained on the leadership that is concentrated on one point

**5.2 Factors Affecting Organizational Structure**

 The organizational structure is a framework used to describe the authority of the company and the communication process. This framework typically includes the policies, rules and responsibilities for each individual in the organization. Some factors affecting the company's organizational structure. These factors can be internal or external. Small business owners should be responsible for creating the framework of their company's organizational structure. Business owners may use information management consultant or a review of the Small Business Administration prior to preparing their organizational structure.

1. Size
Many times the size of the driving factors for the company's organizational structure. Small or home-based business usually do not have the broad structure as the business owner is usually responsible for all tasks. Larger business organizations usually require a more intense framework to structure their organizations. Companies with more employees typically need more managers to supervise these people. Highly specialized business operations can also require a more formal organizational structure
2. Life Cycle
The life cycle of the company is also instrumental in the development of organizational structures. Business owners trying to grow and expand their company operations generally develop organizational structures to describe their company's business mission and objectives. Business achieve peak performance usually become more mechanical in their organizational structure. This occurs as the chain of command to increase the business owners to frontline employees. Mature firms typically focus on developing the organizational structure to improve efficiency and profitability. This improvement may be the result of more competitors enter the market economy.
3. Strategy
Business strategy can also be a factor in the development of the company's organizational structure. High-growth companies typically have smaller organizational structure so that they can react to changes in business environment more quickly than any other company. Business owners may also be reluctant to give up managerial control in business operations. Small businesses still looking to define their business strategies are often put off creating an organizational structure. Business owners are usually more interested in setting business strategy rather than develop and implement internal business structure.
4. Business Environment
External business environment may also play an important part in the company's organizational structure. Dynamic environment with changing consumer desires or behaviors are often more volatile than the stable environment. The company strives to meet consumer demand can struggle when creating the organizational structure in a dynamic environment. More time and capital can be spent in a dynamic environment to create and present organizational structure. This additional capital cost is usually negative for many small businesses.
	1. **Structure of Organization**

 There are several things to consider when forming a leadership structure within the organization. The need to understand is the basic concept organization structure presented by Mintzberg. From this concept, we can identify the basic elements in the structure so that the placement of workers are at the corresponding position. And the last thing to note is the compatibility with the principle structure and principles within the organization.

 a. Basic Organizational Structure

 In the organization, there is the basic structure (the basic principle of the structure) organization as proposed by Mintzberg (1979). In the organizational structure, there are five elements that include:

1) Strategic apex
2) Middle line
3) Operating Core
4) The support staff
5) The structure Techno

 *Strategic apex* is the pinnacle of power in which the top leadership of the authority and obligation to ensure that organizational goals are effectively achieved. It also has the authority to regulate organizational actors who have power over the organization (manager) is.

 *Middle line* is the middle level of management that links the strategic apex to operating core by using the delegation of formal authority. *Operating core* refers to the implementation of major tasks that are directly related to the production (of goods or services).

 *Support staff* is an array of specialized units that support organizations outside the main workflow of the organization.

 *Techno structure* or may be called by the experts is the analyst who runs the organization to influence the work of others. This is done by arranging, planning and training people to do certain jobs within the organization but they do not do the job. Here's a picture Minztberg configuration containing five main elements in the organizational structure.



*Chart 5.1 Minztberg: five main elements in the organizational structure*

b. Five Types of Organizational Structure

1) Simple Organization
 Simple Organizational structure is the simplest and is usually applied in a relatively new organization, with the number of employees is not too much. This structure has a low specialization either vertically or horizontally. In this organization the power and responsibility from the top leadership down to the NCOs to flow through the vertical line commonly referred to as the scale of the chain. Leadership is focused on one person in which the leader must have a broad range of skills.
The advantages of this structure is fully guaranteed the unity of command, because the leadership is on a single control. Furthermore the decision can be taken rapidly and cause high solidarity among employees know each other. Disadvantages of the line structure is the nature of the dependence on one person, namely top management, when he was not able to perform their duties, then the organization will be destroyed. The structure is also make possible to autocratic leadership is not so employees can develop themselves.

*Chart 5.2 Line drawings Organization Chart*

2) Functional Organization
 Functional organization is common in companies that produce an item. On the functional organization, the larger the organization, the deeper the hierarchy and also the more specialized work. All of the reports to the hierarchy above it, so to reach the top of the hierarchy.
 The advantage is the simplicity of the functional organization in the communication and efficiency of an iterative process. The disadvantage when faced with a division between the project, the movement of each team member will be limited by the division septum and the project manager may concurrently be the manager of a division which resulted in his decision affected his position in the division. Another disadvantage of this system is very limited communication and creativity is limited by a series of bureaucratic approval.



*Chart 5.3 Functional Organization Chart picture*

3) Organization Projectized
 Organizations such as the project focuses only on projects rather than functionality. Have not found a large organization that uses this type of project organization. This type of organization is in a group of freelance consultants who work out but have a coordinator. The project manager has a great power during an ongoing project.
 The advantage of this type of organization is easy to insert an external consultant, the efficiency of the project, the ease to share resources between projects, flexibility, and independence of each employee. Deficiencies that may arise is that every employee must be sufficiently motivated, responsible, and accustomed to take the initiative. This structure is not particularly suitable when the company has many aspects of the administration or operation.



*Chart 5.3 Project Organization Chart picture*

4) Matrix Organization
 Matrix organization is a fusion of both types of organizations. Matrix organization seeking a balance between administrative and operational or project. An example is a project manager who wants to work on the project inventory. The project team consist of the purchasing and finance.

 *Chart 5.4 Picture Chart Matrix Organization*

 Matrix organization has three suborganization based on power project managers and functional managers are described in the table below.

Table Three Sub Matrix Organization Based Power Manager

| Sub type of Organization | Strength Functional Managers | Strength Project Managers |
| --- | --- | --- |
| *Weak Matrix*.The project manager has great power, the role is reduced to a mere functional managers who are responsible for providing resources for projects such as training of his men. | Weak | Strong |
| *Balanced Matrix*.Functional project managers are equally strong, generally requires communication and clear procedures so as not to fight human resources | Medim | Medium |
| *Strong Matrix*.The project manager only serves merely to project coordination and documentation. He did not have any power | Strong | Weak |

*Chart 5.5 Three Sub Matrix Organization Based Power Manager*

The advantage of matrix organization type:

(1) Human resource utilization efficiency,

(2) Members of the team have remained operational jobs once the project is completed

(3) Sharing of knowledge among divisions better than the functional type, and

(4) Strong stakeholder involvement

 Deficiencies that may arise is a natural conflict within the organization when the two management structures used in the same time. In the case of a natural conflict arises between the functional and the project is due to different destinations. There should be communication procedures and utilization of resources is clearly to avoid confusion.

5) Organizational Structure Division
 Departments are grouped into separate independent division based on the similarity of products, programs, or geographic area. Skills is a fundamental difference departmentalizing, and skills rather than similarities. Thing that distinguishes this structure with other structures of the operating decisions (including the business strategy for some organizations) delegated to the division. For the problem of corporate strategy, decision control, and the procedure is the authority of the helm.
In addition, important decisions such as allocation of funds and placement of individuals in the division is also the authority of top management. Staff are usually placed at the head office to help define different decision. The advantages of this structure is the organization be more responsive to an unstable environment.
In addition, there is the imposition of a clear responsibility for product problems and there is an emphasis on all products and divisional objectives. The downside of this structure is the duplication of resources, for the placement of employees is not based on shared competence, thus allowing inter-division there are employees with similar competencies.

*Chart 5.6 Picture Division Organization Chart*

**ORGANIZATIONAL CHART SAMPLE IMAGES**



*Chart 5.7   Chart Horizontal*



*Chart 5.8 Chart Circle*
*Chart 5.9 Graph Pyramid*

**CONCLUSION** The organizational structure is required in order to achieve effective organizational performance. In preparing the structure there are 4 factors that need to be understood:

a) Size

b) Life Cycle

c) Strategy

d) Operating Environment.

 To determine the structure to be applied within an organization, the first thing to note is the organization's goals, different objectives and functions of the structure to be applied will also vary. The second thing to understand is the basic principle of the organizational structure consisting of five elements:

1) strategic apex

2) middle line

3) operating core

4) supporting staff

5) techno structure.

 Last thing to consider is the organizational structure itself should not deviate from the principle.

 There are several types of organizational structures are developed at this time, including:

1) simple organization

2) the functional organization

3) organization projectized

4) matrix organization

5) divisional organization.

 The fifth kind of structure has advantages and disadvantages, so it can be concluded that the structure is superior to other structures. There are special considerations that must be adapted to the conditions of the organization, namely the three things that have been described in the previous paragraph.

**CHAPTER 6**

**Organization Development**

**6.1 Definitions**

 Organizational Development is a set of social science techniques designed to plan and implement change in work settings for purpose of enhancing the personal development of individuals and improving the effectiveness of of organizationa funcioning.

 Organizational Development is a top management supported, long rangeeffort to improve an organizations problemsolving and renewal processes, particularly through a more effective and collaborative diagnosis and management of organizationculture- with special emphasis on formal workteam, temporary team, and inter group culturewith the assistance of a consultant facilitator andthe use of the theory and technology of appliedbehavioral science, including action research.

**6.2 Kurt Lewin’s Model of Organizational Change**

1. Unfreeze

This first stage of change involves preparing the organization to accept that change is necessary, which involves break down the existing status quo before you can build up a new way of operating.

Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike: These show that things have to change in a way that everyone can understand.

To prepare the organization successfully, you need to start at its core – you need to challenge the beliefs, values, attitudes, and behaviors that currently define it. Using the analogy of a building, you must examine and be prepared to change the existing foundations as they might not support add-on storeys; unless this is done, the whole building may risk collapse.

This first part of the change process is usually the most difficult and stressful. When you start cutting down the “way things are done”, you put everyone and everything off balance. You may evoke strong reactions in people, and that’s exactly what needs to done.

By forcing the organization to re-examine its core, you effectively create a (controlled) crisis, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, you won’t get the buy-in and participation necessary to effect any meaningful change.

2.Change

After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

The transition from unfreeze to change does not happen overnight: People take time to embrace the new direction and participate proactively in the change. A related change model, the Change Curve, focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this specific aspect in more detail.

In order to accept the change and contribute to making the change successful, people need to understand how the changes will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and pitfall that should be avoided.

Tip:

Unfortunately, some people will genuinely be harmed by change, particularly those who benefit strongly from the status quo. Others may take a long time to recognize the benefits that change brings. You need to foresee and manage these situations.

Time and communication are the two keys to success for the changes to occur. People need time to understand the changes and they also need to feel highly connected to the organization throughout the transition period. When you are managing change, this can require a great deal of time and effort and hands-on management is usually the best approach.

3.Refreeze

When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

The rationale for creating a new sense of stability in our every changing world is often questioned. Even though change is a constant in many organizations, this refreezing stage is still important. Without it, employees get caught in a transition trap where they aren’t sure how things should be done, so nothing ever gets done to full capacity. In the absence of a new frozen state, it is very difficult to tackle the next change initiative effectively. How do you go about convincing people that something needs changing if you haven’t allowed the most recent changes to sink in? Change will be perceived as change for change’s sake, and the motivation required to implement new changes simply won’t be there.

As part of the Refreezing process, make sure that you celebrate the success of the change – this helps people to find closure, thanks them for enduring a painful time, and helps them believe that future change will be successful.

**6.3 Organization Development Goal**

According to Felix A. Nigro and Lloyd G dlam books: Modern Public Admistration.

Organizational development goal is to create a capability - the ability of organizations to solve the problem - the problem continuously.

**6.4 organizational Development Intervention**

By Wendell L. French and Cecil H. Bell: organizational development intervention is a series of structured activities in which the units of the selected organization (group or individual goals) perform duties that are directly or indirectly target the task of connecting it with the improvement of the organization.

**6.5 Implementation Organization Development**

1. Observation and data collection

2. Stage of diagnosis and feedback

3. Stage of reforms in the organization

4. Stages of reform implementation

5. Evaluation

**6.6 Organizational Development Techniques**

There are various techniques that are designed by experts, with the aim of improving the ability to communicate and work effectively, inter-individual and inter-group within the organization. Several techniques are often used below.

• Sensitivity training

• Team Building

• Survey feedback

• Transcational Analysis (TA).

• intergroup activities.

• Consultation Process

• Grip OD.

• Third-party peacemaking

**CHAPTER 7**

**Organizational Behaviour**

**7.1 Definition of Organizational Behaviour (OB)**

Organizational behaviour is a field of study that investigates the impact that individual,groups,and structure have on behaviour within organizations for the purpose of applying such knowledge toward improving an organization’s effectivenes. (Robbins,1996). In classical age, organization theories mainly focusing on organization’s, structure, rules, formal organization, economy factor, and rational purpose(Hicks, 1975). And in modern ages, management and organization theories mainly focus on the individual aspects of organization. Elton Mayo, Hawthorne and Munsterberg realize that behaviour of individual affect the productivity of organization. Therefore, many social scientist done a further research about human psychology in organization.

**7.2 Function of OB**

Scholars in management departments of universities and scientists in business organizations conduct research on Organizational Behaviour. The findings from those research studies are then applied by managers or consultants to see whether they help meet “real-world” challenges. In addition, Organizational Behaviour can be contrasted with two other courses commonl offered in management, human resource management and strategic management.

**7.3 Organizational Behaviour Factor**

There are factor that affect organizational Behaviour according to Robbins*,*

1. *Productivity*

Productivity is a work parameter that include effectivity and efficiency.

1. *Turnover*

Turnover is an action of individual to leave the organization permanently

1. *Absenteeism*

An action of absent in organization that neglect the task that has been given to individual on organization.

1. *Organizational Citizenship Behavior*

Discretional behaviour that is not a part of formal requirement of a employee. Butthe behaviour have an effective function for organization.

1. *Job Satisfication*

An common behaviour about individual job’s, the difference of accepted reward with the contribution of employees.

**7.4 Organizational Behaviour Model**

 There are four major models or frameworks that organizations operate out of, Autocratic, Custodial, Supportive, and Collegial (Cunningham, Eberle, 1990; Davis ,1967):

1. Autocratic — The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.
2. Custodial — The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.
3. Supportive — The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need that is met is status and recognition. The performance result is awakened drives.
4. Collegial — The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline. The employee need that is met is self-actualization. The performance result is moderate enthusiasm.

 Although that there are four models of operation, almost there are no organization that operate exclusively in one models. There will usually be a predominate one, with one or more areas over-lapping in the other operation models.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Autocratic | Custodial | Supportive | Collegial |
| BasicModel | Power | Economy resource | Leadership | Teamwork |
| Managerial Orientation | Authority | Money | Support | Teamwork |
| Employee orientation | Obedience | Security and Profit | Performance | Responsibility |
| Psychological work Result | Dependency to leader | Dependency to organization | Participation | Self discipline |
| Employee’s fullfilment | living | Security | Status and acknowledgemet | Self actualisation |
| Work result | Minimal | Passive teamwork | Movement awakening | Moderate enthusiasm |

*Chart 7.1 The different of OB model*

Source: Organizational Behavior: Human Behavior at Work, 1993.

**7. 5 Various disciplines associated with organizational behavior**
a. Psychology is the science of measuring, explaining and sometimes change the behavior of humans and other creatures.

b. Sociology is the study of man in relation to their social environment and culture.
c. Social psychology is a field within psychology that blends concepts of psychology and sociology that focuses on the influence of a person against another person.
d. Anthropology is the study of the public to learn about humans and their activities.
e. Political science is the study of the behavior of individuals and groups in the political environment.
Thus, the five disciplines to contribute to the study of organizational behavior.

**Summary**

 Organizational Behaviour (OB) is a field of study that investigates the impact that individual,groups,and structure have on behaviour within organizations for the purpose of applying such knowledge toward improving an organization’s effectiveness.

 Model of OB according Cunningham, Eberle and Davis is Autocratic, Custodial, Supportive, and Collegial. OB itself is getting developing until today. Thus, the field of study that contribute for OB is Anthropology, Sociology, psychology, and political science. Because of its impact on many factor as mentioned :

1. Productivity
2. Turnover
3. Absenteeism
4. Organizational Citizenship Behavior
5. Job Satisfaction

OB is considered important to meet today’s organization needs.

**CHAPTER 8
Scope of Organizational Behavior**

Actual behavior of the organization was formed from the individual behaviors that exist in the organization, but internal factors within the organization is also included in its aspects reached an effective organization. So it covers the scope of the problem of individuals, groups, and his organization because the organization's effectiveness in the form of good will be achieved.

The following aspects of the scope of organizational behavior:

**A. The basis of individual behavior,** consisting of:

 **1) *Characteristics biografic*,** consisting of: employee age, gender, marital status, family size, and seniority of employees.

 **2) *Personality*** is an integrated self-image device and a device total of intrapsychic forces that create a unique person with specific behaviors. Things that affect an individual's personality: heredity, environmental factors, situational conditions and personality. Personality characteristics can be used to predict human behavior in organizations or companies.

  **3) *Ability*** to work is the capacity of individuals completing various tasks in a job. Overall ability of an employee include:

a) intellectual ability

b) The ability or emotional skills

c) Physical Ability

d) Correspondence between skills and jobs

  **4)*Perception***
 *Perception is a complex cognitive process that can provide a unique picture of a world very different from reality, it can be said that perception is a complex interaction of selection, organization, and interpretation* (Robbins, 1996).

Three factors that affect perception, namely:

a) Actors perception, influenced by personal characteristics such as attitudes, motives, interests, past experience and expectations.

b) The object of perception, the perception of the characteristics of the target being observed affects everything that is perceived. The greater the equality of an object, it is more likely to perceive the object as a group together.

c) The context of the situation, where the perception comes from elements in the environment can affect a person's perception.

 **5) *Value and attitudes in organizational behavior***

 *Value is a collection of happy and unhappy feelings, views, necessity, the tendency in people, rational and irrational opinions, prejudices and patterns of association that determines one's view of the world* (Gibson, 2006). Value can be used as a way of organizing a number of attitudes. Value is also important to understand the behavior of effective managers. *Attitudes are evaluative statements, whether pleasant or unpleasant or different judgments about objects, people or events* (Robbins, 1996).

 **6) *The theory of motivation in organizational behavior***

 Talked about the concept of motivation in all aspects of life which, although having the same basic understanding of the definition has varied, depending on the motivational aspects of what life will be applied. *Motivation in organizational behavior is known as the willingness to struggle or strive for higher levels to achieve organizational goals, and to obtain satisfaction in meeting personal needs* (Robbins, 1996)

  **7) *Decision making individual***

Each individual in the organization are involved in decision making, namely the choice between two or more alternatives. Starting from the maximizing behavior of individuals in a particular outcome, the so-called rational decision-making process. The process of organizational behavior at the group consisting of: group decision making, communication, influence of other groups, leadership, group structure, power and politics in organization, teamwork, and conflict management. The process of organizational behavior at the level of organization or structure, such as: organizational culture, policies and implementation of Human Resources, structure and organizational design, technology, job design and job stress.

**B Behavior of the group**, consisting of:

  **1*)Management of conflict***

Leadership and membership in an organization is not free of problems or conflicts. Source of conflict comes from a variety of problems that arise as a result of differences in individual characteristics within the organization. It takes good management to avoid conflict conflict.

  **2) *Communication***

Communication is one of the most frequently discussed in the dynamics of the whole field of organizational behavior, but seldom understood. In practice, effective communication is a basic prerequisite for the achievement of organizational goals, but it remains one of the biggest obstacles facing modern management.

  **3) *Leadership***

Leadership is not part of management, but leadership is a fundamental appearance or personality of a manager who runs an organization. Leader is described as part of the activities that affect the behavior of managers members of the organization to lead the expected results. Leadership in an organization set up several important properties are: integrity, intelligence and insight into the extensive knowledge, sincerity, and self-awareness. Leadership can be learned and trained myself. For example in the OSIS (Intra-School Student Organization), each organization gets new members are always held LDKS (Student Leadership Training Association) to train the sense of self-leadership in the new member prior to be inducted into the official.

 **4) *Decision-making group***

An organizational decision mechanism, in an effort to achieve a desired state. Every decision is a result of the dynamics of the process that is influenced by many forces.

**C) Organizational behavior**, consisting of:

 **1) *The cultural organization***

 Culture binds members of the community groups into one unified view of creating uniformity behave or act. As time went on, culture must be formed within the organization and can also be felt in contributing to overall organizational effectiveness.

 **2) *Management of stress***

 Stress management is the ability to use resources (human) effectively to solve problems or mental and emotional turmoil that comes as a response (the response). The goal of stress management is to improve the quality of life for the better individuals.

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