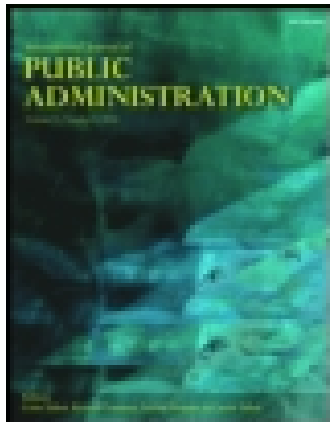


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### Organizational theory and structure: An analysis of three perspectives

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ORGANIZATIONAL THEORY AND STRUCTURE:  
AN ANALYSIS OF THREE PERSPECTIVES

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ABSTRACT

This article examines three contemporary organizational theories as they relate to organization structure. The three approaches selected are: social systems delimitation, organization learning, and organizational theory as metaphors. Each view represents a different approach to issues concerning the direction of organization theory and design. It will be argued that, in many respects, the future development of organizational theory will, to a large extent, build upon these approaches and the issues they pose for organization design.

INTRODUCTION

For the purposes of this article, three contemporary organizational theories will be analyzed that pose far reaching implications for organizational theory and structure -- theories that are attempting in their own way to "reshape the organizational world."<sup>(1)</sup> The three organizational theories selected for discussion are: (1) social systems delimitation; (2) organizational learning; and (3) organization theory as metaphors. These approaches were chosen, in part, because they have emerged only recently, and, in comparison to other organizational theories, they have not been as extensively discussed. Moreover, each view represents a distinct approach to issues concerning organization structure. It will be argued that, in many respects, the future development of organizational theory will to a large extent build upon these approaches.

For example, organizational learning -- which is still in its theoretical embryonic stage of development -- is widely recognized as an innovative approach as applied to the executive function, strategic planning, managerial problem solving, and organizational design and performance, to name just a few. Alberto Ramos' social systems delimitation approach, on the other hand, is considered by such scholars as William Scott as a classic in organization theory.<sup>(2)</sup> Compared to most organization theories, it calls for a revamping of our thinking about organizations. Ramos' polemic analysis, in short, attempts to reformulate organizational theory on substantive grounds. Finally, Gareth Morgan's advocacy of organizational theory as metaphors has provoked much interest in how organizational theories and their approaches to organization structure are captive of metaphorical assumptions that are often taken-for-granted. Simply put, metaphors shape the theorist's view of the organization. This approach calls for new thinking in how we might analyze the complexities of organizational life. While Morgan's approach does not present an alternative model of organizations, he does force the organizational theorists to "imaginize" different organizational perspectives (and their limitations) by recognizing the importance of language, symbol, and metaphor in contemporary organization and management.

A salient question that needs posing about these three organizational theories is the following: are these conceptual viewpoints merely another example of differing perspectives that cannot be reconciled in any effective manner, or can they be integrated in a way that gives us a new view of the organization and its structure without completely negating the important contribution of each theoretical orientation? Although other approaches could have been selected for discussion, these different

perspectives address how organizational theory might be reconceptualized in addressing the pivotal issues of how organizations should, or ought, to operate in an increasingly complex and turbulent environment.

#### SOCIAL SYSTEMS DELIMITATION

"A theory of organizational delimitation," Ramos posits, "is needed in order to overcome the unidimensional thinking prevailing in social analysis and design."<sup>(3)</sup> This statement is based upon his belief that extant organizational theory is naive, and, more importantly, a conceptual prisoner of the epistemological beliefs inherent in the market system. To understand Ramos' relevance to both organizational theory and structure, it is important to outline his main theoretical assumptions.

First, Ramos argues that modern reason (extant social science and organizational theory) has broken with classical reason. Modern reason (or functional rationality), he explains, has become synonymous with an utilitarian ethos -- a utilitarian (as advocated by Thomas Hobbes) ethos that legitimizes the conversion of the good into the functional and the ethical into the a-ethical. Ramos pulls no punches in concluding that "Hobbes intended to strip reason of any normative role in the domain of theory building and human associated life."<sup>(4)</sup> Classical reason (or substantive rationality), on the other hand, was "understood to be a force active in the human psyche which enables the individual to distinguish between good and evil, false and genuine knowledge, and accordingly, to order one's personal and social life."<sup>(5)</sup> While this may sound peculiar to our modern ears, Ramos tries to articulate what is so wrong with both modern social science and organization theory: modern organizational theory has distorted the meaning of rationality to coincide with the existing motifs of

formal economizing organizations, thus perpetuating a one-dimensional view of society and the individual. Contemporary organizational theory, for the most part, is unfortunately predicated on "modern reason [that] views the individual as a calculative being, intent only on accurately finding adequate means to accomplish [organizational] goals, indifferent to their value content."<sup>(6)</sup> The second major assumption of Ramos' analysis is his criticism that organizational theorists do not distinguish between functional and substantive rationality. This confusion, among other things, "obscures the fact that formal economizing organizations is a recent institutional innovation required by the imperative of capital accumulation and the enhancement of processing capabilities characteristic of the market system."<sup>(7)</sup> Consequently, organizational theory has strong ideological overtones. In support of this claim, he argues that organizational theorists have legitimized a market mentality to encompass all of society. Ramos tries to remind us that the formal organization is a particular social system predicated on the value system of calculation, efficiency and expediency. What current organizational theorists do not--and cannot--understand is that substantive and functional rationality "belong to two different qualitative spheres of human existence."<sup>(8)</sup> However, they have developed their theoretical approaches as if economizing behavior is appropriate for all social settings. In their attempt, for example, to incorporate such concepts as self actualization into formal organizations they commit two errors: they misplace concepts into a context where it does not substantively belong, and they inevitably legitimize the status quo.

Formal organizations, he concludes, are simply not appropriate settings for people's de-alienation and self-actualization.<sup>(9)</sup> In the same breath, Ramos claims that extant organizational theory

often tries to justify its premises by the usage of normative concepts. He calls this theoretical deception cognitive politics -- "a conscious or unconscious use of distorted language, the intent of which is to induce people to interpret reality in terms that reward the direct and/or indirect agents of such distortion."<sup>(10)</sup> This distortion is particularly evident in how theorists ignore the distinction between behavior and action. According to Ramos, behavior is a type of conduct which emphasizes the utilitarian reckoning of consequences. It is a mode of conduct consonant to functional rationality and denotes conformity to external conveniences. Action, on the other hand, is "proper to an agent who deliberates about things because he is conscious of their intrinsic ends."<sup>(11)</sup> It refers to standards of ethical conduct independent of consequences. Because formal organizations are based on efficiency and expediency people are forced to behave rather than act. The introduction of action into formal organizations merely masks the psychological underpinnings intrinsic to calculative rationality. The confusion of these two terms, moreover, is indicative of how common sense has become obliterated in standard organizational scholarship. Ramos goes even further when he writes that modern organizational scholarship "hardly deserves to be called scholarship at all .... yet it constitutes the core of what is taught in schools of public and business administration."<sup>(12)</sup>

From these theoretical propositions, Ramos' argument for a reformulation of organization theory can now be simply stated: an organization theory must be developed which delimits the influences of the market system, and theorists must assume the new role of social system designers in creating a variety of social spaces or enclaves congruent to the different substantive needs and activities of the individual.

This new approach to organization theory is what Ramos refers to as a paraeconomic paradigm. He explains the meaning of this term in this manner:

[A] paraeconomy postulates a society diversified enough to allow its members to deal with substantive issues of life according to their pertinent intrinsic criteria, and in the specific settings where they belong. From the paraeconomic viewpoint, not only the economies which constitute the market enclave, but isonomies and phenomenies and the variety of their mixed forms are to be considered agencies for optimal allocation of resources and manpower.<sup>(13)</sup>

How would one begin to design these new enclaves? Ramos' answer to this question is what he calls the "law of requisite adequacy." The law of requisite adequacy states that each social system must prescribe to specific design requisites unique to its own setting.<sup>(14)</sup> These design requisites include the factors of technology, size, space, cognition, and time. Although space does not allow an extensive evaluation of these factors, collectively they do represent a radical approach to the design of organizational structures. It is radical in the sense that the theorist now designs a variety of organizations in order to create a multicentric society whereby substantive rather than functional rationality becomes the cardinal category of ordering social and political affairs. Issues concerning organizational structure, in other words, cannot be divorced from a multidimensional view of human existence. Contemporary organizational theory, in the view of Ramos, has sadly ignored this basic fact -- an omission which is done at its own theoretical peril.

As pertinent as Ramos' point appears to be, other theorists have taken a somewhat different view of what is missing in contemporary organizational approaches. The central question for these theorists is how can an organization learn that allows, and encourages, new possibilities for change and innovation. Let us now turn our discussion to the notion of organizational learning.

ORGANIZATIONAL LEARNING

While the concept of organizational learning is still in its early stages of theoretical development, it has been regarded an idea in good currency.<sup>(15)</sup> As Donald Schon puts it, organizational learning raises such crucial issues as these: "How can we learn to cope with change?" "What have we learned from past experiences?" "Is our learning capacity adequate to the challenges that confront us?"<sup>(16)</sup> These questions not only indicate the need to improve organizational efficiency, but how organizational structures can --or should-- be redesigned to facilitate better learning capabilities.

As important as organizational learning may seem to be, there is still a lack of theoretical agreement of what is meant by this concept. According to C. Marlene Foil and Marjorie Lyles, organizational learning suffers from the following confusion:

The confusion stems as far back as two decades ago, when Simon defined organizational learning as the growing insights and successful restructuring of organizational problems by individuals reflected in the structural elements and outcomes of the organization itself. In this definition, learning consists of the development of insights on the one hand; structural and action on the other. One is change in states of knowledge -- not clearly perceptible; the other often involves a change more visible in terms of an organizational outcome. And, most important, the two often do not occur simultaneously which makes the problem of distinguishing between them all the more important.<sup>(17)</sup>

This confusion, in part, is also due to the different frames of reference that are attached to the meaning of organizational learning. Paul Shrivastava maintains that there are three different frames of reference.<sup>(18)</sup> First is the conception of learning as synonymous with organization adaptation. This approach is illustrated by the works of Richard Cybert and James March<sup>(19)</sup> who view learning under conditions of ambiguity. Briefly put, they argue that learning is the organization adapting to the environment



by adjusting organizational goals and search rules. This behavioral theory of the firm contends that organizations change their structures and goals on the basis of this learning experience. Second, organizational learning has been viewed as "assumption sharing." This approach, as represented by Chris Argyris and Donald Schon, argues that theories-in-use result from a shared assumption among organizational members. It is the modification or change of these theories-in-use which enacts what they call organizational learning. From this premise, Argyris and Schon distinguish between single-loop and double-loop learning. The former involves the detection and correction of errors through an organizational adjustment that does not question its setting. The latter approach corrects errors by critically examining the underlying behavioral norms or processes that may be contributing to the original dysfunction. And finally, organizational learning has been regarded as "development of a knowledge base." "Organizational learning in this view is closely linked with organizational sense-making processes which are basically interpretative routines used by decision-makers to detect problems, define priorities, and develop an understanding of how to deal with performance discrepancies."<sup>(20)</sup> This model focuses on issues of effectiveness and efficiency and the role of the knowledge base of the organization to improve organizational decision making. Examples of this learning system include management information systems, budgetary control systems and strategic decision-making.

Regardless of the perspectives on organizational learning, one of the contextual factors affecting learning involves how an organizational structure can facilitate innovation and new insights. For example, R. B. Duncan,<sup>(21)</sup> in his analysis of different decision-making structures, maintains that a highly centralized (or

mechanistic) structure reinforces the proclivity to reinforce past behaviors and experiences. An organic (or decentralized) structure in comparison encourages flexibility and new learning as the organizations adapt to changes in the environment. Arguing from a similar theoretical angle, B. Hedberg, P. Nystrom, and W. Starbuck<sup>(22)</sup> refer to organization learning as process of institutionalizing continuous structural experimentation as a way of implementing a self-designing organization. While this is only a sampling of the literature on organizational learning, the major conclusion that emerges from this literature can now be stated: "formalized and complex structures retard learning [and] ... that learning is enhanced by structures that diffuse the decision influence."<sup>(23)</sup> Jay Galbraith, for example, argues that a decentralized structure, by abating information demands on the organization, can be instrumental in encouraging the formation of new patterns and associations.<sup>(24)</sup>

To a large extent, the literature also indicates that organizational learning, and in particular double-loop learning, can be best initiated by participative management.<sup>(25)</sup> One example of this participative process is the concept of "ringi," a strategic management approach found in Japanese management. This approach specifies that every major management proposal be passed throughout the organization for approval. Any manager is free to disagree with a decision proposal and make new suggestions. These suggestions, in turn, are recirculated through the organization until a consensus is reached, thus committing the organizational members to the resolved action. What is important to note is that this participative learning approach cannot successfully operate without restructuring the hierarchical system and the horizontal divisions that often fragments the organization.

What is equally important is how organizations can sustain a capacity for innovative learning. Such learning, Arthur Bedeian notes, "would include allocation of resources to educational ideals, work experiences designed to improve knowledge and skills, and recruitment and promotion policies emphasizing curiosity and a capacity for learning."<sup>(26)</sup> In sum, organizational learning's importance is due to its emphasis on experimentation in designing organizations that accommodate and encourage constant learning. But is organizational learning, like social systems delimitation, merely a metaphor for theorizing about organizations in a certain manner? Are these two approaches too inclusive for understanding and analyzing organizations today?

#### ORGANIZATIONAL THEORY AND STRUCTURE AS METAPHORS

Organizations are commonly classified in terms as to whether their structures are matrix, organic, free-form, bureaucratic-mechanistic, functional, or loosely-coupled. Regardless of the particular structure, these organizational approaches are justified upon the validity of certain theoretical assumptions or "ways of seeing" the organization. According to Gareth Morgan, organization theories are best understood as metaphors that "are not only interpretative constructs or ways of seeing; they also provide frameworks for action [and] can lead to different ways of organizing and managing."<sup>(27)</sup> If metaphors are indeed crucial in understanding organizational theory, what is specifically meant by this term? Max Black has defined a metaphor as an image that "proceeds through assertions that subject A is, or is like B, [and that] the processes of comparison, substitution, and interaction between images of A and B act as generators of new meaning."<sup>(28)</sup>

Black's point is relatively simple even if the language has become difficult: metaphors form images and conceptions of reality

that influence the way we think about the world. Metaphors are also a filter of reality; one sees only that reality which the metaphor permits. Hence, metaphors only give a one-sided perspective of reality; a slice of reality that is based on partial truths commensurate to the metatheoretical assumptions of a particular metaphor.

What are the most prevalent metaphors of contemporary organization theory? Not surprisingly, the answer to this question is the metaphors of "machine" and "organism." The machine metaphor, as illustrated by Taylorism and classical management theory, denotes an adherence to predetermined ends and purposive rationality:

The details of these machine models are drawn from mechanical concepts. They attribute principal importance, for example, to the concepts of structure and technology in the definition of organizational characteristics. Machines are technological entities in which the relationship between constituent elements forms a structure. In classical and bureaucratic organization theory, the principal emphasis is placed upon the analysis and design of the formal structure of an organization and its technology...these theories seek to design organizations as if they were machines and the human beings are expected to work when such mechanical structures are to be valued for their instrumental abilities.<sup>(29)</sup>

In contrast, the metaphor of organism, perceives the organization as interacting with its environment, and accordingly, making the necessary adjustments needed for survival and growth. Under the rubric of this metaphor are the management approaches of the human relations approach, open-system approach, sociotechnical systems approach, contingency theory, and the structural-functionalist approach.<sup>(30)</sup> Furthermore, this organismic metaphor, unlike the machine metaphor, assumes that the organization operates in a turbulent environment. The organization's effectiveness and viability depends upon how it successfully adapts to this turbulent environment.<sup>(31)</sup>

These metaphors, however, represent only two among many ways of thinking about the organization. What Morgan invites the theorist to ponder is the consideration of new metaphors which can expand our thinking of organizations. Such metaphors would include organizations as brains, cultures, political systems, psychic prisons, instruments of domination, or as flux and transformation.<sup>(32)</sup> While it is not possible to discuss all these different metaphors here, for purposes of further discussion the metaphor of organizations as political systems (as it relates to structure) will be examined.

A key assumption of classical management theory and the system approach to management is that organizations must be designed to maximize established goals. Specifically, organizations must be structured to achieve established goals efficiently and effectively. This structural perspective, as it is called, also assumes that organizational members are constrained by the formal authority structure and the institutional rules believed critical in achieving organizational goals. The metaphor of organizations as political systems finds this view as "pedantic." This metaphor conceptualizes the organization as comprised of conflicting interest groups attempting to maximize their power in influencing the allocation of scarce resources. Coalitions are formed each with their own preferences and beliefs in competition with others for these scarce organizational resources. Given this state of affairs, organizational goals are understood to be "the result from ongoing maneuvering and bargaining among individuals...[and they can] shift with issues and often cross vertical and horizontal organizational boundaries."<sup>(33)</sup>

More importantly, this metaphor acknowledges that different organizational units have varying degrees of influence as they fend

for scarce resources. The authority system, therefore, cannot be understood as a set of formal rules or merely as a rigid hierarchical system, but instead as a coalition of individuals or groups that can successfully bargain with others to exert influence over the goals and the decision making process of the organization.

What implications does this metaphor have for issues of structure, assuming its validity? The most influential theory of organizational design states that the best structure is one which is compatible to the organization's task and its environment. The major proponents of this view come from those adhering to contingency theory.<sup>(34)</sup> The political system metaphor questions the validity of this theory. Jeffrey Pfeffer, for example, argues the following:

Since organizations are coalitions, and the different participants have varying interests and preferences, the critical question becomes not how organizations should be designed to maximize effectiveness, but rather, whose preferences and interests are to be served by the organization...[organization structures are] the resolution at a given time of the contending claims for control, subject to the constraint that the structure permits the organization to survive.<sup>(35)</sup>

Contingency theory, as indicated by Pfeffer's analysis, is too simplistic in that the organizational structure cannot be viewed as an apolitical configuration, but rather as a contest for political control. In this regard, organizational design is often used as a political instrument to constrain the influence of key units or individuals. For instance, matrix organizations are sometimes an indication of the influence, power, or autonomy of different departments. "The size and status of a group or department within an organization often provides an indication of its power within the overall structure, since one obvious tactic of control is to downgrade the importance of a function or group of individuals, or to adopt a divide-and-rule strategy that fragments potential power bases."<sup>(36)</sup>

The significance of this metaphor, or any metaphor for that matter, is that it forces the organizational theorist to consider issues relating to organizational structure as conceptually multifaceted. Each metaphor allows us to see the structure of the organization (and the reason for it) in a different manner. In fact, Morgan believes that metaphors imply a linkage between images and actions, which he awkwardly refers to as "imaginization." Understanding the role of the metaphor and how it shapes our perspective of the organization, Morgan indicates, just might help us "imaginize" new approaches of how to analyze organizational dysfunctions in ways not thought possible before.

Now that we have discussed the major theoretical premises of these different perspectives, do they have anything to say to one another? Or more pointedly, can they be reconciled to enrich our understanding of the dynamics of organizational theory and structure?

#### A RE-EXAMINATION

To be sure, social systems delimitation, organizational learning, and organization theory as metaphors represent different approaches by which to analyze the organization. But is there some underlying theme that can link these differing claims? Let us, for purposes of analysis, first look at Ramos' approach as related to these other views.

Ramos would argue that the organization theory as metaphors, even given its emphasis on viewing organizations through a multitude of analytical lens, is primarily concerned with metaphors that relate to market-centered organizations. The structure of the organization, whether organic or mechanistic, is still to maximize functional rationality, regardless of what different metaphors try to tell us. For example, the metaphor of political systems is just

another way of analyzing the pervasive influence of calculative rationality and how it operates given a particular cognitive lens. Simply stated, metaphors merely permit the theorist to view functional rationality in different metaphorical clothing.

Yet, Ramos would concur that metaphors can provide valuable insights for understanding organizational life. The metaphor that would represent Ramos' thinking is organizations as "epistemological systems." He would argue that it is only with this metaphor that we can begin to make distinctions between functional and substantive organizations. Each social system has its own cognition which determines the appropriate structure for the organization. Highlighting this point, Ramos applauds the scholarship of the socio-technical system approach precisely because it attempts to fit the organization's technology to its specific cognitive goals. What Ramos is telling us is that the appropriate organization structure is determined by whether the prevailing cognitive system is formal or substantive in nature. This sharp distinction drives Ramos to a startling conclusion: "In order to improve formal organization theory one should reformulate Taylor and Simon. The effort of these men in trying to discover effective structures that economizing organizations should have in order to reach their goals is meaningful."<sup>(37)</sup> In other words, the difficulty with Morgan's approach is his failure to understand the difference between the formal and substantive meaning of organizations which essentially limits his call for metaphorical thinking to a mechanomorphic analysis of the formal organization and its structure. As laudatory as Morgan's contribution is to the development of organization theory, he does not recognize that "no significant change has occurred in the epistemological tenets of organizational analysis since Taylor."<sup>(38)</sup> As harsh as this may sound, it is worth



pondering as one deliberates on the significance of Morgan's approach in comprehending the complexity of organizations. Let us now turn to the approach of organizational learning.

Organizational learning, in the view of many, represents a theoretical advance dealing with organizational design. Behind this theoretical enthusiasm, a dilemma exists that poses a challenge to organization learning: "where learning occurs that is critical of the existing normative structure of the organization, the manager must either choose to act authoritatively to preserve the organization [structure] as it is or to act democratically to assist in altering the groups [or organizational] norms."<sup>(39)</sup> Or put in other terms, can the manager realistically reform the organizational structure and norms commensurate to substantive goals?

This raises the serious issue whether those promoting the efficacy of organizational learning have participated in obscuring learning's substantive meaning in a setting where it does not cognitively belong. The rationale for this contention is straightforward: "learning is primarily a normative category of cognitive inquiry that examines the tacit assumption of the organization's epistemological belief system and, as such, is incidental to the issues concerning efficiency, adaptation, and maintenance."<sup>(40)</sup> In his discussion of learning, Donald Schon also notes the importance of viewing the organization as an epistemological belief system. In his book, Beyond the Stable State,<sup>(41)</sup> he analyzes the organization as comprised of a structure, technology, and theory. Briefly stated, structure refers to the institutional roles and relations existing among organizational members. Technology denotes an adherence to a set of procedures and practices of how things are accomplished congruent to established goals. Finally, theory is

the epistemological belief system by which organizational reality is interpreted. These elements, explains Schon, are interdependent and thus a change in one will have an impact on the others. The most difficult change, however, involves the theory of the organization since it is this core dimension that determines the organization's goals, operation, and structure. The most critical role for learning is how it can change the theory of the organization.

The question, however, is not whether a formal organization can learn or not, but what kind of learning can actually take place given the constraints of a market ideology that underlie the functional norms of the organization. A more subtle point also warrants attention: by extending the notion of learning from an individual or group process to organization levels, have the proponents of this approach reified the meaning of learning "granting the concept of organization anthropomorphic [human] characteristics it does not possess."<sup>(42)</sup> One way of dealing with this charge is to treat learning as a metaphor, which incidentally, Morgan does in his approach. He proposes a holographic design for organizations that emphasizes four factors: (1) redundancy of functions (the designing of "wholes into parts by creating redundancy ... and simultaneously specialization and generalization");<sup>(43)</sup> (2) requisite variety (the designing of organizations whereby "redundancy is built into the system where it is directly needed [and]...the requisite abilities [needed] to deal with the environment in a holistic and integrated way");<sup>(44)</sup> (3) minimum critical specification (the designing of organization so managers can play a facilitative role in finding conditions conducive to self-organization); and (4) learning to learn (the designing of organizations to encourage organizational members to question and challenge institutional activities).

The advantage of this holographic learning organization is that organizational design must now be seen as an integral part of trying to achieve self-organization. "For unless an organization is able to change itself to accommodate the ideas it produces and values, it is likely eventually to block its own innovations."<sup>(45)</sup> The main advocates of organizational learning would not object to Morgan's holographic structure, yet they would express strong reservations about Morgan's silence on the normative implications of learning.<sup>(46)</sup> Organizational learning is not just about changing the structure of the organization. It also refers to the substantive content of the decision-making process itself. Changing the organization structure does not in itself automatically guarantee that substantive decision-making will occur.

Cynically, it is on this point that one can raise strong doubts about the effectiveness of learning as applied to formal organizations. Would it not be more accurate to insist on making a distinction between instrumental and substantive learning? Briefly defined, instrumental learning refers to how a formal organization can incorporate new knowledge that can help it adapt or shape the environment -- a process, however, that would limit learning to instrumental issues and never call into question the primordial goals of the organization.<sup>(47)</sup> Substantive learning, on the other hand, is primarily an ethical inquiry that promotes normative questioning of norms that constitute the theory of the organization. The purpose of making this distinction is to avoid what has been called the misplacement of concepts, that is, "a process whereby words, concepts, or symbols are derived out of their proper experiential context in order to legitimize a value system commensurate with a particular kind of rationality."<sup>(48)</sup> In short, to dismiss the difference between these two kinds of learning might inevitably result in further theoretical confusion.

Saying this, what can be concluded about these conceptual perspectives that gives us a better understanding of organizational theory and structure? Three major conclusions can now be drawn:

\*Organization theory and structure issues can be best analyzed from the metaphor of organizations as epistemological systems which allows for a multidimensional view of different types of organizations and their specific and unique design requisites;

\*Organization design issues will vary depending upon the cognition of the social system; formal organization structures can be analyzed based upon a multitude of analytical lenses as long as it is understood that such lenses merely reflect the different manifestations of calculative rationality pervasive in economizing organizations;

\*Organizational learning as an approach for designing organizational structures must distinguish between different kinds of learning appropriate to their settings. Structural design of formal organizations will abide by instrumental learning, while non-market organizations are more commensurate to the requisite values of substantive learning. To blur this distinction raises the serious issue of reification.

Assuming the validity of these points, the theorists must not only apply different design requisites to various social settings, but organizational theory itself needs to become more sophisticated in recognizing the unique characteristics of the cognitive system which pervades a particular organization. This relatively simple point has been sadly overlooked. If this is indeed true, the most important issue facing organizational theory, as indicated by these three points, has perhaps less to do with societal complexity (as crucial as this issue is) than the clarification of the parochial nature of contemporary organizational thinking. Each of the three approaches discussed challenges the theorist to reexamine the issue of organizational theory and structure rich in conceptual diversity. When all is said and done, advances in organizational theory will depend on how well we take advantage of this diversity.

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