Balancing Act: An Approach for Organization Management in the 21st Century

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Abstract: The main purpose of this paper is to discuss why the balancing act is an important approach in leading or managing public and private organizations in the 21st century. The paper presents a brief concept of the terms; exhibits a critical discussion on the application of balancing act between the various approaches of organization management such as continuity and diversity, individual and organization incentive, conformity and individualism, centralization and decentralization, face to face and distant communications, and different but complementary roles into public and private organizations; and finally draws a conclusion. The paper is expected to be useful for the leaders and/or managers of public and private organizations to manage organizations efficiently and effectively.

Keywords: Balancing act, leaders, managers, private organization, public organization

Introduction

Balancing approach is a way forward from the general traditional approach of organization management to a new approach of organization management. The literature of organization analysis and management offers several organizational theories, perspectives, and approaches that explain organization structure and design, organizational decision-making process, organizational culture, and organizational leadership and ethics. Different theories have different approaches to look into organization management. There is no such best or worst approach of organization management. Some approaches fit better in some contexts and the others in other contexts. In the verge of changing physical, socio-economic, cultural, technological and environmental context around the organization in the 21st century, balancing between approaches of organization management is very crucial for the leaders or managers of public and private organizations.

In simple terms, an organization can be understood as an organized body of people with a particular purpose. An organization is defined: (i) as a system of consciously coordinated activities or forces of two or more persons (Barnard, n.d., cited in Kinicki, 2008:198), (ii) as a tool used by people to coordinate their actions to obtain something they desire or value (Jones, 2007:2), and (iii) as social entities that are goal-directed, designed as deliberately structured and coordinated activity systems, and are linked to the external environment (Daft, 2001:5).

There are some similarities and differences in managing or leading public and private organizations. Public organizations generally depend on the government funding and are normally non-profit oriented. These organizations, to a great extent, are influenced by legal constraints and external political pressure. The leaders in public organizations are accountable to citizens (Christensen et al., 2007). In contrast to the public organizations, the private organizations are

owned or controlled, funded and operated by an individual or by a group of individuals/ partnership, but not a part of the government. The private organizations are generally profit oriented.

Organization management, irrespective of its types, is the act of running and controlling an organization in order to achieve its objectives and goals more efficiently and effectively. Liebler and McConnell (2011:51) mention that organization management is the overall process of "planning and directing of efforts and the organizing and employing of resources (both human and material) to accomplish some predetermined objectives".

The general management functions of both public and private management are similar. According to Gulick and Urwick, there are similarities in planning, organizing, staffing, directing, coordinating, reporting and budgeting in both public and private management (cited in Allison, 1980:2). However, besides similarities in the general management functions, there are also some differences between public and private management. According to John T. Dunlop, the public and private management systems can be contrasted based on time perspective (government managers tend to have relatively short time horizons dictated by political necessities and political calendar), duration (length of service of politically appointed top government managers is relatively short/ uncertain than private managers), measurement and performance (compared to private managers, there is little agreement on the standards and measurement of performance to appraise government managers), personnel constraints (in government, there are two layers of managerial officials that are at time hostile to one another: the civil service and political appointees), equity and efficiency (in governmental management great emphasis tends to be placed on providing equity among different constituencies), public processes vs. private processes (governmental management tends to be exposed to public scrutiny and be more

open), role of press and media (governmental management must contend regularly with the press and media and the decision are often anticipated by the press), persuasion and direction (governmental managers often seek to mediate decisions in response to a wide variety of pressures and most often put together a coalition of inside and outside groups to survive), legislative and judicial impact (governmental managers are often subject to close scrutiny by legislative oversight groups or even judicial orders) and the bottom line (governmental managers rarely have clear bottom line) (cited in Allison, 1980:3).

Balancing Act between the Various Approaches of Organization Management

The general classical approaches consider the organization as a closed system which would not depend on its environment and treating all organizations as alike. Frederick Winslow Taylor's Scientific Management, for example, is not enough to manage the organizations well enough in the rapidly changing internal and external environments in the 21st century. In the 21st century, the organizations with open systems which interact with the environment and continuously change and adapt to the heterogeneous, hostile and dynamic environment can survive. The organizations have to find and obtain needed resources, interpret and act on environmental changes, dispose of outputs and control and coordinate internal activities in the face of environmental disturbances and uncertainty (Daft, 2001:7). Similarly, the contingency theory of organization management states that the organizations are not all alike. To be effective, for organizations there must be a 'goodness of fit' between their structure and conditions in their external environment. There is no one that can be regarded the best way. It depends on the situation. One approach might fit very well to one setting and fail to other settings. For example, the approach used in the management of the manufacturing sector, if applied directly

to the service sector, might result with unexpected outcomes. Each approach has its own merits and demerits. Therefore, in this context, for a manager or leader of an organization adopting a balancing act between different approaches is very crucial to run organization efficiently. The need for balancing act between various approaches of organization management is discussed below.

Continuity and Diversity: The concept of continuity and diversity can be examined from various perspectives in public and private organizations. The continuity and diversity can be in terms of production/goods and services, work procedure, policy goals, etc. For instance, an organization irrespective of public or private type can continue certain work procedure from which the organization is getting optimum benefit of the resources. Similarly, certain routine work also can be continued. The continuity in an organization strengthens the efficiency resulting with greater output leading to greater turnover of benefits for the organization. However, the continuity strategy may also weaken the innovation and quality of the services in the organization. In line with this, Hage and Aiken (1969) state that the organizations with routine work emphasize goals of efficiency and the number of clients served, not innovativeness, staff morale, or quality of client services.

On the other side, diversity strengthens the innovativeness in the organization. The priority of demands of the goods and services by the people/consumers are changing. To meet the changing demands of the citizens/consumers, both public and private organizations should diversify their goods and services. Diversification is also considered as a strategy to survive during the crisis so that if there is a difficulty in one kind of production of goods and services, the organization can survive with the others. For example, during the global financial crisis, the organizations with access to external finance tend to survive better than those that had access to finance within the country only. L. Gardenswartz and A. Rowe (1994) in their model of diversity management, suggests that to capitalize on the power of diversity organizations should be able to manage four layers of diversity – organizational dimensions (functional level/ departments/ management status/ work location/ seniority/ work content, etc.), external dimensions (geographic location/ income/ religion/ work experience, etc.), internal dimensions (age/ gender/ race/ ethnicity/ physical ability, etc.) and the personality of an employee (cited in Kinicki, 2008:31).

However, managing diversity is not an easy task. It encounters a variety of perceptional and attitudinal barriers. The employees who are benefiting from the traditional continuity of the work may feel the risk of their benefits. In the case of the public sector, especially bureaucracy, it has the tendency of continuity of the tasks. Some of the bureaucrats even lack the attitude to learn the new things. The diversification may require new entries in the organization. The old bureaucrats see the risk of power after diversification. Therefore, because of their individual interest, the senior bureaucrats tend to discourage the diversification. Managing diversity in private organizations is relatively easier than public organizations. Both approaches of continuity and diversity have their own merits and demerits. The managers or leaders of the public and private organizations, depending upon the internal and external environments, have to maintain the balance between them.

Individual and Organizational Incentive: Incentive is one of the motivational factors that encourages a person to do his/her job more efficiently and effectively. It also can be considered as a kind of positive reinforcement to the employees to achieve the goals of the organization that must be given due consideration by the managers or leaders of public or private organizations. Incentive can be on both levels such as individual employee level and the organizational level. Fredrick

Taylor (1911), in his Scientific Management approach of organization management, considers incentive as one of the five steps of determining the most efficient way to perform job and states that organizations should provide incentives to reinforce performance (cited in Kinicki, 2008:65). The incentive can be in different forms, for example, the hope of rapid promotion, higher wages, bonus, shorter hours of labor, better working conditions, and so on.

Individual incentive or organizational incentive can be viewed from the individualism or collectivism perspectives of organizational culture as well. Tosi and Greckhamer (2004) state that individualism-collectivism refers to whether individual or collective action is the preferred way by the employees of an organization to deal with issues. Similarly, Chen and Li (2005:623) describe cultural individualism as "a social pattern that consists of loosely linked individual who view themselves as independent of collectives", and collectivism as "a social pattern that consists of closely linked individuals who see themselves as parts of one or more collectives." The countries like the United States, the United Kingdom, Canada, and Australia for example, seem to have culture oriented toward individualism. The people from these countries are likely to emphasize more on their individual needs, concerns, and interest over those of their group or organization needs. In this context, the employee may prefer individual incentive over organizational incentive. On the other hand, the countries like Japan, China, and Thailand for example, seem to have the culture of oriented toward collectivism. The people from these countries are likely to emphasize more on collective needs, concerns and interest over those of their individual needs (Chang & Li, 2005). In this context, the organizational incentive is more prioritized by the employees over their individual interests. The employees work to enhance the social image/reputation of the organization and believe that the image/reputation of the organization as an organizational incentive is more important than their individual interests or incentives.

In the present context of globalization, due to the flow of workers in the global labor market from all around the world with different socio-cultural orientation, handling the issue of incentive is a complex job of the managers or leaders of the organization. In an organization, some workers might be from the countries where individual interests are preferred over group and others might be from the countries where group interests are preferred over individual interests. These types of different individualist and collectivist interest orientation might lead to the conflict of interests in the organization and might affect the motivation of both kinds of employees. Therefore, in the 21st century, managing the balance between individual and organizational incentive is a crucial job of the managers or leaders in public and private organizations.

Conformity and Individualism: Every organization has its own group norms and rules. Conformity is an act of a member of an organization to agree the group norms and rules of the organization, whereas individualism is an act of a person (either member or leader of organization) who view himself/ herself as independent of group norms and rules of the organization.

Conformity and Individualism are also important aspects of organizational culture. Conformity and individualism, though seem contrasting, are not mutually exclusive. Both of them are natural. According to the Maslow's Need Hierarchy Theory (1943), conformity is a desire of a person as he/ she reaches the fourth stage of esteem. Maslow states that in the fourth stage of need hierarchy, the person searches for reputation, prestige, and recognition from other as well as self-confidence and strength (Kinicki, 2008:55). Meanwhile, on the other hand, the desire of a person to reach to the self-fulfillment, becoming the best that one is capable of becoming is the nature of individualism. Therefore, a person can have

both individualism and conformity at the same time.

In the context of organizational culture, conforming to group norms and rules is necessary to create consistencies of behavior and establish a desired organizational culture. It is human nature that everyone wants to belong and be accepted by others. In an organizational context, conformity is going further than the acceptance. An employee aligns himself/herself with the conformity - norms and rules of the organization. The classical approaches such as Tailor's Scientific Management (1947), Weber's Bureaucratic Approach (1947), Fayol's Administrative Approach (1949), and so on seem to insist on the conformity. An employee takes the risk of suppressing his/her individuality. Holding back one's own individuality and one's own mind can lead to the extinction as a person.

Moreover, the individualism and conformity tend to be influenced by cultural individualism and collectivism. A person from individualism orientation might be friendly to individualism. On the other hand, a person from collectivism orientation might be comfortable to the conformity.

Sometimes, the organizational norms and rules in the public organizations appear as impediments to balance between the employees with individualism orientation and the conformity in the organization. The public organizations, bureaucracy for example, has relatively strict set of rules and norms that everyone should fit into after he/she is employed in these organizations. Similarly, in the context of globalization, basically the private and international organizations, and multinational companies (MNCs) for example, may hire the employees from global labor market where the workers come from all around the world with different orientations. A person from collectivism orientation may prefer conformity to the organizational norms and rules, whereas another from individualism orientation may prefer the individual interests. A little negligence by the leader or manager in maintaining the balance between

individualism and conformity may lead to de-motivation of both kinds of employees to their works. Therefore, a leader or manager of an organization has to make a concerted effort to maintain the balance between conformity and individualism.

Centralization and Decentralization: Centralization and decentralization refer to the structure of the organization which determines the processes of decision making and implementation of the organizational policies and programs. If centralization and decentralization of an organization are examined from the organizational structure and design perspective, the organizations can be viewed as the mechanistic structure and organic structures respectively. The mechanistic structure is designed to induce people to behave in predictable and accountable ways. It favors the centralization of the decision-making authority. The subordinates are closely supervised and the information flows mainly in a vertical direction down in a clearly defined hierarchy. However, the organic structure is opposite of the mechanistic structure. It favors decentralization of decision-making authority and is distributed throughout the hierarchy. It promotes flexibility so people initiate change and can adapt quickly to changing conditions (Jones, 2007:106-107). Mintzberg (1980:326-327) also mentions that organizations can have various kinds of centralized and decentralized decision-making structure. For instance, the vertical and horizontal centralized structure has relatively a wider apex body in the organization, whereas the vertical and horizontal decentralized structure has relatively a wider operating core.

In simple terms, in the centralized decision-making, the top managers make all the key decisions, whereas in the decentralized decision-making, the middle and lower level managers are empowered to make important decisions. The centralized organizations are more tightly controlled from the center, while in decentralized

organizations; the authority is transferred or delegated to the lower level management. In the case of the public organization, the centralization and decentralization primarily a political issue. The autocracy favors more of centralization whereas the democracy favors more of decentralization.

Both the centralization and decentralization systems have merits and demerits. Neither of the extreme forms of centralization or decentralization is good for organization management. Regarding the need of balancing centralization and decentralization in organization management, Kinicki (2008:206) quotes a statement of a management consultant, "the modern organization in transition will recognize the pull of two polarities: a need for greater centralization to create low-cost shared resources and a need to improve market responsiveness with greater decentralization. Today's winning organizations are the one that can handle the paradox and tensions of both pulls".

In public or government organizations, the general administration and development planning and policymaking decisions can be decentralized to the provincial, municipal or village level. The decision-making on foreign policy, border security, and the disaster or crisis management decision-making seem better to be handled centrally. Therefore, the managers or leaders in public and private organizations have to maintain balance between centralization and decentralization.

Face-to-face and Distant Communication: Communication is an exchange of information and understanding between two or more entities or groups. It is a very important aspect of organization management. Every managerial activity (planning, organizing, directing, leading, etc.) involves some form of direct or indirect communication. In an organization, communication is not only the matter of informing and being informed, but an effective communication is also very critical for employee motivation and job satisfaction as well.

The face-to-face and distant communications are the two basic types of communication which have their own advantages and disadvantages in organization management. Both have some merits and demerits over each other. For instance, face-to-face communication provides opportunities for visual cues and is appropriate for the sensitive message where feedback is important. It encourages interaction for making a decision and building commitment. However, the face-to-face communication can be quite a time consuming, expensive and inconvenient as well in some situations. On the other hand, the distant communications that can be via phone call, email, internet, memo or letter, office automation, etc. also have their own advantages and disadvantages. For example, phone calls have the advantages of being convenient, fast and private, and audible. But it has the disadvantage of relatively greater cost and does not provide visual communication and nonverbal cues as in face-to-face communication. Similarly, memos or letters have the advantage of providing formality and a written record and useful for detailed information but has the disadvantage of time-consuming and lack of nonverbal cues. The internet and email have the advantages of fast and efficient, cheaper multiple recipients at a time and the best for factual rather than sensitive topics, but has the disadvantages of insecurity.

Along with the rapid development of information and communication technology resulting with more efficient and effective distant communication all around the world particularly via Internet, Email and Global Positioning System (GPS), the conventional type of public and private organization and the form of communication is gradually changing. Most of the public and private organizations nowadays have internet website from where the citizens or customers can get the services like access to information, registration, water/electricity/telephone/tax bill payment, e-commerce, etc. Moreover, in the recent days, the IT

revolution has led to the gradual spread of global network organization all around the world (Jarvenpaa & Ives, 1994). A leader or manager can communicate to his/her subordinates anytime and from anywhere in the world. However, too much use of distant communication can create imbalance in matching the suitable leadership style (Vicchio, 1987:445) with the structural/ task orientation, relational/behavioral orientation and the maturity/readiness of the subordinates. For the leaders or managers, despite the fact of several benefits of fast, convenient, cheaper, and many more in distant communication, the face-to-face communication might be more effective in maintaining socio-emotional relations with the subordinates. The leaders or managers considering the facts like nature of tasks/jobs, information, time, cost, feasibility, urgency, maturity and emotion of the subordinates, etc. have to adopt the most appropriate form of communication meanwhile maintaining the balance between face-to-face and distant communication.

Different but Complementary Roles: An organization is a system of activities of two or more people operated to achieve certain objectives and goals. Different people, depending upon the size and structure of the organization, have different roles and responsibilities. The origin of the concept of different roles and responsibilities can be extended to the concept of division of labor developed by Adam Smith (1776) in his classic book "The Wealth of Nation". The philosophy of the division of labor is that the division of labor enhances human productivity through technical and allocational efficiency (Johnson, 2005). In an organization, different levels and structures are designed to perform different specialized roles. Mintzberg (1979:20) presents five basic parts/structures of organizations - Strategic Apex, Middle Line, Technostructure, Support Staff and Operating Core, where each structure/body carries different specialized roles and responsibilities.

The concepts of different roles in an organization conceptualized by Adam Smith or structured by Henry Mintzberg are not mutually exclusive. They are complementary to each other. In an organization, whatever the roles and responsibilities assigned to a person or to a group of persons/team or a structure, the ultimate aim of the organization is to achieve its objectives and goals efficiently. The role of every structure is equally important in the organization. For example, in an organization, the apex body develops strategies for the organization. During the process of strategy development, they, depending upon the centralized or decentralized structure, may involve the persons working in technostructure or middle line managers or supporting staff, and even from the operating cores. After the strategies are finalized, each body in the structure of the organization is responsible to perform the assigned roles as per the given order in time. The delay in work or poor performance of any of the bodies/ departments in the organization may affect the overall performance of the organization in achieving its goals. Another example, in a private organization, there might be one department for manufacturing, one for marketing, one for sales and one for services. Every department has different roles but they have complementary roles to achieve the ultimate goal of the organization. The poor performance of the marketing department may affect the performance of other departments, sales department for example, and the overall performance of the organization as a whole. Thompson (1967) also mentions "organization is a set of interdependent parts which together make up a whole in that each contributes something and receives something from the whole..." (quoted in Thietrat and Forgues, 1995:21). Hence, the roles and responsibilities of individuals or structures/ groups/parts of the organization might be different but they are interdependent and complementary to each other to achieve the organizational goal as a whole. Therefore,

the leaders or managers of public and private organizations have to carefully balance the sequence and time of the works to be carried out by different structures in a proper order complementing each other to hit the final goal of the organization efficiently.

Conclusion

Every approach of organization management – continuity or diversity, individual or organization incentive, conformity or individualism, centralization or decentralization, face-to-face or distant communications and different but complementary roles, has its own merits and demerits. There is no single the best suitable approach to managing public and private organizations. The suitability of an approach to a particular public or private organization depends upon the internal and external environmental contexts, resources, goals of the organizations and the overall organizational settings. An approach that seems appropriate in one kind of organizational setting and context might not be equally appropriate in the others. Hence, the leaders or managers of the public and private organizations, to gain optimum benefits of the resources and organizational and environmental dynamics in the 21st century should have to make a balance between these approaches of organization management.

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