Original Paper

Management Theories, Key Factor for Paradigms Changing in Organization

Boushara Waked Najar[1*]

[1] Ph. D student in West University of Timisoara, Romania

Abstract

The paradigmatic change that is emerging in modern western managerial thinking influences, among other things, the development of basic concepts in management, and radically changes their meaning. This change is not merely theoretical, and has many ramifications for existing management patterns and managers' ability to improve the value of the organization they are in charge of. This is illustrated by the changing meaning of two concepts in the management literature and practice of organizations - effectiveness and efficiency. This article will attempt to examine and demonstrate the importance of effective management of the organization, and ways to achieve it.

Keywords

Organizations - Effectiveness, Efficiency, Successful key, Excellence Organization, Management Theories

1. Introduction

The paradigmatic change in big or small organizations, that is emerging in modern western managerial are influences on the development of basic concepts in management, and radically changes their meaning. This modern change not only merely theoretical, and has many ramifications for existing management patterns and managers' ability to improve the value of the organization they are in charge of. This is illustrated by the changing meaning of two concepts in the management literature and practice of organizations - effectiveness and efficiency. this article will try to explain, by logical steps, the idea of implementing the management theories on business and public organizations.

2. Experimental

The topics of research which expressed in this article include an in-depth examination of management theories, with an emphasis on the contributing sections for developing effectiveness in organizations.

The management paradigms examined in this paper include perspectives of various scientific and organizational management cultures, both on the business-private and public sectors. In addition, two figures are presented and explaining effectiveness application of management theory ideas (Figure 1, Figure 2 - by Adizes, 2004, 2006).

3. Discussion

The organizational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. in the organization environment this means an organization that produces a desired effect or an organization that is productive without waste. The classical organizational effectiveness is about each individual/ labor force/ director which doing everything, he knows how to do, and doing it well. In other words, organizational efficiency is the capacity of an organization to produce the desired results with a minimum expenditure of energy, time, money, and human and material resources (Adler, 1999). The desired effect will depend on the goals of the organization, which could be, for example, making a profit by producing and selling a product. An organization, if it operates efficiently, will produce a product without waste. If the organization has both organizational effectiveness and efficiency, it will achieve its goal of making a profit by producing and selling a product without waste. In economics and the business world, this may be referred to as maximizing profits. The main measure of organizational effectiveness for a business will generally be expressed in terms of how well its net profitability compares with its target profitability (Galbraith, 2014).

Organizational effectiveness is an international discipline which occupies managers and decision-makers within organizations of all ranks, both in public and private businesses. According to the dictionary definition, "*effectiveness*" is a form of activity and measurement of organization directed to the maximization of results, or, in other words – in order to maximize the desired effect within the labor system. The term "effectiveness" has many definitions and the extended search for them derived twenty-six different and unique definitions. Most of these definitions were obsolete and relevant to periods of time in which the reality was much less dynamic. An example of such a definition is the one which defines "*effectiveness*" as "*the ability to achieve a desired goal*" (Mankin, Cohen, & Sikson, 2006). During the period of time which was more-or-less static, it was possible to achieve the goal through "*negative consecutive feedback*" and to ensure that we are not deviating from the path we have set up for ourselves, but rather, returning to the balance. During the current period of rapidly-changing, dynamic reality, the outlook is always towards a new and dynamic balance because there is no longer a real point in achieving the goal which was defined in the beginning of the process .

The world of labor faces a dilemma which compares the factors of the organizational efficiency and the organizational effectiveness. Effectiveness is usually opposed to efficiency and is defined as an operation done with minimum resources and costs, and one which examines the activities and outputs, but not the outcomes of the organization's activities (Drucker, 2006). According to McGrath (2006), the congruence between efficiency and effectiveness exists only within a space in which there is no

question concerning the purpose of the operation. When such a congruence does not exist, a situation may occur in which activities which are being done ineffectively are successful in becoming effective, and, on the other hand, organizations act with great efficiency, but, nevertheless, fail to achieve the desired effect.

3.1 What is the Relationship between "Efficiency" and "Effectiveness?"

"*Effectiveness*" means a completion of a mission and the transferal to a different, more demanding mission, even when it is being performed in the same task surroundings. Thus, it is appropriate for achieving a defined goal within relatively static surroundings. The fact that the "*effectiveness*" allows the resources to be utilized to their fullest within the old environment allows their better, improved placement within the new surroundings. The measurement model of effectiveness in organizations is based on the following dimensions:

•   The Task Dimension – What is the organizational vision, what are its purposes, and which tasks does it define to itself in order to achieve these goals?

•   The Structural Dimension - The organizational diagram and the unit structures allow us to understand what the source of power and authority to the organization is and where the power is stored.

•   The Process Dimension – The communication forms of the organization, the way the information gets passed on to the workers and back to the company headquarters .

•   The Reward Dimension – Is the reward system in the organization built in a way which strengthens the congruence between the organizational goals to the individual goals?

•   The Human Resource – Does a congruence exist between the goals and structure of the organization and the tendencies, professionality skills and expertise of the human resource.

3.2 The Classical Model for Effectiveness Organization's – The Star Model by Galbraith (2012)

The model is based on positive psychology and its purpose is to identify the factors that contribute positively to the success of any organization or department or team - building project. The model does not include all the factors, but he can be applied to all kind of project which work with labor force:

Figure 1. The Star Model of Effectiveness Organization's

Source: Made by the author from source Galbraith (2014)

163

According to Galbraith (2014) organizational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. This means an organization that produces a desired effect or an organization that is productive without waste. Organizational effectiveness is about each individual doing everything they know how to do and doing it well; in other words, organizational efficiency is the capacity of an organization to produce the desired results with a minimum expenditure of energy, time, money, and human and material resources. The desired effect will depend on the goals of the organization, which could be, for example, making a profit by producing and selling a product .

An organization, if it operates efficiently, will produce a product without waste. If the organization has both organizational effectiveness and efficiency, it will achieve its goal of making a profit by producing and selling a product without waste. In economics and the business world, this may be referred to as maximizing profits.

The main measure of organizational effectiveness for a business will generally be expressed in terms of how well its net profitability compares with its target profitability. Additional measures might include growth data and the results of customer satisfaction surveys.

Highly effective organizations exhibit strengths across five areas:

A.   Leadership -The art of motivating a group of people to act towards achieving a common goal.

B.   Decision making and structure - The thought process of selecting a logical choice from the available options. When trying to make a good decision, the team must weigh the positives and negatives of each option, and consider all the alternatives.

C.   People – The teamwork - When a group of people really work together cohesively, towards a common goal, creating a positive working atmosphere, and supporting each other to combine individual strengths to enhance team performance.

D.   Work processes - A organization work process is a set of steps or tasks that you and your team use repeatedly to create a product or service, reach a specific goal, or provide value to a customer or supplier. When processes work well, they can significantly improve efficiency, productivity, and customer satisfaction.

E.   Systems, and organizational culture Organizational culture encompasses values and behaviors that contribute to the unique social and psychological environment of an organization (Private & public). Thus, organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders.

For an organization to achieve and sustain success, it needs to adapt to its dynamic environment. Evaluating and improving organizational effectiveness and efficiency is one strategy used to help insure the continued growth and development of an organization. According to Yehezkeli (2009), if the organization will exaggerate an emphasis on efficiency, it will lead to a reduction in the chances of achieving effectiveness. Also, an important factor in achieving this organizational effectiveness is the production of knowledge. According to Yehezkeli (n.d.), sometimes there should be a mess in the organization so that the excessive concentration in the organization will not be only about efficiency

but also the effectiveness that as a result of organizational confusion it leads to a higher chance of achieving effectiveness in the organization.

All researchers are agreed that measuring organizational effectiveness can be an inexact science, since each individual entity will have a different list of criteria and priorities to weight and consider through self-assessment. Understanding a company's level of organizational effectiveness is important for several reasons: it serves as a check-in to see how well internal procedures are meeting an initial vision, it provides investors, donors, or employees with an idea of the company's strengths, and it highlights areas of ineffectiveness that can be the focus of improvements. In many cases, a business' success or failure cannot be measured by financial performance as well. Even a company that is currently making a profit may be ineffective if it is failing to meet the core values of its mission statement, attract and retain talented workers, and plan for the next generation of projects. Organizational effectiveness measures the big-picture performance of a business, across a broad range of criteria. Financial performance, long-term planning, internal structure, and adherence to core values may all be critical components in understanding organizational effectiveness.

Galraith (2014) explain that to get a clear idea of an organization's effectiveness, it is important to create a clear list of criteria to assess. No two organizations will have the same list of criteria, which is why many for-profit and non-profit groups measure effectiveness through self-assessment. Employees and company personnel are often in the best position to intimately understand the needs, goals, and performance of their company. Self-assessment of effectiveness can also help company personnel reconnect with the initial mission of an organization (Mankin, Cohen, & Sikson, 2006). By working creatively to invent new business strategies for areas of ineffectiveness, workers may develop a stronger sense of loyalty, purpose, and dedication to the job. The author defines that since organizational effectiveness is difficult to express in a concrete formula, a company may choose to state the results of an assessment through specific goals achieved or desired. Turning up areas of ineffectiveness can also be tremendously beneficial to an organization. Areas that need improvement give a company a concrete strategy for the future, and allow workers, shareholders, donors, or customers to get excited about the improvements coming down the pipeline. Treating current weaknesses as a road map for future changes is a great way to increase effectiveness (McGrath, 2006).

The integrate Implementation of "efficiency" and "effectiveness" in organizations. The author of the article analysis the all theories which present the influence of these two terms, the "efficiency" and "effectiveness" and it can be understood from their argument that effectiveness deals with substance, while efficiency deals with procedure. There are several ways to introduce the Adizes model of the structure of any organization. Most of the institutes involve introducing some key distinctions between the competing values in question. For example, two competing values underlying the Adizes model (among others) are the values of effectiveness and efficiency.

These two values are different, and not entirely compatible, in that both cannot be maximized simultaneously. In the Adizes's (1999, 2004, 2006) theories and methodologies, effectiveness is defined

165

as "obtaining results which somebody needs", and efficiency is defined as "conducting activities with minimal waste". The author can obtain needed results very quickly and reliably if we spare no cost in obtaining them, but then our resources will be depleted and unavailable for more work. We must also conserve our resources and work efficiently. However, over-concern with efficiency can lead to activities being under-resourced, which can compromise the attainment of results. Determining a suitable trade-off between the mobilization and conservation of energy is thus necessary for every decision, and this judgment must be made under conditions of some risk or uncertainty. However, taking both concerns explicitly into account when deciding makes it much easier to adapt and adjust the trade-off quickly in the early stages of implementation. Striking a workable balance between effectiveness and efficiency in the attainment of our goals is important for reaching a quality decision.

Adizes (2006) also introduces a temporal dimension that cuts across the effectiveness/efficiency dimension. Decisions can be effective and efficient in the short run, but over longer periods of time those decisions can be shown to be ineffective and inefficient. One effective way to end a conflict between two employees is to fire both of them. No more conflict! As a general strategy, however, this approach to conflict will depopulate the organization. It is not effective in the long run.

Similarly, it can be more efficient in the short term to reduce job redundancy and minimize job overlap. But if no one knows much about their neighbors' jobs, then when someone is ill or away, others cannot take up the slack. The whole overspecialized team might be immobilized if one of the specialists is unavailable. Allowing some overlap facilitates learning, so that team members can fill in for each other when needed. The imperatives of short-term efficiency and long-term efficiency are not identical to each other. Short term effectiveness and efficiency alone are inadequate. Quality decisions must be both effective and efficient in the short and long run. These four functional horizons are illustrated below:
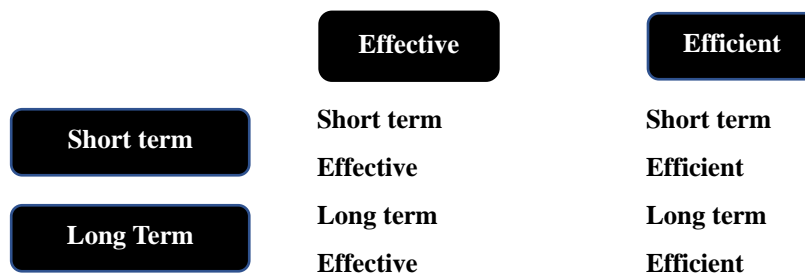
	Effective	**Efficient**
Short term	**Short term Effective**	**Short term Efficient**
Long Term	**Long term Effective**	**Long term Efficient**

Figure 2. The Effective and Efficient Model by Adizes – Level A

Source: Made by the author from source Adizes (2004)

In addition, layered over these four functional horizons, Adizes (2006) describes four corresponding activities: Producing, Administrating, Entrepreneur and Integrating. These activities address short-term and long-term effectiveness and efficiency. By the Adizes's (2004) theory:

1.   Producing is the activity of attaining short term or immediate results .

166

2.   Administrating is the activity of minimizing waste in ongoing activities .

3.   Entrepreneur is the activity of seeking out and recognizing new opportunities or new orientations to the environment .

4.   Integrating is the activity of coordinating shared attention and identification. Integration keeps organizations socially and functionally cohesive, preventing them from degenerating into mechanical, purely formally interrelated collections of functionally isolated individuals .

When the all organizational culture is operating properly, the organization becomes an organic unit that can survive even when key people leave the organization. The Integration makes a whole that is more than the sum of its parts – one in which no single person on the team is indispensable. Any individual can step down from their position to be replaced by someone else, and the organization will still be what it is.

One advantage of the Adizes (1999) Methodology as a frame of reference for this study is that Adizes abbreviates his four categories of Producing, Administrating, Entrepreneur and Integrating using just the four first letters of each word – PAEI. This makes it easier to dissembled the concerns he lists for each value set, taking them out of their context in organizational studies to apply them more broadly as a possible feature of some larger reality. It might seem easy to make good quality decisions, since we only need to consider four simple concerns. However, people are very likely to disagree on the right balance of priorities for any given situation. Each concern requires decision-makers to adopt certain preoccupations, motivations, values, instincts and priorities. But due to personal preferences, some concerns appeal to us more than others. We each have biases towards or away from different styles of concern. Furthermore, we are very unlikely to be equally skilled at solving problems in all four styles of concern, because talent in one bias against talent in others (e.g., a talent for quick, snap decisions and a talent for long, careful meticulous decisions are hard to maximize within the same person).

An implication is that something in our biological organization makes it impossible to operate with equal brilliance in all four quadrants of concern. We are not wired up to be extremely talented in all four styles of concern at once. Most people will have a dominant style, a second strong style, a third competent style and a final weak style. The author can attain 'foursquare' excellence only by teaming up with other people whose talents and preferences are different from ours. This creates synergy. It also necessarily entails conflict among collaborators. If it is kept constructive, conflict is a positive development. Incompatibilities on teams can be leveraged to produce better group decisions by ensuring that all four functional horizons receive due consideration. Teams can thereby accomplish the well-rounded decision making that individuals will always find more difficult to do, given the inevitability of personal biases and preferences. To understand conflict in decision-making, and to use it constructively rather than destructively, these preferences and biases have to be generally understood. Adizes (2006) illustrates these biases through the construction of four allegorical or prototypical personality profiles: The Producer, the Administrator, the Entrepreneur and the Integrator. These characters exemplify the styles he describes. They are introduced below, and they illustrate the

167

structure of concern in the field of personality, although the characters are clearly simplified. Each one represents a single, unadmixed dominant style, rather than the unique mixture of all four styles that characterizes most adult human beings.

The public and businesses organizations are now comprising the vast majority of social activity in the world. For example, as in the United States, almost 79% of the businesses are organizations, and most organizations have the same clear interest. According to Schwartz (2008), every organization, public or private, is efficient and effective in his management activity. This realty means that the organizations will maximize output and achieve the goals with minimal investment. From the review the author of the article is define and analysis that efficiency is a means of achieving the goal, or in other words, a means of achieving effectiveness. So, all production is organized more efficiently, so that the work in the organization becomes more effective, and once the efficiency maximizes the organization's capabilities in its missionary environment, it is clear to us and to the organization that it was the means of achieving effectiveness. According to Peleg (n.d.), an Israeli researcher, the organization is accepting the opinion and the argument that an organization can combine the two terms. The business organization must be both effective and efficient so that it can meet the goals it set for itself. Therefore, the organization must invest in product development and market development, employee development and the development of innovative technology and customer retention.

4. Results

The results of the study, as presented in the possibility of implementation in organizations, provide the tools for changing the management paradigms of organizations (business and public). Today, in the world of modernization and global processes, the organization's management needs to see the need for effective work that will maintain its vitality and competitiveness vis-à-vis its competitors. This article ideas are implemented by the article author in the organization he works for, and will welcomes any further research and contribution theory that will advance the organization's work and efficiency to the clientele. The author of the article emphasizes that the research ideas and topics raised in the article have already been implemented in a number of organizations in Israel, while adhering to management theories in both public and business organizations.

5. Conclusions

Drucker's (2006) describe in his book "Effective Manager," the mutual Influence he between the two terms. He argues that concentrating effectively rather than effectiveness can be limiting, so it is also dangerous, so the two concepts must be combined in order to have a successful organization.

Drucker (2006) adding that an organization that strives to achieve its goals in order to succeed, it is must to know how to manage its organization effectively and efficiently .

In Modern Organizations and dynamic new world, it is important to note and to combine the two concepts, effectiveness and efficiency (effectiveness or efficiency). From this the author understand

168

that efficiency in the organization requires a certain organizational order, and on the other hand creativity and effectiveness in the organization they need systems of developments that can re-store energy. It is based on :

1.   An effective organization preserves its own way of interacting and exchanging vital resources to survive .

2.   It is important to feel that the efficiency of the organization supports and strengthens the effectiveness to a large extent

3.   Business organization cannot be effective and ineffective over the long term, because efficiency is a way of personal, business and managerial life that means doing what is required of it in the right manner and at the lowest cost .

4.   It is important to understand that if the low cost will harm the organization's benefit, then this is not an efficient operation. Therefore, an organization that lacks effectiveness is an organization without growth and without business development.

5.   It is therefore necessary to combine effectiveness with efficiency, because achieving efficiency usually results in achieving effectiveness, and as a result, the organization's capabilities must be maximized in the task environment.

References

Adizes, I. (1999). *Mastering Change: The Power of Mutual Trust and Respect in Personal Life, Family Life, Business and Society* (p. 52). Santa Monica, California: Adizes Institute Publications.

Adizes, I. (2004). *The Ideal Executive: Why You Cannot Be One and What to Do About It* (pp. 137-144). Santa Barbara, California: Adizes Institute Publishing.

Adizes, I. (2006). *Leading the Leaders: How to Enrich Your Style of Management and Handle People Whose Style is Different from Yours* (pp. 97-111). Santa Barbara, California: Adizes Institute Publishing.

Adler, N. (1999). *Multicultural Teams. In International Dimensions of Organizational Behavior* (2nd ed., pp. 120-142). Belmont, CA: Wadsworth Pub. Co.

Business Information of Tzhayek, G. 5 Simple and Easy Tips for Improving Efficiency. (n.d.) Rahanana. Retrieved June 22, 2019, from http://www.galtzhayek.com/tips-efficiency

Drucker, P. (2006). *The Effective Executive: The Definitive Guide to Getting the Right Things Done* (pp. 231-234). New York: Harper Business.

Galbraith, R. J. (2014). *Designing Organizations, Star Model* (Vol. 12, No. 3, p. 10). New York: University of New York.

Greiner L., & Schein, V. (1988). *Power and Organizational Development* (pp. 23-26). Massachusetts: Addison- Wesley Pub. Co.

Mankin, D., Cohen, S., & Bikson, T. (2006). *Teams & Technology* (pp. 123-133). Harvard Business School Press.

Marshak, R. J., & Katz. J. H. (1996). *Diagnosing Covert Processes in Groups and Organizations* (Vol. 29, pp. 33-42). London: OD Practitioner.

McGrath, J. (2006). Time Matters in Groups. In J. Galegher, R. Kraut, E. Egido, C. Hillsdale (Eds.), *Intellectual Teamwork* (pp. 322-327). NJ: Lawrence Erlbaum Association.

Peleg, U. (n.d.). *A business organization that does not combine efficiency and effectiveness is a defective organization*. Tel Aviv: Academic Web. Retrieved June 22, 2019, from https://www.uzip.co.il/single-post/2016/11/11

Schwartz, M. (2008). *Efficiency, Effectiveness and outcome thinking*. Jerusalem: Business Independent Web. Retrieved June 22, 2019, from https://www.eyelevel.co.il/efficiency-effectiveness-outcom-thinking

Walton, E., & Nadler, D. (2006). *Diagnosis for organization design* (pp. 142-144). Washington D.C: Howard, Associate Diagnosis for Organizational Change, The Guilford Press.

Yehezkeli, P. (2009). *Management and Leadership and the Connection to Effectiveness and Efficiency Private Web with Academic Articles*. Retrieved March 22, 2019, from http://www.ydaa.com/2009/08/28/management-leadership-andConnection-Effectiveness-efficiency

Yehezkeli, P. (n.d.). *Effectiveness in Organazations – Academic Article from Private Web*. Retrieved March 22, 2019, from https://www.yedaa.com/wiki/management-complexity-concepts-wiki/effectiveness/