

CHAPTER 4

REVIEW OF ORGANIZATIONAL BEHAVIOUR

In this chapter...

Overview of Organizational Behaviour:



4.1 INTRODUCTION

Organizational Behaviour is a field of study which has as its primary interest the understanding of groups or individuals within organizations and managing them to work effectively (Johns & Saks, 2008).

As a most basic definition an ‘organization’ is defined by the Merriam-Webster Online Dictionary (2008) as an administrative and functional structure (such as a business or a political party) and includes the personnel of such a structure. The Oxford English Dictionary (2008) defines it as a systematic arrangement or approach of an organized body of people with a particular purpose such as for business. Thus, an organization can be viewed as an arrangement or structuring of elements (such as people), providing a boundary separating it from its environment, exercising control over its own performance and collectively pursuing goals. The elements or parts of an organization work together to achieve goals as it is accepted that achievement of these goals would be beyond the means of the separate elements on their own.

Most people will spend a significant part of their lives in an organizational setting where objectives have to be achieved within an ever-changing environment. Organizational Behaviour (OB) is a management science concerned with the study of individuals and groups within organizational and social contexts, and the study of internal processes and practices as they affect those individuals and groups. Organizational Behaviour Management (OBM) is the study of the behaviour of individuals and groups in organizations and the interaction between the organization and its environment. OBM is concerned with the optimal management of an organization for sustained success.

The effective management of important destinations such as World Heritage sites impacts on its sustainability. As illustrated in Figure 4-1, this chapter will focus on the key drivers of effective OBM on an organizational level. In order to fully understand the significance of a World Heritage site, as well as its workings and future, it is necessary to research what it is and how it functions as an organization within a

strategic and dynamic environment. Towards this purpose the literature review will discuss OB focusing specifically on the strategic organizational level, i.e. on the areas of organizational design, organizational dynamics and strategic stakeholder relationships as key factors that drive the organizational level of OB.

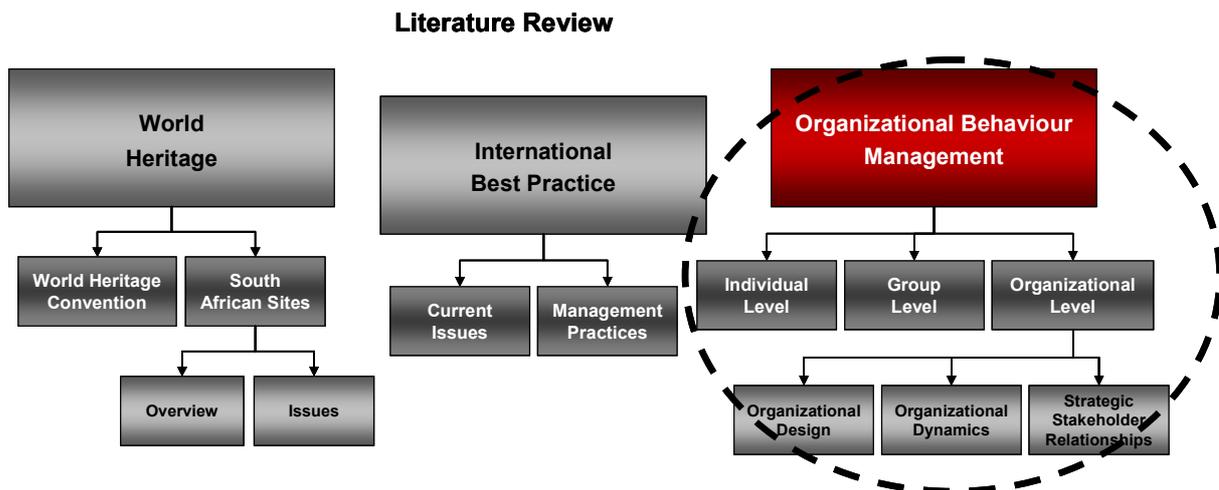


Figure 4-1: Schematic Representation of the Organizational Behaviour Literature Review
(Author's own)

Strategic OBM will form the theoretical basis from which the World Heritage sites will be studied. To address the strategic OB approach within the context of World Heritage sites in South Africa, several issues have to be dealt with. OB and its strategic importance must be defined and discussed. The optimal framework where resources are most likely to lead to a competitive advantage for an organization and the different dynamics that have an impact on optimal functioning also need to be defined. Furthermore, it is necessary to explore the roles of the human capital and stakeholders of the organization on a strategic level (Hitt *et al.*, 2006:5).

4.1.1 Organizational Behaviour Defined

OB is an interdisciplinary field of study seeking to understand the behaviour of individual, group and organizational processes in organizational settings (Baron, 1986:9) which can be applied to better understand and manage people at work (Kreitner & Kinicki, 2007:5).

OB involves the study and application of knowledge about how people act within organizations, as individuals and within groups (Newstrom & Davis, 2002:4), what “*they think, feel and do in and around organizations*” (McShane & Von Glinow, 2005:4) and it investigates the impact that individuals, groups and structures have on behaviour within organizations in order to ultimately improve an organization’s effectiveness (Robbins, 2001:6).

OB has an academic element that draws on the wisdom from, and combines the knowledge of various disciplines. It can be applied in the management of people and organizations and provides advice on what managers can do to improve organizational performance. OB can be applied on three levels namely the individual, groups and the organization as a whole. It ultimately aims to improve organizational effectiveness (Shani & Lau, 2000:15).

Martin (2004:411-412) criticises OB research that only refers to OB as ‘*behaviour studied within organizations*’. It appears that Martin questions the reasons behind the behaviour within organizations. Staw (1991:805-819) states that theories about individual behaviour can help to explain the behaviour of organizations. He asserts that the behaviour of organizations can be related to the behaviour of individuals (actual persons such as the CEO) and could thus be explained in the same way. It is however important to remember that organizations are by definition collaborations of their participants. So although individual behaviour can explain some aspects of OB, what makes OB unique are the behavioural combinations and collaborations of the organizational members within the organizations. Staw highlights the importance of investigating the way in which the behaviour of organizations evolves out of the ‘*interplay between collective players and socio-structural and cultural facts*’ (Staw, 1991:805-819).

Organizational behaviour may thus be defined as the attempt to describe, explain and understand how the beliefs, attitudes, values, emotional responses and behaviour of people in their workplace is shaped by the actual, imagined, implied or implicit rules and roles in their workplace (Furnham, 2004:428).

4.1.2 Overview of the Field of Organizational Behaviour

According to Furnham (2004:426), organizations are human creations of entities in which interacting and interdependent individuals work within a structure to achieve a common goal. Organizations come in many forms and their goals are manifold and may not always be shared implicitly or explicitly by all members of the organization. OB is optimally studied by adopting a systems approach and interpreting the people-organization relationships in terms of the whole person, whole group, whole organization and whole social system. From the definition above, it is clear that OB encompasses themes such as human behaviour, leadership, teams and change. OB has as its purpose the achievement of individual, organizational and social objectives by building better relationships. A comprehensive knowledge of OB will better prepare individuals to understand, influence, control and manage organizational dynamics and outcomes (Greenberg & Baron, 1997:4-6; Furnham, 2004:424).

The strategic approach to OB is based on the premise that harnessing and managing an organization's main resource namely its people (management, employees and stakeholders) effectively in order to implement the organization's strategy, drives competitive advantage and sustained success (Hitt *et al.*, 2006:5). Thus, to sustain the effective management of organizations such as World Heritage Sites it is necessary to have a strategic OB framework in place.

The literature suggests that the organization's foundation rests on its philosophy, values, vision and goals, which is influenced by the leadership. This in turn determines the type of organizational culture and consists of the formal and informal organization and social environment. The culture influences the manner in which communication takes place, as well as the group dynamics within the organization. The individuals within an organization may perceive this as the quality of work life and it will influence their motivation. Further outcomes include performance, satisfaction, personal growth and development. Together these elements form the

model on which the organization operates (Cook & Hunsaker, 2001:20-22; Kreitner & Kinicki, 2007:176; McShane & Von Glinow, 2005:416).

4.1.3 Organizational Behaviour as Independent Field of Study

Robbins, Odendaal and Roodt (2003:7) define a field of study as a distinct area of expertise with a common body of knowledge. OB as an independent field of study seeks to increase the knowledge of all aspects of behaviour in organizational settings through the use of scientific method. Scientific orientation is a hallmark of OB and the scientific foundations of OB can be found in its interdisciplinary body of knowledge, use of scientific methods and focus on application and contingency thinking.

OB utilises empirical, research-based approaches based on systematic observation and measurement of the phenomena, in this case individual, group, and organizational processes and how these processes interrelate (Greenberg & Baron, 1997:8-9; Schermerhorn, Osborn & Hunt, 2005:4-5).

OB is an independent field of study because of two main reasons:

1. Firstly, in terms of social science, it is important to study human behaviour within an organizational setting, as it generates knowledge and increases the insight into the effects of organizations on people and *vice versa*. For example, organizational behaviourists are interested in the way that organizations respond to issues such as the impact of technological change;
2. Secondly, the ultimate aim is to apply that knowledge in such a way that it is of practical use in the improvement of organizational functioning and the quality of work life (Cook & Hunsaker, 2001:6; Greenberg & Baron, 2008:15; McShane & Von Glinow, 2005:5).

OB researchers rely on a set of basic beliefs or anchors to study organizations, namely that OB knowledge should be multi-disciplinary and based on systematic research (Furnham, 2004:424; McShane & Von Glinow, 2005:19). A further anchor is that organizational events usually have contingencies, therefore any particular action may have different consequences in different situations and no single solution is best in all situations (Greenberg & Baron, 1997:8-9). Yet another anchor states that organizations are open systems (Cook & Hunsaker, 2001:13-14). Lastly, OB can be viewed from three levels of analysis: the individual, the team and the organizational level of which a brief description follows:

- Firstly, the individual level, which includes the characteristics and behaviours of individuals as well as the thought processes attributed to them. This includes motivation, perceptions, personalities, attitudes, and values.
- Secondly, the team or group level, which looks at the way people interact and includes teamwork, decisions, power, politics and conflict.
- Thirdly, the organizational level, focusing “*on how people structure their working relationships and how organizations interact with their environments*” (McShane & Von Glinow, 2005:21).

This study will focus on the organizational level of the World Heritage sites within an open systems context.

According to the open systems anchor organizations have interdependent parts that work together in an effort to monitor and transact with the external environment on a continuous basis. Systems such as organizations obtain resources from the environment, transform them by applying knowledge and technology, and produce outputs. Within the external environment there are natural and social conditions that influence the organization. External environments are turbulent and as a result organizations must be able to adapt and respond to change (McShane & Von Glinow, 2005:6).

OB is worth studying as it is concerned with the attitudes and behaviour of people in organizations. OB also has implications for an organization's competitiveness and success. An increasing number of studies have confirmed the existence of linkages between organizational behaviour and corporate performance and success. The differentiating factor of the most successful organizations is the workforce and specifically how effectively organizations manage their employees. What happens in organizations often has a profound impact on their workforce and having knowledge of OB will help to make more effective managers and employees (Johns & Saks, 2008).

4.1.4 Organizational Behaviour Objectives

Johns and Saks (2008) state that the broad goals or objectives of OB are the effective prediction, explanation and management of the behaviour that occurs in organizations, which may be described as follows:

- Predicting the behaviour of others is an essential requirement for everyday life, both inside and outside of organizations. The regularity of behaviour in organizations permits the prediction of future occurrences through systematic study.
- Explaining Organizational Behaviour or events in organizations is a key goal of OB. The ability to understand behaviour is a necessary prerequisite for effectively managing it.
- Managing Organizational Behaviour is defined as the art of getting things accomplished in organizations through people. If behaviour can be predicted and explained, it can be managed. In terms of OB points of view, prediction and explanation constitute analysis, and management constitutes action.

4.1.5 Organizational Behaviour Points of View

OB can be defined from an academic (theoretical) perspective, as well as from a managerial (application) perspective.

a) *The Academic Point of View (The Map)*

OBM began as the application of investigation into behaviour in organizational settings and retains the philosophical and methodological principles of behaviour analysis (Bucklin, Alvero, Dickinson, Austin & Jackson, 2000). Shani and Lau (2000:15) as well as Furnham (2004:424) define OB as the making use of theory and practice of multiple academic disciplines such as economics, psychology, political science and social sciences in order to understand and influence the behaviour of people in organizations. The main focus of the discipline of OB is on the behaviour of individuals and groups in organizations.

OB follows the same principles as behaviour in other settings. The law of cause-and-effect affirms that people will behave in ways that will facilitate the attainment of goals for which they receive rewards (Cook & Hunsaker, 2001:419-421). In other words, academics and practitioners should view behaviour as a natural occurrence, as scientific, and understand that orderly relations between behaviour and the environment can result in predicting and controlling behaviour.

In addition to a theoretical understanding, knowledge of the principles of behaviour such as reinforcement, punishment, stimulus control, discrimination and generalisation, is necessary for the successful application of behaviour analysis to organizational problems (Bucklin *et al.*, 2000). The purpose of studying OB is to understand, predict and control the behaviours of individuals and to affect organizational events, which is embodied by all people within the organization by understanding and influencing patterns of behaviour.

b) The Managerial Point of View (The Action)

Managing OB is defined as a horizontal discipline applicable to virtually every job category, business function and professional speciality (Kreitner & Kinicki, 2007:5). Kreitner (2004:55) states that OB should be viewed as a modern approach to management in order to “*determine the causes of human work behaviour and translate the results into effective management techniques*”. In other words, information management can be used to influence the behaviour of individuals in the workplace from negative behaviours such as absenteeism to positive behaviours such as employee satisfaction and performance.

Basic managerial functions that are performed in order to build unity in organizations and achieve goals apply to OBM as well, and are illustrated in the Table 4-1 below, adapted from Bucklin *et al.* (2000) and Cook and Hunsaker (2001:612):

Table 4-1: Basic Managerial Functions

PLANNING	<i>“Defining goals, setting specific performance objectives, and identifying the actions needed to achieve them”.</i>
ORGANIZING	<i>“Creating work structures and systems, and arranging resources to accomplish goals and objectives”.</i>
LEADING	<i>“Instilling enthusiasm by communicating with others, motivating them to work hard and maintaining good interpersonal relations”.</i>
CONTROLLING	<i>“Ensuring that things go well by monitoring performance and taking corrective action as necessary”.</i>

(Adapted from Bucklin *et al.*, 2000; Cook & Hunsaker, 2001:612)

Furthermore, successful managers require certain skills needed to influence OB. These competencies include:

- human skills, which include the ability to work well with other people such as fostering interpersonal relationships based on trust and involvement, self-awareness, the capacity for empathy, open communication, and successful conflict resolution;

- conceptual skills, related to the ability to understand how the system works and how the parts are interrelated which also refers to being able to identify problems and opportunities and gather and interpret relevant information as well as being able to make good problem-solving decisions.

Of particular concern at World Heritage sites is that the managers are heritage specialists who are expected to cope with the management concerns and burdens such as budgets, unions, tourists and staffing issues (Richon, 2007:186-188). Knowing the particulars of OB helps prepare managers to plan, organize, lead and control organizational systems (Cook & Hunsaker, 2001:612). This knowledge allows managers to manage OB in order to bring out the best in people and to transform organizations into high-performance entities delivering superior, sustainable results.

4.2 A SYSTEMS APPROACH TO ORGANIZATIONAL BEHAVIOUR

Systems theory is an interdisciplinary field of science, being the study of the nature of complex systems. It originated in biology in the 1920s out of the need to explain the interrelatedness of organisms in ecosystems and it provides a useful framework by which one can analyze and describe any relationship, network or group of objects that work in collaboration to produce a desired outcome (Bale, 1995:30).

The open systems approach has for decades been commended for its usefulness in analysing complexity in organizations and as such is often the chosen method to explain OB issues. Systems Theory emphasises that the whole is greater than the sum of the parts and that the parts are interrelated (Cook & Hunsaker, 2001:614). The early advocates of systems theory stated that in order to fully understand a system, a study must be made of the forces that impact upon it (Baker, 1973; Katz & Kahn, 1966; Simon, 1969). An open systems approach is recommended for studying contemporary organizations which exist in challenging and constantly changing environments (Cook & Hunsaker, 2001:614; Leavitt, Pinfield & Webb, 1974; Luthans, 2008; McShane & Von Glinow, 2005:21).

For the purpose of this study the significant application of an open systems approach is within the field of 'Organizational Theory'. The systems framework is fundamental to organizational theory as organizations are complex and dynamic with goal-orientated processes (Ash, 1992: 198-207). A systemic view on organizations is trans-disciplinary and integrative, giving dominance to the interrelationships between the elements of the organizational system. It is from this dynamic interrelationships and interaction that new properties of the system emerge. A systems view of organizations relies upon achieving negative entropy also known as syntropy. The dynamic interaction of the elements of an organizational system may be referred to as '*entropy*' (the natural tendency towards a process of inner disorder) and '*syntropy*' (negative entropy) which is the opposite, referring to the force exerted to keep order. Forces for change and crisis come from entropy, which exert pressure on the system to change. Syntropy endeavours to establish the dynamics of control such as organizing and re-balancing the system (Grinberg, 2007).

The influence and empirical application of open systems theory is widely accepted (Delmas & Toffel, 2008:1027–1055; Drory & Zaidman, 2007:290-308; Lecocq & Demil, B. 2006: 891–898; Yassin, Czuchry, Martin, & Feagins, 2000: 227-233). As Yassin *et al.* (2000:227) state, global competition is forcing organizations to adopt an open systems approach which stresses customer orientation and environmental interface. An open systems approach promotes efficiency, responsiveness, flexibility and effectiveness through better relationships and dynamics in order to optimize system inputs and outputs.

It is not the focus of this study to criticize or research '*systems theory*'. However, due to the emphasis placed by systems thinking on the necessity to comprehend the interdependencies between the various parts of the system as well as between the system and its environment this researcher considers systems approach as the most meaningful way to examine an organization. *To conceptualise an organization as an open system is to emphasize the importance of the interrelationships between its elements and its environment, upon which the maintenance, survival, and growth of an open system depends.*

4.2.1 Organizations as Open Systems

Organizations are complex systems that transform inputs into outputs. Many different systems in the organization operate at the same time and the systems view of organizations emphasises the interrelatedness and interactive nature of organizations (Furnham, 2004:426-427). Although Furnham articulates the complexity of organizational systems, not all operations take place within the confines of an organization, though it may remain shaped by the organization. He warns that it is wrong to suggest that these systems have a life of their own independent of the people in the system.

The premise on which the systems model of OB is based, states that organizations as open systems take inputs from the external environment, transform some of these inputs, and send them back into the external environment as outputs. This demonstrates the need for organizations to cope with demands of the environment on both the input and the output side (Johns & Saks, 2008). The external environment consists of the natural and social conditions outside the organization as well as shareholders, customers, suppliers, governments, and any other group with a vested interest in the organization (see Figure 4-2 below).

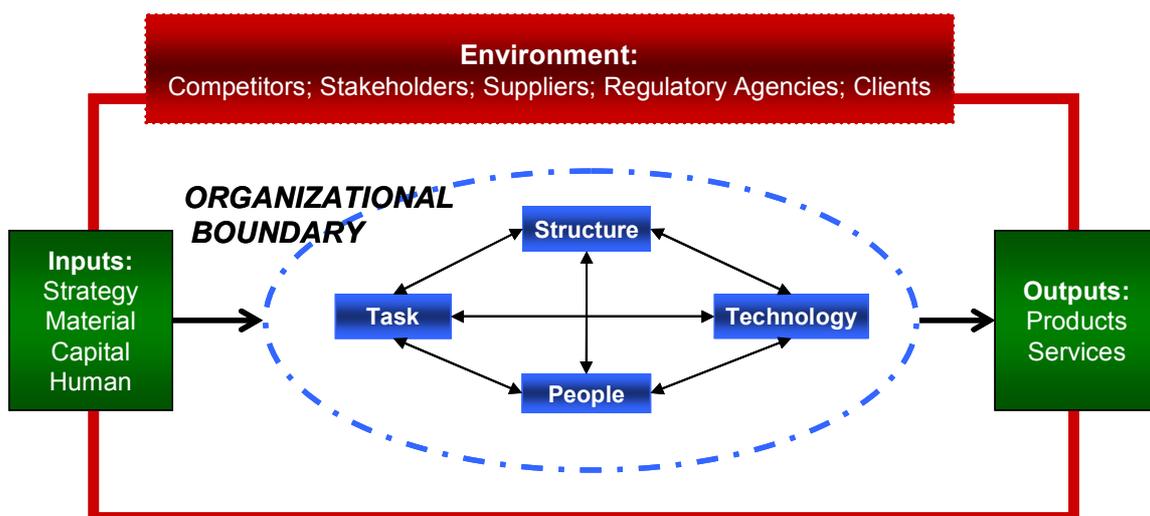


Figure 4-2: World Heritage Sites as Open Systems Organizations

(Adapted from Cook & Hunsaker, 2001:13-15; Greenberg & Baron, 1997:8; Lorsch, 1977:2-14; Robbins, 1990)

Organizational systems such as the World Heritage sites comprise interrelated and interdependent components consisting of many internal sub-systems all of which must be aligned with each other in order to form a successfully integrated whole and achieve the organizational goals (Cook & Hunsaker, 2001:13).

4.2.2 Elements of an Open System Organization

Organizations are structured, open and dynamic systems influenced by and adaptable to external forces. A system is a set of interrelated sub-systems forming an integrated whole working together to meet agreed-upon objectives. Organizations are fundamentally input-transformation-output systems that utilise resources to produce goods and services. Various inputs are imported from the environment and then transformed by the organization's subsystems into outputs to be exported to the environment, for example stakeholders are part of an open system organization and as such influence the organization's output (Cook & Hunsaker, 2001:13-15; Greenberg & Baron, 1997:8).

Components of an open system organization include the following (Cook & Hunsaker, 2001:14-15; Greenberg & Baron, 1997:8; Lorsch, 1977:2-14):

- **Environment** - The external environment consists of events and conditions surrounding the organization that influence its activities. It refers to the forces and institutions outside the firm with which its members must deal to achieve the organization's purposes. These forces include competitors' actions, customer requirements, financial constraints, as well as scientific and technological knowledge. A common denominator is that all these elements provide information that is used to make and implement decisions inside the organization. Johns and Saks (2008) further elaborate on the external environment to include:
 - The general economy which affects organizations as they profit from an upturn or suffer from a downturn.

- Social and political factors as well as legal regulations that prescribe organizational operation.
- All organizations have potential customers for their products and services. In the case of World Heritage sites; each site competes with other tourist destinations for visitors and revenue.
- Organizations are dependent on the environment for supplies that include labour, raw materials, equipment, and component parts. Shortages can cause severe difficulties.
- Competitors fight for resources that include both customers and suppliers.
- **Task** – This is an organization’s mission, purpose, or goal for existing. A task is the actions members must take to implement the organization’s strategy in a particular environment. For the World Heritage sites this involves the protection, conservation and presentation of the sites and heritage values, by facilitating optimal tourism and development of communities.
- **People** – This refers to the human resources of the organizational system. Psychological characteristics are the enduring factors in an individual’s personality that lead him or her to behave in a consistent fashion over time. Individuals have qualities that vary greatly from those of other people, and organizations must take these differences into account. It is crucial to the continued existence of World Heritage sites (as with any organization) that they manage to sustain a capable staff complement.
- **Structure** – This is the manner in which an organization is designed to work at the macro level. The World Heritage sites involve a large number of diverse role-players and stakeholders ranging from governmental groups to on-site agencies and individuals, from international non-governmental organizations (NGOs) to private residents and tourists who are grouped together and who must make the sites function successfully.
- **Technology** – This refers to the intellectual and technological processes an organization use to transform inputs into outputs such as products or services in order to meet organizational targets.

- **Strategy** - The organization's strategy is a statement of the purposes of the organization within a relevant environment or business or context, and the distinctive means by which goals will be achieved. In that sense, the strategy defines the environment in which an organization operates. A strategy may be explicitly stated or it may simply exist as an implicit idea based on the actions of the organization's managers over time.

4.3 STRATEGIC ORGANIZATIONAL BEHAVIOUR

World Heritage sites are organizations which have as their core strategy successfully managing the sustained existence of cultural and natural heritage. In order to gain a competitive advantage in a dynamic environment, organizations must implement their strategy successfully. The effective organizing and managing of the actions, knowledge and skills of the individuals and groups within an organizational context will lead to strategic success, and this is referred to as the strategic approach to OB (Hitt, *et al.*, 2006:15). Strategic OB involves harnessing the potential of entities within an organizational setting to achieve a common objective. According Hitt *et al.* (2006:6) an organization's strategy must be implemented and its goals achieved by empowering these entities in order to utilise their capabilities to the benefit of the organization.

Godkin and Allcorn (2008:82-95) suggest that three types of inertia, i.e. that of insight, action and psychological inertia, are key barriers to fostering institutional willingness to develop and implement strategic direction and thus are key barriers to the strategic management of OB. *Insight inertia* occurs when management may not observe and interpret cues from the external (or internal) environment in time to determine and adjust organizational behaviour or strategy to meet environmental, market place and internally driven demands for change. Members of the organization are thus not able to make sense of the environment or to explain why certain changes happened at all. When something informative has been learned that should guide management decision-making but managerial responses are too slow to be beneficial to the organization, *Action inertia* is the result. Organizational

resistance often translates into *psychological inertia*. Members of organizations are frequently resistant to change regardless of its necessity as they may be threatened by the perceived implications thereof, such as the loss of social capital defined as long standing relationships, or the fact that new skills may have to be learned requiring more effort (Godkin & Allcorn, 2008:82-95).

The above research by Godkin and Allcorn is a key driver of the current research. The World Heritage sites included in this study appear to suffer from some form of inertia whether of insight, action or psychological and this impacts on their ability to optimally implement their strategy. This study aims to identify the OB elements that have a strategic impact on the selected World Heritage sites. Strategic OB holds that one of the most valuable assets that an organization possesses is its people (leaders, organization members or stakeholders). The people of an organization influence the structure, the vision, the culture and the communication within an organization (Hitt, *et al.*, 2006:9), all of which has an effect on its sustained functioning and the successful implementation of its strategy.

This study is based on the above open system principle whereby inputs from various sources are utilised by the World Heritage sites to produce outputs. This research study will explore the organizational dynamics, design and the top-level stakeholder relationships of the World Heritage Sites on a strategic level. This will include an investigation into the vision and strategy of the World Heritage sites, the progress from strategy to structure and the processes for implementing sustainable OBM.

4.3.1 Organizational Design and Structure

Organizational design and structure define how tasks are formally divided, grouped and coordinated within organizations (Johns & Saks, 2008; Robbins, 2001:413). Elements that must be addressed by managers when they design their organization's structure include span of control, centralization and decentralization, departmentalization, formalization and chain of command (Greenberg & Baron, 2008:586-593; McShane & Von Glinow, 2005:449-455). Constructive design and

structure can reduce ambiguity and clarify the roles for individuals and groups within the organization, thereby influencing the attitudes and behaviours of its employees (Robbins, 2001:436).

Organizational design involves the “*pattern of interactions and coordination that links the technology, tasks, and human components of the organization to ensure that the organization accomplishes its purpose*”. In the design of an organization’s structure there are two main objectives: The first objective is to facilitate the flow of information within the organization in order to reduce the uncertainty in decision making. The second objective of organization design is to achieve effective coordination and integration. The structure of the organization should integrate OB across the parts of the organization so that it is coordinated. Organizational design is thus the allocation of resources and people to a specified mission or purpose and the structuring of these resources to achieve the mission of the organization. Ideally, the organization is designed to fit its environment and to provide the information and coordination needed (Duncan, 1979:59-80).

There is no one best structure and as indicated by Deacon (2006:3) when planning, designing or managing a heritage site two things are important:

- All sites vary and will dictate the design and type of management which is necessary. There is no universal recipe or off-the-shelf plan or design. The type of site, its physical condition and the social situation surrounding it is variable. The solution to its problems will therefore also be variable.
- Certain basic universal processes are the same for all sites such as the basic managerial functions of planning, organizing, leading and controlling. Basic guiding principles and a standard sequence of steps in management planning and design must be followed to ensure success.

Lorsch (1977:2-14) indicated that organizational design is an important means of influencing the pattern of behaviour in an organization. An appropriate organization design depends upon the nature of the organization's environment and the personality of its members. An organization's design is its management's formal and explicit attempt to indicate to the members of the organization what is expected of them. It includes the following elements:

- *Organization structure*: This refers to the definition and mapping of individual jobs and their expected relationship to each other as depicted on organization charts and in job descriptions;
- *Planning, measurement, and evaluation schemes*: are the procedures established to define the organization's goals and the methods for achieving them. It also includes the systems used to measure progress against these plans and to provide feedback about performance;
- *Rewards*: refer to the explicit rewards given by management in return for the individual's work. Such rewards can include money and career opportunities. What is important is how the rewards relate to the results;
- *Selection criteria*: are the guidelines used to select incumbents for various positions as related to the personalities, experience, competencies and skills of organization members;
- *Training*: consists of the formally established educational programs, both on and outside the job, that not only impart knowledge and skill but also provide another means for management to indicate how it expects organization members to behave on the job.

As described previously, organizations are considered to be open systems, affected by and in turn influencing, an external environment and its stakeholders. Organizational systems such as the World Heritage sites comprise interrelated and interdependent components that need to be continuously harmonized with each other and the environment in order to form an integrated whole and achieve the organization's goals (Cook & Hunsaker, 2001:13-15). Variations in markets, in processing technology and in the state of scientific knowledge all impose different

requirements on organizational arrangements. So do the varying sizes of companies. Small companies, for example, can be managed with less formality and more emphasis on personal leadership than larger companies (Lorsch, 1977:2-14).

Thirty years ago organizations were thought to be self-contained, and the organization's structure defined the reporting relationships among internal functional departments. Today, when deciding what kind of organization structure to use, managers need to understand the characteristics of the environment they are in and the demands this environment makes on the organization in terms of information and coordination. Organizational boundaries have opened up and as such, are taking into consideration the environment and demands on and from the organization (Anand & Daft, 2007: 329–344; Duncan, 1979:59-80).

Traditional organizational designs include the self-contained designs which are very functional or divisional in nature. In a functional structure, activities are grouped together by common function following a bottom-up approach. The divisional structure occurs when departments are grouped together based on organizational outputs. The matrix organization combines a vertical structure with a horizontal overlay. In order to facilitate the achievement of goals, the vertical structure provides the traditional control within functional departments and the horizontal overlay provides for increased coordination across departments. This structure has lines of formal authority along two dimensions, such as the functional and product dimensions or the product and region dimensions. Several less traditional organizational designs have emerged in the last decade, mostly designed to make organizations more lightweight by having a number of tasks performed externally, for example the outsourcing of various pieces of work traditionally done internally, to outside partners. These organizational designs include the hollow organization, modular organizations and virtual organizations (Anand & Daft, 2007: 329–344; Johns & Saks, 2008).

Today the focus in organizational design is very much on **collaborative or partnership designs** resulting in new demands on managers and organizations. The biggest change has occurred in the sphere of control: from having direct control over resources required for performance, toward dependence on others over whom there is little or no direct control. Even with the more dependence and less control option brought about by newer structural designs, managers are still responsible for performance outcomes. Successful managers in collaborative roles need to be extremely flexible and proactive, to achieve outcomes through personal communication and influence tailored to people and situations, and to assertively seek out needed information (Anand & Daft, 2007: 329–344).

According to Anand and Daft (2007: 340–342) the key demands for succeeding with collaborative designs are as follows:

- Spending time getting to know potential strengths, weaknesses, and goals.
- Soft skills dominate hard skills in the newer organization designs, thus it is necessary to select or to cultivate people based on lateral organizing skills. Lateral organizing skills refers to the ability to work with people across organizations, including those with whom lines of responsibility and accountability are somewhat unclear. People who are part of a horizontal team or who work with outside partners must have excellent coordination, personal influence, and negotiation skills.
- Seek clarity, not control, by spending time setting expectations and creating structure in order to avoid any ambiguity. The respective goals, incentives, and desired outcomes should be defined in advance. During the relationship, problems will surely arise and changes will be made, but clarity in the beginning is essential.
- Coordination mechanisms should be put in place to facilitate some amount of mutual control through collaboration. For example, mechanisms might include a Governance Board that meets quarterly to oversee the work, build relationships, and discuss results.

The environmental, strategic, task and individual requirements facing the organization will dictate the design of what the ideal organization should look like to meet these conditions and achieve the organization's objectives. Organizational design is influenced by many factors such as the external environment or the specific site and its demands. Managers have to be intelligent and realistic about the organization's design that provides them with the competitive advantage and greatest value. A collaborative design often requires some change in culture, but mostly it requires a new managerial paradigm with special focus on working with external partners and building relationships that serve both partners (Anand & Daft, 2007: 329–344).

4.3.2 Organizational Dynamics

OB dynamics are used to describe processes such as individual motivation, leadership, interpersonal relationships, group and inter-group processes, corporate culture, change and development and are based on behaviourist models. Organizational dynamics holds the premise that the *“increasing complexity of organizational activities requires leaders who can integrate ‘hard’ content such as structural information with ‘soft’ processes such as judgment-based decision making. Understanding the art and science of the organization enhances the competencies necessary to ensure the viability of organizations”* (De Vries, 2004:183–200).

Gunter (2000:66) identifies four forces that affect organizational dynamics. The four primary forces at work in all organizations are: culture, communication, innovation or change, and conflict. Each is a distinct force yet is so interconnected with the others that one cannot be considered while disregarding the other three. Remove one force, and the organization collapses. Although the basic universal processes are the same and can be grouped under Gunter's four forces, all organizations vary and this variation will dictate the dynamics that play an influential role in that specific organization.

On an organizational level, Knights and Willmott (2007:258-437) identified management and leadership; politics and decision-making; culture; change and innovation; and technology, as key organizational dynamics playing an influential role in today’s organization. Cook and Hunsaker (2001:372) state that whenever behaviour must be managed, cognisance must be taken of managing conflict and building relationships. This research study focuses on three key dynamics (as is illustrated in Figure 4-3 below) based on the research done by Gunter (2000), Knights and Willmott (2007) as well as Cook and Hunsaker (2001), which is believed to impact significantly on heritage sites:

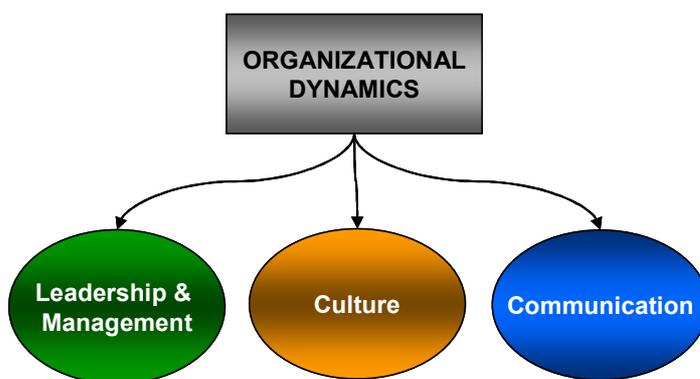


Figure 4-3: Organizational Dynamics

(Author’s own)

4.3.2.1 Leadership and Management

Leadership is defined by Greenberg and Baron (2008:501) as the process whereby one individual influences others toward the attainment of organizational goals. Levitt (1960: 45-56) blames failures of management for decline:

"In every case, the reason growth is threatened, slowed, or stopped is not because the market is saturated. It's because there has been a failure of management."

Leadership is the influence and support that particular individuals bring to bear on the goal achievement of others in an organizational context. Although any organizational member can influence other members, individuals with titles such as ‘manager’ have

the leadership roles and responsibility to lead and influence others (Johns & Saks, 2008; Newstrom, 2008).

Elenkov, Judge and Wright (2005:666-668) define strategic leadership as the process of forming a vision for the future, communicating it to subordinates, stimulating and motivating followers, and engaging in strategy-supportive exchanges with peers and subordinates. They conducted research which found that strategic leadership is crucial for achieving and maintaining strategic competitiveness. Strategic leaders are recognized for playing a key role in recognizing opportunities and making decisions that affect the organization's attainment of its goals. The importance of vision and its effects on organizational processes and outcomes is emphasized, by defining leadership itself as a management activity through which the leader secures the cooperation of others in pursuit of a vision.

Typically, leaders or managers are expected to show consideration which involves the extent to which the leader is approachable and shows personal concern for employees as well as to initiate the structure for the attainment of goals. Showing consideration and initiating structure contribute positively to employees' motivation, job satisfaction, and to a leader's effectiveness (Kinicki, 2008; Kreitner, Kinicki & Cole, 2007). The effectiveness of management will depend on the particular work environment and leadership, can and should differ according to the situation the organization finds itself in. Various leader behaviours will be more or less effective depending on the situation. Types of leadership include the following (Johns & Saks, 2008):

- directive leaders follow a structured approach by scheduling work, maintaining standards of performance and letting employees know what is expected of them;
- supportive leaders are approachable and interested in maintaining agreeable interpersonal relationships;
- participative leaders consult with employees about work-related matters and consider their opinions when making decisions; and

- achievement-oriented leaders encourage employees to strive to achieve difficult targets and goals.

An important issue of leadership is participative leadership. Participative leadership entails involving employees and stakeholders in making decisions that impact on themselves and the organization. Participative leadership is not to be confused with abdication of leadership and entails the involvement of people in situations that encourages them to contribute to group goals and to share responsibility. For employees, it is the psychological result of supportive management (Johns & Saks, 2008; Newstrom, 2008).

Potential advantages of participative management include that participation can increase the motivation of employees, can lead to the establishment of common goals and can increase intrinsic motivation. Benefits of participation can include higher-quality decisions and the empowerment of employees to take direct action and solve problems. It may also increase acceptance of decisions (buy-in), especially when issues of fairness are involved. Potential problems or difficulties associated with participation include that it involves specific behaviours on the part of the leader that require time and energy. Some leaders feel that a participative style will reduce their power and influence, and that employees or stakeholders might lack the knowledge to contribute effectively to decisions (Johns & Saks, 2008).

Kaiser, Hogan and Craig (2008:96-100) argue that the actual influence of leaders on organizational outcomes is overrated as a result of biased attributions to leaders. It is however recognized and accepted that leadership is important, and research supports the notion that leaders do contribute to key organizational outcomes. Measurement of successful strategic leadership is often difficult and depends on the focus taken. This can be based on factors such as the career success of the individual leader or the performance of the group or organization.

It is important to distinguish between leader or management *performance* as opposed to *effectiveness*. Performance reflects behaviour while effectiveness

implies the assessment of actual organizational outcomes (such as effective financial management) which may be subject to external factors beyond the control of the leader, making it difficult to determine exactly what is behind a particular outcome (Campbell, McCloy, Oppler & Sager, 1993:35-71). Although leadership success may be based on the effectiveness of the team, group, or organization (referring to the ability of a particular leader or management group to influence others and achieve collective goals), leadership effectiveness is often based on the perceptions of subordinates, peers, or supervisors (Hogan, Curphy & Hogan, 1994: 493-504; Judge, Bono, Ilies & Gerhardt, 2002: 765-780).

Birch (1999:7) distinguishes between leadership and management. Effective leaders create and sustain a competitive advantage while managers typically follow and realize a leader's vision. The difference lies therein that the leader may have the role (and responsibility) of influencing others to accept and implement the vision or strategy in order to achieve a task while the manager may have the role of organizing resources to get this done.

Strategic management entails evaluating and implementing cross-functional decisions that will enable an organization to achieve its long-term objectives, such as allocating resources to implement the policies and plans, projects and programs to achieve these objectives. Strategic management thus seeks to coordinate and integrate the activities of the various functional areas of a business in order to achieve long-term organizational objectives. If strategic management is rigidly enforced it can stifle creativity, lead to conformity in thinking and cause an organization to define itself too narrowly (David, 2007).

The selected World Heritage sites under review in this study have fairly mature management structures in place. As will be highlighted in later chapters, one of the issues under investigation is to what extent the leadership of these sites effectively implements the strategy of the sites to the benefit and buy-in of all involved. Allegations of mismanagement have been lodged against all of these management

authorities and in both cases stakeholders appear to feel excluded. This threatens the sustained existence of these fragile sites.

4.3.2.2 Culture

Greenberg and Baron (2008:544) define organizational culture as “*a cognitive framework consisting of attitudes, values, behavioural norms and expectations shared by organizational members*”. According to Robbins (2001:528), an organization’s culture is the perception of its personality and these perceptions affect employee performance and satisfaction. Newstrom (2008) is of the opinion that organizational cultures reflect the assumptions and values that guide a firm and are intangible but powerful influences on employee behaviour.

Elements of an organization’s culture include its value system, beliefs, assumptions, and norms (Cook & Hunsaker, 2001:120; Knights & Willmott, 2007:344-374). Ivancevich, Konopaske and Matteson (2008) make the point that “*corporate culture*” is a soft concept with potentially hard consequences. Researchers differ on whether an organization’s strategy and leadership serves as a foundation for the culture or whether the opposite is true. Whether an organization’s culture can serve as a foundation for the organization’s strategy and can promote consistent behaviour in employees. An important consideration is successfully matching individual values with the organizational culture, thereby affecting motivation, satisfaction and turnover.

A definition of culture by Chell (1994:90) suggests that an organization’s culture comprises beliefs about how employees should be treated; beliefs about support of efforts to do a good job; and most importantly for the purpose of this research, beliefs about how the organization interacts with the environment and strives to accomplish its mission.

A culture is typically created by a founder or the top-level management who shapes a common vision. The characteristics of organizational culture can be observed in behaviour, the dominant norms and values, philosophy, rules and the general

organizational climate. Although everyone in an organization will share the organization's culture, not all may do so to the same degree. There can be a dominant culture, but also a number of subcultures with the dominant culture's core values being shared by the majority of the organization's members (Luthans, 2008). One could argue that UNESCO sets the stage for the culture of World Heritage organizations by having developed the concept of World Heritage and the protection thereof for future generations. These values have been incorporated by the individual heritage sites and are apparent from their application documentation for World Heritage status as well as from the empirical research in this study where the general values seem to be those of a genuine concern for the sustained existence and protection of these unique sites. However, the various subcultures, as well as the degree to which a common vision and value system is shared, seem to be serious issues and can lead to conflicting stakeholder relations.

Organizations develop value systems that can be described as originating either from leaders or from tradition, and in content can be described as either functional or elitist. Of the possible combinations, traditional-functional based culture values build the strongest culture, while leadership-elitist based cultures are the least enduring and adaptable. Managers should be aware that the organizational culture can be a useful way of influencing behaviour and reducing reliance on managerial tools such as policies and budgets. Strong cultures tend to resist change and when thinking of changing a culture, consideration must be given to differences, ethnic backgrounds, cultural pre-dispositions and domestic or international cultures (Cook & Hunsaker, 2001:118-155).

A strong culture is said to exist where staff respond to stimuli because of their alignment to organizational values. In such environments, strong cultures help firms to operate with superior execution. On the other hand, where there is a weak culture there is little commitment to the organizational values and control must be exercised through extensive procedures and bureaucracy (Mcfarlin, 2002). In both cases, iSimangaliso and the Cradle of Humankind, it appears as if the members of the

organization have a weak alignment with organizational values. Many feel excluded and thus bureaucracy is used to maintain control.

According to Rogers and Meehan (2007:254-261) culture provides a source of competitive advantage. Most importantly, research has shown that an organization's culture contributes to the success of a business (Ashkanasy, Wilderom & Petersen, 2000). It motivates employees and inspires loyalty. Yet, while business leaders fully recognize the crucial role that culture plays in focusing and engaging employees, few succeed in building and sustaining a '*winning*' culture. The best companies succeed on two dimensions. Firstly, every winning culture has a unique personality based on shared values and heritage that cannot be invented or imposed. Secondly, successful cultures usually embody six common high-performance behaviours:

- The members have high aspirations and a desire to win, focusing not on short-term financial performance but rather on building something lasting.
- There is an external focus on customers and competitors and not on internal politics. It appears that at iSimangaliso and the Cradle of Humankind, there is an emphasis on issues which may be traced to internal politics such as the perception of non-participatory management, show-and-tell communication and the exclusion of stakeholders, rather than focusing on the bigger picture regarding the site and its customers or competitors.
- A feature of a high-performance culture is that employees take personal responsibility for overall business performance - they '*think like owners*'. This is an interesting phenomenon if one remembers that World Heritage is considered to belong to all the people of the world, and yet local people live on the site (and in the case of the Cradle of Humankind, privately own a large part of the site).
- High-performance cultures have a bias towards action and want to get things done.
- People are encouraged to recognize the importance of teamwork, to be open to other people's ideas and to work collaboratively. This is often only a reality if allowed by the leadership of a particular World Heritage site.

- A high-performance culture is passionate, striving to go beyond adequate to exceptional performance.

At both sites under investigation there seems to be a clear belief in the value of the site and the need to conserve it for posterity by all parties. What is lacking appears to be a shared vision of how this should be accomplished as well as a lack of a feeling of inclusion in the organization's management. Culture is seen to represent some kind of shared commitment to how things should be done in a particular organizational setting. This results in particular ways of relating to the organization, to superiors, to colleagues and to a role, job or task (Knights & Willmott, 2007:344-374).

Several methods have been used to define and classify organizational culture:

Hofstede (1980) identified five dimensions of culture:

- *Power distance* - the degree to which a society expects there to be differences in the levels of power.
- *Uncertainty avoidance* - reflects the extent to which a society accepts uncertainty and risk.
- *Individualism vs. collectivism* - individualism is contrasted with collectivism, and refers to the extent to which people are expected to stand up for themselves, or alternatively act predominantly as members of the group or organization.
- *Masculinity vs. femininity* - refers to the value placed on traditionally male values (for example competitiveness, assertiveness and ambition) or female values (such as relationships and quality of life).
- *Long vs. short term orientation* - describes the importance attached to the future versus the past and present (in long term oriented societies, thrift and perseverance are valued most; in short term oriented societies, respect for tradition and reciprocation of gifts and favours are valued most).

Deal and Kennedy (1982) defined organizational culture in terms of the way things are accomplished in the organization. They measured organizations in respect of:

- *Feedback* - quick feedback means an instant response, and could refer to monetary terms, but could also refer to something else, such as the impact of a great save in a soccer match.
- *Risk* - represents the degree of uncertainty in the organization’s activities.

Handy (1993:183-191) identified the key types of cultures (see Table 4-2 below) that exist within a range of organizational settings, but cautioned that any culture can be a good culture. However, what worked well in one setting or place will not necessarily be successful somewhere else.

Table 4-2: Handy’s Typology of Organizational Culture

THE POWER CULTURE	Based on central power source such as the founder. This central figure selects staff that has similar ways of thinking and then gives a lot of freedom. Decisions depend on power rather than procedure and the environment is quite competitive.
THE ROLE CULTURE	Reason and logic are key values with a highly structured and bureaucratic organization. Power comes from hierarchical position.
THE TASK CULTURE	Based on teamwork and expertise where people and resources are brought together to get the job done. Decision-making is fast paced and often delegated to team-level.
THE CLUSTER CULTURE	Power is shared and mutual consent is necessary for any control. Individuality and freedom are key values.

(Adapted from Handy, 1993:183-191)

Schein (1985) defines organizational culture as a pattern of shared basic assumptions that a group has learned while it solved its problems. These patterns are believed to have worked well enough to be considered valid and to be taught to new members. According to Schein, culture is the most difficult organizational attribute to change, outlasting all others such as organizational products, services and leadership. It is of concern that at both the Cradle of Humankind and iSimangaliso it appears that the pattern of shared assumption is that of mistrust and of discontent with the way in which the sites are managed. If, as stated by Schein, culture is indeed the most difficult of organizational attributes to change, the question

may be what the effect of this seemingly pervading discontent will be on the sustained success of these World Heritage sites.

Criticism of the abovementioned typologies assert that although these typologies provide useful ways of classifying and describing organizational culture, it is important to remember that organizations may house sub-cultures because of particular circumstances and this requires integration efforts. Rarely does only a single culture exist in an organization or a specific culture reflect the interests of all stakeholders within an organization. Also multi-culturalism may exist and allowances should be made for the fact that different groups in the organization may have different values (Knights & Willmott, 2007:344-374).

One of the strongest criticisms of attempts to categorise organizational culture is put forward by Smircich (1983:339-359) who describes culture as driving organizations rather than vice versa. Organizations are the product of organizational culture and because of the lack of awareness as to how it shapes behaviour and interaction it is difficult to categorise and define it. Whatever an organization's culture may be, what is important is the way in which members of the organization react to that culture. Whether it is a positive or a negative reaction may influence the success or failure of the organization. Both the Cradle of Humankind and iSimangaliso appear to be bureaucratic organizations with power-type cultures (in terms of Handy and Hofstede's definitions) and it is the reaction of the stakeholders to this perceived culture which is of concern to this study as it may negatively impact on the effective OB of these sites.

There are several reactions to organizational culture (Brown, 1998:93):

- *unequivocal adherence* with unquestioning acceptance of management values;
- *strained adherence* where employees buy into the culture although they have some concerns about the ethics or effectiveness of the values;

- *secret non-adherence* with outward compliance due to fear of losing jobs but displays of non-acceptance when it is safe to do so;
- *open non-adherence* with blatant resistance to management values often resulting in industrial action.

How this manifests in the World Heritage sites being studied will be discussed in a later chapter.

4.3.2.3 Communication

Greenberg and Baron (2008:337) state that the purpose of communication within organizations is to direct action; to coordinate; and to communicate in order to build relationships. The way an organization communicates can explain its culture and the inter-organizational linkages. Individuals and groups in organizations communicate in order to generate ideas, to share knowledge and to get the job done. From an OB perspective it becomes clear that communication has a role to play on an individual, group and organizational level. Effective organizational communication is necessary for transmitting directives, building cooperation, optimizing performance and satisfaction, to steer clear of obstacles, and to solve problems. Communication channels can be formal or informal and flow in several directions (Cook & Hunsaker, 2001:272-273).

Communication is complicated by such barriers as frames of reference, value judgments, selective listening, filtering, and distrust and can be overcome by clear and complete communication. Many of these elements have been identified as barriers to successful communication at the Cradle of Humankind and iSimangaliso. Credible organizational communication is enhanced by demonstrating expertise, clarifying intentions, being reliable and dynamic, exhibiting warmth and friendliness, and building a positive image. To communicate effectively in a global environment requires understanding of how different cultures interpret, behave, and interact. It is inappropriate to assume that a particular mode of communication that works in one organization is transferable across organizations (Cook & Hunsaker, 2001:283-285).

Communication is extremely important for OB. Organizational goals will not be accomplished without communication among group members. Communication is also necessary for organizational effectiveness. As individuals move up the organization's hierarchy they spend more time communicating (Johns & Saks, 2008). Successful communication achieves two goals, namely *influence* and *effectiveness*. The fit between the message received and the readiness of the receiver to accept it will determine the influence the communication has and will result in action or no change at all. Effectiveness can be evaluated by how closely the influence and effect of the message mirrors the intention of the sender. Successful communication directly affects an organization's bottom-line and is therefore a critical dynamic in successful OB (Hersey, Blanchard & Johnson, 1996:337-343).

Johns and Saks (2008) have identified key issues about organizational communication which will determine its effectiveness and success. When communication flows in accordance with an organization chart it follows the chain of command or lines of authority such as is the case with downward communication where information flows from the top of the organization toward the bottom. However, much of the organizational communication does not follow the formal lines of authority. In reality the formal chain of command is sometimes an ineffective path of communication and informal communication channels proliferate. Furthermore, effective communication is often inhibited by filtering, which is the tendency for a message to be watered down or stopped at some point during transmission. Subordinates use upward filtering to hide negative performance information and managers use downward filtering because of the belief that information is power.

Recent research in the field of organizational communication has moved from acceptance of mechanistic models of communication to the study of the persistent and hegemonic (the dominance of one social group over another) ways in which communication is used to accomplish certain tasks within organizational settings but also how the organizations affect our communication (Cheney, Christensen, Zorn, &

Ganesh, 2004; May & Mumby, 2005; Tracy, Myers & Scott, 2006: 283-308). The field has expanded to study phenomena such as:

- *Constitution* – how communicative behaviours shape organizational processes or products or how the organizations within which we interact affect our communicative behaviours; thus if the World Heritage sites are perceived to be power cultures that exclude stakeholders there may be an inherent mistrust affecting the acceptance of any communication, no matter how honest or well-meant it may be;
- *Narrative* – how narrative is employed to indoctrinate new members or purposively invoked to achieve specific outcomes;
- *Identity* – work-related or organizational membership defines communication differently within the organizational setting than within non-vocational sets of relationships;
- *Interrelatedness* of organizational experiences – the effect of communicative interactions in one organizational setting on communicative actions in other organizational settings.

If communicative behaviours do indeed shape organizational processes as is indicated by the research mentioned above, the perception that there is little open communication and organizational members' perception that they were told as opposed to being engaged, could negatively shape OB, which ultimately negatively impacts the sustained existence of these World Heritage sites.

4.3.3 Strategic Stakeholder Relationships

The World Heritage organizations have to incorporate and protect the interests of many stakeholders including nature conservationists, tourism related operators and visitors, private residents and local communities (World Conservation Monitoring Centre, n.d.). The success of these organizations is contingent upon the successful leveraging of the relationships between stakeholders, the bridging of social capital which must occur in order to achieve a common goal.

As illustrated in Figure 4-4, a preliminary stakeholder analysis has established that the following role-players are involved in most World heritage sites:

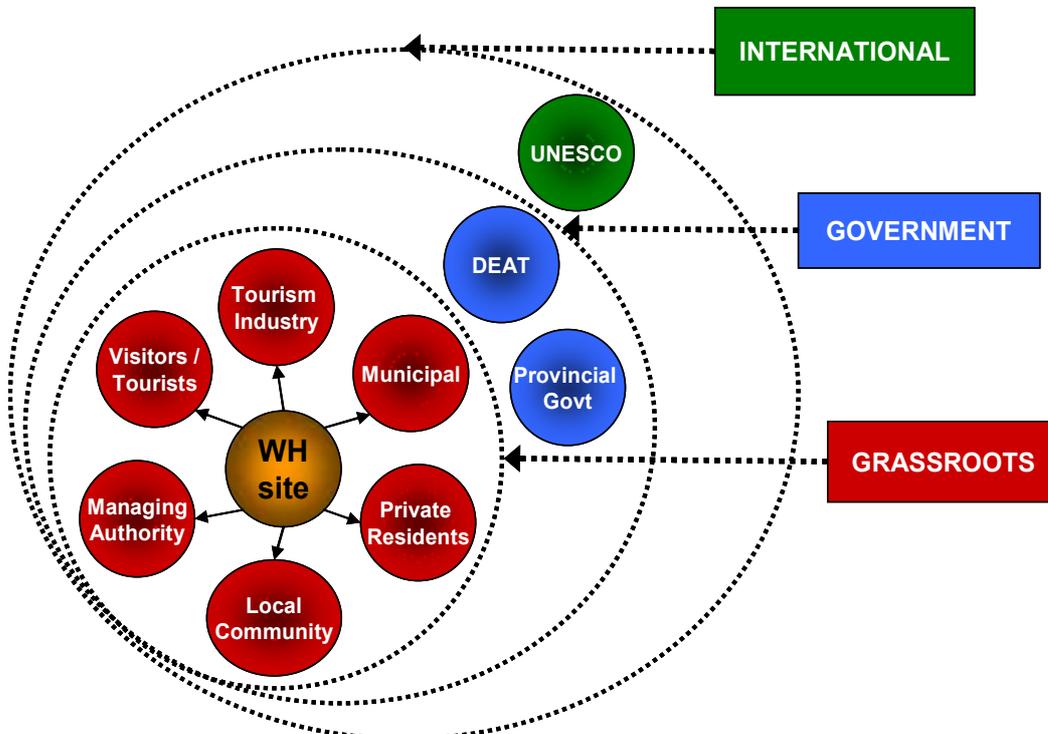


Figure 4-4: Stakeholder Analysis

(Author's own)

For the purpose of this study a World Heritage site is seen as an organization with an arrangement or structuring of stakeholders including:

- the landowners (private or government);
- the site's managers;
- the local communities and residents whose living conditions and properties are affected by World Heritage status designation;
- visitors to the site, because of the economic impact of their activity on the livelihood of the locals and the site;
- the municipalities and government departments who provide the legal and support structures governing the daily existence of the sites;

- UNESCO, who by virtue of endowing the World Heritage status is partly responsible for and concerned with the long-term success and sustainability of such sites.

As stated previously, organizations are made up of elements (such as its stakeholders) that have to work together in order to achieve goals that they may not otherwise have been able to achieve. It is useful to study the stakeholders within an organization because of the value of organizational social capital. Organizational social capital refers to connections within and between social networks as well as connections among individuals that have value and can increase productivity (Portes, 1998:1-24).

The term '*social capital*' can be used to explain improved managerial performance, the enhanced performance of functionally diverse groups or the value derived from strategic alliances (Halpern, 2005:1-2). It is the summative actual or potential resources possessed by a network of more or less institutionalised relationships. Connections and social networks are often deliberately constructed for the purpose of creating this resource.

According to Arregle, Hitt, Sirmon and Very (2007:73-95), Adler and Kwon (2002:17-40), Hitt, Lee and Yucel (2002:353-372) social capital, which these authors define as the goodwill and resources made available via reciprocal and trusting relationships, often makes a positive contribution to an organization's outcomes. The contribution of social capital is derived from both intra- and inter-organizational relationships. Inside the organization, social capital can reduce transaction costs and facilitate information flow (Burt, 2000:345-432). External to the organization, social capital increases the success between alliances (Ireland, Hitt, & Vaidyanath, 2002:413-436). Social capital is especially important in World Heritage organizations where many of these sites are vying for and dependent upon limited resources (such as government funding), and as a result additional needs are met by stakeholders who have a sense of ownership for and share a belief in the value of the site.

Organizations are made up of individuals and groups interacting and being interdependent, who have come together to achieve particular objectives. When this happens, inevitably power becomes an issue, politics and conflict emerge and negotiation becomes relevant (Robbins, 2001:218). Social capital may therefore be not always be utilised positively. For instance, people may gain access to powerful positions through the direct and indirect employment of social connections or criminal gang activity that is encouraged through the strengthening of intra-group relationships. This iterates the importance of distinguishing between *bridging* social capital in order to accomplish a common goal as opposed to the more easily accomplished *bonding* of social capital. Often groups can become isolated and disenfranchised from the organization, especially from groups with whom bridging must occur in order to achieve a certain objective (Bolin, Hackett, Harlan, Kirby, Larsen, Nelson, Rex & Wolf, 2004:64-77).

It is useful to have power in order to get things done. There are various sources of power, namely coercive, reward, legitimate, expert and referent power (McShane & Von Glinow, 2005:360-362; Robbins, 2001:353-355). Politics is power in operation where one individual or group attempts to use the distribution of advantages and disadvantages within the organization to their advantage (Robbins, 2001:362). According to Kreitner and Kinicki (2007:499) organizational politics cannot be avoided and should be managed through negotiation to minimise conflict.

Organizations are made up of interacting individuals and groups with varying needs, objectives, values, and perspectives that naturally lead to conflicts of interest. Members of a group in conflict with another group in a competitive situation can increase performance and group solidarity. However, when the members are in conflict within the group itself, dysfunctional hostility, distorted perceptions, negative stereotypes, and decreased communication can develop (Cook & Hunsaker, 2001:6-7).

Conflicts need to be managed appropriately to provide positive outcomes and avoid negative possibilities such as absolute win/lose situations. There are several managerial styles available for doing this including competing, avoiding,

accommodating, collaborating, and compromising. When groups become dysfunctional, changes need to be made, and coordinating these groups can be accomplished through setting rules and procedures, providing hierarchical structure and liaison roles, or integrating departments. Strategies for dealing with conflict or dysfunctional aspects of the group include emphasizing the total organization by focusing on the overall or common goals, increasing effectiveness of communication and changing the organizational structure (Cook & Hunsaker, 2001:384-388). Negotiation is an ongoing activity in organizations and it entails a give-and-take process involving interdependent parties with different preferences who need each other to attain a goal (Kreitner & Kinicki, 2007:423; Robbins, 2001:405).

All heritage organizations have to work in unison with stakeholders if they wish to avoid unnecessary conflicts. Knowledge of stakeholders' issues is a prerequisite for effective management of a site. Pedersen (2002:37-44) states that the *benefits* of involving stakeholders in planning and management include the following:

- It will save time and money, as projects may be sabotaged by disgruntled stakeholders.
- Failure to understand stakeholder positions can delay or block projects.
- Stakeholders can inform site managers about easily misunderstood local cultural differences if involved in the planning and management process.
- Stakeholders can help identify problem areas that may have been overlooked by the experts.
- Stakeholders can provide useful input regarding desired conditions at a site.

There are several *challenges* related to stakeholder cooperation and public participation (Pedersen, 2002:37-44):

- Formulating a clear idea of different stakeholder groups can be difficult.
- Open discussion may be seen as a threat to power and control.
- The most vocal critics can dominate the participation process if an organized group is heavily represented.

- Hierarchical structures may inhibit stakeholder participation in decision making.
- Public participation may be more a form of appeasement than a way to solicit stakeholders' input.
- While public participation is necessary, over-reliance on public input can lead to inaction and a deterioration of conditions over time.

This study aims to investigate strategic OB dynamics and the design of South African World Heritage sites with focus on strategic stakeholder roles and their contribution to the sustained success of the World Heritage sites.

4.4 CRITICISM OF ORGANIZATIONAL BEHAVIOUR RESEARCH

One of Martin's (2004:411-413) first criticisms of research in the field of OB is the lack of empirical studies that investigate the link with or interplay of individual behaviours (micro-behaviour) on and within organizations (macro-behaviour). This criticism is echoed by Furnham (2004:427). Martin feels that mainstream OB research is in search of causal determinants (i.e. trying to explain the variance of a dependent variable) but neglects to describe the causal mechanisms which influence the effects. Janis (1982:254) explained it most eloquently when he stated that "*the problem of why... is more difficult to investigate than the problem of who... and when. But the 'why' is the heart of the matter if we want to explain the observed phenomena...*".

Furnham (2004:429-431) postulates that OB is not adequately concerned with theory development, opting rather to borrow or adapt various different theoretical perspectives reflecting a lack of interest in theory development. One can argue that this may be due to Organizational Behaviour's pragmatism and the applied focus. A further criticism is with regard to the whether the research results have reliable practical consequences (Martin, 2004:414). Martin is of the opinion that it is inappropriate to make sweeping statements from small-scale sample results as if it represented the entire universe being studied. In order to arrive at reliable

suggestions a sound assessment of the situation must be made with acknowledgement of the fact that there may be a lot more information to be assessed. Although Martin is in essence correct, his disdain for most research done in this way, takes away some of the importance and impact that research, however small, can still contribute by highlighting even one important aspect of the topic being researched.

A third criticism is that the world of OB seems to be a predominantly psychological world where problems are primarily located in the individual person and that this does not take full cognisance of the social and economic workings that may impact on organizational life (Martin, 2004:415). Furnham (2004:429-431) agrees with this, stating that the importance of issues around globalization have been somewhat ignored as economic and political factors change societies and organizations within them. Studying OB within the context of systems theory may specifically address this shortcoming as it provides a useful framework which should incorporate all of these issues as well as the individual psychological issues.

Furnham (2004:429-431) also highlights the fact that OB research tends to focus on and review studies, theories and case histories from the perspective of Western industrial countries. There is an underrepresentation of contributions from developing countries or reporting in languages other than English. Hence, the subject is viewed and represented from a narrow perspective. National cultures do influence behaviour at work and it is important that they are taken into consideration. In this regard this study provides a view of OB within a South African context although it must be noted that in South African many of our organizations are very westernized and as noted in the review of Best Practices in World Heritage sites, examples from African countries are sparse possibly due to poor management or faulty record keeping.

4.5 CONCLUSION

Protected areas and World Heritage sites are faced with many challenges and issues which impact on its functioning as a dynamic organization. The many stakeholders influence the long-term sustainability of the site and as such it is important to study the OB of the World Heritage sites.

According to Middleton (1994:8) the failure to notice and adapt to change is a main reason for organizational failure. This literature review has attempted to identify the strategic OB elements that would influence the continued existence of organizations focusing specifically on World Heritage sites. If organizations want to be sustainable and survive, they are required to make themselves aware of change while there is still something to be done about it. The failure to recognise that the practical application of OBM principles and the implication thereof on the successful implementation of the organization's strategy does not occur automatically and that it requires planning and effort, can cost organizations dearly. Managers of heritage organizations who have the will to implement the vision of the organization within the framework of OBM will lead their organizations to sustainable growth and success.

In the following chapter the research rationale that will be adopted for this study, will be reviewed in detail. The discussion will briefly touch on the topics of qualitative research methodologies and it will examine the specific tools that will be utilised to conduct the research study.