



Chapter 1

Introduction and objectives

CHAPTER 1

INTRODUCTION AND OBJECTIVES

1.1 INTRODUCTION

Burack and Mathys (1988, p xxv) hold the belief that career planning within an organization is not merely a consequence of psychological counselling or a “do good” mechanism, but it forms an indispensable part of the Human Resources function. Recently career planning has expanded dramatically due to a set of rapidly changing circumstances, in terms of character and elements regarding organizational planning involving personnel. Environmental changes beyond organizations’ control have already compelled them to consider practically every career opportunity, regardless of its specific interest for the organization.

As a result of the dynamics of the new South Africa, with its increased emphasis on people as working individuals, career planning enjoys top priority.

A further principle proposed by Burack et al (1988, p 1) states that career planning consists of the joint consideration of four basic elements:

- ◆ The individual;
- ◆ The work itself;
- ◆ The organization; and
- ◆ Expected future developments.

The individual forms the center, but the process of career planning takes place within the context of organizational possibilities and plans.

In the course of time the concept of career planning became a process by which employees developed a future perspective of their position in the organization. The author’s practical experience showed that career planning could be utilized in different respects and disciplines, for example:

- ◆ To serve as motivator where an employee makes obvious progress;

- ◆ To put high potential candidates on an accelerated progression course;
- ◆ To eliminate any uncertainty among employees regarding future possibilities within the organization (the question “Where am I going to?”);
- ◆ To serve as reference framework in succession planning, so that possible candidates and their progress can be measured against pre-set career paths;
- ◆ To develop a career path for each individual;
- ◆ To bring about timely, managerial development and exposure to ensure that managers possess the necessary knowledge and capabilities;
- ◆ To be able to make effective forecasts regarding Human Resources; and
- ◆ To keep career goals on a realistic level to prevent disappointment and the accompanying lower involvement and feeble performance.

Gerber, Nel and van Dyk (1988, p 249) place career planning within the task-related environment in which the individual operates. They support the definition of Byers and Rue (1980, p 331) regarding career planning, namely:

**A process by which an individual's situation is analyzed,
his career goals are specified
and different resources are used to achieve these goals.**

Cascio (1991, pp. 234-240) sees career planning as “big business” because of:

- ◆ Increased employee concern for better quality of worklife and for planning of their personal lives;
- ◆ Equal opportunities – legislation and organizations’ commitment to affirmative action;
- ◆ Higher educational standards of the work force together with higher career aspirations;
- ◆ Slow economic growth and less opportunities for progress; and
- ◆ Complications, acquisitions, quick growth and exfoliation.

For any organization that wants to achieve success the proactive planning of employees’ progress is essential in order to ensure that the correct training and qualifications are available when the need occurs.

Career planning eventually results in tentative career paths and reacts to the nature of positions, responsibilities, managerial needs and organizational structures. This points to the indispensability of organizational structures, which make provision for career paths, hierarchical progress, post grades and report lines.

Kaestle (1990) states that organizational architecture must be redesigned to:

- ◆ Keep up with the metamorphosis of the market, e.g. centralization vs. decentralization, and the competitive intention thereof; and
 - ◆ Benefit from the informational strategy;
- seeing that both require a high level of adaptability.

Zeffane (1992) emphasizes that organizational structures are experiencing a flattening phase. Instead of the traditional power structure, he forecasts delayed structures with a very small, well-defined top management team, a growing emphasis on multi-lateral transactions and an even larger emphasis on customer satisfaction. According to him, there will be movement towards team-based organizations, with bigger autonomy in teams that are able to react faster to the local forces in the market.

In the process involving the flattening of organizational structures, traditional career ladders disappear. Unfortunately, employees view these new delayed structures as nothing more than a cost saving exercise. Delayed structures mean that organizations are no longer able to provide an individual with a lifelong work. These delayed structures emphasize the organization's need for employees with a spirit of enterprise, who are capable of taking calculated risks which will benefit the organization (Landman, 1996, p 333). The individual's traditional concept of a career has to be eliminated and replaced with a new approach, namely that of the exploitation of opportunities. This implies a new kind of creativity within the world of work.

A new psychological contract between the organization and employees is necessary, setting out the new realities of a delayed structure as well as the need for mutual development. This new contract offers employees the opportunity to strengthen their usefulness by self-development, as a payback for higher skills and desired outputs within the delayed structure.

It is, however, essential for individuals to admit that their careers imply development as well as commitment to the organization. This means that the course of the individual's career is now set by his/her skills, and no longer by the hierarchical course of positions. Hence, the name "*Opportunity Creation*" as an alternative to traditional career planning. Individuals must know themselves in order to develop themselves towards a level of preparedness that can be utilized by the organization when the opportunity arises. On the other hand, the organization is responsible for the creating of opportunities for individuals to develop themselves in order to progress. The point of departure regarding *Opportunity Creation* rests upon the principle that individuals should (according to Les Brown):

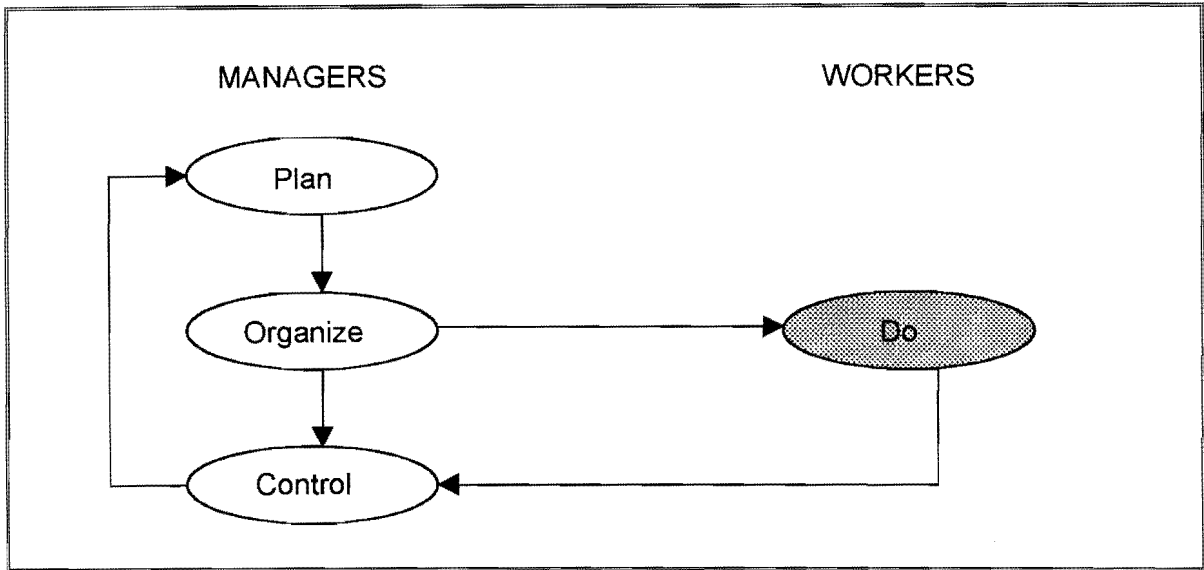
***"Never wait for an opportunity,
Be prepared for when the opportunity arrives."***

Seeing that this method of career planning/management stands in sheer contrast to the traditional way, it is essential to implement it in such a manner that all employees, on all levels in the organization, commit themselves to the process. This pressurizes individuals in terms of career decisions, as well as their perception of their usefulness to the organization.

Organizations of all shapes, sizes and locations are being forced to face changes of an extent not experienced since the industrial revolution (Tersine, Harvey and Buckley, 1997). A migration from vertical hierarchical structures to flatter horizontal structures has been gaining momentum. While change is not a new phenomenon, its character, rate and level of endorsement is achieving a new crescendo. Traditional mechanisms as depicted in Figure 1.1 are being modified towards the logic shown in Figure 1.2.

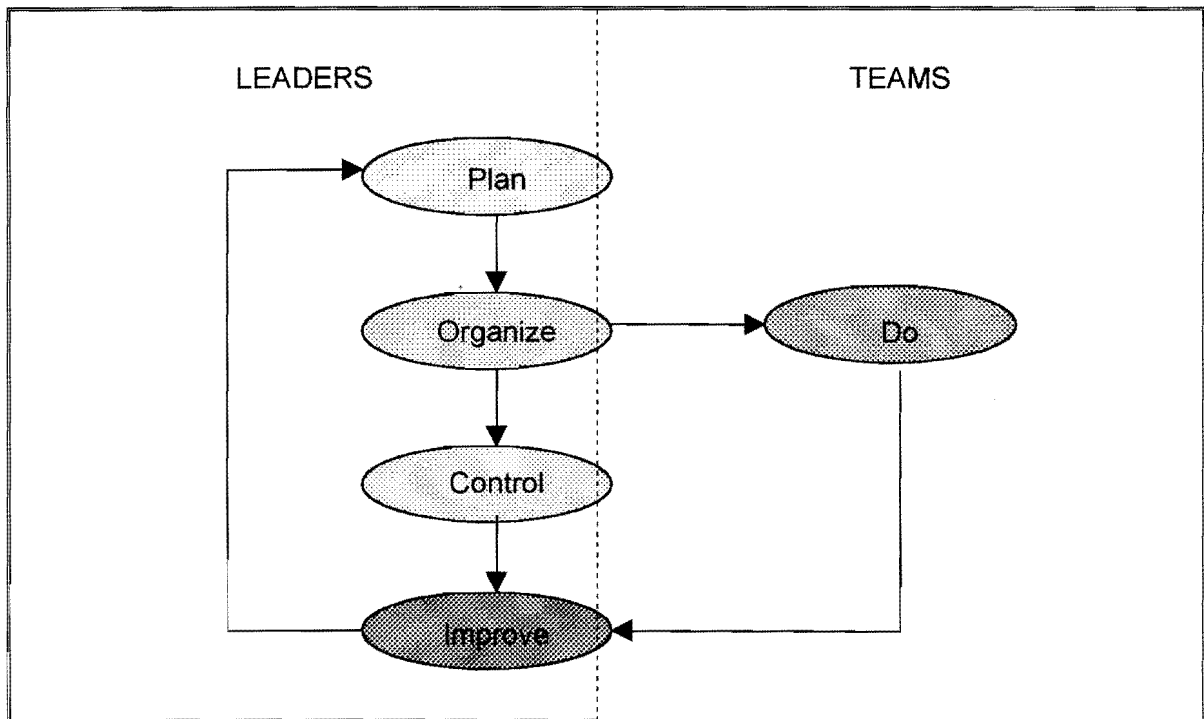
In an evolving world where change is a constant, revitalization and renewal are imperatives. Change requires more speed, agility and flexibility, manifested in new ways of thinking, working and competing. A cultural transition is needed to move from a traditional mentality of command and control to a style that features leadership, teamwork, empowerment, entrepreneurship and risk-taking. Employee involvement is indispensable in the sense that it results in a committed workforce that both performs a job and improves the way it is done. A culture of involvement is a prerequisite for sustaining an ongoing process of improvement, especially when implementing a totally non-traditional method that concerns each and every employee's career.

Figure 1.1: Traditional organizations.



(Tersine et al, 1997)

Figure 1.2: World-Class organizations.



(Tersine et al, 1997)

1.2 STATEMENT OF THE PROBLEM

With the abovementioned as background, the author wants to make the following assumptions and arrive at the following conclusions:

The new trend involving less hierarchical levels within an organizational structure is one of the most important processes regarding employee progress and motivation in the Human Resources field. It is therefore very important to take into account the enormous influence it will have on the way career planning is perceived and carried out.

In traditional hierarchical organizations the number of levels in the hierarchy predominantly determines career paths. An employee, who functions well will, in time, be promoted according to his/her performance of operational tasks, regardless of the amount of leadership experience he/she has. In delayed organizations with flatter structures, the career ladder looks completely different or might even be non-existent. It can therefore reasonably be assumed that it is nearly impossible to motivate employees in the absence of the traditional promotion perspective.

Within a delayed structure the concepts of the recognition of achievements, self-motivation, the gaining of interesting experience and more challenging tasks and assignments are considered more important. Vertical promotions turn to horizontal promotions, which can be seen as acquiring new skills and being involved in interesting projects and challenging tasks – in other words, all the opportunities that a delayed organization can possibly provide/create.

Opportunity Creation is a new method of career planning and career planning as such remains an integral part of every employee's worklife. It is therefore very important to make sure that the change is implemented in such a manner that each and every individual feels involved and committed to this new approach. In order, then, to implement this process and to make it work effectively, the changing of perceptions and paradigms is critical. This includes the management of this change.

1.3 OBJECTIVE

The ultimate objective of this study entails a phenomenological analysis of a career planning system within a delayed organization, in order to eventually explore the effects of the implementation of *Opportunity Creation* on the consumers/employees, and to establish an implementation plan which the consumers are committed to. This includes changing perceptions/paradigms regarding career planning, as well as managing these changes.

1.4 EXPLANATION OF THE RESEARCH

1.4.1 Study of literature

Seeing that career planning is the core subject of this research, and that it involves a wide spectrum of principles and processes, it acquires an expanded study of relevant literature in order to understand the basic principles and elements of career planning and organizational structures.

The model created during previous research was developed from an in-depth research and understanding of the traditional ways of career planning. These traditional ways and concepts will be described in Chapter 2. Among other things, attention will be given to different models, multi-skilling, career management and succession planning.

The second variable is the concept of organizational structures, which is indispensable to this study as delayed structures are the main reason for this research on career planning. Aspects such as different types of structures as well as the criteria for a delayed structure will be discussed in Chapter 3.

The result of previous research in this regard, namely *Opportunity Creation*, will be presented in Chapter 4. The principles, processes and responsibilities connected to this model will be explained.

Macro and micro environmental variables have a huge influence on the career planning method used by an organization. The implementation of the new process is itself a variable. Therefore it is necessary to have a closer look at change management. Chapter 5 emphasizes both cultural and managerial changes. Implications of legislation in terms of the Constitution and the Human Rights Bill, as well as managing potential and the strategic objectives of the organization, are investigated. The core of this chapter, however, is the implementation of change.

1.4.2 Method to be used in research

1.4.2.1 Research strategy

A qualitative research method, namely Phenomenology, is to be used as research strategy in this study. According to Roos (1992, p 45), the main objective of this method is to describe the social realities from the perspective of the respondents and not that of the observer.

According to Smit (1985, p 154), the Phenomenological method of data collection represents the study of the conscious experience as seen from a subjective frame of mind.

In order to model career planning (with its individual basis) as well as the implementation of a changed method, it is necessary to involve the persons concerned by examining their experience of the phenomenon.

1.4.2.2 Population and Respondents

A population from a delayed organization will be used as a sample. A random sample will be taken from the employees of the organization concerned.

It is however, necessary that the employees in the sample comply with the following requirements, as determined by Roos (1992, pp. 57-58):

- a) Exposure to :
- ◆ a delayed organizational structure;
 - ◆ career planning;
 - ◆ change management; and
 - ◆ *Opportunity Creation*;
- b) Possession of fine verbal skills regarding the communication of feelings, ideas and observations;
- c) Language abilities complying with the researcher's preferred language, in order to minimize the loss of subtle nuances in the translation process; and
- d) A willingness to share their experiences with the researcher in an open and outspoken way.

1.4.2.3 Collection and assimilation of data

A process of description and interviewing will be utilized in order to gather the necessary information. Structured questions will be used during the interviews. A brief with a discussion of relevant topics will be given to the sample in advance so that they can study and validate it. After experiencing the phenomenon (delayed structures, change and *Opportunity Creation*) the individuals will be interviewed in order to record their observations and recommendations regarding an implementation plan. All the interviews will be taped and transcribed verbatim.

From all the information and recommendations gathered, a final implementation plan will be formulated to form the result and recommendation of this study.



1.5 SUMMARY

Broadly seen, the objective of this study is to expand the existing research on *Opportunity Creation* in order to successfully implement this culture and paradigm change within a relatively small organization (less than 2 000 employees). It is also important to ensure that the utilization of *Opportunity Creation* is a meaningful and profitable exercise for both the organization and the employees.



Chapter 2

Traditional Career Planning

CHAPTER 2

TRADITIONAL CAREER PLANNING

2.1 INTRODUCTION

Career planning is described by Gerber *et al* (1988, p 256) as a process according to which an organization striving towards success, must ensure the availability of a sufficient number of qualified employees when vacancies arise or expansion takes place. The objectives and needs of the organization determine the progress of an employee from one specific position to another.

Morgan (1980, p 281) states that career planning is a prerequisite if an organization wants to ensure that employees have realistic career objectives. From an organization's point of view, the primary objective of career planning is not necessarily to establish career paths, but to help employees attain the competencies and skills necessary to plan their own careers.

Organizations have a whole spectrum of positions, but individuals have only one career. Therefore it is important to make that career be as fruitful and rewarding as possible (Cascio, 1991, p 240). Organizations can only benefit from actively planning the individual's working life (an important part of life) with him/her, in order to ensure a wiser and better-utilized workforce.

Career planning and development is a system that can be used to monitor, develop and promote individual human resources talents. A career path can be developed for every participating individual. These paths are aimed at identifying positions in the organization that the individual can apply for when the opportunity arises (Camp, Blanchard and Huszczo, 1986, p 368).

Burack *et al* (1988, p 4) state that the origin of career planning can be found in the following three developments:

- i. The emergence of career concepts – the fresh way of thinking about careers and visualizing possibilities, which is quite new in contemporary community;
- ii. Methods of implementing career planning – techniques for both qualitative and quantitative adjudication of organizational and individual opportunities and needs; and
- iii. Need for support – the motivation, change forces and activating of interest in career matters.

2.2 MODELS FOR CAREER PLANNING

2.2.1 Schein's model

Schein (1978, p 200-220) combines human resources planning with the stages of the organizational career, focussing on the influence of the components of planning through the perspective of development.

If the planning activities are broken down and adapted to the different stages of a career, four types of planning arise. Matching processes for each activity are pointed out, by which both the individual's and the organization's needs may be addressed.

2.2.1.1 *Planning for human resources provision*

The nature and extent of the work under examination are decided, as well as the method to be used in order to identify the human resources to complete the job.

- This entails:
- i. Job analysis;
 - ii. Career analysis;
 - iii. Analysis of labour markets; and

iv. Planning of the role/job.

2.2.1.2 Planning for growth and development

Decisions have to be made regarding:

- ◆ Which method is to be used to utilize human resources at their best;
- ◆ Which method is to be used to ensure an optimal level of growth and development; and
- ◆ Which method ought to be used for continuous high levels of performance in the active careers of all employees and managers.

2.2.1.3 Planning for retrenchments and discharge

It is important for every organization to plan pro-actively regarding the handling of:

- ◆ Loss of motivation;
- ◆ Reduction in energy levels and skills;
- ◆ Changing of employees' needs as a result of their age;
- ◆ Shortage of promotion opportunities; and
- ◆ Eventual retirement.

2.2.1.4 Planning for replacement

The optimal system (as regarded by both the employees and the organization) must exist in order to identify potential replacements. The eventual decision in this regard must be able to guarantee a suitable and available replacement/successor.

These four activities form a planning cycle that covers all of the history of any given organizational career. It is clear that, in this case, the primary focus is the organization's objectives – to ensure that positions on all levels are filled within a

specific time frame. Individual needs ought to be the secondary focus, seeing that career planning is dependent on the organization's long term objectives.

Planning however, is dependent on different types of information, for example:

- | | | |
|------|--------------------------------|--|
| i. | Human Resources
Provision | <ul style="list-style-type: none"> ◆ Positional requirements ◆ Human requirements |
| ii. | Human Resources
Inventory | <ul style="list-style-type: none"> ◆ Information from supervisors ◆ Performance appraisal ◆ Planning of position/ role |
| iii. | Performance appraisal | <p style="text-align: center;">Needs
information
regarding</p> <ul style="list-style-type: none"> ◆ Evaluation standards ◆ Content and requirements of position |
| iv. | Human Resources
development | <ul style="list-style-type: none"> ◆ Challenges ◆ Feedback |
| v. | Development
opportunities | <ul style="list-style-type: none"> ◆ Career paths ◆ Career dynamics ◆ Future alignment of organization ◆ Changes in nature of work |

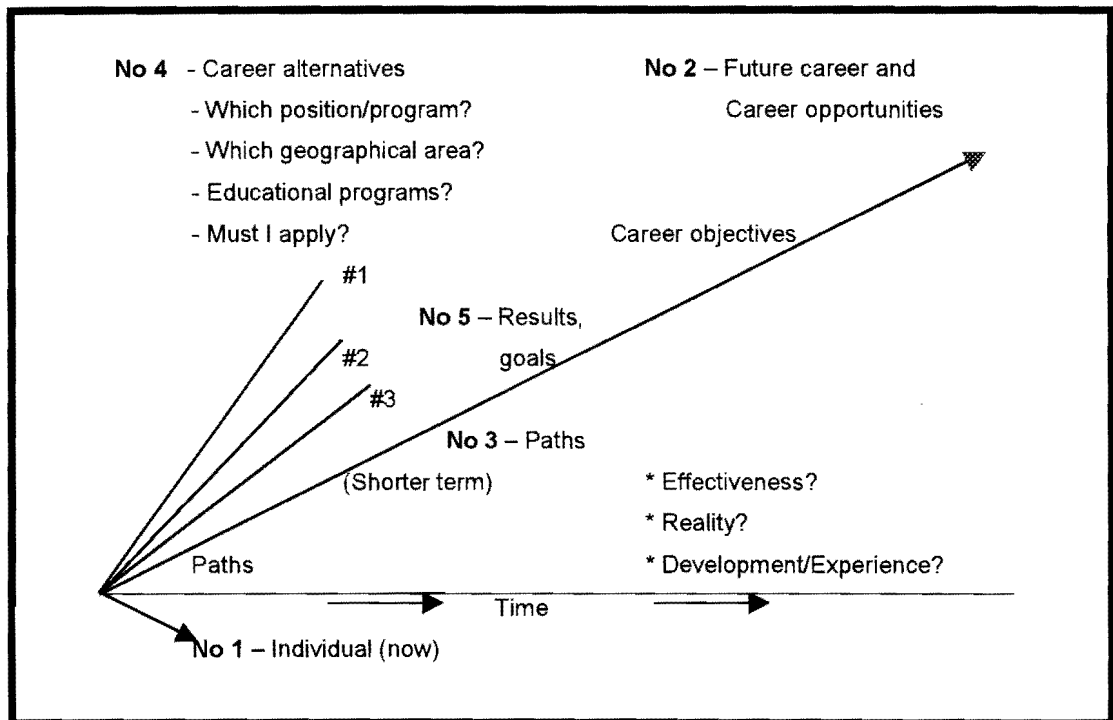
Underlying all these activities regarding planning and development is the need for information on the organization's needs – the nature of the work to be done today as well as in the future and the feasibility thereof.

2.2.2 Burack and Mathys' Path-Goal-Model

This model (Burack *et al*, 1988, p 161) emphasizes the detailed process according to which an individual moves from a current point to a point in the future. This doesn't necessarily entail a physical move, but rather a cognitive move and analysis.

The identification of long term career objectives in the career planning process, as well as the methods used to achieve career objectives, is one of the most critical activities. Figure 2.1 explains this as follows:

Figure 2.1: The Path-Goal-Model in career planning.



(Source: Burack *et al*, 1988, p 161)

i. Career Objectives (No 2)

This entails a longer working life as well as valued competencies. Objectives are drivers and seldom met, seeing that they are often redefined due to changes in needs and patterns. Examples include happiness, economic security, professional acknowledgement and feasible responsibility.

ii. *Goals (No 5)*

This is more specific regarding time and detail. Achievement predicts progress towards objectives.

iii. *Methods*

Specific programmed activities that are used entail transfers and re-establishing or steering of a continuous education program aimed at achieving objectives.

iv. *Alternatives (No 4)*

Individuals may exercise a wide variety of choices (career paths – No 3) regarding the possible activities that will enhance progress towards career objectives.

v. *Effectiveness*

Certain alternatives naturally contribute more than others to the achievement of objectives. The results should therefore be calculated every time.

2.2.3 Burack and Mathys' Career-Path Model

This model entails eight characteristics of concern to careers, and expands on the model mentioned previously. Each individual's future career objectives reflect his/her current career cycle as compiled from continuously changing priorities and needs.

As soon as the long-term objectives have been set, each individual must acquire insight into his/her current cycle (No 1). Self-evaluation focuses on skills, competencies and interests and serves as the foundation on which shorter-term goals (No 5) are formed and achieved. The fulfillment of these goals entails a series of possible choices or alternatives (No 4) that can have a simultaneous impact on different goals.

Different paths (No 3) may achieve the future objective (No 2) in terms of the individual's expectancies of the future regarding his/her career. Career ladders, job descriptions and specifications, as well as an evaluation of behavioral based tasks can be mentioned in this regard.

Testing realism is essential in determining the feasibility of certain goals and emphasizes the necessity of obtaining skills in order to minimize unwanted results, for example longer hours, competition with former colleagues and conflict at home.

The supervisor's support is very important, especially regarding timeliness, personal realities and possible promotions, in order to maintain effectiveness within the individual's career.

2.2.3 The career management model of Greenhaus

The career management model of Greenhaus (1987, pp 18-30) combines a variety of aspects concerning the individual's career, as well as career planning (Figure 2.2).

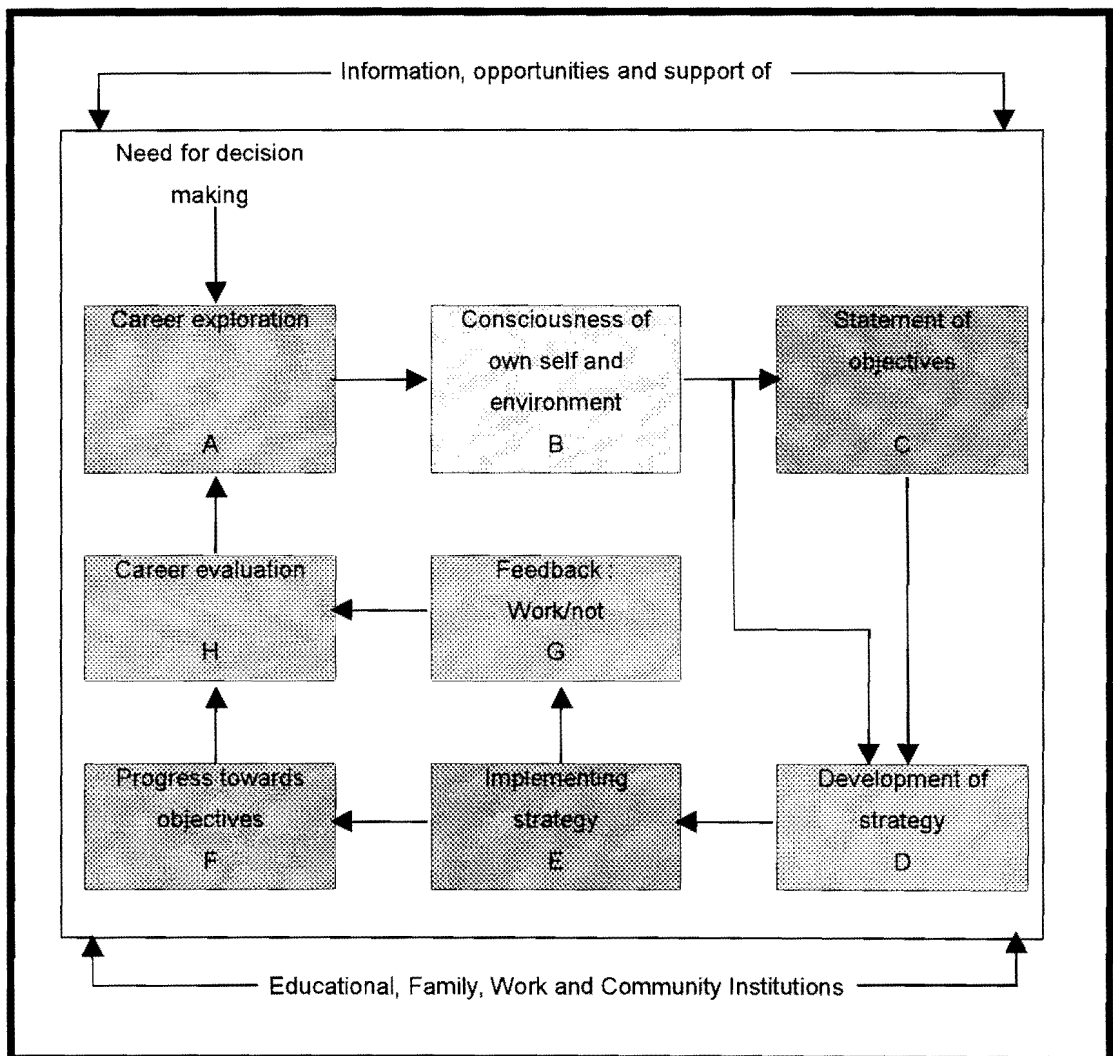
The first step involves a description of the specific career (A). This entails the collection of information such as:

- i. Personal information (preferences, disapprovements and talents);
- ii. Alternative position(s) inside and/or outside the organization (job descriptions and remuneration); and
- iii. Information regarding the organization as a total system (movement within functions and procedures towards promotions).

If this description is done thoroughly, the individual will be keenly aware of him-/herself as well as of the environment (B). This consciousness may serve as the foundation for formulating and choosing career objectives (C).

As soon as the individual has determined a realistic set of objectives, it can be utilized in the development (D) and implementation (E) of a career strategy. Greenhaus (*op cit*, p 18) considers this a plan of activities designed to attain the desired career goal. The implementation of a fair career strategy can result in progress towards the determined career objective (F). A career strategy requires not only activities which will bring about development, but also the involvement of management and self-development – the latter an important component.

Figure 2.2: The career management model of Greenhaus.



(Source: Greenhaus, 1987, p 1)

Even without progress, the mere implementation of a career strategy can provide useful feedback (G) to an individual. Whether the feedback is from a work-environmental or non-work-environmental source, it can help an individual with the evaluation of his/her career (H). The information gathered from this evaluation can also provide further motivation for career exploration (A) – completing the cycle of this career management process.

This model or cycle therefore constitutes a process leading to problem solving and decision making. In this process the individual relies on support and help from different people and organizations, like internships, performance appraisals and training programs. Even the individual's family and friends can contribute to effective career management with their advice, love and support.

The successful application of this model depends on the organization's ability and willingness to:

- ◆ Share information with employees;
- ◆ Provide the necessary resources; and
- ◆ Support employees who try to manage their careers.

This model is based on the assumption that people experience more fulfillment and are more productive if their work- and life-experiences comply with their expectations and needs. According to Greenhaus (op cit, p 20), several researchers (Holland, 1973; Locke, 1976; Schein, 1987 and Wanous, 1980) support the principle that people experience greater satisfaction regarding career choices and their work if their work experiences coincide with personal qualities such as needs, values and preferences regarding lifestyle. Performance is enhanced if the position requires the skills and abilities that the individual possesses. This is why Greenhaus' career management model tries to optimize the fit of individuals with their working environments.

2.3 COMPONENTS OF CAREER PLANNING

2.3.1 Components of a system

According to Schein (1987, pp 190-199) career planning systems consist of the following components:

- i. *Organizational and human resources planning* according to which the right person (with the right talents, skills and potential) must be available for placement within the right position whenever the organization has a need for it;
- ii. *Performance appraisal and the human resources inventory* regarding information on the current status of the human resources component's :
 - ◆ Skills and talents;
 - ◆ Performance levels;
 - ◆ Potential;
 - ◆ Career phases and goals;
 - ◆ Experience and history; and
 - ◆ Aspirations;
- iii. *Assessment of resources versus needs* where the plan is compared to the inventory mentioned in (ii), in order to determine critical shortcomings and steps to be taken for rectification;
- iv. *Specific human resources plans* should be compiled, containing human resources provision, development programs, recruitment, monitoring systems and application of human resources;
- v. *Individual work history, self evaluation and individual career planning* in which the organization supports its employees by ensuring the availability of guidelines, workshops, training material, assessment centers, positive performance appraisals, etc;

- vi. *Dialogue between managers and career holders* especially regarding rotation, workflow, shifts between technical and supervisory tasks, special development plans and in-house training programs, so that individual and organizational needs can be met;
- vii. *Implementation of plans* concerning transfers and development programs in order to ensure growth and quality; and
- viii. *Monitoring, evaluation and re-planning* of completed activities, to see if the goals were met and to provide feedback for future planning.

2.3.2 Key factors in Organizational and Individual career planning

Organizations have many different positions, but each and every individual has only one career. Therefore it is so important that this career should be as fruitful and rewarding as possible. In order to determine personal and organizational success, a career should be planned thoroughly. The key factors to take into account whilst planning a career are summarized in Table 2.1.

Table 2.1: Organizational and Individual career planning.

Aspect	Organizational	Individual
Personnel provision	<ul style="list-style-type: none"> ◆ Strategic business plan ◆ Recruitment ◆ Selection ◆ Induction and orientation 	<ul style="list-style-type: none"> ◆ Develop self-awareness of abilities and interests ◆ Plan life and work goals ◆ Choose a career or position
Placement	<ul style="list-style-type: none"> ◆ Define career paths ◆ Position/Role planning ◆ Human resources inventories ◆ Procedures for promotion ◆ Managing succession planning ◆ Relocation 	<ul style="list-style-type: none"> ◆ Determine own area of contribution ◆ Plan to achieve goals ◆ Learn to adapt to organization

Table 2.1 (continued)

Aspect	Organizational	Individual
Growth and development	<ul style="list-style-type: none"> ◆ Analyze development needs ◆ Design and develop programs ◆ Human resources research 	<ul style="list-style-type: none"> ◆ Develop realistic determination of own potential, managerial skills, interpersonal skills ◆ Examine alternatives for re-training and internal/external development opportunities ◆ Consider alternative career ladders inside and outside the organization
Retrenchment and alternatives	<ul style="list-style-type: none"> ◆ Re-design of positions ◆ Transfers ◆ Termination ◆ Retirement 	<ul style="list-style-type: none"> ◆ Late-career individual assessment of interests and abilities to accept changes, personal skills, interests and preferences ◆ Let go and retire

(Source: Cascio, 1991, p 241)

2.4 ASPECTS REGARDING CAREER PLANNING

2.4.1 Task-related environment

Gerber et al (1988, p 25) defines this environment as the organization, the workgroup, other groups, and leadership, which have an influence on the individual employee's functioning within the organization. This entails:

- ◆ Leadership styles;
- ◆ Organizational structures;
- ◆ Career planning;
- ◆ Policies;
- ◆ Remuneration;
- ◆ Benefits;
- ◆ Working conditions;
- ◆ Conditions of service; and
- ◆ Quality of worklife.

2.4.2 Design of task/position

The nature of any task involves factors like qualifications, results and remuneration. In this regard different approaches exist, for example task simplification, task rotation, enlargement of tasks and task enrichment.

2.4.2.1 Task simplification

A specific task is divided into smaller units so that untrained and low-salaried employees can perform these tasks (Gerber *et al*, 1988, p 132).

2.4.2.2 Task rotation

Employees are alternated on a regular basis in order to perform other tasks, so that different aspects can be addressed:

- ◆ Increased knowledge and exposure;
- ◆ Flexible allocation of tasks;
- ◆ Less monotony and boredom; and
- ◆ Distribution of unpleasant tasks.

(Gerber *et al*, 1988, p 133)

2.4.2.3 Enlargement of tasks

According to Baron and Greenberg (1989, p 95) task enlargement entails “...*the practice of expanding the content of a job by increasing the number and variety of tasks performed at the same level*”. The levels of complexity and responsibility do not change, additional amounts of a specific task are simply added. Even stress as a result of boredom can be resolved in this manner (adding meaning to the work).

2.4.2.3 Task enrichment

Steers and Porter (1991, p 216) define this as an action aimed at "*.....Altering the behavior of workers who are more seriously concerned with value-related issues*".

According to Bacon et al (1989, p 96) this is a process where more tasks at a higher level are assigned to employees. This gives them the opportunity to have greater responsibility and increased control concerning their tasks. This may lead to a greater scope for personal achievement and recognition, more challenging and responsible work and more opportunity for individual advancement and growth, according to Steers et al (1991, p 413).

2.4.3 Job analysis

Camp et al (1986, p 38) define job analysis as a focus on what the trainee needs to be able to do to perform the job satisfactorily. Milkovich and Glueck (1985, p 104) see it as a systematic process of collecting data and making certain judgements on all the important information related to the nature of a specific job.

Certain developments in this area emphasize individual jobs as well as systems in order to give new meaning to communication and co-operation. Some of the approaches are formed around comprehensive systems regarding job classification and job description, which ease planning and analysis (Burack et al, 1980, p 12).

Job analysis, according to Cascio (1991, pp 189-191), is a process by which a specific job is defined in terms of the applicable tasks as well as the appropriate job behaviour. Two elements are emphasized:

- i. Job requirements (apparatus needed, arranging of work environment, distribution of labour, procedures and methods, and performance standards);
and

- ii. Human requirements (knowledge/qualifications, skills, abilities and characteristics).

The terms implicit to job analysis are task, position, job, occupation, job description and job specification, which mean the following, according to Gerber et al (1988, p 132):

- i. *Task*
A distinct activity carried out for a distinct purpose;
- ii. *Position*
A combination of tasks and responsibilities assigned to one person;
- iii. *Job*
A group of positions that are similar in their significant duties;
- iv. *Occupation*
A grouping of jobs with broadly similar content, like management;
- v. *Job description*
A written document regarding what should be done, how and under which circumstances;
- vi. *Job specification*
The minimum skills, knowledge and abilities needed to perform the job.

2.4.3.1 Information sources

To enable someone to do a job analysis, a wide variety of sources can be used, like job descriptions, job specifications, performance standards, performing the tasks, observations, literature, inquiries, training committees, analyzing problems and sorting of charts (Camp et al, 1986, pp 39-44).



i. Job descriptions

The job is described in terms of duties and responsibilities, but this method has its shortcomings. It can be used with performance deviation.

ii. Job specifications

Specific tasks required by a position are listed. This is more specific than a job description and it can be used in evaluating the planned knowledge and skills of jobholders.

iii. Performance standards

This entails the reason for certain tasks being grouped for a position and the standards according to which they will be measured.

iv. Task performance

This is the most effective method to determine specific tasks.

v. Observations

The position is physically observed regarding the grouping of tasks.

vi. Literature

These sources entail research in other industries, professional journals, documents, government sources and academic theses.

vii. Inquiries regarding the job

Questions can be asked to different role players, like the job incumbent, supervisor or even a manager on a higher level.

viii. Training committees or conferences

Sometimes inputs from different opinions/viewpoints can contribute to identify training needs.

ix. Problem analysis

Considering possible problems like waste, repairs, quality control and late deliveries can identify task interruptions and environmental factors.

x. *Map-sorting*

“How”-statements can be sorted according to importance.

Camp *et al* (1986, p 41) suggest that the problems regarding methods and information sources can be solved by using as many methods and sources as possible. The bigger the resemblance is between methods and sources, the bigger is the probability of accurate evaluation.

2.4.3.2 *The uses for job evaluations*

The combination of roles within an organization can be co-ordinated by means of job analysis. Cascio (1991, p 190) holds the belief that “.....*job analysis is to the personnel specialist what the wrench is to the plumber*”. Job analysis can therefore be used in the following different fields:

i. *Organizational development*

The jobs are defined into different tasks, positions and grade levels within the organization. Also, structures define the grouping of tasks into sensible units and the right amount and types of positions are thereby created.

ii. *Personnel administration*

When the value of each position in relation to the other positions has been established, suitable remuneration for each position is determined. Regarding recruitment and selection it is necessary to know the requirements and skills pertaining to each and every position. Orientation of new employees and technical training programs can also be based on this information.

The information from job analyses is also used to set performance standards, which may lead to higher productivity and greater meaningfulness. Career planning requires pro-active determination of the responsibilities and tasks pertaining to grade and group in order to enhance the success of promotions and transfers.

iii. Design of work and equipment

Job analysis can be used for work design and the improvement of methods and procedures. Even ergonomics can be based upon it.

iv. Additional uses

Career guidance, rehabilitation and counselling, a job-grading system as well as personnel research can benefit from job analysis.

2.4.3.3 Job descriptions

A job description can be defined as a ".....written statement of what the jobholder actually does, how he/she does it, and why he /she does it" (Cascio, 1991, p 192). Both Cascio (1991, p 191) and Camp *et al* (1986, p 38) divide the requirements given in a job description into two dimensions, namely task requirements and human requirements. Task requirements describe the activities to be performed (the how, why and when). Human requirements focus on the skills, the knowledge and the abilities needed to perform the tasks. This may even include certain patterns, like decision making and communication.

2.4.3.3.1 Elements of job descriptions

The typical job description ought to portray information regarding job identification, activities and procedures, relationships, responsibilities and duties, authority and standards, conditions of service and work circumstances.

i. Job identification

This entails the following information:

- ◆ The job title;
- ◆ The job status;
- ◆ The date of the description;
- ◆ The name of the person completing the job description;
- ◆ Approval thereof; and

- ◆ The applicable remuneration.

- ii. *Activities and procedures*
This provides a list of the most important functions and activities, materials needed, machinery used and formal interactions with other employees. This also describes the social environment of the job.

- iii. *Relationships, responsibilities and duties*
This indicates the internal and external relationships like reporting lines (an organizational structure can be used) and liaisons with personnel agencies, for example.

- iv. *Authority and standards*
This includes decision making power, supervision and budget limits. The expectations regarding the duties and responsibilities are set out by means of task/working standards.

- v. *Conditions of service*
Conditions consist of working hours, remuneration structures, benefits and opportunities for promotions or transfers.

- vi. *Work circumstances*
Specific circumstances like noise, heat, lighting and interior or exterior functioning ought to be pointed out.

2.4.4 Job evaluation

2.4.4.1 Definition

Rosenbaum (1984, p 104) states that job evaluation is aimed at compensating job incumbents according to the specific jobs' economical value.

Gerber et al (1988, p 415) quote several writers' definition of job evaluation, for instance:

".....the general purpose of job evaluation in compensation administration is to provide a measuring instrument that sets forth the relative position of jobs in the organization hierarchy based on job-related contributions agreed to by the parties."

(Belcher, 1974, p 91)

and

"Job evaluation is the formal process by which the relative contribution of various jobs in the organization is determined for pay purposes. Essentially it attempts to relate the compensation paid for a job extent to what the job contributes to organizational effectiveness."

(Glueck, 1982, p 468)

This emphasizes the relation between input and result, for example the balance between remuneration and productivity.

2.4.4.2 Methods of Job Evaluation

Although there are different approaches to job evaluation, Cascio (1991, p 426) believes that they are all aimed at the same objective, namely *".....to rank jobs in order of relative worth to the organization, so that an appropriate and equitable rate of pay can be determined for each job."*

Several systems are used and the Patterson, Castellion, Peromnes, Hay and JE Manager methods, as well as the NPI questionnaire will be discussed (Gerber et al, 1988, pp 418-424).

2.4.4.2.1 Patterson

Only one factor/element is used in order to determine the value of a job. This system depends on decision-making abilities as the most important function of the employee (Table 2.2 describes the different decision making bands). Criticism against the Patterson system is mostly aimed at the fact that one person is responsible for the analyses of jobs.

Decision making bands and job grades are determined in an abstract manner – there are six bands and eleven job grades, which are too general and rigid. There is, however, a degree of flexibility within the sub-grades.

Table 2.2: The decision making structure of Patterson.

Band	Management type	Title	Job Grade	Grade type	Title
E	Creation of policies	Top Management	10	Co-ordination	President
			9	Policy	Vice President
D	Programming	Senior Management	8	Co-ordination	General management
			7	Programming	Work management
C	Interpreting	Middle Management	6	Co-ordination	Departmental management
			5	Interpreting	Superintendent
B	Routine	Skilled workers	4	Co-ordination	General craftsman
			3	Routine	Craftsman
A	Automatic	Semi-skilled workers	2	Co-ordination	Boss craftsman
			1	Automatic	Artisan
O	Defined	Unskilled workers	0	Defined	Worker

(Source: Gerber *et al*, 1988, p 419)

2.4.4.2.2 *Castellion*

More than one element/factor is used to determine the job values. Three work elements are divided into nine factors, as stated in Table 2.3. The decision making factor is subjacent to all the other factors and can therefore be seen as the main or most important factor. This is a complicated method and enhances subjectivity during evaluation.

Table 2.3: The Castellion method.

Effort	Decision making	Factor 1
	Work pressure	Factor 2
	Numeric calculations	Factor 3
Competence	Intelligence	Factor 4
	Education	Factor 8
	Experience	Factor 9
	Control and Inspection	Factor 5
Responsibility	Alertness	Factor 6
	Consequence of mistakes	Factor 7

(Source: Gerber et al, 1988, p 420)

2.4.4.2.2 *Peromnes*

The Peromnes system is based on six work levels and nine job categories divided by means of exponentially increasing points from Factor 1 to 8 (as set out in Table 2.4). The most important characteristic of this system is the definite effort to evaluate the job and not the incumbent. The eight factors entail:

- Factor 1 - Problem solving (decision making);
- Factor 2 - Consequence of judgmental mistakes;
- Factor 3 - Working pressures;
- Factor 4 - Knowledge;
- Factor 5 - Job tendency;
- Factor 6 - Intelligence;

- Factor 7 - Educational qualifications; and
Factor 8 - Training/Experience.

There are certain drawbacks to this system, namely:

- ◆ Subjectivity as a result of incomplete information;
- ◆ High costs;
- ◆ Time consumption;
- ◆ Difficult maintenance; and
- ◆ Non-acceptance with some line managers.

Table 2.4: The Peromnes cut off-points table.

Awarded points	Job grade	Example of jobs
689 – 800	1	Top Management
481 – 688	2	
369 – 480	3	
285 – 368	4	Senior Management and Specialists
225 – 284	5	
177 – 224	6	
133 – 176	7	Middle Management and Superintendents
105 – 132	8	
81 – 104	9	
62 – 80	10	Junior Management, Supervisors and Foremen
49 – 61	11	
38 – 48	12	
29 – 37	13	Skilled, Semi-skilled workers and Clerical personnel
23 – 28	14	
18 – 22	15	
13 – 17	15	
10 – 12	17	Semi-skilled (lower levels) and unskilled workers
8 – 9	18	
0 – 7	19	

(Source: Gerber et al, 1988, p 422)

2.4.4.2.3 The NPI Questionnaire (National Institute for Personnel Research)

The assumption made by this system is that there is a positive relation between the value and complexity of a job. The system uses three main factors, namely:

- ◆ The quality of decision making;
- ◆ Control; and
- ◆ Contact with people.

The disadvantages of this model entail:

- ◆ The determination of the importance of aspects by the incumbent him-/herself;
- ◆ Examples are confusing; and
- ◆ The higher grade of difficulty is not easily identified.

2.4.4.2.4 *The Hay-method*

According to this method every position should lead to certain end results (Hay Training File, undated). In order to achieve this, the following are expected of the incumbent:

i. Know-how

This is the total of every type of knowledge, skills and experience needed to achieve and maintain standard acceptable performance. This entails:

- ◆ Practical procedures;
- ◆ Specialized techniques;
- ◆ Professional disciplines;
- ◆ Integrating and harmonizing diverse elements in a managerial environment; and
- ◆ Working with people.

ii. Problem solving

Problem solving suggests the self-initiated thinking processes required for analysis, evaluation, reasoning and the reaching and formulation of conclusions. Two dimensions are applicable, namely:

- ◆ The environment within which the thinking processes take place; and
- ◆ The challenges embodied by this thinking process.

iii. Accountability

This includes the responsibility for actions taken, as well as the consequences of such actions. This involves the choice to act, the action itself, as well as the bearing of the consequences.

By means of coding a point is awarded to each dimension and the total of the three dimensions is calculated. Job grades and remuneration are determined in this way.

2.4.4.2.5 JE Manager

JE Manager is a computerized competency based job evaluation system. It was developed mainly as a result of organizations' need for a simple, less expensive and quicker process of job evaluation. Organizations can compensate individuals not only for the position he/she occupies but also for the role the individual fulfills within the organization (Kruger, 1997).

This is an open and transparent system in which the incumbent as well as his/her line manager is involved in the process of evaluating the incumbent's job. This promotes ownership with the users of the process.

The system guides the user through a set of questions relevant to the applicable position. The line manager and his/her subordinate can actually do a complete evaluation within twenty minutes. The dimensions evaluated by this system entail the following:

- ◆ Theoretical knowledge;
- ◆ Planning and management;
- ◆ The impact of the position;
- ◆ The degree of judgment required;
- ◆ The type of the communication required; and
- ◆ The gaining of skills and their application in practice.

2.4.5 Career Management

2.4.5.1 Definition

Career management has been described in many different ways. Greenhaus (1989, p 7) describes it as a continual process by which an individual:

- ◆ Gains relevant information regarding him-/herself and the world of labour;
- ◆ Develops an accurate picture of his/her talents, interests, values, chosen lifestyle, as well as alternative careers, jobs and organizations;
- ◆ Develops realistic career goals, based on this information and image;
- ◆ Develops and implements a strategy, aimed at achieving goals; and
- ◆ Gets feedback on the effectiveness of the strategy and relevance of the goals.

2.4.5.2 Organizational responsibilities

Burack *et al* (1988, p 25) reason that an organization's role ought to entail a more active approach. More and more employees require a more positive involvement and the provision of a support system from an organization to facilitate individual career evaluations and progress.

There are, however, limits to what an organization can and ought to do. The forecasting and analysis of human resources planning contribute to establishing a general, executable future manpower plan, especially regarding quantities and composition. The organization's expectations regarding the variables contributing to the individual's growth, as well as the relevance of the total manpower plan are directly linked to the plan. More and more managers are questioning the perceptions and beliefs sometimes held, and come to the following conclusions:

- i. A person who chooses to remain in a specific position (and who is good at it), can still play a highly acceptable role to the advantage of both the individual and the organization;

- ii. Reality dictates a limited amount of positions in the higher hierarchy's authority levels and maybe too much emphasis is placed on the importance of personal upward mobility and progress; and
- iii. More emphasis ought to be placed on identifying high potential and encouraging those with the opportunities of and need for promotion, whilst only general support of individual development must be given.

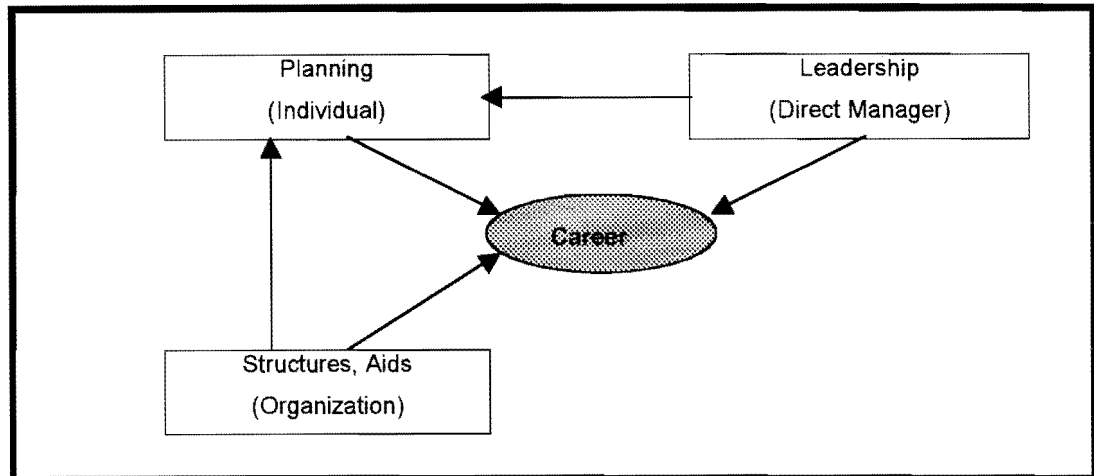
The responsibility for employees' career planning and development can and ought not to be **only** the organization's. Gerber *et al* (1988, p 250) lists the organization's responsibilities as:

- i. Providing career opportunities;
- ii. Advising employees regarding the different career directions within the organization;
- iii. Announcing new jobs and the elimination of old ones; and
- iv. Close contact with employees in order to ensure individual, realistic career goals, which can be pursued within the limitations of the organization.

2.4.5.3 Individual responsibility

Seeing that every individual knows what he/she wants from a career, and how hard he/she is prepared to work, the responsibility for a career rest with the individual. Efficient career management is a joined effort between different role players, as indicated in Figure 2.3.

Figure 2.3: Joined career responsibilities.



(Source: Burack et al, 1988, p 26)

2.4.5.4 Career systems : organizational strategies

The pursuit of success compels organizations to have a continual flow of talented, skilled individuals to fill current or new positions. According to Baron et al (1989, p 319) these requirements entail establishing an effective system regarding:

- ◆ Recruitment of high potential employees;
- ◆ Promotion to the level of success; and
- ◆ Elimination as a result of obvious unsuccessfulness and weak performance.

Such systems must take into account not only the employee's needs and expectations, but also the organization's future requirements. The career system chosen by an organization ought to reflect its strategic policy and objectives. These strategic aspects determine the factors influencing the choice of a specific career system. Organizations focussing primarily on product development need highly talented employees (prospectors) and use systems which base promotions and awards on individual contributions, and recruit employees from the external labour market.

In contrast, other organizations with a limited product range and market seldom generate new ideas (defenders). These organizations use career systems which

base promotions and awards on group contributions and they fill positions from internal sources. This is aimed at developing loyal, long-term employees.

2.4.5.5 Career Management Programs

Greenhaus (1987, p 234) defines career management programs as “.....a set of activities designed to promote employee insight, goal and strategy development and/or appropriate feedback.”

Baron et al (1989, p 320) describe career management programs as consisting of aspects aimed at:

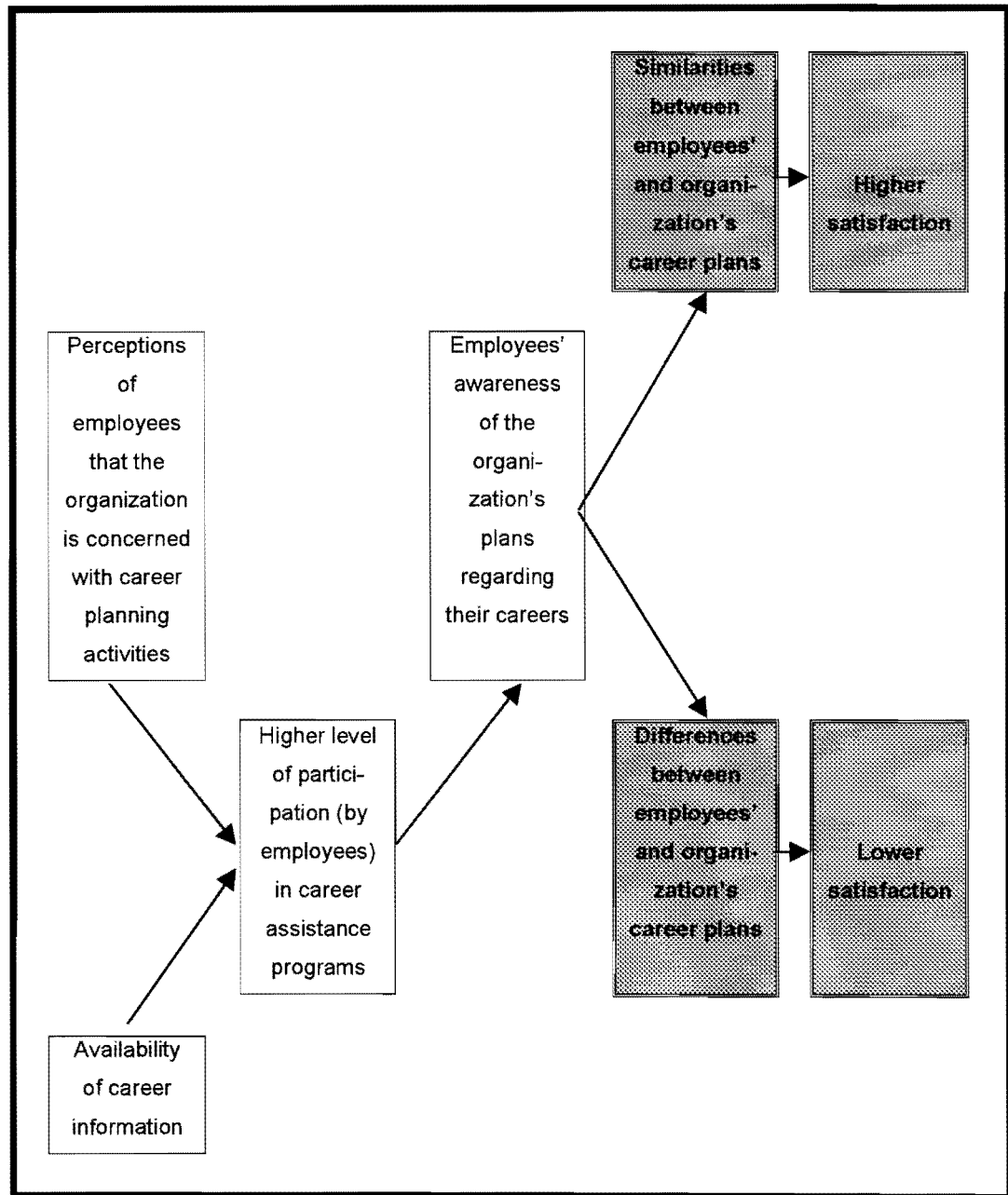
- ◆ Helping employees to identify their strong and weak points regarding their careers;
- ◆ Setting priorities and specific career goals;
- ◆ Providing information on different career paths and alternatives within the organization; and
- ◆ Giving annual feedback to employees concerning their progress towards their goals.

The objectives of these programs are three fold:

- i. To help individuals towards increased performance;
- ii. To clarify the options available in the organization in order to lessen uncertainty and anxiety; and
- iii. To focus employees' career plans on the organization, as well as to improve commitment.

The broad impact of career management programs is explained in Figure 2.4.

Figure 2.4: The impact of career management programs.



(Source: Baron et al, 1989, p 322)

Greenhaus (1987, pp 234-245) identifies several career management programs that can be used by organizations, namely:

i. Expected socialization

This is implemented before the potential employee joins the organization. The required values and talents are clearly stated and expectations are

formulated. During this phase it is important for the person involved to develop accurate, realistic expectations regarding a specific career choice. Socialization programs are therefore an opportunity to learn. Even specific skills, technical and interpersonal, can be learned, exercised and strengthened. Examples are internships and work-study programs.

ii. *Realistic recruitment*

The content of these programs is aimed at minimizing the reality shock resulting from unrealistic expectations by the candidates. Candidates are helped to form a balanced, realistic idea of the position and of the organization. This may also prevent dissatisfaction and restrict personnel turnover.

iii. *Employee orientation programs*

These programs help employees to adjust to their new environment, but also to address certain problems experienced by new employees. Specific information, skills and support needed by new employees must be attended to.

iv. *Mentor programs*

In their early careers employees may benefit from the continual advice, support and sponsorship of a more senior colleague. The parent-child-relationship that develops may result in a friendship after training has been completed.

v. *Performance feedback and coaching*

All employees have a need for feedback in order to monitor and better their performance. Problem/development areas can be pointed out and be addressed timeously with coaching sessions. Frequent, useful performance feedback is essential in order to set realistic career goals. Periodic coaching sessions, which focus on work behaviour and quantitative pointers on performance, ought to improve current performance and set a solid foundation for future career growth.

vi. *Comprehensive career management*

Effective career management entails identifying and setting objectives, development of strategy and providing feedback. As soon as the initial need for security and acceptance changes to the need for progress and performance, the exploration of alternatives becomes important and significant. Activities such as self-administrated career planning workbooks, career workshops and individual guidance can be utilized.

vii. *Work-family-coupling programs*

The potential conflict between work and family roles should be addressed. A forum and a procedure enabling employees to discuss the conflict and learn mechanisms to handle it, may be used. By creating an awareness of the sources of this conflict, communication and problem solving can be improved.

viii. *Programs on the late career phase*

There are various obstacles to productivity and career growth in late careers, such as technological progress, lack of the right education, organizational renewal and plateaus. Programs aimed at this specific group of employees should focus on their unique needs and interests. The responsibility for identifying and solving problems in this area rests with line management.

ix. *Placement programs*

Termination of service is a career change which threatens the individual's whole life and self-image. Massive termination can be the result of a negative economic climate, business withdrawal, change of mission, technology or structural changes within the organization. This traumatic experience is normally worse during the middle and late career phases.







x. *Programs on pre-retirement*

Retirement is normally coupled with emotions ranging from anticipation to melancholy. Guidance before retirement is becoming a popular addition to organizations' repertoire of career management activities. The program

ought to evaluate and address employees' needs and interests. If the program succeeds in reducing the anxiety and stress of employees nearing retirement, it may result in greater satisfaction and productivity during the remaining years of service.

2.4.5.6 Katz's model

Table 2.5: Katz's model of Job Longevity.

Phase on duration of job	Primary areas of concern
Phase 1: Socialization : Construction of reality  	a) To maintain own situational identity; b) To puzzle out situational norms and identify acceptable, commendable behavioural patterns; c) To build social responsibilities and be accepted by others; d) To identify the expectations of supervisors, colleagues and subordinates; and e) To prove yourself as an important, contributing member.
Phase 2: Innovation : Influence, Achievement and Participation  	a) To be awarded challenging work; b) To promote own visibility and promotional potential; c) To improve own special skills and abilities; d) To increase the extent of participation and contribution; and e) To influence your organizational circumstances.
Phase 3: Stabilization : Maintenance, Consolidation and Conservation  	a) To link routine to task activities; b) To safeguard and conserve task procedures and sources; c) To protect autonomy; d) To minimize vulnerability; and e) To cultivate and strengthen your social environment.

(Source : Katz, 1982, p 162)

The main objective of Ralph Katz's "Model of Job Longevity" was to create a more accessible theory describing how employees' perspectives unfold and change during the course of their careers (Katz, 1982, pp 155-163). By means of a three-phased model of job longevity, he illustrates how, in a specific job, certain concerns change in importance over time.

Any change in a position, whether big or small, causes a repetition of the process of socialization, innovation and stabilization. Table 2.5 summarizes Katz's circular model by comparing the different aspects influencing employees' career cycles.

2.4.5.7 The importance of Career Management

From an organization's point of view, the primary objective of career management is to link the employee's needs, abilities and goals to the current or future objectives of the organization. There are various reasons for organizations to make use of career management (Gerber *et al*, 1988, pp 250-251):

- i. The prospects of progress enhance the quality of an employee's worklife. Work satisfaction, career opportunities and the control of individuals over their careers are gaining importance in the labour market on a daily basis.
- ii. Organizations can only avoid ageing by encouraging employees to learn new skills in order to continue satisfying consumers' needs.
- iii. Career management reduces an organization's personnel turnover. Employees experience less frustration and more work satisfaction as soon as they know about internal opportunities for promotion.
- iv. Career planning enables employees to identify and use those talents which can ensure a better performance in positions that are compatible with their personal ambitions.

This contributes to ensuring that the right person is placed in the right position at the right time. It also contributes to the availability of opportunities for employees to experience self-fulfillment in their work.

2.4.6 Career Development

2.4.6.1 Definition

Different writers provide a variety of definitions on career management, for instance:

“Career planning and development is a system to monitor, develop and promote the talent of the individual human resources of an organization.”
(Camp et al, 1986, p 268)

“.....an ongoing process by which individuals progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes, or tasks.”
(Greenhaus, 1987, p 9)

Career development entails the formal actions of the organization taken to ensure that employees with the right qualifications and experience are available when the need arises.
(Gerber et al, 1988, p 249)

and

“Career development is the implementation of a series of interrelated career decisions that collectively provide a guiding purpose or direction in one’s work life.”
(Peterson, Sampson and Reardon, 1991, p 21)

Another way to describe the phenomenon of career development entails activity analysis (Peterson et al, 1991, p 393). Career development activities include:

- ◆ Development and clearance of the self concept;
- ◆ Conversion of career information into self information;
- ◆ Learning decision-making skills;
- ◆ Providing opportunities to test realities; and
- ◆ Supporting individuals in training and career placements.

It is also important to have a look at the criteria for results of career development services:

- ◆ Greater use of community sources;
- ◆ A decline in absence and termination of services;
- ◆ Greater involvement of all supporting role players;
- ◆ Greater work related experiences; and
- ◆ Increased use of counselling services.

During career development the changes in the candidate are analyzed in terms of primary and secondary aspects:

Primary aspects :

- ◆ Cognitive skills;
- ◆ Knowledge;
- ◆ Attitude; and
- ◆ Development.

Secondary aspects :

- ◆ Work satisfaction;
- ◆ Service satisfaction;
- ◆ Rate of attaining work;
- ◆ Periods of work provision;
- ◆ Risks in career reconnoitring; and
- ◆ Successful placement in positions.

2.4.6.2 Assumptions and Proposals

Peterson et al (1991, p 394) make the following assumptions on career development and decision making:

- i. There is a set of fundamental cognitive skills (namely general problem solving and decision making) and aspects of knowledge that support effective career problem solving and decision making.
- ii. A career development intervention is a learning opportunity where knowledge and cognitive skills are prescribed, mastered and applied regarding career problems, decision making, implementing of decisions and satisfaction with work life and life in general. The principles of management by objectives can be applied.
- iii. There is a causal link between obtaining skills regarding career problem solving and decision making during a career development intervention, and the resulting career and life adaptations.
- iv. The costs of an intervention are calculated in monetary terms regarding the sources needed.
- v. A career service program is formed by an integrated set of interventions. This serves as an organization with a mission, objectives and a budget.

2.4.6.3 Career development methods/interventions

These processes must reconcile the organization's needs regarding work and the individual's needs in respect of a productive and fulfilling career. Katz (1982, p 13) states that the system ought to make provision for the progression of individuals by succession of positions, be it promotions, lateral movement to new functions or even simply new orders within a given area.

The following methods can be used in the career development process (Gerber et al, a988, p 260 and Katz, 1982, pp 14-19):

i. Supervision and coaching

This includes supervision, leadership, coaching and monitoring by management. Work orders as well as feedback make learning possible.

ii. Performance appraisal and determination of potential

Performance appraisal is an important aid in order to:

- ◆ Justify salary increases, promotions and other formal human resources actions;
- ◆ Provide records on previous performances;
- ◆ Provide a base for annual or semi-annual feedback between managers and subordinates; and
- ◆ Provide feedback on weak points as well as strong points for developmental processes.

iii. Organizational rewards (salary, benefits, fringe benefits, promotions and acknowledgement)

Rewards ought to comply with the needs of both the organization and the employee. With careers being differentiated to a greater extent and with social values changing, reward systems should become more flexible in respect of time and different career types.

iv. Promotions and positional changes

People's career growth and effectiveness are based on continuous optimal challenges, like greater responsibilities and promotions. The pyramid structure lessens the opportunities for promotion on higher levels. Attention should then be given to the development of career paths, job rotations, changing of assignments, temporary assignments and other lateral moves that ensure growth. Changes should not take place too often so that employees can finish their assignments in order to build confidence and ensure growth.

v. *Work groups*

By means of work group seminars employees can be assisted, over a two to three day period, in their career planning and career development.

vi. *Training and development opportunities*

Training and development programs are necessary for the growth and development of people. The individual's and the organization's needs, as well as job/role planning should be taken into account.

vii. *Career counselling, planning, succession and evaluation*

The organization ought to provide opportunities for employees to think about their careers in a pro-active way. This should be linked to performance appraisal in order to evaluate future potential, development needs, strong as well as weak points and career options.

viii. *Purposeful material*

There are organizations that provide material specifically developed to assist employees in career planning and development. Material is also designed for assessment centers and portrays the specific organization's activities and needs.

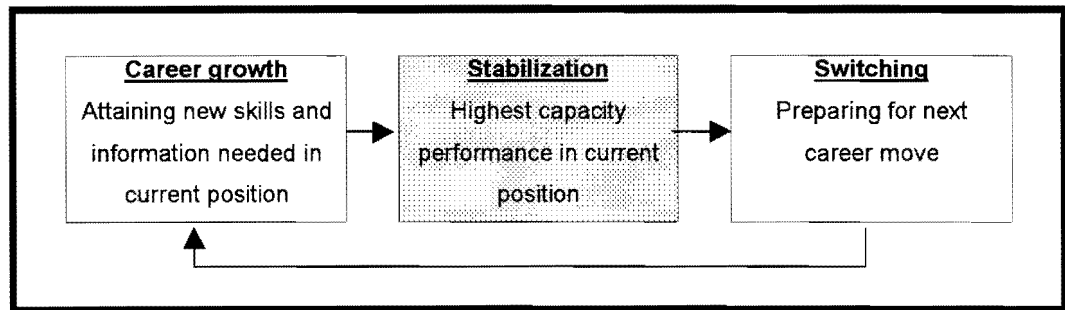
ix. *Management by objectives*

The employee and his/her supervisor jointly decide on ways and means to achieve the organization's targets. If these targets are not met, new development needs can be identified and included in the employee's career development plan.

2.4.6.4 Career development and life phases

Career seemingly follows a cycle in respect of stability and change. Baron et al (1989, pp 312-314) describe different individuals' careers according to which they grow into a new position, adapt to it and then start preparing for the next step, as explained in Figure 2.5.

Figure 2.5: The career succession cycle.



(Source: Baron *et al.*, 1989, p 313)

This cycle entails certain critical choices that are age related and differs from individual to individual. The choices may be the following:

- i. *At ± 30 years of age*
 - ◆ Marriage vs. family life with parents;
 - ◆ The possibility of a different career; and
 - ◆ Career vs. family as pivot point.

These choices normally have a definite influence on the rest of the individual's life.

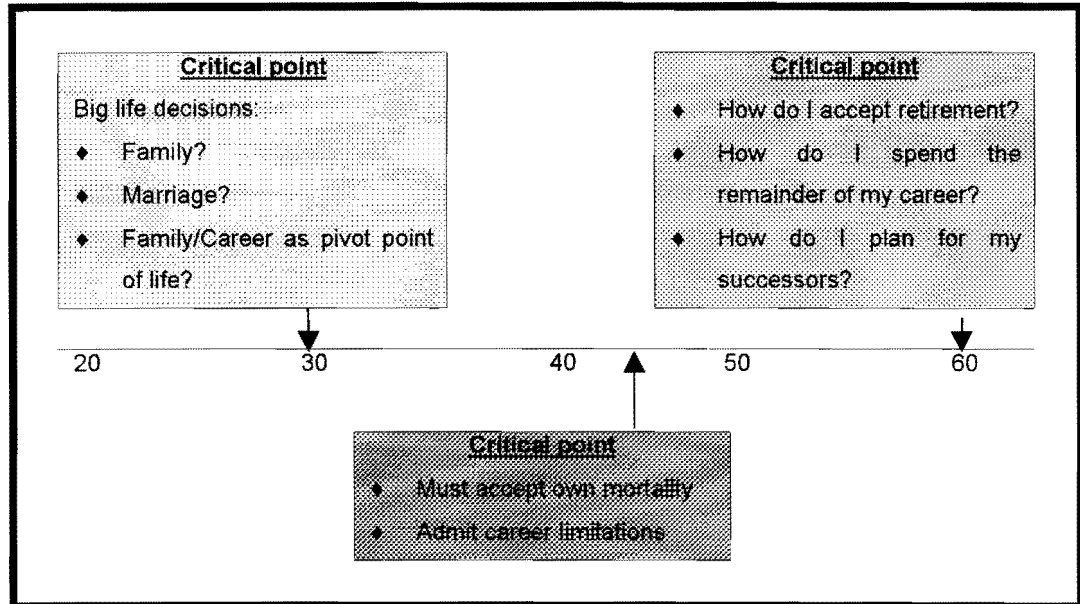
- ii. *At ± 40 years of age*
 - ◆ Additional children;
 - ◆ Own mortality; and
 - ◆ Time before retirement or death.

Many people are confronted by the limitations of their careers and career future. This may be the last change from one job to another.

- iii. *At 50 plus years of age*
 - ◆ Activities for remainder of life;
 - ◆ Greater involvement with children and grandchildren;
 - ◆ Own life and activities;
 - ◆ Active vs. passive involvement; and
 - ◆ Retirement.

These questions have an important influence on careers, seeing that the “biological clock” influences career routes, family responsibilities and interests (Figure 2.6).

Figure 2.6: Critical career phases.



(Source: Baron et al, 1989, p 314)

2.4.6.5 Traditional vs. Current career development phases

Otte and Hutcheson (1992) looked at the differences between the traditional and current career development phases, as set out in Table 2.6.

Table 2.6: Career development phases.

Activity	Traditional focus	Career development focus
Human resources planning	<ul style="list-style-type: none"> Analyze positions, skills and tasks (current and future) Forecast needs Use statistical data 	<ul style="list-style-type: none"> Add information on individual interests and preferences Provide information on career paths
Training and development	<ul style="list-style-type: none"> Provide opportunity for attaining skills, information and attitudes with regard to the position 	<ul style="list-style-type: none"> Add individual growth or “training by objective” orientation

Table 2.6 (continue)

Activity	Traditional focus	Career development focus
Performance appraisal	◆ Evaluation or remuneration	◆ Add development plans and individual goal achievement
Recruitment, selection and placement	◆ Fit organizational needs to qualified individuals	◆ Placement of individuals and positions, based on several differentials
Remuneration and fringe benefits	◆ Remuneration for time, productivity, talent and so forth	◆ Add non-job-related activities

(Source: Otte *et al*, 1992)

2.4.6.6 A five step strategy

Seeing that career development is the joined responsibility of the employee and the employer, it is important to follow a structured strategy with regard to meaningful career planning. The five step approach, as suggested by Gerber *et al* (1988, pp 260-264), can contribute to efficient career development:

i. Step 1: Compare individual goals to organizational goals

Both organizational and Human Resources planning are essential and employees should follow a specific procedure regarding their careers:

- ◆ Self-evaluation, where identification of unique characteristics and skills takes place;
- ◆ Work values regarding the perceptions of the work environment (authority positions, specialization and reward systems) should be established;
- ◆ Career choices should be based on scientific decisions;
- ◆ Contact work groups are necessary to make employees aware of the organization's labour needs in order to make decisions;
- ◆ Discussions with the supervisor or manager can foster insight into the nature of the work environment; and
- ◆ Written individual development plans are necessary to complete the matching process between individual and organizational needs and goals.

ii. *Step 2: The continuance of career development with the Human Resources department and management systems*

All supervisors and managers in key positions ought to be knowledgeable about the career development program and support it actively in order to ascertain success. This program must fit into the organization's management system, long term philosophy, long term strategy and long term objectives.

iii. *Step 3: Incorporate career development with environmental tendencies and values*

The organization's goals, changes in production methods and demographic changes must be regarded as future tendencies for the purpose of grooming the career development process. Bridging actions must be initiated pro-actively long before the occurrence of changes that may demand other skills.

iv. *Step 4: Continuous communication between employer and employee*

In order to monitor the progress of career plans as well as possible deviations, continuous communication is necessary. This is important to ensure that obstacles on the career development path do not result in frustration and lower productivity.

v. *Step 5: Employer's responsibility for the efficient career development of employees*

The employer's commitment to career development must be clear from the opportunities it creates and the aids it provides to employees to implement career development. Employer-contributions ought to be visible in the following areas:

- ◆ Periodical re-evaluation of the progress of employees regarding their career development;
- ◆ Self study inside and outside the organization and training programs aimed at improving potential;
- ◆ Support teams providing moral support and enhancing a feeling of belonging; and

- ◆ Counselling on a one-to-one basis including recommendations regarding possible solutions.

2.4.7 Career paths

2.4.7.1 Definition

Several definitions of career paths exist, such as:

“Career paths are objective descriptions of sequential work experiences opposed to subjective, personal feelings about career progress, personal development, and satisfaction.”

(Cascio, 1991, p 242)

and

“A career path is a sequence of positions, usually related in work content, through which employees move during the course of their careers.”

(Greenhaus, 1987, p 158)

This entails the need for individuals to move along these paths to develop the necessary abilities.

By following a set career path, Gerber et al (1988, p 240) states that the employee, with help from the employer, must participate in aspects of career development. Greenhaus (1987, p 158) states that identifying career paths can help the organization plan its manpower needs.

2.4.7.2 Traditional vs. alternative approaches

According to Greenhaus (1987, p 158) career paths were traditionally based on what had already happened and not on that which could or ought to happen.

Traditionally, career paths were determined by means of a process according to which:

- ◆ The paths from the past were followed and investigated until the top of the ladder was reached;
- ◆ Entrance and exit points pertaining to career paths that had been identified;
- ◆ The requirements for the level of commencement were fixed (for example educational level, experience and duration of service); and
- ◆ Important experience that led to the top of the ladder had been identified and linked to a time limit within which the summit should be reached.

(Cascio, 1991, p 243)

The alternative approach entails the development of career paths on the grounds of required work behaviour, knowledge and skills. This rests upon:

- ◆ A thorough analysis of job content;
- ◆ Grouping of similar positions into job families; and
- ◆ Identifying possible logical paths among these families.

In this case, the realities rest upon the requirements regarding work behaviour and not on job title or tradition. This promotes career mobility. Cascio (1991, p 242) states that this flexibility is needed to develop different levels and types of positions to be filled. There are, therefore, certain components involved in career paths (Cascio, 1991, p 243):

- i. Real promotional possibilities, lateral or upwards, without a time limit placed on normal progress and needed technical specialization;
- ii. Being tentative and reactive regarding the changes in job content, organizational patterns and managerial needs;
- iii. Being flexible, as well as including compensating qualities of specific individuals, managers, subordinates or other influences from work activities; and

- iv. Attainable skills, knowledge and other specific features needed to do the job at this stage of the career path, are specified along with educational qualifications, age or work activities.

2.4.7.3 Career path models

2.4.7.3.1 Rosenbaum's extension of the historical Tournament model

In terms of the traditional model, two individuals with different career histories, but corresponding current positions, would receive similar forecasts regarding their career paths (Rosenbaum, 1984, p 40). In terms of the Markov model this would be called the "principle of career path independence".

There are two points of view regarding the semi-Markov models:

- ◆ "Static acceptance" according to which a given time frame has the same impact irrespective of at which stage of a career it occurs; and
- ◆ "Homogenous acceptance" according to which all individuals have equal chances regarding mobility. People are divided into "movers" and "stayers", with everybody being movers at first and some becoming stayers in due time.

Rosenbaum (1984, p 42) proposes a Tournament mobility model, which describes a career path as a series of competitions, each having a possible influence on the individual's mobility opportunities. The basic principle entails a definite distinction between winners and losers at every stage of decision-making. "Losers" are not ignored – their tournament continues, but with lower and fewer options.

i. Hypotheses

Rosenbaum formulated several hypotheses signifying that evaluation during the early career has a definite and long-lasting influence on career results at a later stage. The following hypotheses are applicable:

Hypothesis 1: The existence of career patterns

Career mobility does not involve an open model of ongoing opportunity; but for each employee there is a limited number of career paths available.

Hypothesis 2: Path dependence

Employees in similar positions have different promotional opportunities, depending on the routes they followed to get to these positions.

Hypothesis 3: Early promotional paths

The prospects of employees who were promoted early in their careers differ from those of employees who were not promoted at an early stage.

Hypothesis 4: No insurance

Even if the employee was promoted at an early stage, no insurance of further promotions can be given.

Hypothesis 5: Later promotional paths

Seeing that the Tournament model specifies that the individual should keep on winning to remain a competitor, employees who were promoted at an early stage must also be promoted in the following stage in order to stand a chance to become a middle manager within the first 13 years.

ii. Career patterns

Hypothesis 1 is conceptual and the other hypotheses consist of fine-tuning thereof. The eventual result of all the hypotheses, if confirmed, will reveal a rejection of the application of the Tournament model.

iii. Path dependence

Paths can be depicted graphically with time as the horizontal dimension and level the vertical axis.

iv. *Promotional paths*

The career paths of previous employees can be used on a graph, with different lines for different employees. A career tree (different career paths and career branching) is supposed to differentiate between employees on the same level, who achieved positions via different routes. The simplicity and clarity of the paths can serve as proof of the order in career patterns.

v. *No insurance of lateral promotions*

According to the Tournament model and career trees in particular, it is clear that employees who were promoted at an early stage are not necessarily promoted at a later stage.

vi. *Later promotional paths*

Every selection period is important, according to the Tournament model. The benefits of an early promotion largely depend on a later promotion during the next selection period.

vii. *Implications of the Tournament model*

The implications are threefold and involve the following:

- ◆ The functioning of an organization's selection system (competitions select the best managers – the all-time winners);
- ◆ Abnormal working (self-fulfillment prophecies develop by which someone is marked "high potential" and exposed to additional opportunities and challenges); and
- ◆ Description of the organization's career system (a framework is given according to which macro levels are formed by the organizational structures and micro levels by employees' perceptions, attitudes and behavioural patterns).

2.4.7.3.2 *The Career Path Model of Burack and Mathys*

i. Needs analysis

The requirements of the organization, the position and the individual should be consolidated into a workable method along with a career path, according to which a series of actions take place in order to develop skills to meet the set requirements.

ii. Steps in needs analysis

Step 1: Determine or confirm the abilities and required behavioural patterns of the targeted position.

Step 2: Determine the employees' background data and re-evaluate it for accuracy and completeness.

Step 3: Complete and joined need comparison regarding the individual and the position targeted.

Step 4: Re-evaluate individual career interests and developmental needs in accordance with Line management, Career specialists or other qualified persons.

Step 5: Link career expectations, developmental needs and the requirements of the targeted position with organizational career management.

Step 6: Develop individual training, work and educational needs according to time efficiency.

Step 7: Specify career path opportunities in order to manage individual programs.

Step 8: Provide periodic feedback and make the necessary re-evaluation.

iii. Approach

A personal need for self-direction and self-examination is necessary to initiate a career path layout. Then follows self-inquiry in order to establish a career need.

iv. *Work document*

The style of this document is normally informal and distinct. It contains components such as:

- ◆ Represented time and activities;
- ◆ Previous and future activities and moves;
- ◆ Work and non-work events;
- ◆ Alternative possibilities for the future;
- ◆ Skills (mental and physical);
- ◆ Wisdom; and
- ◆ Perception of the environment.

2.4.7.4 Construction of career paths

Greenhaus (1987, p 158) holds the opinion that the identification of career paths is of great help in planning human resources needs, as well as in the creation of structures according to which employees can plan their careers.

Traditionally career paths were created as the basis of what had already happened to other employees. Therefore the paths were narrow-minded and limited and not focused on what can and ought to happen. Alternatively, career paths can be based upon the similarities in required behavioural patterns, knowledge and skills. Greenhaus explains the process as:

- ◆ Evaluation of the job content;
- ◆ Grouping of job families (a group of two or more jobs that either call for similar worker characteristics or certain parallel tasks); and
- ◆ Identification of logical, possible progression paths among job families.

This type of career path development is realistic in so far as it defines different paths with the necessary behavioural requirements, rather than job titles or tradition. This makes it easier for employees to move between and across functional lines.

2.4.7.5 Identification of suitable career paths

In the case of the black manager in South Africa, career paths ought to develop at a slower pace and in two phases (Charoux, 1986, p 47):

- ◆ The job should be divided into consumable areas of responsibility in order to allow a gradual process of awarding responsibilities within the position itself; and
- ◆ The next position/s or career option/s should be identified and specified as soon as the manager performs the current job successfully.

Charoux (1986, p 48) explains the concept of career path development, especially regarding the black manager, as follows:

“.....what cannot be over-stressed is the need for career pathing with a specific and clear goal in sight – one which would satisfy the needs and interests of both parties involved: the organization and the Black manager.”

2.4.8 Career anchors

2.4.8.1 Definition

Schein (1978, p 127) describes a career anchor as:

“.....the pattern of self-perceived talents, motives and values – serves to guide, constrain, stabilize and integrate the person’s career.”

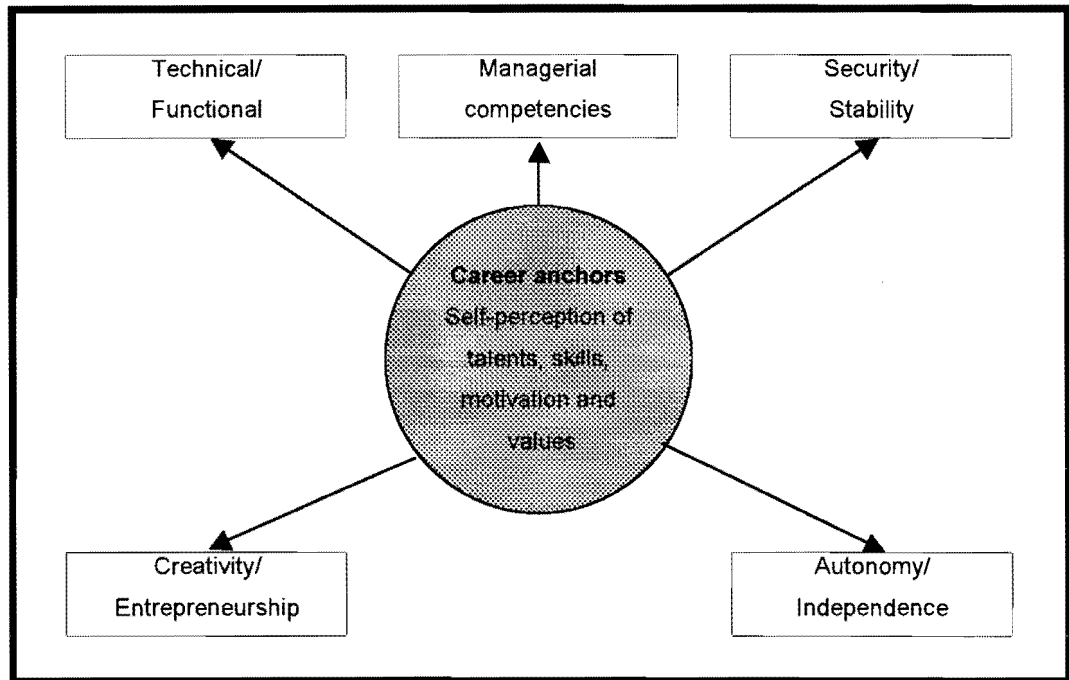
Baron et al (1989, p 323) describe it as:

“.....individuals’ self-perceptions of their own abilities, motives and values, and their efforts to choose jobs or a career consistent with these self-perceptions.”

2.4.8.2 A model of career anchors

According to Baron et al (1989, p 315) Schein first introduced the concept of career anchors. Baron et al (op cit, pp 315-316) as well as Katz (1982, pp 50-62) support his principles. These principles are portrayed in Figure 2.7.

Figure 2.7: Career anchors.



(Source: Baron et al, 1989, p 315)

According to Katz (1982, p 51) these basic self-images influence not only career choices, but also choices regarding organizational changes. Furthermore, they shape individuals' goals in life and colour their perception of the future. Schein's model goes beyond work values and needs. It emphasizes evolution, development and discovery by means of real work experience as well as feedback in order to discover talents.

The career self-image of the young employee consists of three elements/concepts (Schein, 1987, p 125):

- i. Self-perceived talents and abilities, based on real successes in a variety of work environments;

- ii. Self-perceived drives and needs, based on opportunities for self-testing and self-diagnosis in real situations, as well as feedback from other parties; and
- iii. Self-perceived attitudes and values, based on real encounters between the young employee and the norms and values of the organization and work set-up.

Career anchors are supposed to define areas of growth in terms of the levels of stability within the individual. The five career anchors entail (Katz, 1982, pp 52-53):

Anchor 1: Security

Individuals scoring high in this respect link their careers to specific organizations. The implications are that individuals with a security drive tend to accept the chosen organization's definition of their careers. These individuals seek organizations with long term stability, good benefits and basic work security. They are perceived as "organization men", seeing that in order to remain in an organization they must socialize in terms of the organization's values and norms.

Anchor 2: Technical/Functional competencies

Technical/functional individuals are motivated by the actual work they do, for example financial analysis, marketing and system analysis. Their anchor is the technical field or functional area forming part of their job content, and not the managerial processes as such. The self-image of individuals in this anchor grouping is closely connected with the specific area in which they function.

Anchor 3: Managerial competencies

The fundamental basis of this anchor is competence within the complex sphere of managerial activities. Individuals driven by managerial competence believe that their competence lies in their ability to analyze problems, stay emotionally stable and remain interpersonally competent. Their career expectations enable them to develop a self-image in terms of which they have the necessary skills and values to progress to the general managerial levels.

Anchor 4: Creativity

Individuals in this category show a need to create something themselves. To create is the fundamental need of, for instance, an entrepreneur. Individuals with a creativity drive get involved with new developments and try to take on new types of projects. They are also very much on the foreground and visibly busy with projects.

Anchor 5: Autonomy

The autonomy anchor concerns those who believe that organizational life is limiting, irrational and/or interferes with their lives. Their primary concern is their own feeling of freedom and autonomy. These individuals will seek a work situation allowing maximum freedom in order to develop their professional or technical/functional competencies.

2.4.9 Succession planning

Succession planning is important in order to:

- ◆ Ensure that experienced employees with the necessary qualifications are available as soon as positions become vacant; and
- ◆ To meet human resources needs that arise as a result of the growth and re-orientation of the organization.

Succession as well as the filling of new positions are and will always be important for the orientation of any organization (Gerber *et al*, 1988, p 248). The organization's succession planning process includes various focus points, namely:

- ◆ Linking succession planning to the organization's strategy;
- ◆ Integrability of career and succession planning;
- ◆ Continuous development of human resources;
- ◆ Avoidance of fast tracks; and
- ◆ Pro-active determination of future roles and claims on managerial positions.

Katz (1982, pp 19-20) states that planning of replacement and restaffing must take the following into account:

- ◆ Updating of the Human Resources inventory in cases of retirement and termination of service;
- ◆ Implementation of special orientation programs and training for new incumbents in specific positions as vacancies occur;
- ◆ Management of the information system regarding positions becoming available and the linking of this information to the available Human Resources, in order to determine if internal or external recruitment should be used; and
- ◆ Continuous re-evaluation of positions in order to ensure that new incumbents are properly prepared to comply with current and future expectations of the position.

2.4.10 The importance of Human Resources Planning

The following important reasons for continuous Human Resources planning are stated by Gerber et al (1988, p 142):

- ◆ It determines future human resources needs;
- ◆ It enables the organization to adapt to changes in markets, technology, competitors, products and legislation, seeing that such changes often generate changes in task content, skills required and the amount and type of employees needed;
- ◆ It creates opportunities for training and replacing high level employees – supporting succession planning;
- ◆ It is an important component of strategic planning; and
- ◆ It provides important information on activities such as recruitment, selection, training, transfers, promotions and discharge of employees.

2.5 SUMMARY

The diverse subjects discussed in this chapter show the extensiveness of the process and impact of career planning. Taking this into account, a formal career planning procedure is an indispensable and continuous Human Resources activity in any organization.



Chapter 3

Organizational structure

CHAPTER 3

ORGANIZATIONAL STRUCTURES

3.1 INTRODUCTION

One method, which brings logical grounds and order to the various systems within an organization (e.g. mission, long-term plans, budgets and policies), is based on the hierarchical placement of individuals and processes (Richards, 1987, pp 24-25). Without this order the logic behind the networks and plans of the organization are either non-existent or incomprehensible.

When choosing to reduce the distance between “top and shop floor” one comes across terms such as “the number of management layers”, “decentralization”, “autonomy”, “manageability” and “span of control”. Delaying of structures refers to the process through which the number of management layers in an organization is reduced.

The flat(ter) structure means that the career ladder, which is traditionally viewed as inseparable to the concept of hierarchy, is no longer the same.

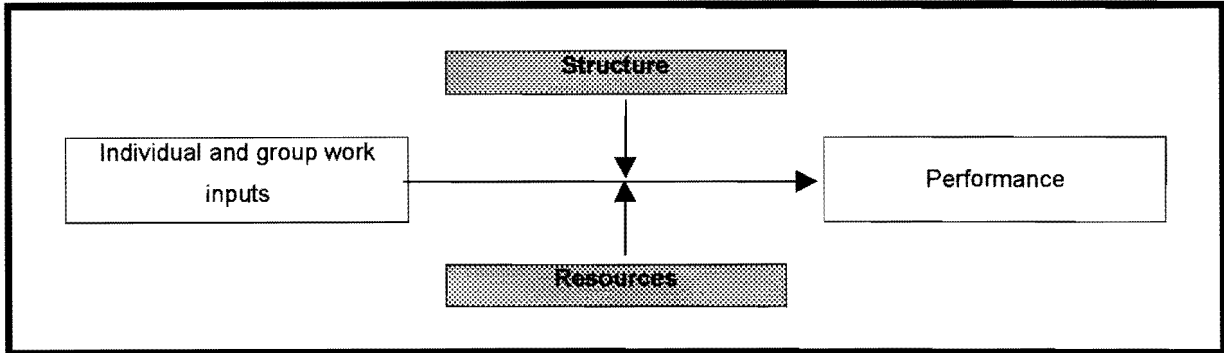
Keeping this in mind it seems necessary to look at the different types of structures in order to understand delaying and its influence on career planning.

3.2 DEFINITION

The structure of an organization consists of the formal system regarding work relationships, according to which the tasks are divided and co-ordinated in order to achieve the organization’s common goals (Schermerhorn, 1986, pp 163-164). Productivity depends on both the resources and the applicable structure. Structures perform a

supporting role in that they help the human resources to perform productive task-combinations, as set out in Figure 3.1.

Figure 3.1: Organizational structure as a supportive element.



(Source: Schermerhorn, 1986, p 164)

The organizational process results in creating an organizational structure that constitutes the division of tasks and resources. According to Daft (1988, p 231), organizational structure can be defined as:

- ◆ A set of formal tasks appointed to individual and departments;
- ◆ Formal reporting relationships, authority lines, responsibilities, the number of hierarchical levels and managers' scope of control; and
- ◆ System design to ensure the effective coordination of employees.

Robbins (1983, p 5) explains structures as consisting of three elements:

i. Complexity

This entails the degree of differentiation within the organization – measures of specialization or division of labour, the number of hierarchical levels and the extent to which the organization's business units are geographically scattered;

ii. Formalization

This is the degree of independence allowed by rules and procedures, which order employees' behaviour; and

iii. Centralization

This element considers the level in the organization where decision-making is positioned.

Keuning and Opheij (1994, p 20) define organizational structure as:

- ◆ The arrangement of all activities to be carried out via the tasks of individual employees, work groups and departments;
- ◆ The defined authority and the relation between individual employees, work groups and departments in carrying out their tasks; and
- ◆ The built-in channels of communication and mechanisms used by individual employees work groups and departments to stay in contact for the purpose of providing the necessary direction and coordination.

3.3 THE NEED FOR CLEAR STRUCTURES

The synergy principle emphasizes the need for clear structures. As soon as a task becomes too complex or too much for one person, it is divided between two or more persons. An organizational structure then develops, giving formal expression to the relationship between the roles and functions within the organization. This promotes consequent relationships between the different activities taking place within the organization.

In order to ensure that the organization meets its objectives, management should be held responsible firstly for the division, grouping and coordinating of activities concerning every individual, and secondly for the assigning of responsibilities and authority to every employee (Synergy manual, module 4, p 5).

3.4 FACTORS INFLUENCING ORGANIZATIONAL STRUCTURES

The Synergy manual (module 4, pp 6-7) indicates five important factors determining organizational structures, namely the organization's objectives, environment and technology, the quality of human resources and management's perceptions.

3.4.1 The organization's objectives

The mission statement of an organization includes aspects such as the product, mission market, providers, competitors and strategy. The decisions concerning the diversification of products, national and international performances, niche markets and consumers determine the organizational structure. The strategy of an organization is the best place to start in order to investigate the relevance and utility of the structure.

3.4.2 External environment

The external circumstances that have a direct impact on the day-to-day functioning of the organization also influence the organizational structure. The emphasis falls on:

- ◆ The nature of the competition the organization experiences;
- ◆ The raw material needed;
- ◆ The financial resources;
- ◆ The availability of human resources;
- ◆ The market the organization operates in;
- ◆ Legislation;
- ◆ Economic circumstances;
- ◆ The values of the community within which the organization operates; and
- ◆ The technology used by the organization.

3.4.3 Technology

This involves the techniques that the organization uses to transform inputs into outputs. Each type of organization uses its own unique techniques.

3.4.4 The quality of human resources

An important factor is the quality of the organization's human resources – their training, skills and experience. The availability of these qualities will definitely influence the organizational structure. For example: an organization experiencing limitations regarding skills will require more supervisory levels to overcome this problem.

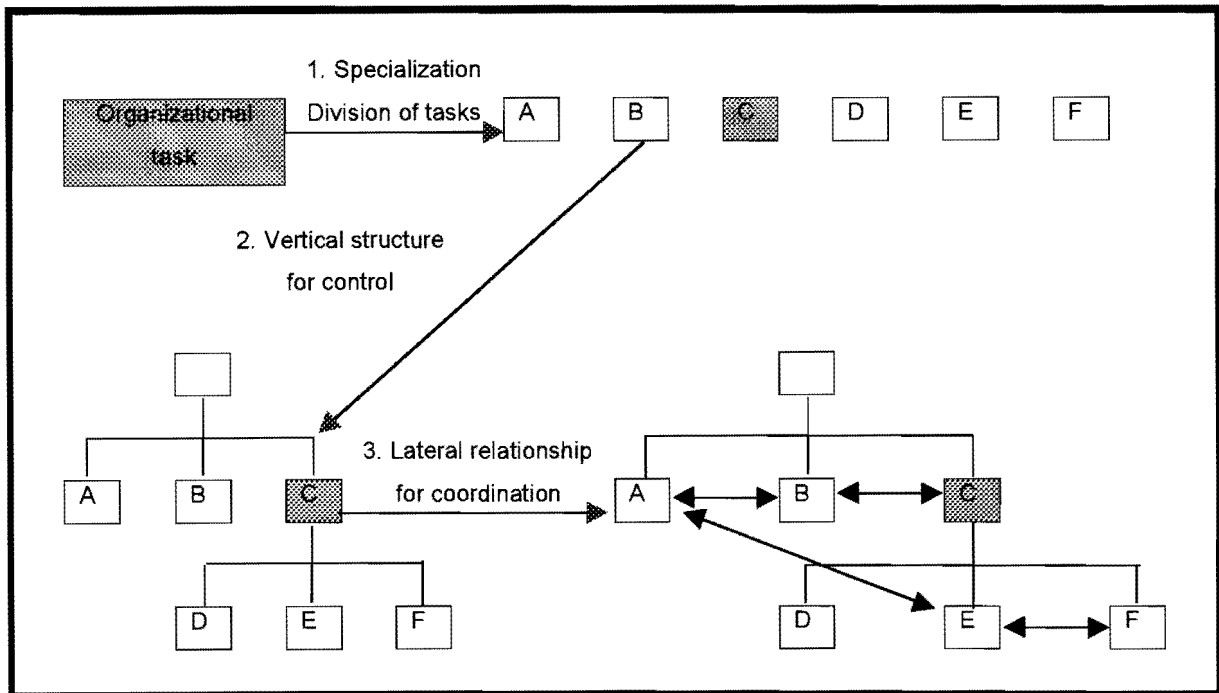
3.4.5 Management's perceptions

When managers are responsible for determining the organizational structure, their perceptions also influence these structures. If management believes that most people should be driven and controlled, it will be reflected in a multiple level structure. If, however, they believe that people respond more positively to freedom and individual autonomy, there will be an inclination towards delayed structures.

3.5 DIMENSIONS OF ORGANIZATIONAL STRUCTURES

The first element of organizational structures entails the division of labour into different tasks, which are appointed to certain individuals and departments. Secondly an authoritarian hierarchy is designed, providing for vertical control and communication. This includes authority lines, responsibilities for decision-making, the number of hierarchical levels as well as the extent (span) of managerial control. The third element concerns the implementation of specific methods regarding lateral coordination, for example task teams, committees, work teams and project managers. Figure 3.2 illustrates these three elements.

Figure 3.2: The evolution of the organizational structure.



(Source: Daft, 1988, p 231)

3.5.1 Specialization

Specialization, or the division of labour, entails the breaking down of a task into different steps so that one individual will perform one step, instead of one individual handling the whole task (Robbins, 1993, p 489). Individuals thus specialize in one part of an activity and not in the activity as a whole. This method effectively utilizes the diversity regarding knowledge and skills found among employees. Skills required to perform a task are perfected by means of repetition. Because an individual does not have to progress from one step to the following, it saves time. Training can be cheaper and more effective, seeing that it is easier to teach an individual a repetitive task.

Schermerhorn (1986, p 168) divides specialization into two levels, namely specialization according to job design and specialization per department. The former entails the appointment of specific work tasks to individuals and groups, whilst the latter refers to creating work units by placing several tasks under the control of a

manager. These departments are then arranged in hierarchical levels in order to form the total organizational system.

There is, however, a negative side to this. According to Baron et al (1989, p 522) specialization may lead to boredom as a result of the low qualitative load of the work. This may lead to work dissatisfaction and stress. Robbins (1988, p 221) supports this in stating that the human non-economical factors, such as boredom, tiredness, stress, low productivity, poor quality, higher absenteeism and high turnover, will exceed the economic benefits of specialization.

3.5.2 Coordination

After achieving specialization, it is important to take certain steps in order to integrate the large diversity of components and the division of labour. The eventual objective here is the achievement of the general organizational goals (Schermerhorn, 1986, p 168). In this respect coordination is an especially important step, seeing that it is the process which combines the specialized activities of individuals and groups in order to achieve the common objective.

Schermerhorn, Hunt and Osborn (1991, p 306) shows how a combination of personal and impersonal methods of coordination can be utilized. Table 3.1 summarizes these methods.

Two dimensions of coordination are described by Schermerhorn (1986, pp 168-169), namely vertical and horizontal coordination. *Vertical coordination* is aimed at the activities of individuals and groups higher and lower in the authoritarian hierarchy, whilst *horizontal coordination* is mostly aimed at the activities of individuals and groups on the same, or nearly the same, level.

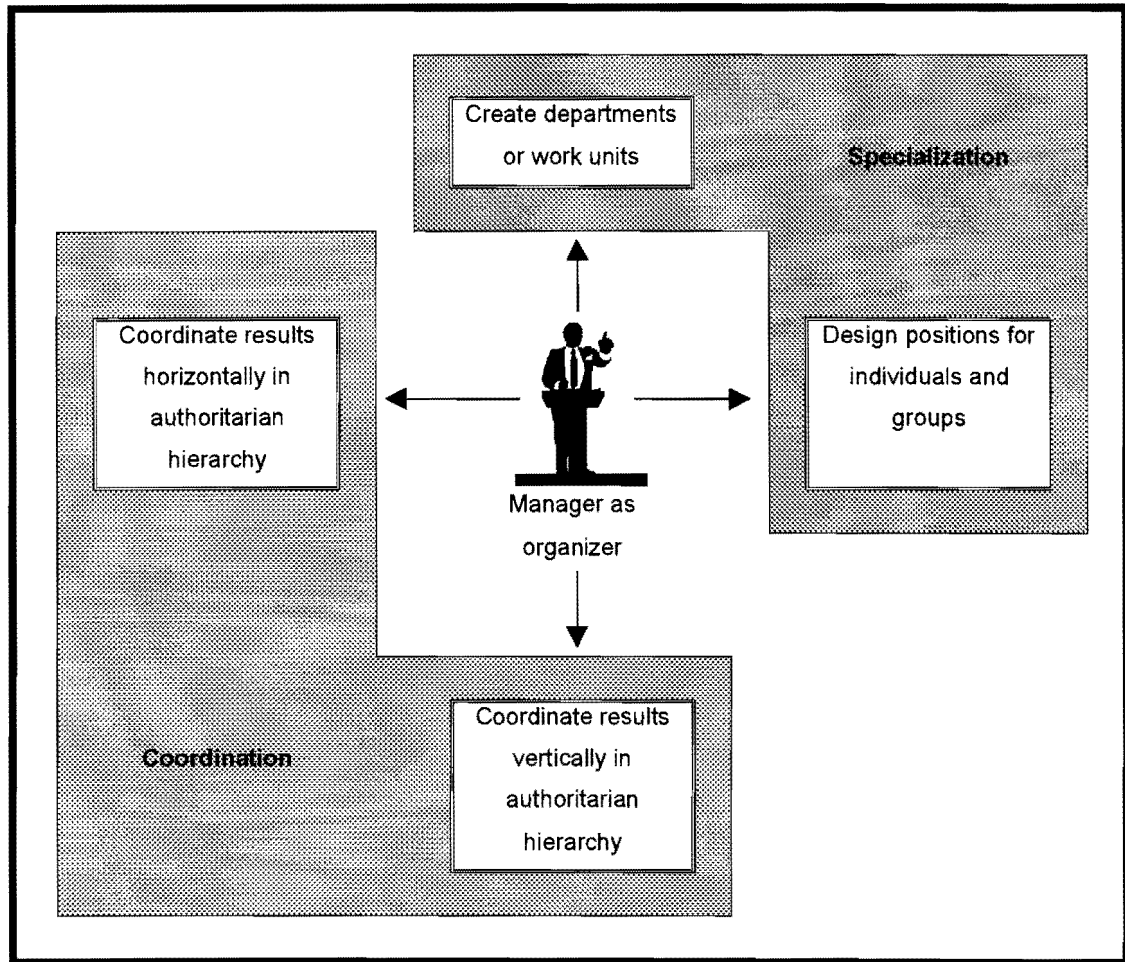
Table 3.1: Personal and impersonal methods of coordination.

Method	Description
Personal:	
1. General values	These are built into management by means of selection, socialization, training and enforcement, for example dress codes and business philosophy.
2. Informal communication ("Grapevine")	Although this is a very fast method it is not always accurate and therefore a more formal method is needed.
3. Committees	Participation is brought about and mutual adaptations take place. This is beneficial to communication regarding complex, qualitative information and is especially useful when two managers' departments have to function together.
4. Task teams	Individuals from different departments in the organization are brought together to identify problems and solutions for problems within the departments.
Impersonal:	
i. Written rules, policy and procedures	This includes schedules, budgets and planning.
ii. Specialized staff functions	This method is normally used to coordinate undivided departments' functions, for example the Human Resources function.
iii. Systems for managerial information	Originally this included suggestion systems and newsletters. Now it includes computerized information and record keeping systems. This could play an important role, especially regarding planning.

(Source: Schermerhorn *et al*, 1991, p 308)

It is also important to keep in mind that both specialization and coordination are to be utilized by managers in order to perform their responsibilities towards the organization, as set out in Figure 3.3.

Figure 3.3: Elements of specialization and coordination.

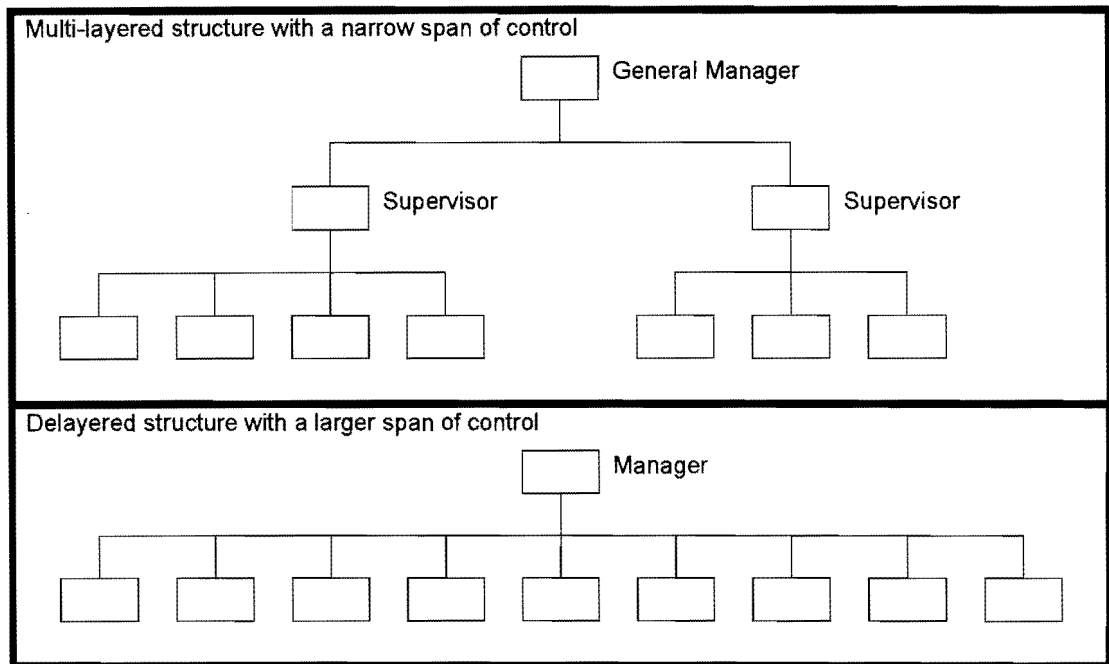


(Source: Schermerhorn, 1986, p 168)

3.5.3 Span of control and the chain of command

The span of control refers to the number of people reporting to one supervisor. According to Baron *et al* (1989, p 523), this aspect is determinant regarding delayed and multi-layered structures. Where the number of subordinates is relatively large, the structure will be delayed (relatively few layers between Top Management and people on ground level). As soon as only a few individuals report to every supervisor, a multi-layered structure is formed. Figure 3.4 shows these differences.

Figure 3.4: Multi-layered and delayed structures with the same number of positions.



(Source: Schermerhorn, 1986, p 175)

Different factors determine the span of control. Daft (1988, pp 234-235) as well as Schermerhorn (1986, pp 174-175) indicate the following factors contributing to a narrower span of control:

- ◆ Greater involvement of supervisors with subordinates;
- ◆ A high concentration of different tasks;
- ◆ Physical distribution of tasks related to functions;
- ◆ Higher level of difficulty concerning tasks;
- ◆ Considerable interdependence of functions, which requires more coordination;
- ◆ More time invested in planning of tasks;
- ◆ Limited knowledge levels of personnel;
- ◆ Shortage or restrictions regarding resources; and
- ◆ Preference and style of manager: pro-control and management.

Robbins (1993, p 496) states that:

"The span of control concept was important to the classical theorists because, to a large degree, it determines the number of levels and managers an organization has. All things being equal, the wider or larger the span, the more

efficient the organization.....it clearly reflects the fact that the pendulum has swung in recent years towards creating structures with a wide span of control. More and more organizations are increasing their spans of control."

Furthermore he makes the statement (op cit, p 502) that span of control cannot be proven by research as determinant to productivity or performance, especially due to the individual differences and preferences regarding supervision. There is however proof that managers' work satisfaction increases where the number of subordinates increases.

The chain of command in an organization is defined by Daft (1988, p 233) as an unbroken line of command involving all the individuals in the organization and specifying who reports to whom. This is associated with two underlying principles, namely the unity of command and ladder-shape principles.

i. Unity of command

A subordinate is supposed to report to only one supervisor (Robbins, 1993, p 491). If not, it may result in conflicting demands and priorities.

According to Schermerhorn et al (1991, p 293) unity of command may also be utilized to allocate accountability to specific individuals, as well as to create clear communication channels throughout the organization.

ii. The ladder-shape principle

This entails a line of command defined to include each and every employee in the organization. The bounds of authority and responsibility for different tasks ought not to be overstepped (Daft, 1988, p 233).

Schermerhorn (1986, p 174) explains that the reason behind this principle is to ensure that every person knows whom he/she reports to and to which resources they can turn for guidance and information.

3.5.4 Division of departments

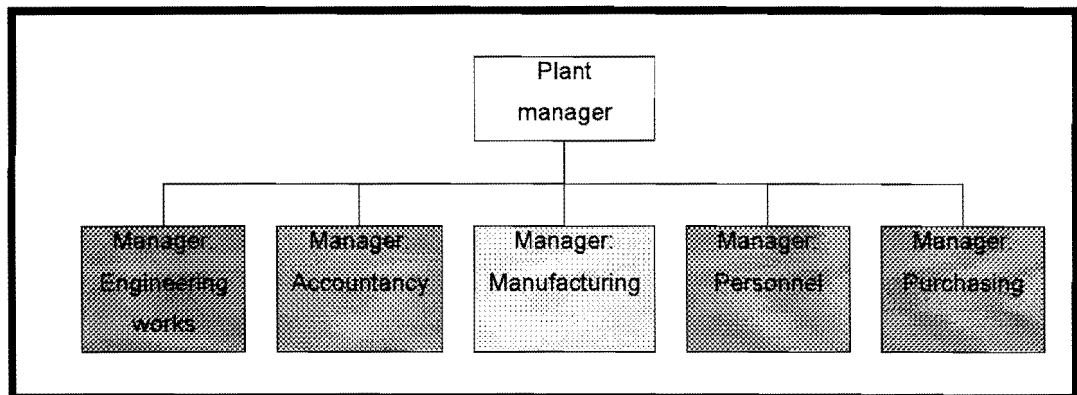
This principle concerns the basis on which individuals are grouped into departments and departments into organizations (Daft, 1988, p 235). From different sources five types of division could be identified, namely:

- ◆ Functional;
- ◆ Geographical;
- ◆ According to product or service;
- ◆ According to process; and
- ◆ According to customers.

3.5.4.1 Functional division

Departments are formed according to the functions they perform (see Figure 3.5). This principle can be applied in any organization, although the functions will vary according to the organization's objectives and activities (Robbins, 1988, p 221). Schermerhom (1991, pp 300-301) states that every department should have a technical specialty.

Figure 3.5: Functional division of departments.



(Source: Robbins, 1993, p 499)

Advantages of functional division include clear task-allocation, mentor training by means of sharing knowledge and experience, and the training ground it provides to managers. The disadvantages, however, entail narrow-minded training and the

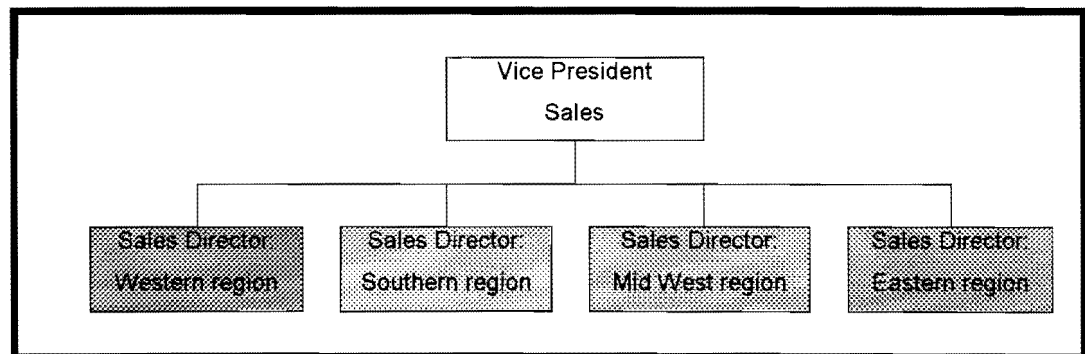
accompanying boredom and routine tasks, complex communication channels (which may lead to an overloaded Top Management), and restrictions on the individual's creativity and self-guidance.

3.5.4.2 Geographical division

In terms of this division, employees with different skills and tasks are grouped into the same geographical environment; for example, a marketer, a computer specialist, clerical personnel and a human resources specialist are grouped together in a regional office of a specific organization. Normally the organization's customers are scattered across a large geographical area (Daft, 1988, p 235).

Seeing that each profession demands different skills, this division provides a basis for the homogeneous categorization of activities, as shown in Figure 3.6.

Figure 3.6: Geographical division of departments.



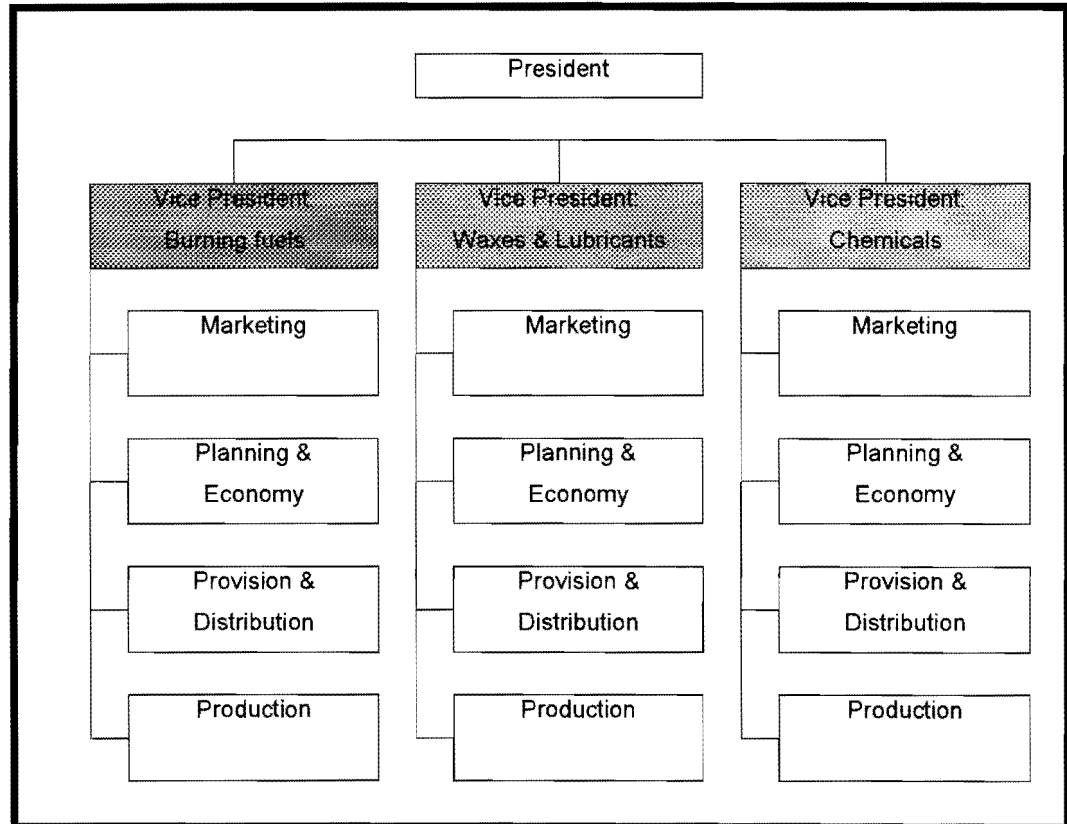
(Source: Robbins, 1988, p 223)

3.5.4.3 Division according to product or service

According to Daft (1988, p 235) this division involves grouping together employees with different tasks in order to deliver a specific product or service. This is more or less the same as the team approach to structures. The biggest advantage of this method is the increase in accountability for the performance of the product or service. If an organization's activities are more service related than

product related, each type of service should be grouped autonomously (Robbins, 1993, p 498). Figure 3.7 gives an example of the structure of a petroleum organization's structure using this method.

Figure 3.7: Division of departments according to product or service.

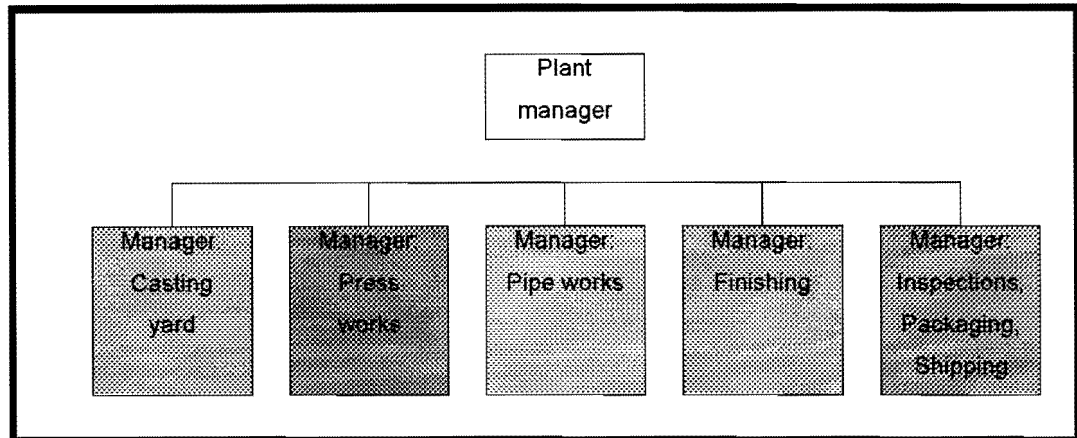


(Source: Robbins, 1993, p 498)

3.5.4.4 Division according to process

Every department specializes in a specific phase of the production process, as the example of an aluminium plant in Figure 3.8 (Robbins, 1988, p 223) indicates. This principle can be applied to the processing of both customers and products.

Figure 3.8: Division of departments according to process.

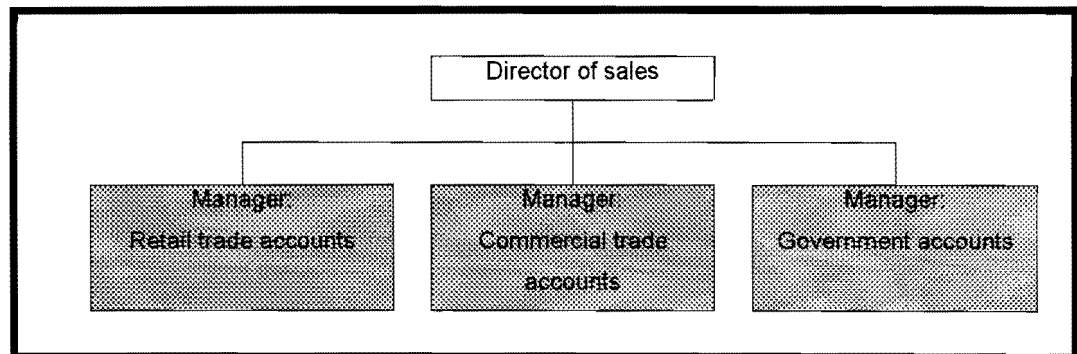


(Source: Robbins, 1993, p 499)

3.5.4.5 Division according to customers

The specific customer forming the organization's niche market can also be used as an indication of how to form departments. The sales activities in a provision organization may be divided as shown in Figure 3.9.

Figure 3.9: Division of departments according to customers.



(Source: Robbins, 1993, p 498)

Underlying this division is the assumption that customers in every department experience the same problems and needs that may best be addressed by specialists serving everyone (Robbins, 1993, p 499). The current competitive environment has once again focused management's attention on customers. In

order to exercise better control, provide more motivation and be able to react to changes in needs, the division according to customers is gaining more support.

3.5.5 Centralization and Decentralization

In some organizations important decisions are made only by Top Management, whilst in others decision-making is more democratically divided in so that even employees on relatively low levels within the hierarchy can provide input or join in participative decision-making (Baron et al, 1989, pp 523-524). The first case is seen as centralization and the latter as decentralization.

According to Robbins (1993, p 489) centralization involves only formal authority, linked to a specific position. Daft (1988, p 236) is of the opinion that decisions are sometimes made in a highly centralized manner and at other times in a more decentralized way. Schermerhorn (1986, p 177) supports this by stating:

“Centralization – decentralization, however, is not an ‘either/or’ choice. Each has its place in the overall process of vertical coordination.”

Decentralization leads to higher job satisfaction amongst subordinates as well as quicker reaction to problems. It may also be utilized when subordinates undergo on-the-job-training for high level positions. The principle of participation can furthermore be linked to decentralization, in terms of which management can delegate authority. Japan is well known in this respect (Schermerhorn et al, 1991, p 299).

3.5.6 Line and Staff functions

As organizations grow in terms of size and potential, the need for individuals with specialist knowledge and skills without any direct connection to the primary workflow and products and/or services, often comes to mind. These persons perform a staff function, the primary tasks being advisory and specialist support of Top Management as well as line management. The latter aspect is focused on persons performing a

line function in positions that can be directly connected to the organization's primary activities (Baron *et al*, 1989, p 525).

The staff functions include functions such as Public Relations, Human Resources and Finance, whilst the line functions include Production and Marketing. A meaningful distinction entails the number and types of external contacts, as set out in Table 3.2 (Schermerhorn *et al*, 1991, p 294)

Table 3.2: Internal and External focus of Line and Staff functions.

Function	Internal focus	External focus
Line	(example: Production) Transformation of raw material and information into production and/or services.	(example: Marketing) Connecting customers and/or providers to the organization.
Staff	(example: Finance) Support to the line units regarding the technical areas of budgets and fiscal control.	(example: Public Relations) Connecting the organization to environment by means of portraying a positive public image.

(Source: Schermerhorn *et al*, 1991, p 294)

According to Daft (1988, p 239), the line and staff positions are also directly connected to line and staff authority. Individuals in managerial positions have line authority in order to guide and control subordinates in a direct way. Staff authority, on the contrary, is much simpler and includes the right to advise and consult. This is normally a communicative relationship and is limited to specific specialist areas.

3.5.7 Formalization and Standardization

Formalization entails the setting of rules, procedures and policies directing behaviour and decision-making. With the help of written instructions, semi-schooled and untrained individuals can also perform relatively sophisticated tasks (Schermerhorn *et al*, 1991, p 298). In order to complement the organizational structure, job

descriptions including task descriptions, responsibilities and decision-making authority may also be handed to employees (Daft, 1988, p 240).

Standardization is the measure for allowable actions in a position or series of positions. Schermerhorn et al (1991, p 298) see this as the development of guidelines for the carrying out of similar activities in similar situations. These written documents and prescribed ways of doing can obviously lead to red tape and an inability amongst personnel to handle crises, seeing that no written document can foresee every possible problem.

Robbins (1993, p 488) calls work behaviour with a low level of formalization and standardization unprogrammed and believes that this allows employees to have greater freedom to use their own discretion. Standardization not only deprives employees of the opportunity to deviate from prescribed behaviour, but also eliminates the need to consider alternatives. It should be kept in mind, though, that there are certain work activities that can only be performed within the context of formalization, for example an auditor's tasks.

3.5.8 Complexity

Robbins (1993, p 487-488) divides complexity into three forms of differentiation, namely horizontal, vertical and spatial. *Horizontal* differentiation refers to the extent of horizontal differences among units. The larger the number of different careers within the organization, the higher the horizontal complexity, seeing that a high level of specialized knowledge and skills is required. Different orientations flowing from this hinders communication as well as the coordination of activities.

Vertical differentiation refers to the depth of the organizational hierarchy in terms of the number of hierarchical levels. The more levels between Top Management and the operators, the more complex the organization. There is a greater possibility of the distortion of communication, it is more difficult to coordinate decisions made by managerial employees and it is more difficult for Top Management to understand and be aware of the actual tasks performed by employees.

Spatial differentiation involves the extent to which an organization's physical facilities and employees are geographically dispersed. The higher the extent of dispersal, the more complex the organization, especially in terms of communication, coordination and control (Robbins, 1993, p 488).

3.5.9 Delegation

Delegation is the process according to which tasks are distributed and entrusted to other employees (Schermerhorn, 1986, p 176). Every manager must be able to decide how much work he/she should do and how much ought to be assigned to others. The principle of delegation consists of three steps:

- i. Duties, together with the accountability for these duties are assigned to subordinates;
- ii. The authority to act is permitted (within limits), for example the spending of funds, usage of raw material and representation of the organization; and
- iii. The obligation to act is created by the manager, according to which the subordinate accepts responsibility for certain duties.

It is therefore clear that accountability, authority and responsibility form the foundation of delegation. The authority granted should, however, be equal to the accompanying responsibilities.

3.6 FORMAL STRUCTURES

The formal structure of an organization portrays the ideal – it depicts the way in which the organization plans to function, although activities do not always comply with this formal structure. According to Schermerhorn (1986, pp 164-165) the organization structure

reveals the different components of the organization's labour division, formal authority lines and communication network. From this, the following can be established:

- i. The division of work as shown by the previous diagrammatic figurations of the different positions according to which certain tasks are awarded to specific employees;
- ii. The type of work that is performed, as displayed in the positional titles of the incumbents;
- iii. Supervisor-subordinate-relationships are indicated by solid lines between positions, explaining who reports to whom;
- iv. Sub-units of components of the organizational structure are portrayed by means of grouping positions (departments);
- v. Managerial levels within the total authoritarian hierarchy are pointed out and subsequent managerial levels are clearly visible; and
- vi. Communication channels, represented by lines on any organizational structure, are an indication of the formal channels used to pass on information throughout the organization.

3.7 INFORMAL STRUCTURES

The system of non-official but critical work relationships, which form a pattern of the real day-to-day tasks, is known as the structure behind the structure, or the informal structure (Schermerhorn, 1986, p 165). It is important for each and every manager to be aware of the functioning of both the formal and informal structures. Informal structures involve external people; in other words: someone outside the formal workgroup who has an impact on the functioning of the formal workgroup.

3.7.1 The Benefits of informal structures

Informal structures can provide an extraordinary amount of positive support to the formal structure. Schermerhorn (1986, p 166) is of the opinion that no formal structure, whether it is understood by all or not, can anticipate all future problems and possible solutions. Especially in new or unusual situations and/or during times of dramatic change, the informal structure can benefit the organization, and help employees to:

- ◆ Get their work done;
- ◆ Overcome gaps in the formal structure;
- ◆ Communicate with one another;
- ◆ Support and protect one another;
- ◆ Satisfy social needs; and
- ◆ Obtain a feeling of identification and status.

3.7.2 Costs/Disadvantages of informal structures

Seeing that informal structures exist apart from the formal authoritarian structure, they can be independent and sometimes even open to actions, which are not in the best interests of the organization as a whole.

Some of the disadvantages of informal structures include:

- ◆ Resistance to change;
- ◆ Distraction of managers' attention;
- ◆ Distraction from efforts to achieve objectives; and
- ◆ Receptiveness to rumours.

3.8 TYPICAL ORGANIZATIONAL STRUCTURES

Robbins (1993, p 531) supports Mintzberg's figuration of the five basic elements of an organization, namely:

- a) The working core (employees who perform the basic tasks related to the production of the product/service);
- b) The strategic top (managers in Top Management who bear responsibility for the organization in general);
- c) The middle line (managers who coordinate the working core with the strategic top);
- d) The technological structure (analysts responsible for establishing certain types of standardization within the organization); and
- e) The supportive employees (employees in staff units who offer indirect supporting services to the organization).

Any one of these elements may control the organization and so give rise to a specific structure. If control lies with the working core decision-making is decentralized, which gives rise to the *professional bureaucracy*. If it should lie with the strategic top, decision-making is more centralized and will result in an *elementary structure*. In cases where middle management is in control, autonomous units function within a *departmental structure*. Where the analyst function dominates, control is exercised by means of standardization and this results in a *mechanical bureaucracy*. If the supportive staff function exercises control by means of mutual adaptation, an *objective structure* (or *ad hoc structure*) develops (Robbins, 1993, pp 531-532).

Different sources present different types of structures and the most commonly known types are now discussed.

3.8.1 Elementary structures

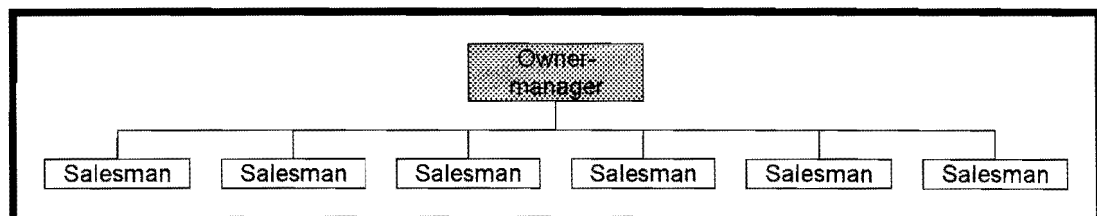
Robbins (1993, p 532) describes the elementary structure as a structure “characterized by low complexity, low formalization, and authority centralized in a single person”. He sees it as a delayered structure with an organic working core

where more or less everyone reports to a single-person strategic top and where decision-making is centralized.

Quinn, Mintzberg and James (1988, pp 296-297) describe this structure as one large unit with one or more Top Managers, one being dominant regarding centralization, with a group of operators performing the basic tasks. Only certain behavioural patterns are formalized and very few methods of planning, training and concatenation are used. The staff function is believed to be of relatively small significance and the organization must be able to adapt fast when the dynamic environment within which it functions, changes. These organizations are normally small, but when large organizations go through a crisis they normally switch to an elementary structure in order to allow strong leaders to implement their rescue attempts.

According to traditional managerial thought, the structure itself is pyramid-shaped. Seeing that the structure largely depends on the manager's personal leadership style, this structure can only be as effective as the senior manager (Schermerhorn *et al*, 1991, pp 316-317).

Figure 3.10: The elementary structure.



(Source: Robbins, 1983, p 249)

3.8.2 Mechanical bureaucracy

The mechanical structural design is a bureaucratic organization where the emphasis falls on vertical specialization and control (Schermerhorn *et al*, 1991, p 319). Emphasis is placed on rules, policy and procedures, specific decision-making techniques and well documented control systems. A strong middle management

and a centralized staff function support these. The structure itself forms a long and thin pyramid with a broad top – making room for centralized senior employees.

According to Quinn *et al* (1988, p 297), this type of structure has to be large and technical in order to design and maintain the standardization systems. As a result of the organization’s dependence hereto, quite a large amount of informal authority exists, which may lead to limited horizontal decentralization.

The description of Robbins (1993, p 533) entails strong routine tasks, formal rules and regulations, grouping of tasks in functional departments, centralized authority, decision-making according to the chain of command and an extensive administrative structure with a clear distinction between line and staff activities.

3.8.3 Professional bureaucracy

The professional bureaucracy relies strongly on the standardization of skills rather than on work processes and/or outcomes. This constitutes the dramatic difference between the Professional and the Mechanical bureaucracy, as set out in Table 3.3.

Table 3.3: Mechanical vs. Professional bureaucracy.

Aspect of comparison	Professional bureaucracy	Mechanical bureaucracy
Chain of command	Decentralized	Centralized
Rules, regulations and procedures	Few	Many
Labour division	Loose	Precise
Usage of management techniques	Minimal	Extensive
Coordination and control	Informal and impersonal	Formal and impersonal

(Source: Schermerhorn *et al*, 1991, p 319)

Professionalism is the dominating principle (Quinn *et al*, 1988, p 297). Seeing that the organization depends heavily on trained employees for task performance, the

organization grants a large amount of authority not only to these professional persons, but also to the institutions that selected and trained them. The structure is therefore highly decentralized regarding power of decision-making, both strategic and functional. The need for a technical structure is minimal, as a result of standardization and external training. The independence of professional employees leads to larger working units. Even supportive staff functions are large, in order to provide the necessary support to expensive professionalism.

Schermerhorn *et al* (1991, p 319-320) believe that procedures are minimal and not that formal. The judgment of professional employees is highly esteemed and the design emphasizes extensive communication within the organization and focuses on customers and/or technology. This structure benefits the determination of and adaptation to external changes.

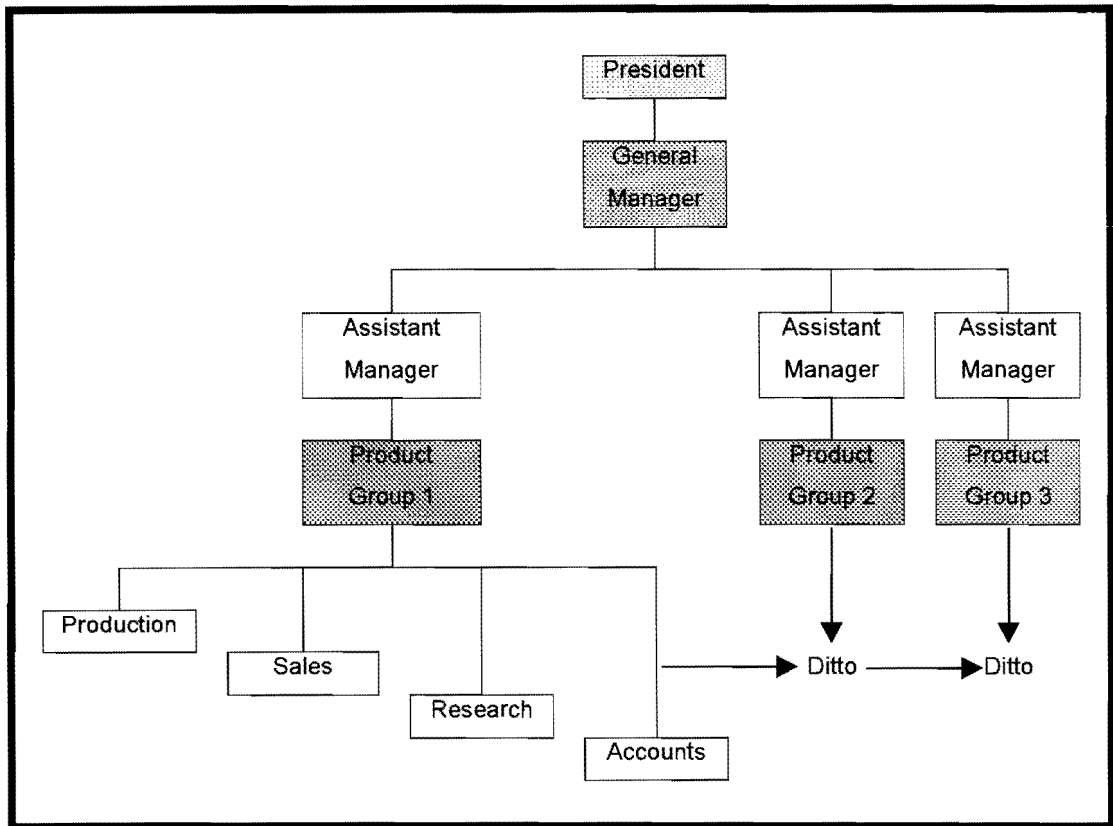
3.8.4 Departmental structure

This type of structure is based on the grouping of departments according to the similarity of their organizational outcomes (Daft, 1988. p 274). Departments are developed as independent units, each focusing on the development of only one product. This is also known as the product structure. The departmental structure brings the functional skills of all the teams together under the formal authoritarian structure and is normally used in larger organizations.

According to the synergy principle every department has its own customer profile, concurrent profile, as well as channels and methods of distribution. The specific business focus falls strongly on profit and market shares. This type of structure is found in industries where the competition is stiff, the external powers important and adaptability and speedy reaction to changes determinant.

Figure 3.11 demonstrates a departmental structure.

Figure 3.11: The departmental structure.



(Source: Baron et al, 1989, p 350)

3.8.5 Objective structure

Project structures consist of specialists from different areas grouped together in creative teams that function in an effective manner. This co-operative structure is seen by Quinn et al (1988, pp 301-302) as the objective structure or adhocracy. Specialists are grouped into functional units for domestic reasons and are placed in smaller market-based project teams. The structures are horizontally and vertically decentralized and therefore power is divided unevenly on the bases of knowledge and need.

Objective structures can usually be found in complex and dynamic environments, seeing that sophisticated innovation is required – which is made possible by the joint input of specialists.

Robbins (1993, pp 539-541) shows that technical structures practically don't exist. Seeing that middle management, supportive personnel and workers are all specialists, the traditional differentiation between supervisor and worker, and line and staff, is not so clear.

3.8.6 Missionary structure

When an organization is dominated by missionary efforts, the members tend to unite. This brings about a looser labour division, less work specialization as well as fewer formats on differentiation between the different structures, for example the differences between:

- ◆ The strategic top and the rest;
- ◆ Staff and line;
- ◆ Administration and task performance;
- ◆ Workers; and even
- ◆ Departments

(Quinn et al, 1988, pp 302-303).

The standardization of norms/values and the sharing of these by all members form the foundation of the missionary structure. As soon as members abide by these norms, they can fit in and enjoy freedom regarding decision-making. Formalization of behaviour does not always feature and aspects like planning and control systems are not frequently used, therefore a technical structure basically doesn't exist.

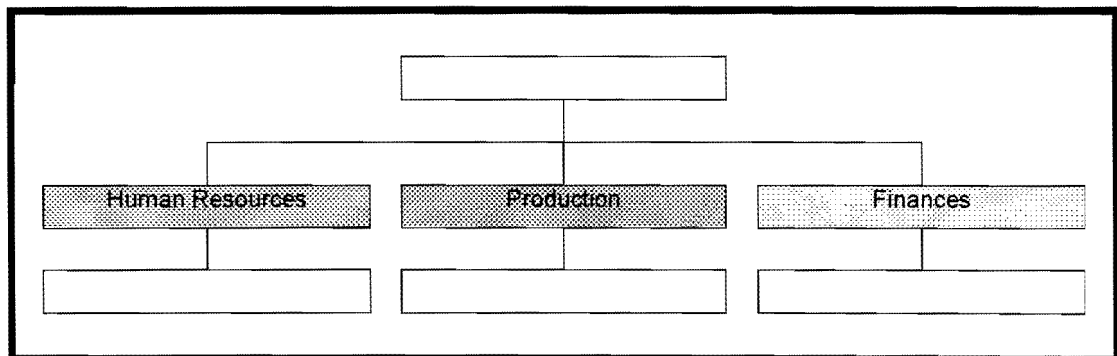
As soon as an organization expands beyond a certain size, it tends to divide into smaller units all by itself. Missionary structures can normally be found within older organizations, seeing that the embedding of a value system takes a long time. According to Quinn et al (1988, p 303) both the environment and the technical system should be simple, seeing that the specialists, with and the power and status they have, will alter the structure.

3.8.7 Functional structure

This type of structure entails the grouping of positions within departments on the basis of common skills, knowledge and resources (Daft, 1988, p 268), as discussed in 3.5.4.

Baron et al (1989, pp 528-529) explains that as organizations expand, additional departments may be formed according to need. According to the synergy principle the functional structure creates a high level of interdependence as far as the different units of the organization are concerned. Good communication as well as co-operation among colleagues is essential for effective functioning. Profit awareness is centralized at the top, whilst the units lower down in the hierarchy focus more on cost and income as separate variables (Synergy manual, pp 8-9).

Figure 3.12: The functional structure.



(Source: Daft, 1988, p 267)

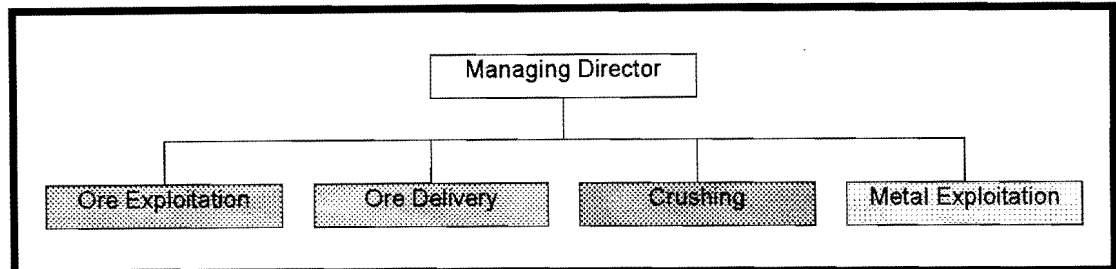
3.8.8 Process structure

According to the Synergy manual (p 10), process structures are normally found in organizations where each step of the production process requires different types of technology and skills.

The output of one unit becomes the input of the following unit. The relationship between the units is vital. Completion times as well as the quality of the output become a primary focus with the management team. This is especially important

since the effective completion of each step depends on the output of the previous step.

Figure 3.13: The process structure.



(Source: Synergy manual, p 10)

3.8.9 Matrix structure

Robbins (1993, p 542) defines this as a structure which creates dual lines of authority to functional and product departmental structures. Daft (1988, p 281), however, describes it as an organizational structure which simultaneously utilises the functional and departmental structures in the same division of the organization.

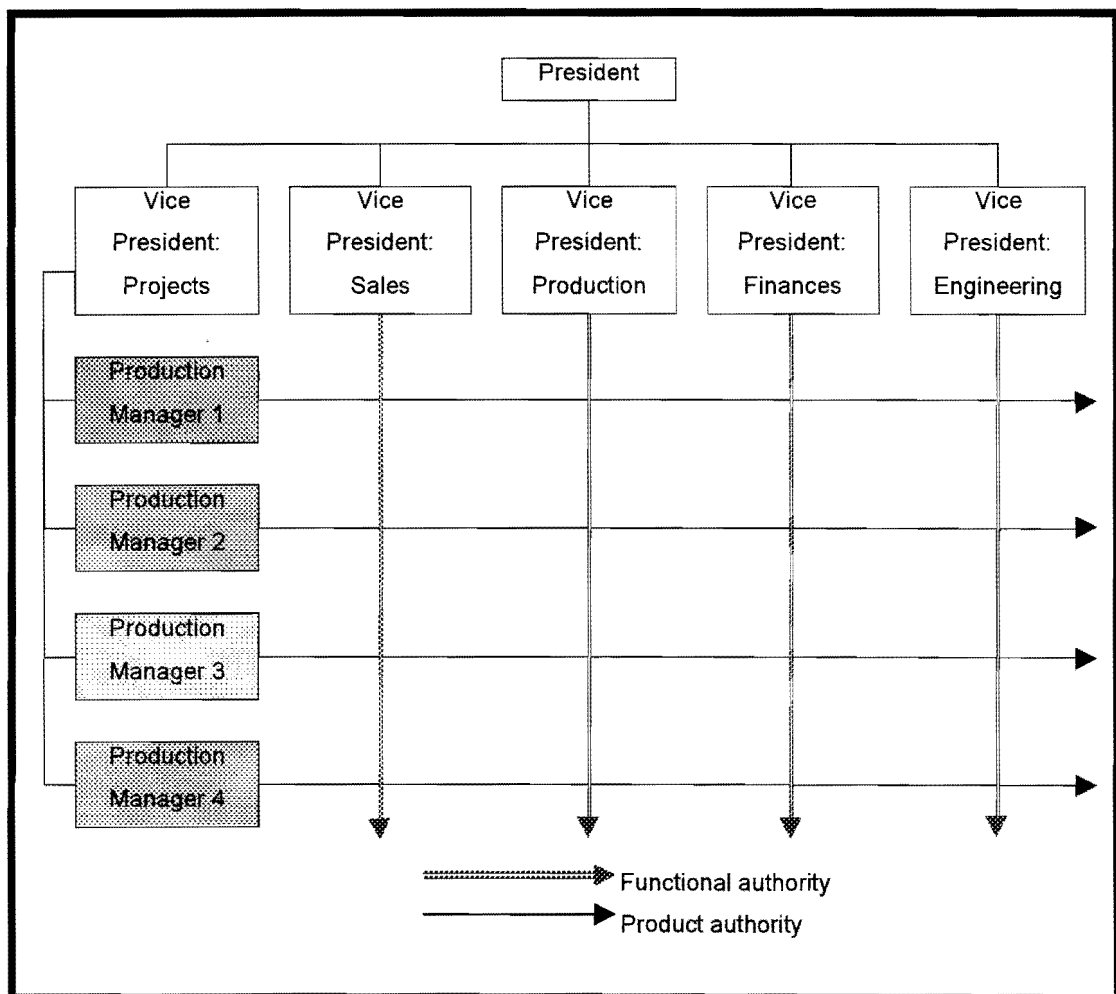
Baron et al (1989, pp 531-532) expand on the concept of dual lines of authority, seeing that there are managers with authority over different functional areas. Then there are the product managers whose authority is connected to a specific product or project. Within the matrix structure three roles can be identified, namely:

- i. The top leader (with authority over both lines – functional and product/project) is responsible for coordinating the two line managers as well as managing the power balance between them;
- ii. The matrix managers (controlling the functional departments of specific projects) do not have total authority over subordinates, and therefore cooperation is vital to success; and
- iii. The manager of two line managers is accountable for both the product and functional managers in an effort to keep the balance.

According to Robbins (1993, p 542), the matrix structure uses both lines in order to utilize the strong points of both and avoid the weak points. Functional structures' grouping of specialists and products' sharing of specialized sources, are combined with the coordination of specialists in order to:

- ◆ Finish timeously;
- ◆ Ensure the honouring of budgets; and
- ◆ Clearly assign the responsibility to the product structures.

Figure 3.14: The matrix structure.



(Source: Baron et al, 1989, p 531)

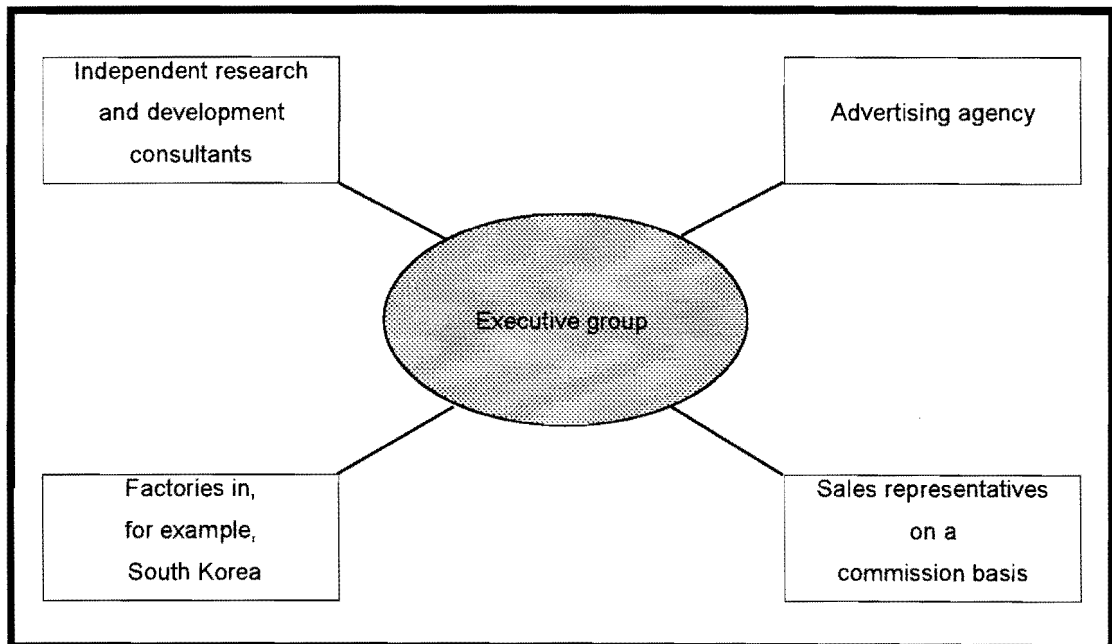
3.8.10 Network structure

When a small centralized organization depends on other organizations to perform basic business functions on a contract basis, Robbins (1983, p 253) calls it a network structure. Organizations form relationships with, for example, independent designers, manufacturers and sales representatives to perform certain tasks for the organization. Management displays a high level of flexibility and therefore the organization can concentrate on what it is best at.

When a network structure exists, the core of the organization consists of a small group of executive officers. Their tasks consist of supervising internal activities and coordinating external relationships and activities.

It is important, though, to mention that this structure will not be beneficial to all organizations, but that certain manufacturing organizations may benefit – especially those requiring flexibility in order to react quickly to changes in, for example the fashion industry (Robbins, 1983, pp 253-254).

Figure 3.15: The network structure.



(Source: Robbins, 1983, p 254)

3.9 CRITERIA FOR EFFECTIVE STRUCTURES

Organizational structures have a profound influence on managerial behaviour. Similarly, different structures influence the manner in which outsiders communicate with the organization (Synergy manual, pp 14-15). Management controlling the organization has a unique opportunity to influence both these behaviour types by means of their chosen organizational structure.

Organizations frequently experience the need to change their structures when internal or external factors change. These structural changes have a specific impact on the organization and therefore the reason for the changes must be communicated in an understandable manner.

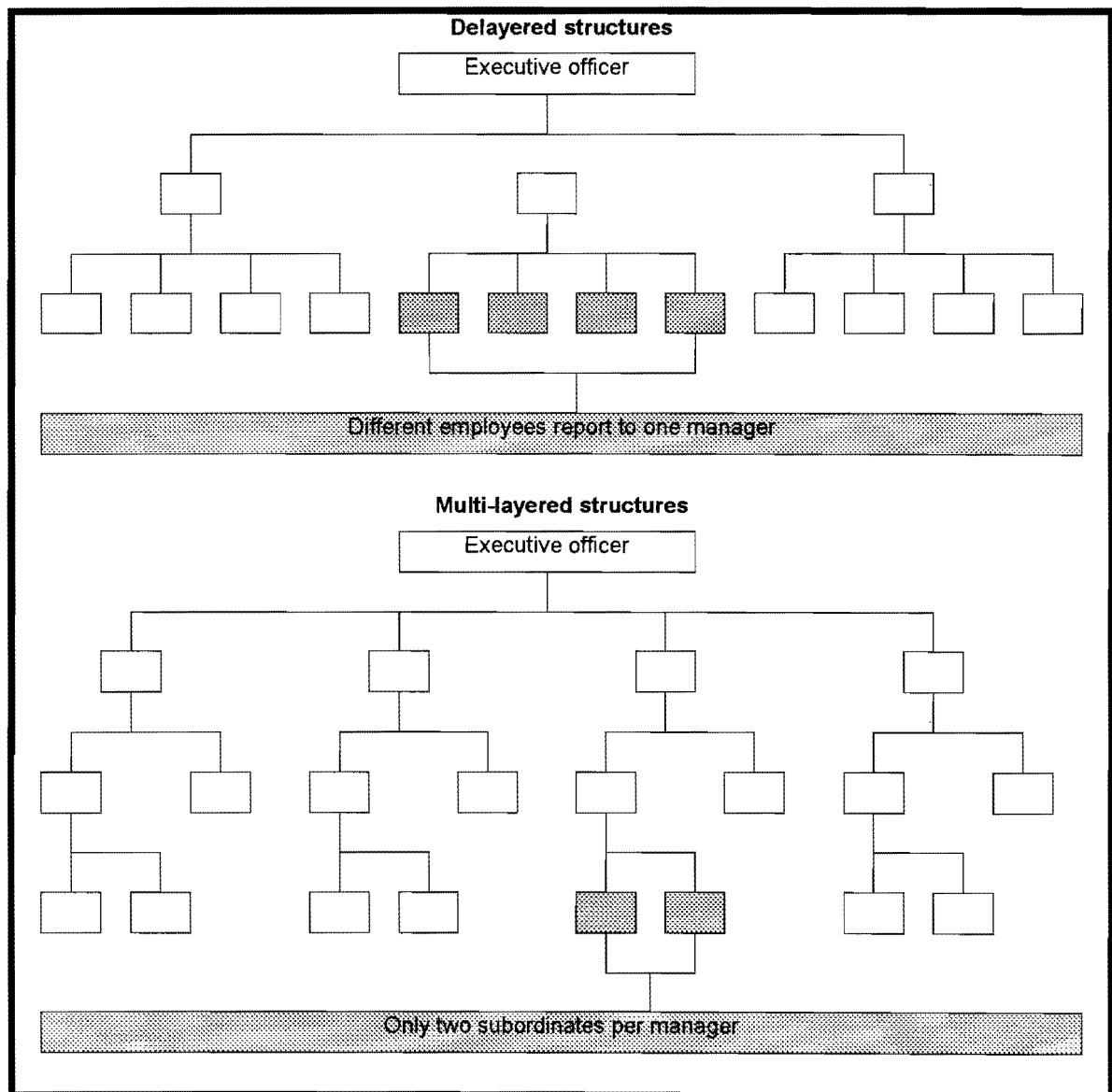
Since determining criteria for structural effectiveness is a very practical exercise, a list of six or seven criteria will not be sufficient. Criteria may include some of the following (Synergy manual, p 15):

- i. Competition within departments is decreased;
- ii. Design and development skills are separated from routine and practical skills;
- iii. Users have only one contact point by which they can approach the department with regard to system development;
- iv. Users have only one contact point by which they can approach the department with regard to system or hardware failure;
- v. The opportunity for skills development regarding more than one area is provided;
- vi. Data processing and accountancy skills are integrated into positions;
- vii. Customer information services become a speciality; and
- viii. Top Management is protected from inquiries and routine tasks.

Managers should use their skills and situational knowledge to compose a set of criteria, and then evaluate the different structures in terms of the criteria and the objectives that their structure ought to achieve.

3.10 DELAYERED STRUCTURES

Figure 3.16: Multi-layered and delayed structures.



(Source: Baron et al, 1989, p 524)

When one talks about delayering one refers to the process through which the number of management layers in an organization is reduced (Keuning *et al*, 1994, p 19). According to Baron *et al* (1989, p 523), the differences between a delayered and multi-layered structure lie mainly in the span of control and the length of the chain of command, as shown in Figure 3.16.

3.10.1 Characteristics of a delayered structure

Keuning *et al* (1994, p 20) state that organization structures consist of various elements. These elements can be considered in order to assess whether a structure is “tall” (multi-layered) or “flat” (delayered). This means that one must first of all establish to what extent specialization and differentiation of roles lead to *hierarchical levels*. The number of these levels is closely related to the *scope of control* of management (as a function of the span as well as the depth of control). This particularly concerns the number of employees one manager can directly or indirectly lead in an effective manner. Because not all operations take place within departments, it is also necessary to look at temporary organizational units such as *work and project groups*.

Authority also plays a role in the definition of the structure; what matters here is the *delegation of authority*. Another important structural factor is co-ordination. It is possible to establish whether managers or heads of departments co-ordinate and whether this takes place in an atmosphere of mutual adjustment. Table 3.4 outlines the structural characteristics of the extremes of delayered and multi-layered structures.

Table 3.4: Extremes of structural characteristics.

Aspect	Delayered	Multi-layered
Number of hierarchical levels	Small	Large
Mean scope of control	Large	Small
Number of ad hoc work and project groups	Large	Small
Delegation	Much	Little
Co-ordination by means of mutual adjustment	Much	Little

(Source: Keuning *et al*, 1994, p 20)

Robbins (1993, p 506) states that future organizations are going to be more delayered and that they will possibly reveal characteristics like fewer hierarchical levels, a greater extent of decentralization, higher complexity and a decrease in formalization. Organizations will be orchestrated like a symphony orchestra. Clear, simple, common objectives will make it possible for Top Management to direct hundreds of employees, seeing that each individual will be a specialist in his/her area. Rules and regulations will be few, as a result of the fact that employees are professionally trained individuals. Management will also be more operational, seeing that they won't have to do so much explaining anymore. They will therefore have more time to compose plans and provide direction in a diplomatic manner.

Combining the different viewpoints, the criteria or characteristics concerning delayered structures can be summarized as follows:

- ◆ A large span of control;
- ◆ A short chain of command;
- ◆ A low level of formalization;
- ◆ A low level of complexity;
- ◆ Fewer employees (a smaller organization);
- ◆ Centralized decision-making;
- ◆ A decreases/more limited hierarchical format;
- ◆ More decentralized tasks and responsibilities;
- ◆ Good and professionally trained employees; and
- ◆ Flexibility.

3.10.2 Reasons for delayered structures

The pyramid structure is passé, as a result of different reasons. According to Robbins (1993, p 506) and Keuning et al (1994, pp 28-32), the following reasons may be applicable:

- i. *Fast and unexpected changes* – The pyramid's force of strength lies in its capacity to manage routine and predictable events in an effective manner.

This defined chain of command, rules and rigid methods have difficulty adapting to fast changes.

- ii. *Higher diversity* – Current organizational activities create the need for employees with diverse and highly specialized levels of competency. The pyramid's departmental structure is not fit to accommodate diversity.
- iii. *Change in managerial behaviour* – As a result of a change in philosophy management no longer controls by means of verdicts. More emphasis is placed on humane democratic values. Participation and reasoning are encouraged.
- iv. *Introduction of computer technology* – Computers change the work method of organizations. Information based technology requires a high level of flexibility.
- v. *A too tall Top Management structure* – Problems that can be experienced in this respect are:
 - ◆ Lack of commitment to the realization of plans;
 - ◆ Difficulties with division of tasks and responsibilities;
 - ◆ Duplication of staff and consultative bodies;
 - ◆ Keeping each other occupied at the top;
 - ◆ An exaggerated “checking urge”; and
 - ◆ Delays in decision-making.
- vi. *A too tall middle management* – In this instance, some problems that may be experienced are:
 - ◆ Problems concerning market orientation and co-ordination;
 - ◆ Policy-making and execution of operations are too far apart;
 - ◆ Too little entrepreneurship and accountability;
 - ◆ Few chances to develop integral management skills; an
 - ◆ Bureaucratic, role-orientated cultures.

3.10.3 Delaying involves more than just the structure

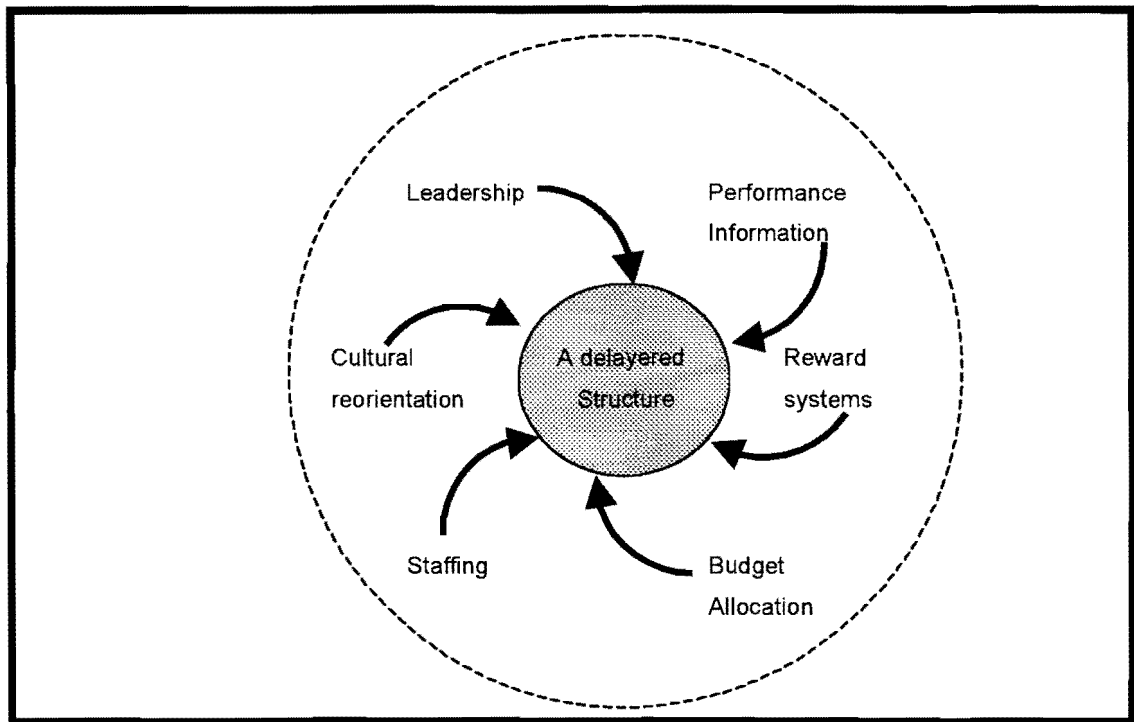
Simply changing the structure by reducing the number of management layers does not automatically lead to:

- ◆ An increase in the speed with which decisions are made;
- ◆ Energy being concentrated on the enterprise/entrepreneurship; or
- ◆ More attention being paid to the needs of customers.

(Keuning et al, 1994, p 23)

Managers have several means at their disposal to enhance the effect of a change in structure. These means are displayed in Figure 3.17.

Figure 3.17: Interrelated aspects which contribute to a delayed structure.



(Source: Keuning et al, 1994, p 23)

Keuning et al (1994, pp 23-25) explain it as follows:

i. *Leadership*

A delayed organization makes high demands on the style of leadership. Different levels require different styles. At top level, the attention should be

focused on those factors, which promote the development and implementation of a successful strategy. Leadership needs to be exercised at arm's length. On a decentralized level, managers are mainly entrepreneurs posing as "team builders".

ii. *Performance information*

Within a delayered organization the decision-making process is, to a large extent, decentralized. The top, however, needs to have an idea of the degree to which competitive advantages are gained and results are achieved. For the sake of accountability, Top Management must be able to see the results of their decisions. These results can be made visible by means of a system of justification and reporting, which, in many instances, is backed by an automated system.

iii. *Reward system*

In a delayered organization tasks or roles are less important than results. This belief finds expression in rewards, material or immaterial. Rewarding of individual achievements should, however, never take place at the expense of team spirit. The management positions which remain after the process of delayering, are generally narrower and therefore more interesting. The new situation also offers employees the prospect of jobs with a more challenging content.

iv. *Budget allocation*

Concerning budget allocation the way in which the budget cycle and allocation of the available capacity is organized, is of prime importance. A second important element is the freedom the decentralized unit has to act on the basis of strategic choices and the corresponding budget allocation.

When several units operate within a delayered structure, these different units may be looking at different strategic goals. The allocation of people and means will have to correspond to the priorities set out by the organization as a whole in relation to these different strategic goals.

v. *Staffing*

“The right person in the right place” is of essential importance to the delayed organization. For the sake of both the management and employees it is important that a good relationship exist among the employees as well as between employees and management. In delayed organizations the system is not merely based on “promotion on the basis of years of service and along the hierarchical line”. A great deal of attention is paid to the gaining of relevant experience (job rotation), the development of knowledge and skills (training) and regular assessment.

vi. *Culture*

In delayed organizations the development of a strong culture plays an essential role. The more culture and strategy are in line with each other, the less important formal guidelines, procedures and direct supervision become. The characteristics of a task-orientated or a person-orientated culture tend to dominate the delayed organization. Internal entrepreneurship and a sense of responsibility for results largely determine norms and values in a delayed organization.

3.10.4 Mobility and new careers

In most cases, delaying runs parallel with the departure of a number of managers or employees. This is seen as a difficult but necessary process (Keuning *et al.*, 1994, pp 183-184). This process requires great care, but sometimes the necessary time, funds or support are lacking. Good management and honesty are desirable in this respect.

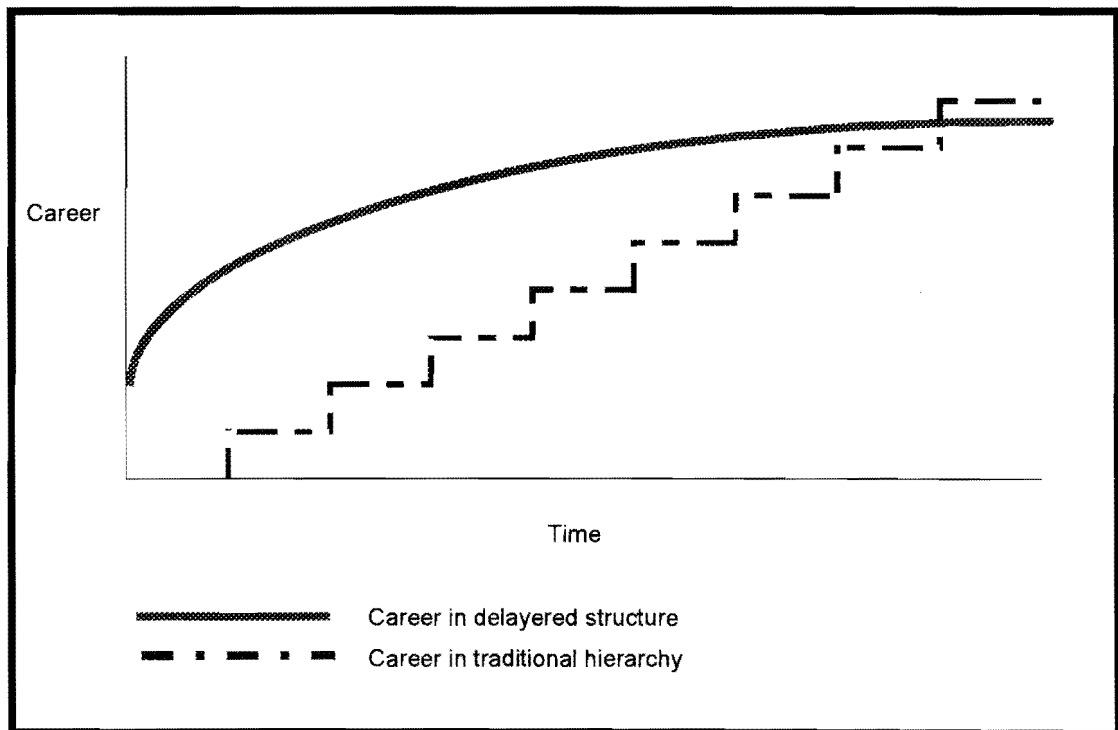
For those remaining with the organization the delayed structure means that the career ladder, traditionally viewed as tied to the concept of hierarchy, is no longer the same. Delayed organizations tend to ignore the inherent human need for hierarchy. It is therefore reasonable to assume that it is impossible to motivate employees without the traditional promotion prospective. Promotion is indeed seen as important, but the recognition of achievements, self-motivation, the gaining of

interesting experience and more challenging tasks and assignments are considered more important.

The vertical ladder, titles and “being boss” move to the background. In addition to vertical promotion, attention needs to be given to horizontal promotion. Horizontal promotion, in terms of getting ahead, can be seen as acquiring new skills and being involved in interesting projects and challenging tasks. These aspects are no longer connected to climbing a vertical ladder.

All this means that the career path in the traditional sense changes: it becomes more even and has fewer steps. In Figure 3.18 the traditional career path is compared with the new path (Keuning *et al*, 1994, p 178).

Figure 3.18: Traditional career path and new career development.



(Source: Keuning *et al*, 1994, p 179)

Delayed organizations thus require a completely different Human Resources management approach. When this condition is not met and when the strongly traditional concepts regarding organization, management and control remain the dominant ones, delayering of the organization could be strongly hindered.

3.10.5 Opinions on delayering

According to Mastrantonis and Nel (1995), the limited ability of hierarchically structured organizations to adapt to change, is nothing new. These structures are better adapted to maintain the *status quo*. The current need to allow structures fewer levels and to create work teams who are representative and integrated regarding organizational functions, is self explanatory.

Mastrantonis et al (1995) also hold the opinion that an open and effective communication system is important to keep employees informed about their roles in larger tasks. Therefore internationally competitive organizations need skilled and well-trained employees in order to achieve their goals. Job rotation, multi-skilling and employee training programs are examples of the actions organizations may take, but more about these in chapter 5.

Abell (1995) shows that corporate diversity and complexity, together with the need for faster and more cost-effective decisions, disqualify hierarchical order-type leadership. More and more Top Management is responsible for levelling the playground so that leadership can figure on lower levels within the organization.

Nel (1994) refers to the Biblical parable, which suggests that new wine should not be placed in old wine bags, as the bags will burst and both the wine and the bags will be lost. Likewise, new values cannot be forced upon an old structure, seeing that structures house and maintain values. Rigid control levels, chains of command and communication channels alienate the people on the crest and those at the ground-level. Nel (op cit) puts it this way:

*"They fragment thinking and doing, with those at the top **doing the thinking**; those in the middle **thinking about doing**; and those at the bottom often being forced into **doing without thinking**."*

He deems it important that organizations are well-structured in order to deliver, because *"if we always do what we always did, we'll always get what we always got"*, namely bad performance, suspicion, distrust, low motivation, low commitment and

stagnating productivity. All of this emphasize the importance of creating new structures as an intrinsic and essential component of organizations' strategies.

3.10.6 Research into the effectiveness of multi-layered and delayed structures

According to Keuning et al (1994, p 212), a number of studies on relationship between the length of hierarchy within the organizational structure and its effectiveness have been made. The results of these studies do not allow anyone to arrive at the conclusion that a delayed structure is, by definition, more effective than a multi-layered structure. It is, however, possible to discuss a number of conclusions regarding the link between length of hierarchy and effectiveness:

- i. These studies appear to confirm the idea that the level of satisfaction among employees is higher in organizations with a delayed structure. This seems to apply, in particular, to managers at lower levels and to employees with a "borderline function", such as salespeople. At the top level, multi-layered organizations appear to provide the most satisfaction.
- ii. The effectiveness of delayed structures is dependent on the situation. In a turbulent environment which is complex and constantly subject to change, they are more effective than multi-layered structures. In contrast, multi-layered structures are better in a stable environment where information is adequate and clear.
- iii. Effective decision-making requires a certain measure of hierarchy. In this respect the organizations with a relatively high number of hierarchical levels performed better than their counterparts. The quality of the decision-making process in Multi-layered organizations was higher because decisions were re-evaluated at various levels.

3.11 SUMMARY

Hequet (1995) also indicates that with delayering the hierarchical ladders fall away. Upward mobility is limited and employees' uncertainty increases. This emphasizes the need for an organization to use its strategy as the foundation for the choice of structure without losing sight of the people within these structures.

The management of a large number of organizations is looking for ways to accelerate decision-making processes, to avoid information bottlenecks, to give shape to entrepreneurship, to improve the way in which the organizations are run and to get the best out of their managers and employees. This exercise normally starts at the organizational structure and these organizations choose to reduce the distance between the "top and shop floor".