



REVIEW ARTICLE

STUDIES ON FORMAL AND INFORMAL ORGANIZATIONS, EVOLUTION AND SYSTEMATIZATION PROCESS

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ABSTRACT

This work describes the evolution of the studies on the organization and hence the ontological and epistemological conception of the organizational knowledge. It is shown that in each socioeconomic and political context the modes and forms of studying organizations are changing and hence they also change the perspectives of its analysis, increasingly enriching themselves, that is to say, systematizing the logical bodies of analysis, theories and methods arise and hence new objects of study become better defined. The empirical and theoretical practicality, that is to say, the development of concepts, scientific categories. Each evolutionary process that explains a concept, categories, suppositions and axioms arise, which comprise the plot with which scientific theories are built. Consequently the evolution of disciplinarity, interdisciplinarity, multi-disciplinarity is shown in addition to already distinguishing a transdisciplinary process in the growth of these analysis logics. All of the above under the trajectory of the proposals of Barnad, Stogdill, Ibarra, Montaña, Pfeffer, Reed, Jo Hatch, Barba, Scott, Clegg, Donaldson, and Hickson.

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INTRODUCTION

The organization changes in an anecdotal way, in a revolutionary way or in a systematic way throughout time, and a little later on, new paradigms are being generated trying to understand it, measuring, comprehending and interpreting it. This situation has provoked an overpopulation of theories in order to explain it, as Ibarra points out (2000: 53) that the organization, being a complex phenomenon, cannot be considered as a well determined theoretical object whose behavior obeys simple laws; while Vilar (1997) emphasizes that the main characteristic of the complex resides in the uncertain. In this manner, it has been possible to establish a consensus among the scholars in the field: the organization is a complex phenomenon. Organizations have existed since

pre-history, but it was not until the beginning of the XX century, that the formal theories of the organizations were established and propagated. As far as theoretical frameworks are concerned, the organization has also been revised or studied through metaphors, as Montaña Hirose (1998) points out "the study of metaphors has recently been incorporated to the organizational studies, more as a methodological tool than as a recognition of a complex social phenomenon". These are implicitly related to the diverse theories that have been developed within the many paradigms of organizational theory. From the point of view of Barnard, organizations are as a result of their own nature cooperative systems, that cannot stop existing as social systems so-called organizations, and the minimal elements required for their existence are: objective, social structure, and the common purpose such as well-being, in addition to willingness and relations (Barnard, 1996). For the purpose of synthetizing the evolution of the studies on organizations, we will rely on the analysis methods of Barba, A. and Solis: (1997) which point to the existence of three metaphors in the organizational studies: mechanical, organic

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and cultural. In addition to the proposal by Ibarra and Montaña (1990) where they point out the material basis, theoretical basis and operative basis, the last stage of crisis and reformulation.

The present work allows the conceptual classification of the studies on the organization, addressing the following questionings: Can an organizations science exist? What are the contributions to the enrichment of the studies on organizations? What are the epistemological and methodological debates that are introduced in the field of study? What is the future of studies on organizations?

Evolution of the theory of organizations

The rationalist school of thought on the studies about organizations continues to prevail, the positivist theory or organizations evolves in the light of the classics of administration, incorporating the contributions of human relations. Makes the case for the aspects of the programming decisions technology, formalization of activities and control of the behavior of the members of the organizations, but it leaves aside the informal aspects, the power relations, the conflict of interests and the influence of context. During the 1940, 1950 and 1960 decades predominate in the organizational field: institutionalism, the theory of decisions and human relations. Its origin is made up of the works of Barnard (1938) and Weber (1947). Categories such as Cooperative System, Abstract Systems, External and Internal Equilibrium, Complex Formal Structure, Formal and Informal Organization (Barnard; 1938) among others allowed the conceptualization of the function of the executive as a leading element, that is to say, leaders that have to understand organization as a Cooperative System that is in a specific systematic relation for the reason of cooperation between two or more persons in order to achieve a common goal, with the purpose of taking key and precise decisions such as contribution and incentives for each member, and of the formal organizational system, as defined by Barnard.

For Barnard, in organizations conflict is excluded, the compulsory coordination is incorporated and the financial incentives that are characteristic by nature, of the cooperative systems and cannot cease to be (Barnard; 1968). It is necessary on a par with Barnard, the proposals by Weber, for him, people cooperate obligated by the hierarchy of authority and by the separation between position and person. Both coincide in defining organizations as an impersonal or supraindividual system of coordination of forces or activities, which makes organizations to be more rational than individuals. Simon and March (Simon, 1947; Simon and March, 1958) develop and reconcile the ideas of Weber and Barnard, claiming that an organization is a set of people and what organizations do is carried out by people, but these possess a limited rationality and thus their behavior can be controlled by the organization. These controlled behaviors configure the organizational structure. The authority, the communication and formalization or programming of the decisions and the activities (technology) are the means for controlling these behaviors. The organization defines the objectives and goals. The conflict is seen by these authors as an impersonal problem, as a conflict in goals. The systemic rigor of Barnard (1938) in the Theory of the

Organization (TO), continues to be present currently. For Stogdill (1967) the organization is something much more complex than what many theoretical systems assume. His systemic perspective had a great acceptance within the TO, however it presents diverse theoretical absences of other perspectives. This is presented as a methodical tool to integrate diverse variables in different dimensions. Which allows us to propose considering that, in this sense, the systemic approach is a milestone in the development of the TO. The different dimensions presented by Stogdill illustrate different paradigmatic perspectives in their attempt to conduct an structure of the TO. These dimensions were expected by Barnard, although he didn't delved into its analysis. Both authors addressed the dichotomy of formal and informal organizations in a very similar manner, although the differences may give rise to aspects of debate. Continuing with Scott "organizations are cognitive, normative and regulatory structures and activities, that provide stability and meaning to social behavior", (Scott, 1992). They are reproduced by culture, structures and routines. It is important to mention the theory of rational contingency which arises in the middle of the 1950's in Europe (Burns and Stockers, 1961, and Woodward, 1965) and is taken to the United States-mainly at Harvard by Lawrence and Lorsch (1967) and Thompson (1967).

It is the dominant theory in the 1950's, 1960's and 1970's and still maintains its validity. It exercises great influence on marketing, in the design of organizations, and in the texts of business consultants. In academics it is strongly criticized. It holds as a basic assumption that organizations act rationally and adapt to their surroundings. It explains how the factors or context variables determine the organizational structures. Another conceptual category is the influence of the environment which is incorporated to the theory in the 1960's. Each organization has its own contingencies, its risks, its uncertainty and its restrictions. It is a functional structuralist theory that considers the organizations as organisms (Burrell and Morgan, 1979) that adapt to their environment. It follows the spectrum of the systems approach. The organizations are open systems that interact with their environment to reproduce the social system (Scott, 1981). In the field of organizational studies, we can say that the general study of systems was a watershed between the traditional and the modernist studies; according to Jo Hatch (1997:34) the general theory of systems inspired the modern advancement of the theory of the organization and helped to support a loyalty to modernism among the theoreticians of organizational studies.

The rational contingency theory is criticized for its tautological approach, which does not consider the political and historical aspects, its obsession with efficiency and the omission of key actors for the organization (Hall, 1996). It is noteworthy that in each way of looking at the organization are found positions that are eminently inter and multidisciplinary. And it is also noteworthy the integration to the organizational scene of scholars in anthropology, sociology, economics, philosophy, engineering, biology and physics among others concerned about understanding the organization with the purpose of increasing the productivity and efficiency of the emergent organizations. Not ruling out at all the first beacons of the possible crossing of borders with the transdisciplinary element. After the path

followed by the Organization Theory, Jo Hatch (1997:4) points out that “the theory of organizations has been and always will be multidisciplinary due to a great variety of other fields of study that consider it inspiring and because organizations cannot be explained by a simple theory”. Rendón and Montaña (2004:102) claim that “the study of organizations has experienced a surprising evolution since the end of the twentieth century, and several modalities of theoretical approach”. Among these modalities they point out eight: administration, theory of the organization, institutional analysis, labor sociology, organization’s sociology, organizational analysis, business sociology and organizational studies.

These studies have taken different approaches over time, depending on the advances in the theory, as well as the disciplinary perspective from which the organization is considered. In this way these studies have taken three different approaches over time, which have been “baptized” as metaphors, in this respect Alvesson (1998) mentions that “the metaphor is seen like an illustrative resource, in which the words utilized improve the language, thereby giving it a greater richness or make it nicer as it happens in poetry”. From the point of view of these metaphors, we arrive at the conclusion that the organization may be looked at as a machine, as an organism or as a culture (see Figure 1). The organization as a machine. This metaphor includes the first period of organizational studies at the end of the nineteenth century and beginning of the twentieth century, and was characterized mainly by the emphasis on production, in this way, the organization was seen as a “machinery” in which the most important aspects were the procedures and normativity that increased the productivity. Barba and Solis (1997:29) claim that “the emphasis is found located. In the internal operation of organizations and a rational approach is adopted which mainly stems from the models of physical science”. And adds that “the organization is considered as self-sufficient and with enough independence so that their problems may be analyzed in terms of the internal structure, tasks and formal relations”.

The organization as an organism. This metaphor considers organization as organisms that depend on the environment, and their origin is found in the Systems General Theory, which considers organizations as open systems dependent on their environment. Jo Hatch (1997:53) points out that it is a biological metaphor, and is associated to the ideas of organic functioning and adaptation within an ecological system. The organization as culture. The cultural studies reach their highest point at the end of the 1970’s and beginning of the 1980’s, as a result of the drastic fall in the profitability of businesses that originated as a consequence of the intense competition of the Japanese businesses that entered the United States market attracted by the alluring power of globalization. This forced American businesses to perform comparisons with the homologous Japanese in order to analyze what was different in them, and in this way to find the weaknesses that they should strengthen. Another triggering factor of the interest of cultural studies was the fact that the paradigm of the instrumental-rationalism that had been instituted in the organizations at the beginning of the twentieth century, did not respond anymore to

the changes that were introduced in the organizations and needed more flexible structures. Ibarra and Montaña utilize conceptual categories such as: the material base, theoretical base, operative base and crisis and reformulation to describe the historical development of the analysis on the organization.

The Material Base: It is the initial series of developments, theoretical and industrial, which propitiated the emergence of large capitalist organizations. Theoretical developments in which positivism prevails as a sustainable current. The Theoretical Base starts with Human Relations and constitutes in reality the true principle of the organizational project, that is to say, the organizational theory. This perspective does not contradict the scientific administration, there is an appearance of bureaucracy. It appears after the great crisis. Behavior. Conception of the organization from decision-making, Contingency. Models of study based on technology. The positivism continues prevailing. In the Operative Base are found the mature developments of The New Human Relations, the strategic planning, as the search for the structural flexibility to adapt to the new production requirements, where the strategic planning represents an organizational model followed by the great north American corporations and is proposed as one of the most efficient organizational models in the crisis of world capitalism.

And finally, the stage of Crisis and reformulation of the organizational paradigm that corresponds to the current phase and centers on the debate about its potential at both levels, theoretical as well as political.

Modernism

For Jo Hatch (1997:5) the modern perspective covers the period from 1950 to 1980, whose main theoreticians of the organization are Herbert Simon (1945,1958), Talcott Parsons (1951), Alfred Gouldner (1954), James March (1958), Melville Dalton (1959) and Ludwing von Bertalanffy (1968). However, if we add the theoreticians of their classical perspective that carried out organizational studies from 1900 on, such as F.W. Taylor (1911), Henry Fayol (1911), Max Weber (1924) and Chester Barnard (1938) (see figure 2). Then we can equalize this scheme against the one due to Barba and Solis (1977: 85), who point out that the period of modernity encompasses the period from 1900 to 1980 (see figure 1). We can talk about modernism, in a general way, as a period of change, a jump from the traditional to the modern, from failures to triumphs, from the old to the new, a time to respond or face the errors from the past. If we paraphrase Lyotard we must consider that the modern way of thinking has been characterize by being oriented by met narratives; religious, rationalist, speculative, scientism, emancipating, catastrophic and others that have in common thinking about a universal future that must be realized. On the other hand, according to Cooper et al. the modernist thought finds its most unambiguous expression in the intellectual domain and ideological power of the system analysis (cit. en Reed, 1993: 169,170).

According to Alvesson and Deetz (1996:4) modernism represented an emancipation over the myths, authority, and traditional values. Supposedly this could be achieved through knowledge, reason and the opportunities based on a great

capacity. And it adds that the organizational studies at the beginning of the century were organized in this manner, since the treatises of Taylor and Weber about rationalization and bureaucratization developed the modernist logics and instrumental reasoning.

The epistemological and methodological debate between paradigms

In order to understand the organizational studies it is necessary to know the three great debates they present and serve as guides for future studies within the field. One of the main debates that arise concerns the most adequate methodology to carry them out. This has opened a debate about which is the best method for the field, however, no possible consensus is in sight, since different opinions exist between the scholars in the area, on one hand according to Martin and Frost (1996) there are some who favor seeking consensus, such as Donaldson, Pfeffer and Reed, while others favor the proliferation of paradigms, such as Burrell and Morgan and Van Maanen. It is worth noting here the debate between the positivist theory of the organization and the critical theory.

Donaldson notes that in a significant part of the discussion about the traditional studies of the organization, a fundamental dilemma is put forward. Can an organization science exist? This question has two implications:

1. The ontological condition of the organizations and
2. The epistemological condition of the theory of the organization.

The application of techniques from the natural sciences to organizations and the belief that organizations are concrete and solid objects were questioned by the critics on the proposals of Donaldson. These criticisms of the positivistic theory of the organization result in a mistaken interpretation of the philosophy of science or reveal an erroneous interpretation of the sociological theory. So Donaldson defends the positivist theory of the organization resorting to the advances in the philosophy of realism. He defends the application of the techniques from the natural sciences to social phenomena. Donaldson proposes a functionalist theory: Broaden the theory of the organization by assimilating its rivals in such a way that their criticisms are incorporated. The attempts to expand the traditional frameworks must be hailed; the attempts to eradicate the concepts and objects of traditional studies must be rejected (Donaldson; 1985). It is important to point out that Donaldson does not accomplish this extension of the traditional frameworks, he simply says that it is possible to do it. Given this expansion promise, it is interesting to highlight the defense mechanism of Donaldson:

First defense: Distinction between organization and society. This social relationship is expressed by the physical metaphor of the analysis levels internal/external and micro/macro. The organization is relatively a micro-phenomenon, it is a societal subsystem; the theory of the organization is a sub-discipline of sociology. The theory of the organization refers to those parts of the social structures located within the organization; sociology deals with a broader society. By means of this

distinction, it is protected from the criticisms of those who argue in favor of a sociology of organizations: "a wrong level, a different study object". Thus, the possibility of a marxist theory of organizations is discarded as a contradiction in terms: "Marxism is a theory of society; therefore it cannot be a theory of the organizations".

Second defense: the scope of the theory of the organization. Its focus is the goal-oriented behavior, coordinated towards an objective. The theory of the organization does not attempt to explain everything that happens within the "legal coverage" of the organizations. To be precise, the theory of the organization studies a narrow sub-set of a societal sub-system. Donaldson then claims that the device to outline phenomena which cannot be handled by the theory of the organization and then use another to show the inadequacy of the approach is very common and little valid. For Donaldson that which the theory cannot explain is not an issue pertaining to the theory of the organization, it does not have organization (That is to say, the society, the wrong level) or it is within the organization but beyond its sub-set. Third mechanism of defense: the teleological explanation of the positivist theory of the organization. The theory of the organization is presented as a new discipline that struggles to define and legitimize itself away from its origins in the sociology of Weber. For Donaldson, sociology is troubling in two important aspects:

1. It deals with the wrong level (society is broader) and it is outdated (sociology is always classical, never contemporary). The critics become conservative guardians of ancient orthodoxy. The paradigmatic change is not a merely cerebral issue, but depends on the results of the political conflicts between the custodians and the opponents of a paradigm. The resistance to change is a norm. Positivism has worked as a hegemonic method in all of this. This is the dominant concept of science, it has established control over the generation of knowledge.
2. It specifies what is conceivable (the ontology), and how it is to be known (the epistemology). Concepts that have configured the reach and content of the studies on the organization and the nature of the rules (Practice of research, criteria for success) that govern the academic profession. On the other hand, Karpin (cit. in Hassard 1995:28) adds that debate is necessary since "its absence would really threaten the discipline".

On the other hand, there are some researchers that favor the employment of the two concepts for the same investigation, although this means a greater effort in work, time and money. This is the point of view we shall consider in reviewing the different cultural studies that were developed in the organizations in a second essay regarding the paradigm of post modernity, and the debate continues.

As a manner of conclusion

All must be about the grand question: How is it possible to create a science of the social organization that would reproduce, in the study of the social and human life, the same

kind of sensational enlightenment and explanatory power that the natural sciences had already provided? (Giddens: 1997:15). There is no getting around the fact that no unique truth exists or a way of approaching a problem, furthermore, change is the only constant, thus we have to seek new opportunities that allow us to incorporate new methodologies and epistemological perspectives. We must scrutinize in the most advanced scientific proposals nowadays, which are not necessarily under the foundations of the Social Sciences, but in the so-called hard sciences. While it is true that I consider the debate and criticism positive for the generation of knowledge, I think that the debates that arise in the field of the organizational studies should not be exclusionary. That is to say, given that each organization is unique and the phenomena that are studied within it have different characteristics, it is not possible to establish an exceptional pattern. For this reason, all of the debate between the positivist theory of the organization and its critics depends on the ontological situation of the organization and its relationship to society. At present, we are living in an age of transformations so great as that in which the interesting for studying enterprises as a science and in which the great classics such as Taylor and others developed their work, who wondered around the object of study, indicating different answers in which their theoretical efforts defined the own rationality of that fundamental component called enterprise, which fructified temporarily. Organizations are characterized by their evolution and thus are dynamic. The theoretical architectures that are built to understand, comprehend or explain them must evolve, but it is also necessary to define new properties of characteristics in the object of study. It is evident that the object of study is not the same, because it is also evolutionary, it is dynamic, without a doubt there must have emerged new properties, new characteristics that must be defined. New questions arise. What efforts within the current Organizational Studies are geared to the definition of new properties in the object of study? Is it possible to think that there only exists a crisis in the Kuhnian paradigms and not in their objects of study? The existing literature review on studies of the organization provides an overall picture that allows us to situate ourselves in the object of study.

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