Doorlichten en herontwerpen van organisatie-complexen. De ontwikkeling van een methodiek om non-profit organisaties bij te sturen op organisatorische effectiviteit
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For years the revaluation of the Dutch welfare state is accompanied by a lot of restructuring and reorganization. However, in the debate about those changes organizational considerations have hardly had any attention. Whatever the reason, this thesis offers, from business science angle, knowledge about complex organizational questions and management for all gremia where crucial decisions on this matter will be made. The study described in the book introduces for that purpose a new tool specially for practitioners, consultants and management. In addition the study represents a potential interest from a scientific and a social point of view. Finally, as far as we know, there is no audit or redesign method for organizations on the higher levels of aggregation, whereas the method could realize a better balance between the investment in non-profit organizations and the profit our society recieves.

The research project and the method are named MONEY. MONEY is the abbreviation of Method Opening Non-profit for Effective Yields. At the same time that notation is a wink at the public authorities because of their fetisjism for efficiency in the last years without sufficient attention for effectiveness.

In line with the aim of the study, of which an impression is given above, we defined five central research questions. In this way, question by question, the ingredients are presented which finally are the basis for the new method. In the review, mentioned below, the chapters where each question will be dealt with are given between brackets. The questions are:

1. What is meant by a functional service arrangement in the non-profit sphere? (chapter 3, 4 and 5)
2. What is meant by organizational effectiveness? (chapter 6)
3. Which internal and external factors are connected with organizational effectiveness? (chapter 7)
4. To what process are organizations subjected during revision of their organizational shape? (chapter 8)
5. How can the organizational effectiveness of the arrangements in question be diagnosed and redesign-alternatives be developed to improve the effectiveness of the non-profit organizations concerned? (chapter 9)

The next pages contain an impression of the contents of the book. The outline comes down to this. Part I discusses the methodological perspective. Next Part II deals with the domain of non-profit organizations. In Part III essential building-bricks for the design of the new method will be presented. Part IV is totally dedicated to the introduction of MONEY, which means - as mentioned - Method Opening Non-profit for Effective Yields. Part V has a special place in the process of development of the new method. It contains a tryout with respect to one of the most fundamental provisions in our country, namely the elementary education. Part VI concludes with an evaluative reflection.
PART I discusses first in chapter 1 the definition of the research problem. The methodological perspective will be elaborated in both the following chapters. Chapter 2 offers an explanation and justification of the integrative character of the study. The perspective considers research as a production process of knowledge; therefore it comprises both a research product and a research process. Usefulness acts as the covering criterion to review. Separate attention is given to the way how is dealt with quality requirements. This kind of research implies, that it's not possible to outline sharply what exactly the output should be and how precisely it should work at the beginning. For this reason the research strategy, that aims at a symbiosis between the development of theory on the one hand and on instrument on the other, is crucial. In doing so three points of view should be taken in account: the interdisciplinary character, commuting between theory and practice, and the non-linearity of the research actions.

Taking the line of directed conduct of business the study follows the conceptual systems theory of control of De Leeuw. It holds a choice for a paradigm of control, conceiving organizations as procreation systems. Chapter 3 provides with the essential nomenclature of this system’s approach with respect to organizations. It helps to demarcate the organizational arrangements this study is focusing on, their behaviour, the control, and finally the technology of such a system.

PART II is about the domain of non-profit organizations. The exploration of which a report is delivered, starts in chapter 4 with an acquaintance on the basis of statistics and key parameters. The domain of non-profit organizations proves to be strongly broadened. Three distinguishing marks roughly stake out the domain: it concerns service organizations fulfilling social tasks, working not for profit, and aiming public purposes. The study makes clear that in some decades the domain undergoes spectacular changes. These organizations for instance don’t produce something, but nevertheless they became important links in economic life. Moreover the domain goes through a long period of stagnation after years of expansion. And, last but not least, the study results in the observation that organizational enlargement causes strongly interweaving institutions. Realizing this salient feature one should remember the relativity of the difference between true Government agencies and the field of professional organizations on the one side, and the growth of staffing of the Civil Service that enables conditions for regulating interventions, even particularly with respect to the other non-profit organizations on the other side.

Subsequently in chapter 5 we overview the same domain. This time from the cognitive point of view of controlling. Of course the established stagnation makes it difficult to control. This kind of organization has normally a delicate question of control. However the distinguishing marks we mentioned before in the previous chapter, prove not suitable for establishing an absolute distinction from their counterpart. The dichotomies of product versus service, of profit versus non-profit, and of private versus public aiming suggest diametrical contrasts. In fact that is stereotyping, the differences between organizations can vary strongly from the one end of a continuum to the other.

Accordingly both complexity of controlling the task is high, the more or less environmental conditions, over which an organization can be named flexible.

In line with this in contingency theory the situation is too complex to model. The three elements of a factor model are: the task is high, the more or less environmental context. The more complex model the two organizational and complexity of the task of control. In other words the organizational
PART III offers fundamental materials for the design of the method. Chapter 6 does so by clearing the concept of organizational effectiveness. The concept is vital, because it would be the central standard on which organizational complexes would be judged with MONEY. Yet the research of literature pointed out that (organizational) effectiveness is not a notion with only one meaning. Also many an author uses a partial approach in his definition, without saying so. The literature shows that the meaning of organizational effectiveness changes from period to period. Viewing more closely the relation with the theoretical tendency is above all important. Facing this usual selective approach of organizational effectiveness this study chooses more distance. In this way it is possible to present an integrative, more encompassing formulation of the concept of organizational effectiveness. Analyses based on the system's approach are actuated to apprehend organizational effectiveness as a more dimensional concept. With success generating the desired output - effective procreation is the degree to which the organization output y produces with the specifications of goal G - supposes to discern the principal limits of all procreation systems in non-ideal situations. The challenge is both instrumental, and functional organizing, while avoiding contraproductive noisy fellowship and taking into account the more or less complexity of the situation.

The instrumental task involves the designing of organizational structures, the implementation of those changes included; it contains caring for adequate organizational and environmental conditions, consequently it concerns the controllability of the primary process in and of the environment of the organization. The instrumental task corresponds with the control task, that can be named the management task of the organization.

The complementary control task is the management task in the organization. It refers to the functional task of giving guidance, to the competence of everyone in the organization to contribute in this respect, therefore to the control capacity of the organization.

Accordingly both management tasks, and both other parameters of control, namely exertion and complexity of control, are inserted in the definition: Organizational effectiveness is the degree to which an organization, thanks to the competence of management, is avoiding needless exertion, in the more or less complex situation where it finds itself, can influence the organizational and environmental conditions to produce the output that is expected.

In line with the definition of organizational effectiveness chapter 7 demonstrates the elaboration of a factor model. Especially the understanding of the system's theory of control, supported by results in contingency studies, makes clear that organizational effectiveness will be undermined if the situation is too complex. So the big challenge for the management is organizing for complexity. The three elements - goal, environment and technology - represent the organizational context in the factor model and determine how difficult that challenge is. A complex goal (= the uncertainty of the task is high), a complex environment (= the external turbulence is high), and/or a complex technology (the technical routine is low) influence together the complexity of the organizational context. The more complex, the higher the demands to the organizational shape. In the factor model the two remaining elements, structure and mix of measurements of control, represent the organizational shape. A high complexity of the organizational context requires a similar complexity of the organizational shape in terms of responsibility of the structure and of intelligence of control. In other words, in a tangible situation each system of procreation has to arrange an organizational shape that fits sufficiently the organizational context. Here we note down empha-
tically that always again the complexity of each factor is made concrete from two dimensions, namely from the possibility to split up and from the possibility to predict.

During discussing the model in chapter seven core concepts and findings of the background are discussed at length. Further analytical tools are handed to facilitate auditing. The following enumeration is indicative for the fundamental ideas of the factor model. The most important general insights are:

- The factors goal, technology and environment are separately very important for organizational complexity.
- The variables in the factor model need mutual tuning, both inside one factor and between (clusters of) factors.
- If new strategic choices are made, those choices influence the total configuration of organizational shape and other contextual conditions.
- The organizational shape only supports reduction of complexity, if its characteristic reflects itself in the complexity of the configuration as a whole and inverted.

The propositions are:

P1 In a non-complex context - i.e. a low uncertainty of task, a low turbulence of environment and a high technical routine - effective organizations possess a simple organizational shape, that is to say a mechanical structure and minimal intelligence of control (a limited mix of control measurements and a low capacity of the strategy of control).

P2 In a very complex context - a high uncertainty of task with difficult predictability, and a high turbulence of environment and a low technical routine, both with minimal predictability - effective organizations possess a highly developed organizational shape, that is to say an organic structure and maximal intelligence of control (a broad mix of control measurements and a high capacity of the strategy of control).

P3 In a more or less complex context effective organizations possess an organizational shape in which the features of structure and mix of control measurements are complementary; within a certain range - controllability and control capacity possess their own limits - they can counterbalance each other, through which they are able to absorb with a responsive structure and intelligence of control the specific complexity of control that results from uncertainty of task and/or turbulence of the environment and/or technical routine.

Chapter 8 removes the most important omission of the factor model in the previous chapter. It relates the organizational shape to important context variables. However it neglects the fact that in time the organizational shape is subjected to change and further more, that it accommodates itself. For an organization interacts continuously with its environment. This chapter supplies the static image of the factor model and shows a dynamic perspective. In the light of the ever-swelling complexity of organizing as a phenomenon, the line is taken that finally the degree of complexity will be determined by the way whereupon in the broader network there is integration and differentiation, there will be coupling and uncoupling, in short organizing takes place. To continue organizational effectiveness, an organization has to accommodate itself as the organizational shape. Opposite effective organizational shapes are ineffective ones. Essentially there are four archetypes of organizing: two healthy and two schizophrenic forms. The two basically healthy forms, i.e. the rigid and the flexible organization, have the controllability and the control capacity in balance. On the contrary the schizophrenic forms, the introvert and the chaotic organization, are...
Two dimensions, organizational environment and organizational shape, that is the static and the ever-swelling of complexity reflect the static and the ever-swelling of uncertainty. It is widely acknowledged that an organization accommodates itself. The following considerations must reflect the static and the ever-swelling of complexity and the static and ever-swelling of uncertainty.

The following is the most important characteristic of the organizational configuration of different cases within a chapter. It reflects the static and between the static and the ever-swelling of uncertainty of the organizational shape that is the static and the ever-swelling of uncertainty.

The whole of PART IV is dedicated to the presentation of the method itself. For that purpose chapter 9 contains the elaboration of the systematics, with which the aimed audit of effectiveness can be implemented. The kernel is a stepwise approach, supported by a process model. It includes an explanation of the structure of the method and the design decisions. All steps in use will be illuminated.

A special appendix contains the expedients for data collecting. They are introduced in the chapter itself with the analytical instruments developed in the former chapters.

We claim that the application of MONEY, in situations in which a network of (parts of) organizations threatens to get problems of effectiveness, results in:

R1 a diagnosis of the actual organizational effectiveness of the functional non-profit arrangements in question;

R2 areas of attention for control in order to improve the organizational effectiveness of the arrangement in question;

R3 recommendations for redesign in order to improve the organizational effectiveness: by repositioning internal and/or external; by accommodation with respect to the technology or to the structure of the organization.

For applying the method the following restrictions are in force:

G1 It is assumed that it's possible to approach the procreation system in analysis as a functional phenomenon.

G2 There is potential reason for drastic changes in the current organizational practice; those changes are related to strategic control measurements; the operational level will not be subject of research.

G3 A competent auditor (instrumental orientation, process feeling, developed analytical and abstracting capacity) plies the method.

PART V describes the last phase of the development of the new method. A tryout is reported with respect to the elementary education on the aggregation level of the whole of the Netherlands. The tools are tested and at the same time the usefulness of the method is explored. Indicators have been collected by a longitudinal research design. A traditional approach didn't offer a solution, because
of the duration upon which strategic decisions interweave. The alternative was a staged longitudinal

design. The chapters 10, 11 and 12 give an account.

Chapter 10 deals the orientation phase. The institution and the context of the elementary

schoolsystem in 1990 are visualized; a retrospective view is part of it. The connection with

problems of effectiveness is a special area of attention.

Chapter 11 is about the diagnostic phase. The situation is still in the year 1990. The main issue is

the double diagnosis. The results are described at great length. An important conclusion is that the

elementary schoolsystem is subjected to a radical transformation. However, the direction of the

changes causes a lot of questions. The audit pointed out that difficult conditions for control, natural

in this case, are neglected. Moreover it appears that the profile of this functional arrangement lacks

consistency caused by crucial factors with respect to organizational effectiveness. Not only

changes in the structure, but also changes in the mix of control measurements are incompatible

with the growing complexity of the organizational context. Remarkably, the organizational

structure has lost responsivity and the mix of control measurements demonstrates a descending

control intelligence in a situation of growing task uncertainty, increasing turbulence of the

environment and the need for less routinious technology.

Chapter 12 is twofold. It provides an elaboration of desired changes in the transformation process

that is going on. Further more the chapter gives a reflection on the research activities with regard to

policy initiatives between 1990 and 1995. In this way a comparison can be made between the de

facto and the desired solutions.

The diagnosis reported in the previous chapter suggest that in the year 1990 the elementary

schoolsystem forms organizational a schizophrenic mixture with chaotic features. There are, from

the point of view of the typology outlined in chapter 8, four possible solutions. They are valued at

desirability and probability. Elaborated in two scenario’s the margin, within which the organiza-
tional effectiveness can be improved, is subsequently drawn.

An investigation of the policy initiatives between 1990 and 1995 makes it clear that the tide of the

national policy in that period, as one could say, is on the turn. The pattern though, that emerges is

not unambiguous. Registrated tendencies differ. Especially with regard to the ventilated expecta-
tions and the new introduced ideas of control, further decisions are unescapable; the problems with

the organizational effectiveness need mitigation. For instance, certain ambitions are a little less

highlighted, whereas important constraints remain very restrictive. As yet there is also a great

tension between the organizational context and the organizational shape. In order to face the

contextual complexity, the organization has to become more dynamic. In the study the possible

alternatives are viewed. The choice for substantial reduction of complexity seems to be the most

probable. Maybe in that case the challenging improvements are not cancelled, they are being

postponed indefinitely.

PART VI and so chapter 13 reflects upon the result of the study. The developed method of system

auditing promises a set of conceptual and analytical means and instruments for datacollecting. The

method is based on theory from the core repertory of business science and subjected to an intensive
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tryout. Thus the book generates theoretical knowledge on the one side and tools for practical use in 
the atmosphere of organizational consultancy on the other side.

In the evaluative contemplation the question raises again what the usefulness is of the method. The 
final conclusion is that with spade-work a step is taken into a very interesting direction, which 
needs continuous testing. Some suggestions are given to show in which way improvement can be 
made.