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Taxonomy of Organizational Theories

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### Abstract

This research proposes a taxonomy of 16 organizational theories that represent both germinal and current approaches. The author has used methodologies used by Miner (2005; 2006) and Vibert (2004) for purposes of classification of theories in macro level and micro level categories. Macro level theories are aimed at describing the design, behavior and paradigms of the organizations, whereas Micro level theories are focused on the description of individual behaviors and interactions within the organization. This taxonomy has identified nine theories that represent Eurocentric and traditional thought; three theories that represent global approaches and four theories considered non-traditional, identifying their creators and developers and the year of publication.

The doctoral learner has selected theories that apply to her current practice and research interest, which are organized in three tables, clearly identifying theories of organizational behavior, design and paradigms. Each table lists theories in no particular order.

## Taxonomy of Organizational Theories

Table 1 Eurocentric and Traditional Thought

Theory	General Description	Current examples	Other attributes
1. Micro Theories and Macro Theories of Organization (Barnard , 1937)	Barnard is considered the father of management theory, and precursor of the “paradigm of management” (Mitchell & Scott, 1985). He proposed a number of micro and macro organizational theories . Barnard’s Micro theories studied individual behavior, motivation, communication and small groups. Individual behavior theories were the cornerstone of organizational behavior and study four: a) free will, b) causes of behavior, c) reverse causality and d) tension reduction (Mitchell & Scott, 2003,	The influence of Barnard in the contemporary school of management reaches out to the discussion of the role of a CEO as “shaper and manager of shared values in an organization” (Peters & Waterman, as cited by Mitchell & Scott, 1985) Cognitive theories proposed by Barnard include: goal setting, cost/benefit models, contingent rewards or	His human behavior theory establishes a difference between “individual” and “person”. Individuals have <i>motives</i> and purposes (Scott, 2003). Every individual carries a <i>person</i> within, which has traits, attitudes and intentions that may be predicted. Criticism to Barnard are directed to his arbitrary boundaries between persons and individuals.

p. 241). Barnard initiated the current debate between behaviorists and cognitive scholars. For Barnard behaviors are influenced by environment and cognitions (Mitchell & Scott, 1985, p. 245) Barnard proposes that professional managers have the right to inculcate motives and values in their subordinates, being that the core of their executive functions. (Mitchell & Scott, 1985, p. 257) Bernard's Macro Theories were built on the concepts of exchange, consent to authority, legitimacy of leadership, executive responsibility and inculcation of operant approaches, and equity (Mitchell & Scott, 1985, p. 245). Barnard Micro level theories work were the base of Simon (1957) work on bounded rationality, Misbitt and Wilson (1979) on cognitive processes (Mitchell and Scott, 1985, p. 243). Festinger (1951) theories of dissonance and Weick (1979) organizational behavior theories, were also influenced (Mitchell and Scott, 1985, p. 244). His appeal to intuition as a source of human behavior was compared by Miner (2005) with *foolishness* in decision making, purported by the Carnegie Scholars (Duncan, 2006) Some scholars have disregarded his contributions to behavioral science and attributed these advances to the psychological fields (Mitchell & Scott, 1985). In macro-theories, the systems theory comes from Barnard, too and is linked to contingency theories as part of macro-theory of organization, and theory of

morals.

managerialism and cooperation

Three paradigms outstand in Barnard's theories: 1) The organization as a system, 2) the contingency approach and 3) the mean-ends values (Mitchell & Scott, 1985, p. 254)

(Mitchell & Scott, 1985, p. 254).

2.Theory of Motivation  
(Barnard, 1938)  
Motivation Theory- Micro  
level

Barnard's (1938) theory of motivation merges the concepts of behavior and motivation. He views motivation from four perspectives: "goal setting, cost/benefit notion and rewards, equity, and performance". He contends that people have motives or purposes that they can meet through two routes: active cognitive approach or non-reflection. If they opt for an active cognitive approach,

The use of monetary and non- monetary incentives to compensate and stimulate workers is as current practice now as it was when Barnard wrote about the notions of cost benefit and rewards. Firms in the United States compensate the individual effort through particular

If people make decisions without reflection, they still need a structure of norms to guide them. The outcome of either choice will depend on the impact of the environment. Efficiency according to Barnard is the "satisfaction of individual motives", effectiveness is "the accomplishment of the

individuals will make choices based on incentives connected to cooperative purpose” (Mitchell & Scott, 1985, p. 246).  
 the cost and benefits (Mitchell & Scott, 1985, p. 248). performance and outcomes. By using Barnard’s concept of  
 1985, p. 248). In other cases, when persuasion it is possible to  
 The underlying concept in Barnard’s monetary compensations are encourage exercising *expert*  
 proposal is *manipulation*. Managers may not available, organizations *power* instead of *position power*  
 influence their subordinates using use perks such as additional in their relationships with  
 coercion, rationalization or inculcation of training, representation or subordinates (Galbraith, 1974,  
 motives. Barnard recommends affiliation in associations and p. 34).  
 inculcating motives, and these may be of other non-monetary  
 two types: a) incentives (objective) or b) instruments (Mitchell &  
 persuasion (subjective) (Mitchell & Scott, 1985, p. 249)  
 2003, p. 249).

3.Goal-setting theory of motivation  
 (Locke & Latham, 1967)  
*Motivation Theory- Micro*

Locke and Latham (2002) developed this theory further in the 50s and 60s from the psychological perspective, contrary to the “behavioral” current of those years that

Several studies reported by the authors show that by setting high difficulty goals, employee productivity arises.

Originated in Barnard (1937) and in Ryan (1970) this theory is one of his four cognitive theories of motivation.

*level*

<p>classified motivation as physiological. By defining a goal or an objective, individuals receive signals of the magnitude of contribution they have to make (Mitchell &amp; Scott, 1985), e.g. write proposals, enroll in training programs, meet sales goals. The theory recognizes the differences between personal goals (subjective and internal: status, advancement) and group goals (objective and external: cooperation). Locke uses the term <i>motivation hub</i> to express that satisfaction of personal goals is the route to action and mediator of external incentives. The diamond of relationships</p>	<p>Cases in silviculture analyzed by these authors, show 60% to 90% of productivity increase in some cases (Locke and Latham, 2002, p. 711). Other studies showed improvement in performance appraisal when scores were redefined as goals (Brown &amp; Latham, as cited by Locke and Latham, 2002). Goal-setting in the selection process in hiring was used by Latham et al (as cited by Locke and Latham 2002) in</p>	<p>Locke and Latham (1967) theory of motivation is categorized by Miner (2005) as highly important, highly valid, highly useful and institutionalized (Duncan, 2006). Locke and Latham developed the theory moving it from an unconscious to a conscious character that purported that “conscious goals affect action” (Locke &amp; Latham, 2002, p. 705). Locke and Latham define goal as “the object or aim of an</p>
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The theory has the following elements: situational analysis, where action” expressed by standards  
 Moderators: Goal commitment, goal the applicant is asked to in a given time frame.  
 importance, self-efficacy, feedback, task respond to dilemmas, in Self-efficacy is an important  
 complexity. Goal core: specificity, order to assess goals and factor in performance.  
 difficulty. Performance: productivity, intentions. Individuals with high self-  
 cost improvement, self-regulation. Goal-setting has also been efficacy self-set their goals, and  
 Mechanism: choice/direction, effort, used for self-regulation in usually will perform better,  
 persistence and strategies (Locke and attendance to work (Frayne because their commitment is  
 Latham, 2002, p. 714). and Latham, as cited by higher, use better strategies and  
 Locke and Latham, 2002, respond to feedback (Locke and  
 2002, p. 712) Latham, 2002, p. 706).

4.Contingency theory of organizations  
 (Lawrence & Lorsch, 1967)  
*Systems Theory- Macro Level*

Lawrence and Lorsch (1967) analyzed complex organizations to study their internal and external relationships and the ability to cope with the demanding environment. *Differentiation* and

In higher education. Colleges and universities organize their functions in units, divided in relation to their fields of experience (i.e.

According to Miner (2005), contingency theory has high levels of importance, regular validity, acceptable usefulness at the organizational level, and

*integration* are the two new elements in the theory. schools, colleges, departments, programs). is fully institutionalized. This means that it is recognized by a large percentage of scholars and practitioners (Duncan, 2006)

Lawrence and Lorsch's approach analyzes the entire organization and moves down to its subsystems, whereas Argyris (1964), Likert and MacGregor (1960) and March and Simon (1958) started analyzing the individual and move up to the organization level (Lawrence & Lorsch, 1967, p. 3). Each one of these units has a Dean or Chair who exercises a role with invested power. Given the environment changes (competition, technological level), the internal structure of the organization will have to change.

Barnard (1937) set the germinal discussion in contingency –type approach, stating that individuals in an organization are part of a system that faces social, physical, biological influences (Mitchell and Scott, 1985, p. 243). In small colleges the relationship between Dean and faculty members in each unit is not the type boss/subordinate, because each individual has as much or more knowledge and experience than their leader. The relationships between hierarchy and subordinates are based on the existence of expert power and power equalization. Expert power is technical competence in certain topics; power equalization occurs when

Lawrence and Lorsch (1967) presented a variation of contingency theory based on a rational (syllogistic) statement: The more variation there is in the system, the more differentiated the internal structure will be. The more differentiation, the more difficult to coordinate the units. The more difficulty, the more conflict in relationships. The more conflict, the more resources have to be allocated to compensate the shortcomings (Scott, 2003, p. 97).

An organization is divided in subsystems where individuals within behave differently –*differentiation*-. Despite the differences, subsystems have to be of the unit participates in shared decision-making. Decisions such as new curriculum, new classes, are assigned to committees which report to the Dean and present their findings to the school. Although the final decision is made by a superior board, which has *position power*, and has the last word based on the *expert power* of the committee. By operating this way, decision-making is moved to the lower levels of the individuals with expert power access upper levels of the organization by using their knowledge and information (Lawrence and Lorsch, as cited by Galbraith, 1974, p. 34)

Another important contribution of Lawrence and Lorsch is in the definition of formal and informal communication mechanisms: task forces, meetings and committees (Malnight, 2001, p. 1208), expanded by Galbraith (1974). Individuals have to be assigned to positions that *fit* (Mitchell &

integrated to accomplish the organizational task –*integration*- (Lawrence and Lorsch, 1967, 4)

Lawrence and Lorsch (1967) highlight the need of *integrating roles* for each individual, with a given level of power to make decisions (Malnight, 2001, p. 1208).

Integration is the “task of top management” (Lawrence and Lorsch, 1967, p. 11).

organization (Galbraith, 1974, p. 33)

Scott,1985, p. 253) to guarantee that the system is operational.

This fitness concept implied factors such as: education, experience, age, sex, prestige, nationality and race; or types of rewards, communication and leadership.

5.Information processing Contingency Model (Galbraith, 1974) *Organization Design Theory- Micro level*

Perspective added by Galbraith in 1974, to complement contingent theory, by adding information processing to the problem of organizational design (Scott, 2003, p. 97).

Galbraith based his contributions on three premises of contingency theory developed

In project management the use of the contingency theory and the perspective of information processing make possible the coordination of tasks.

The model of information processing is aimed at facilitating the flow of information in the organization.

Each strategy has advantages and costs. The creation of slack

<p>by March and Simon (1957): rules, goal setting and hierarchy (Galbraith, 1974, p. 29).</p> <p>Galbraith highlights the importance of information in the design of the organization, and states: “the greater the task uncertainty, the greater the amount of information that must be processed among decision makers during task execution in order to achieve a given level of performance” (p. 28)</p> <p>If a given task is understood from the beginning, the level of uncertainty for all the participants is reduced and all the subtasks will gather around a global goal (Galbraith, 1974).</p>	<p>Galbraith proposes creating slack resources, by making adjustments to projects, increasing budgets, extending deadlines, if the uncertainty is great.</p> <p>However, the costs of this strategy could be customer delays, and extensions in project completion (Galbraith, 1974)</p> <p>Other organizations , deal with problems in communication by creating jointly process of decision-making; e.g. Multinational</p>	<p>resources could delay the completion of a project; creating self-contained tasks could reduce specialization; investment in vertical information systems requires adding new channels of information, which requires financing, and, creating lateral relations, i.e. task forces, teams, matrix-type organizations, creates conflicts in power and leadership (Galbraith, 1974, p. 33).</p> <p>Following contingency theory, the behavior of a member of the</p>
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Galbraith (1974) proposes a model of information processing that relies on four strategies: 1) creation of slack resources, 2) creation of self-contained tasks, 3) investment in vertical information systems and, 4) creation of lateral relations, all of them based on perspectives of March & Simon (1957) and Lawrence and Lorsch (1967).

firms with branches in different countries, would let their local managers make decisions about their units, given their knowledge about the environment and the behaviors that occur in it.

system influences the behavior of the others, thus the coordination between rules, goal setting and hierarchy will ensure that exceptions are minimal (Galbraith, 1974, p. 30).

6.External control of organizations (Pfeffer & Salancik, 1978) *Sociological theories - Macro Level*

This theory developed by Pfeffer and Salancick (1978) is based on the open-systems approach to organization as loosely coupled systems (Scott, 2003, p. 88). These are systems where behavior is connected to rules or where goals are connected to an individual's actions

A study conducted by Pfeffer and Moore (1980) tracked forty departments of two American universities over twenty years. Its purpose was to explain the turnover of departmental heads based on

In this sense, Pfeffer's statements are classified by Mitchell and Scott as symbolic management constructs (1985, p. 257), restated by Scott (2003) as views of the organization as a "coalition of shifting interest

(March and Olsen, as cited by Scott, 2003, p. 88). Pfeffer based his assertions on Barnard's view of management obligation (Mitchell and Scott, 1985, p. 257). Pfeffer and Salancick (1978) address *Symbolic management* to explain that organizations influence on their members' beliefs, by making them adhere to norms, but the leaders of the organization fail to exercise it themselves (Mitchell and Scott, 1985, p. 257) creating a "knowing-doing" gap (Scott, 2003, p. 88) where managers do not do what they inculcate in others. Succession is studied in this theory, as part of the symbolism of organizations.

the departmental paradigm development (Pfeffer & Moore, 1980, p. 388). The study defined variables such as: existence of consensus, shared paradigm within the department, relationship of consensus and size, faculty demography, performance, and resource scarcity (p. 388). To measure paradigm level, the authors used variables such as: "average length in words of dissertation abstracts in each field (...),

groups", characterized by Miner (as cited by Duncan, 2006) as a theory of external control. In another work by Pfeffer (1992) he discusses the power of informal groups within an organization. This power does not come from position but from traits such as: level of energy, physical stamina, tolerance to conflicts, inclination for coalitions and not egotistical attitudes (Scott, 2003, p. 311) This theory unveils the inconsistency between

Succession is an important element in organizational change due to its political implications (Pfeffer & Moore, 1980, p. 387). Managerial turnover is caused by conflicts or dissensus resulting from the diversity of opinions within a department about the fit of the manager in the position, which they call *departmental paradigm* (Pfeffer & Moore, 1980, p. 387).

average length in pages of dissertations of each field” (p. 397)..

The study revealed that paradigm was the most significant variable to explain and predict tenure, which suggests a high level of external influence in the organization (Pfeffer & Moore, 1980, p. 404).

inculcation of values in others and in oneself result from Barnard’s germinal proposals (Mitchell & Scott, 1985, p. 257).

7.Living Systems Theory (LST) (Katz & Kahn, 1978; Kuhn 1986; Vancouver, 1996) *Systems Theory- Macro*

Living systems theory (LST) evolves from the evolutionary approach of Darwin, that purports an analogy in the procreation and survival of organizations to that of living beings (Vancouver, 1996, p. 167). From

To measure the efficiency of the organization as a living system, reference signals such as job satisfaction and compensation are used to

The definition of organizations as rational systems or organisms was rooted in Barnard (1938) Blau and Scott (1962) and March and Simon

*level*

the organizational perspective, LST is based in the understanding of humans and what makes them react (Vancouver, 1996). Based on the thoughts of Ashby (1956), (Kuhn (1986) and Katz & Kahn (1978). In living systems theory the “needs, personality, values, goals, and strategies are all relevant to understanding humans in work organizations” (Vancouver, 1996, p. 167). Understanding these individual needs is vital to the understanding of social systems. Organizations as humans reorganize in virtue of “reference signals”: individual needs, their inputs and outputs. They are measure retention; however, (1958). monitoring a retention system uses resources. A firm will have to allocate money and time to follow up the retention indexes (Vancouver, 1996). The commitment to an espoused goal as indicator of purpose is another reference signal of possible needs for reorganization. (March & Simon, as cited by Vancouver, 1996). Individual’s performance assessments are more (1958). According to LST, organizations have two purposes: High specificity and high formalization, whereas families have high formalization but little goal specificity; social movements have high goal specificity and low formalization; and community organizations have both low formalization and low specificity (Scott, 2003, p. 27) Scott (2003) acknowledges that his ideas about rational systems were misleading when he wrote

created with a purpose or a goal (Blau and Scott, 1958) which is generally the founder's goal. They have a high degree of formalization, where cooperation among members is purposeful, too (Scott, 2003, p. 27).

difficult when (a) employees are highly specialized – sometimes more than their bosses, or (b) there is lack of communication between employer and employee; in other words when control cannot be exercised (Vancouver, 1996).

about them with Blau in 1962, and have evolved to other types of systems. Weaknesses of this theory are in the areas of identification of signals, given that social processes and goals in the society change constantly (Montagu, as cited by Vancouver, 1996, p. 166).

8. Knowledge-based Theories (Foucault, 1977, Nonaka & Takeuchi, 1995; Cooper 1989) *Organization design-Macro level*

The knowledge-based theory proposes that organizations who have access to know-how will perform differently to the ones who do not. Closely linked to the Foucaultian view of knowledge-power (Cooper, 1989; Scott, 2003) it is also linked to the traditional knowledge-based

Juceviciene & Leonaviciene (2007) conducted a study of organizations that want to become world class firms, based on six stages or classes of development (Walton, as cited by Juceviciene &

Bryant (2003) cites Asian scholars Nonaka & Takeuchi (1995) to explain that a firm creates new knowledge through four means: Socialization, externalization, internalization and combination. Bryant

theories (Penrose, as cited by Scott, 2003, p. 114). Leonaviciene, 2007). proposal is to link the organization strategy to the cultivation of knowledge (p. 34). In this case, there is an underlying concept of paradigm shift, if the firm was not used to make these processes formal.

Simsek & Lous (2004) propose five stages to reach the organizational change that higher education institutions require: “normalcy, confrontation of anomalies, crisis, selection of a new paradigm and normalcy” (Simsek & Louis, 2004, par. 10) in a continuum.

Firms have to choose between a paradigms of two types: 1) Human resources focused on training employees to achieve qualification , competence, and systemic competence or 2) Human resources focused on either teaching/learning paradigms.

is one that believes employees are self-learners, and prepare personal development plans for them, execute appraisals, empower their employees, communicate share values and is in continuous learning (Juceviciene & Leonaviciene, 2007, p. 571).

<p>9. Corporate Demography (Carroll and Hannan, 2000) <i>Organization design- Macro level</i></p>	<p>Corporate demography influences and is influenced by organizational diversity. The higher the diversity, the higher sustained economic success, the higher the speed of evolution of the firm (Carroll and Hannan, 2000, p. 152) given the specialization of its members and their knowledge about particulars of a targeted group (Allen &amp; Montgomery, p. 149) According to Gray and Lowery (as cited by Carroll &amp; Hannan, 2002, p. 152) the uncertainty of the environment is more efficiently faced by heterogeneous systems and enhance the identification of minority customers with employees (Allen &amp; Montgomery, p. 149.)</p>	<p>Carroll and Hannan (2000) conducted a demographic study in the beer and wine industry in California and the influence of organizational diversity in an industry characterized by small firms. Given the peculiarity of alcohol consumption in the U.S., the growth of this industry is highly dependent on the environment and has generated organizational changes (p. 153) This industry has used the knowledge about gender</p>	<p>Policy-making is insignificant and isolated when there is not an understanding of corporate demography. Corporate demography provides a formal framework to analyze opportunities of international ventures or intra regional businesses, in addition to statistical tools to measure competitiveness in multiple markets. Carroll and Hannan (2000) suggest that African Americans have not created diversity within their ethnic enclaves, as</p>
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<p>Wilson (as cited by Carroll and Hannan) reports a growth in inequality within African-Americans population compared to white population. Which means that African-Americans have more distinct classes within, than other races, as a result of organizational diversity. Two explanations are provided: a) the existence of ethnic enclaves, and b) standardization of employment relation (Carroll and Hannan, 2000, 157).</p>	<p>consumption habits to create new products that tap into new markets. Specialty firms design marketing campaigns adapted to diverse populations, based on the expert knowledge of their employees. Other firms participate in culturally diverse festivals and The beer and wine industry had undergone organizational changes.</p>	<p>successful Japanese and Cuban migrating groups have. They also contend that because The standardization of laws aimed at improving the conditions of vulnerable workforce, has standardized in such a way that they created inequalities towards African American groups.</p>
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*Table 2 Global Thought*

<i>Theory</i>	<i>General Description</i>	<i>Current examples</i>	<i>Other attributes</i>
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<p>1. Geoeconomic Theory (Schlevogt, 2001) <i>Global Theory- Macro level</i></p>	<p>The Geoeconomic theory is one of the two only new theories original from China and based on the Chinese reality. It studies the influence of geographic differences in economic development and management (Tsui et al, 2004, p. 137).  Schlevogt (2001) proposes this theory to integrate the influence of economics and management as key factors of success in firms with geographical differences. These differences affect the performance of geographically different countries within the country. The underlying concept is that the requirements for business survival are different (p. 520).  The geoeconomic theory is the one of the</p>	<p>Schlevogt (2001) studies differences between two Beijing (North) and Shanghai (South) of continental China, through a quantitative model that surveyed 124 enterprises in China.  The factors studied in geoeconomics are: 1) government support and company size, (2) environmental constraints, (3) private ownership, (4) participative and planning management style, (5) Appropriate structure, and</p>	<p>The implications of this theory for policy makers are significant, as it arises awareness about regional differences in China with extrapolation to other countries. The theory has also implications for business owners, as enterprises in China (and in other countries) will be able to recognize what key success factors they have in their local economies (Schlevogt, 2001, p. 521).  The key success factors</p>
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two new theories emerged from China in the last century. This theory aims at integrating strategic management and Chinese management (Schlevogt, 2001, p. 520).

Differences between Asian countries and the rest of the world were documented in other studies (Tsui et al 2004) where the focus was economic and social transformation, changes in economic policy, restructuring of state-owned firms, transition from centrally planned production to self-managed units, and foreign direct investment. Schlevogt (2001) contributes by analyzing regional differences based on: organizational

(6) other factors that lack solid organizational paradigms: price cutting, management expertise, proactive strategies, subcontracting, company age, size, price- cutting strategy (Schlevogt, 2001, p. 529).

The results suggested that in the North of China government support, organizational structure and management expertise were the most important factors of effectiveness; while in the south, private ownership,

KSF concept helps management to control and monitor their performance across time, and align functions of sales, human resources and financing towards the goals.

One of the most interesting is the acknowledgement that the concept of “best practices” used frequently in the western world and based on empirical evidence, in China is based on anecdotal transfer (Schlevogt, 2001, p. 522).

structures, management practices, effectiveness. This theory builds upon resource-based approaches and key success factor (KSF) (Hofer and Schendel, as cited by Schlevogt, 2001). This theory should not be confused with geopolitics (Haushofer, 1934 as cited by Schlevogt, 2001, p. 524) which focus were only international politics. The theory studies the impact of subcultures in behavior and performance of individuals and organizations (p. 524, par 2).

company age and planning were the most important. Schelvogt suggest that managers in transnational organizations need to recognize these regional differences, that the “government is king in the North of China, whereas networks are important in the South, and structure is important anywhere” (p. 545)

Meyer and Lu (2005) present a confirmation that boundaries, loose coupling and other systems are not characteristics of Chinese firms. Chinese firms, are boundaryless, in constant transition of ownership, extremely tied to the state, and ruled by the relationships with authority.

2. Knowledge Paradigm - An Asian Perspective (Tsui et al, 2004; Li, Tsui, Tsui et al (2004) contends the differences between exploitation and exploration of knowledge. The creation of new theories

Previous works by Li, Tsui, and Weldon (2000) had reported the characteristics of

In two studies prepared in 2002, Li and Tsui found that between 1984 and

and Weldon, 2000)  
*Global Theory- Macro  
 level*

requires historical and anthropological knowledge, combined with quantitative research (p. 142), this is exploration of knowledge.  
 Knowledge of the organization context is necessary for any scholar who wants to create a new theory. Exploiting implies observing a new context and applying traditional theories and try to make it fit, which would not necessarily increase knowledge (Tsui et al, 2004). If exploitation is combined with exploration, new knowledge will be generated as a fact; if theories are simply replicated on new economies or societies no new knowledge is created (Tsui et al, 2004, p.

Asian organizations that differentiates them from Western firms: Boundaryless organizations, networks based on familial relationships (Scott, 2003, p. 228), collectivism (Hofstede, as cited by Tsui, 2006, p. 5), equality rules vs. differential rule of reward allocation (Chen, 1995 as cited by Tsui, 2006, p. 5).  
 Tsui et al (2004, p. 3) studies the (1) level of institutionalization of China and measures them by the

1999, 226 papers in scholarly journals had addressed China as object of study in management and organization; and 104 between 2000 and 2003. All of them were adaptations of Western Theories and not originally created from the China reality, with exception of two: Geoeconomic theory (Schlevogt, 2001) and Political theory (Shenkar and Yan, 2002) (Tsui et al, 2004, p. 2).

142). Tsui (2006) argues for the need of contextualization of management theories to the Chinese management research literature. Most of the studies applied in Asian countries are adaptations of institutionalized theories such as: agency, resource-based, transaction cost, role theory, cultural diversity theory (p. 5) degree of separation from the state. The number of Chinese firms listed in the stock exchange that are still 100% owned by the corporations with state ownership, (3) degree of influence of political motives in strategic decisions (i.e. differences in financing between private and state-owned firms). (3) Status of private property. Tsui cites Chen (1995) as a theorist that has understood the need of contextualization in China to improve the validity of western theories, with beneficial consequences in prediction and hypothesis (Tsui, 1996, p. 6).

3. Political Theory (Shenkar and Yan, 2002) *Global Theory- Macro level* The political theory (Shenkar and Yan, 2002) is one of two theories originally emerged from China (Tsui et al, 2004). Shenkar has been an active scholar Shenkar and Yan (2002) conducted a study to identify 49 events that were critical to the creation and failure of The theory studies the integration of politics into the creation of joint ventures in China. Shenkar

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interested in International Cooperative Ventures (ICVs) with China. The resulting model is called Integrative Political Process Model of ICV Failure where political influence is one of the most important variables, along with political jolts, changes in the industry and redirection of strategies as result of political influence.

Shenkar and Yan classify ICVs in two: Equity-based joint ventures (EJVs) and contractual joint ventures (CJVs). EJVs are characterized by a jointly investment and ownership of assets and liabilities, through the creation of a new entity. CJVs do not imply ownership and they are also

CJVs and track down the reasons of the failure. They focus on 49 events throughout five stages: Pre-formation, formation, post-formation, crisis and decline, and termination (par. 6).

The authors conducted a semi-structured survey using a case study: Ramada Renaissance Guilin a small town in China, using non-traditional methodology: press conferences, expert interviews, newspaper clips.

and Yan based their theory in previous studies that addressed failure of ICV in a static way, without an in-depth analysis of why or how they fail. The focus of Shenkar and Yan is in the process that takes an ICV from creation to failure.

This theory has some similarities with the symbolic management concept and loosing coupling concept of Pfeffer and Slancik (1978, 1981) that purported the political

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<p>called cooperative ventures. Through empirical research they built a process-based model to link the perspectives of failure and its linkage with politic dynamics such as: partner disagreement, pursuit of hidden agenda, political undercurrents, mutual sabotage, conflict escalation and public disclosure, and endgame (Shenkar &amp; Yar, 2002, par.7).</p>	<p>Shenkar and Yan follows a <i>chronological multi-stage model</i> analyzing 46 events and its implications in politics, logistics, economics and finances. The authors concluded that transaction costs and the bargaining power were important factors in the failure of this venture.</p>	<p>implications of power in successions (acknowledged by the authors themselves). Other studies had defined failure based on transaction costs, bargaining power, partner selection and competitive learning (Shenkar &amp; Yan, 2001).</p>
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*Table 3 Non-traditional Theories*

<i>Theory</i>	<i>General Description</i>	<i>Current examples</i>	<i>Other attributes</i>
4. Confucianism (Tsui et al, 2004; Tsui,	Confucianism is a social paradigm originated in China that prevails as the	Tsui et al (2004) cites the work of Hui, Lee, and	Five citizenship behaviors studied by Farh, Zhong,

2006, Hui et al, 2004; Farh, Zhong, and Organ, 2004) base of the social structures and relationships in China, and becomes a factor in citizenship behavior. *Non-traditional theory- Macro level*

According to Hui, Lee and Rousseau (as cited by Tsui et al, 2004), Confucianism or wu lun establishes relationships based on hierarchies and roles “emperor-subject, father-son, husband-wife, elder-younger, and friend-friend) where individuals link to their superiors in the organizations, government or other institutions, but not to the organization itself (Tsui et al, 2004, p. 141).

The implications for the relationship leader- follower in China are significant, as citizenship behavior and respect to Rousseau (2004) about employment relationships in China and the implications of their citizen behavior, under the light of Confucianism. Hui et al, (2004) conducted a study to explain the relationship between citizenship behavior and organizational commitment, using a sample of 605 employees and their superiors. They found that the level of organizational support increased the level and Organ (2004) differ from Western behaviors, since they were rooted in Confucianism: “Self-training, social welfare participation, community service, protecting and saving company resources, keeping the workplace clean, and actions aimed to preserve of facilitate interpersonal harmony”.

The Chinese economy differs from the Western economies in the following organizational paradigms:

superiors and the roles in the society. Hui et al, (2004) draw from Confucianism the concept of affection and respect between followers and leaders, as a reciprocal behavior to the symbol of authority. Employees are more committed because of the depth in personal relationships more than the perceived organizational support, different from Western behaviors (Tsui et al, 2004).

of commitment of the workers, in a similar result as in western corporations. Farh, Zhong and Organ (2004) studied 700 descriptors of citizenship and influence of state-owned and non-state owned corporations (Tsui et al, 2004, p. 141)

price cutting, management expertise, proactive strategies, subcontracting, company age (Schlevogt, 2001, p. 529)

5. Cultural Feminism  
(Gilligan, 1982; Townsend and Twombly, 1998)  
*Non-traditional theories-*

Women learn, communicate, and lead differently than men, which requires change to allow women compete in a patriarchal society.

In higher education, a study prepared by Belenky et al (1986) proposed cultural feminist strategies such as:

Advantages of the theory:  
Values essential differences between men and women, different to liberal perspective.

*Macro level*

A paradigmatic shift is promoted from this perspective (As cited by Townsend &

1) Special programs for women: in the classroom,

However, Paradigm shift is

Twombly, 1998). studies, events; 2) Emphasis not simple (Townsend & Twombly, 1998)

Seltzer (2004) offers a short by interesting in women’s ways of Twombly, 1998)

analysis of similar cases of women who knowing; 3) Specific In the practice, the number of programs for women are face “glass ceilings” in their executive leadership training for of programs for women are careers. The author suggests that possible women; 4) Operations and limited to below the reasons relate to gender stereotypes and organizations projections of the distinct perceptions. Two factors that accommodating to women’s organizations (As cited by affect the willingness of organizations to leadership, learning and Townsend and Twombly, encourage promotions of women in the communication 1998)

work place: organizational context and There is little evidence of Organizations may be self-monitoring. the existence of this type of slower or faster in programs in colleges recognizing the rights of

The organizational context is the “extent (Peterson’s Guide to Two- females to have top to which a workplace traditionally had Year schools, as cited by positions depending on significant number of women managers” Townsend and Twombly, how exposed they have (Seltzer, 2004, p. 15). Self-monitoring 1998). been to it.

relates to the “extent to which individuals

are sensitive to external cues and norms and adjust their behavior in response” (Seltzer, 2004, p. 15).

6. Liberal feminism  
 (As cited by Townsend and Twombly, 1998)  
*Non-traditional theories-  
 Macro level*

Townsend and Twombly (1998) start their analysis of feminism, citing Levy and Merry’s (1996) definition of paradigm shifts of two orders. First order changes are relatively minor adjustments that leave organizations’ core essentially intact and that occur naturally as a system grows and matures. Second-order are “multidimensional, multi-level, qualitative, discontinuous, radical organizational change (s) involving a paradigmatic shift” propose a theory of liberal feminism that provides

Townsend and Twombly (1998) analyzed and identified the type of feminist theories applied across community colleges in the United States using liberal feminist theories. The agenda of liberal feminism included: 1) Equal pay for work, 2) equal access to high level positions, 3) affirmative action in hiring, 4)

Advantage of the theory: Awareness of patriarchal thinking and behavior with feminist agenda. Topics have been addressed at community colleges, because of the influence of 70s and 80s interest on : sexual harassment, salary inequities, family leaves policies. The application of the theory has its

equal opportunities for men and women establishment and shortcomings. Not much by eliminating limitations for participation enforcement of sexual has been achieved, and and achievement of women. harassment guidelines, 5) second-order change has Barriers to the promotion of women child care assistance, 6) not been obtained; only acknowledged by this theory are: (1) Lack gender-inclusive language first order change. of equal opportunities (2) sex role and 7) maternity and family socialization, (3) sex stereotyping, and (4) leaves (Townsend & Twombly, 1998, p. 79) Townsend and Twombly, 1994). Most of the changes were only first-order and patriarchal style was still present.

7. Organizational Diversity Approach (Lewin, 1933; Schein, 2003; Cox and Blake, Organizational diversity implies diversity in gender, race, sexual preferences, education, experience and opinions (Allen & Montgomery, 2001, p. 149). The level Firms that have embraced diversity in the United States, includes: Microsoft Corporation, WalMart Lewin (1993) studied diversity and proposed three stages in organizational change

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1991; Allen and Montgomery, 2001)

*Non-traditional theories- Macro level*

of diversity will depend on the innovation level in the organization, “founding rates, diversity of new entrants, the merger rate, and disbanding rate (...) environmental change and adaptive capacities of the organization” (Carroll and Hannan, 2000, p. 158).

Organizational diversity is based on the germinal theory of organizational change by Kurt Lewin (1933) who purported that organizations behaved as living beings and that change was the result of driving forces and resisting forces.

Cox and Blake (2001) developed a typology of diversity in three categories: (1) monolithic, (2) pluralistic, (3)

stores, MacDonald’s corp. Allen & Montgomery (2001) report that McDonald’s adjusted seating spaces to accommodate Hispanic families with large number of members. WalMart has also made changes to their promotional and marketing campaigns to include Hispanic holidays. Microsoft corporation expresses their commitment to diversity in their vision statement and the creation of

“freezing, moving and refreezing”. Extrapolated to the typology of multicultural organizations, to ensure that an organization may take steps towards diversity, without reversion (Allen & Montgomery, 2000)

Diversity in leadership has the advantage of increasing the motivation of talented minority employees who easily identify with their leaders (Allen & Montgomery, 2001, p.

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multicultural (Allen & Montgomery, 2001, p. 150). Monolithic organizations have majority of white males as managers, and women and minorities abide by the majority's norms and values. Pluralistic organizations have more diversity in their staff due to hiring and promotion efforts in favor of minorities, through affirmative action programs. Minorities still abide by the majority's norms and values. Multicultural organization: Implies a creating a different culture, where their workforce is encouraged to learn from each other, adopting some of the rules of minority groups. This diverse culture increases the a diversity department and a Diversity Advisory Council. Their goals, as reported by Allen & Montgomery is to increase the distribution of women and minorities in top executive positions. The customer base of Microsoft shows 150 countries and 50 languages. Microsoft diversity statement shows the inclusion of the following groups: "African Americans, employees with attention deficit disorder, 149). An increase in motivation given the openness to diversity is another benefit. Organizations that want to embrace diversity should conduct a top down analysis to gain awareness of the structure of their workforce and design a diverse culture where perpetuation ensures that "the organization does not revert back to its original state" (Allen & Montgomery, 2001, p.

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competitive advantage of the organization (Allen & Montgomery, 2001; Cox & Blake, 1991, p. 51). The transformation from traditional organizations to multicultural requires five components: “ 1) leadership, 2) training, 3) research, 4) analysis and change of culture and human resource management systems, and 5) follow up” (Cox & Blake, 1991, p. 52)

Chinese, deaf or hard of hearing employees, Filipinos, gay, lesbian, bisexual and transgender employees, Hispanics, Indians, Koreans, Native Americans, single parents, women, and working parents (Allen & Montgomery, 2001)

153). But diversity has also costs: underutilization of resources, unrelated outcomes and turnovers (Carroll and Hannan, 2002, p. 157)

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