



## **Utilizing Organizational Theory Schools of Thought to Address and Navigate Contemporary Organizational Challenges**

**Barrack Njom**

**ISSN: 2616-8421**

# Utilizing Organizational Theory Schools of Thought to Address and Navigate Contemporary Organizational Challenges

Barrack Njom

PhD candidate in Organizational Leadership and Development, Pan Africa Christian University

Author Email address: [mbullonjom2004@yahoo.com](mailto:mbullonjom2004@yahoo.com)

How to cite this article: Barrack, N. (2025). Utilizing Organizational Theory Schools of Thought to Address and Navigate Contemporary Organizational Challenges. *Journal of Human Resource & Leadership*, 9(3), 1-13. <https://doi.org/10.53819/81018102t3130>

## Abstract

Maintaining alignment between the organisational structure, objectives, and the external environment is essential for the organisation to adapt and achieve its goals. Failure can result in the loss of potential opportunities and the presence of inefficiencies. Applying diverse approaches in organisational theory, such as classical, human relations, contingency, systems, and critical perspectives, offers a thorough framework for tackling intricate organisational issues, guaranteeing flexibility, employee involvement, responsiveness to external factors, and comprehensive problem-solving. The objective of the study is to utilise different schools of thought in organisational theory to effectively address contemporary organisational challenges. The study was based on four theories: classical theory, human relations theory, contingency theory, and systems theory. The study revealed that ensuring congruence between an organization's structure and its objectives and environment is essential for optimising efficiency, facilitating effective decision-making, and enhancing adaptability. It enhances resource efficiency, promotes cooperation, and decreases expenses. Efficient decision-making is promoted, which helps to eliminate obstacles and empower employees. An organisation with an aligned structure is better equipped to adapt to changing market dynamics and can quickly seize opportunities and respond to threats. The study's findings indicate that when an organization's structure is aligned with its objectives and environment, it results in increased operational efficiency, more effective decision-making, and improved adaptability. This alignment ultimately enables organisations to succeed in a rapidly changing business environment.

**Keywords:** *Organizational Theory, Schools of Thought, Navigate, Contemporary Organizational, Challenges*

## 1.0 Introduction

The alignment of an organization's structure with its environment and objectives is a crucial aspect that can significantly impact its success. According to Etido Oliver Akpan (2007), achieving this alignment requires careful consideration of the challenges an organization may face, and finding a suitable structure to effectively address those challenges. This is where the various schools of thought in organizational theory can play a vital role since these different schools of thought provide a range of perspectives and frameworks that can assist organizations in understanding their unique challenges and prescribe appropriate structures to overcome them (Henderson, 2016). By exploring these various theories, organizations can gain valuable insights into their internal dynamics and external environment, enabling them to make informed decisions regarding organizational structure and design. The aim of this research paper is to delve into the importance of alignment, the role of organizational theory, and highlight how the different schools of thought can assist organizations in identifying challenges and devising suitable structures to tackle them effectively.

## 1.1 Background to the Study

Goodman & Dingli (2013) noted that one key aspect of the importance of alignment between organizational structure and environment/objectives is the ability to effectively respond to external challenges. The external environment of an organization is constantly changing, whether it be due to technological advancements, shifts in market conditions, or changes in customer preferences. An organization that is not aligned with its external environment will struggle to adapt and respond to these changes, which can ultimately lead to its downfall. Consider a company that operates in the technology industry, if its organizational structure is not in alignment with the rapid pace of technological advancements, it may struggle to develop and launch new products in a timely manner. This could result in missed opportunities and losing market share to competitors. In addition, Gulati et al. (2013), noted that alignment between organizational structure and objectives is crucial for the achievement of organizational goals. Objectives provide a sense of direction and purpose for employees, guiding their efforts towards a common goal. When the structure of an organization aligns with these objectives, it fosters a more focused and efficient workforce. Employees understand their roles and responsibilities, enabling them to work together towards the achievement of organizational goals. On the other hand, a misaligned structure can lead to inefficiencies and conflicts within the organization (Gulati et al., 2013). For instance, if decision-making authority is overly centralized in a hierarchical structure, it can create bottlenecks and delays in the decision-making process. This can hinder the organization's ability to respond quickly to market changes or capitalize on new opportunities. Similarly, a lack of alignment between structure and objectives can lead to a suboptimal utilization of resources. If resource allocation is not aligned with strategic objectives, resources may be wasted on projects or activities that do not contribute to the overall goals of the organization. This can result in a drain on the organization's financial and human resources (Gulati et al., 2013). Additionally, a misaligned structure can hinder effective communication within the organization. Communication channels may become convoluted or ambiguous, leading to misunderstandings and breakdowns in collaboration (Goodman & Dingli, 2013). This can impede teamwork and coordination, ultimately impacting the organization's ability to achieve its objectives.

## 1.2 Framework for Utilizing Various Schools of Thought in Organizational Theory

According to Gulati et al. (2017), using various schools of thought in organisational theory can provide a rich and comprehensive understanding of an organisation and its challenges. This framework recognises that organisations are complex systems that are influenced by both internal and external factors. An organisation can gain diverse perspectives and insights that

aid in effectively addressing its challenges by drawing on different schools of thought. The classical school of thought, which emphasises the importance of hierarchy and structure in organisations, is one important school of thought. It prioritises efficiency and productivity through a clear division of labour, standardised procedures, and a top-down decision-making process. This school of thought is useful when the primary challenge is achieving operational efficiency and ensuring effective employee coordination. However, according to Goodman and Dingli (2013), relying solely on the classical school of thought may overlook other important factors influencing organisational performance. The human relations school of thought comes into play here. This school prioritises employee satisfaction, well-being, and motivation. It acknowledges that employees are more than just cogs in a machine, and that their needs and feelings are crucial to organisational success.

By adopting this viewpoint, an organisation can create structures and processes that encourage employee engagement and commitment, resulting in increased productivity and overall organisational effectiveness (Gulati et al., 2017). In addition to these internal perspectives, it is critical to consider an organization's external influences, and the contingency school of thought provides valuable insights in this regard. According to this school, organisational structures and practises should be adaptable and responsive to the environment in which they operate. It recognises that different situations necessitate different approaches and that no one-size-fits-all solution exists. By incorporating the contingency perspective into the framework, an organisation can better understand the external factors influencing its performance and make the structural changes needed to remain competitive and successful. Further, Miles and Snow (2019) pointed out that the systems school of thought offers a comprehensive view of organisations as interconnected and interdependent entities. It recognises that changes in one area of the organisation can have an impact on the entire system. This viewpoint is especially useful when addressing complex organisational challenges that necessitate a thorough understanding of how various components interact and affect one another. An organisation can use the systems perspective to identify the root causes of its problems and design effective solutions that take into account the interconnectedness of various elements within the organisation. Finally, the critical school of thought challenges traditional organisational assumptions and power structures. It raises issues of equity, social justice, and the effect of power imbalances on organisational dynamics (Miles & Snow, 2019). By adopting a critical mindset, an organisation can identify and address systemic issues that may be impeding its performance, as well as create a more inclusive and equitable work environment.

## 2.0 Literature Review

The study reviewed articles that provided information on alignment of an organization's structure to its environment and objectives and on how can the various schools of thought in organizational theory assist an organization to highlight the challenges it faces and prescribe a suitable structure to deal with them based on literature studies. Relevant theories were used to understand the relationship as well as empirical evidence were provided for the study. When reviewing the literature, the study followed a quantitative analysis which sought scholarly databased and publishers which include: springer, google scholar, SSRN, Oxford journals, etc. The key words used in the search were aligning an organization's structure, organizational theory, various schools of thought in organizational theory, and challenges faced by the organization. The relevant articles from the databases selected were reviewed to establish the information sought regarding using organizational theory to highlight challenges. Finally, detailed recommendations for the different schools of thoughts were made to address challenges.

## **2.1 Overview of the Various Schools of Thought in Organizational Theory**

Organizational theory encompasses a set of perspectives or "schools of thought" that provide frameworks for understanding and analysing organizations. These schools of thought offer valuable insights into the challenges organizations face and can help prescribe suitable structures to deal with them effectively. An organization's structure should be aligned with its environment, objectives, and strategy to maximize its chances of success.

### **2.1.1 Classical Theory**

According to Haridimos Tsoukas & Knudsen (2003), efficiency is a primary concern in classical theory, aiming to increase productivity and reduce costs. This is achieved through the division of labor and specialization, where employees are assigned specific tasks based on their skills and expertise. By focusing on individual tasks, workers can become more proficient, leading to increased efficiency and overall productivity. Another key aspect of classical theory is the emphasis on clear lines of authority and a chain of command. Decision-making authority is typically concentrated at the top of the hierarchy, with managers and supervisors responsible for making important decisions and providing instructions to subordinates. This centralized decision-making structure ensures that tasks are carried out in a consistent and coordinated manner, contributing to organizational efficiency. Additionally, Tosi (2009) noted that classical theory places importance on the principle of unity of command, which states that each employee should have only one supervisor. This prevents conflicting instructions and helps maintain discipline and order within the organization. Clear roles and responsibilities are defined for every position, reducing ambiguity and ensuring that employees understand their duties and obligations. Classical theory also advocates for formal rules and procedures to guide behavior and decision-making. By establishing standardized processes and protocols, organizations can maintain consistency and efficiency in their operations. These rules are often documented in written policies and procedures manuals, providing employees with clear guidelines for carrying out their tasks. Overall, classical theory focuses on the hierarchy and efficiency to streamline organizational operations and increase productivity. By centralizing decision-making, assigning specialized tasks, and implementing clear roles and responsibilities, organizations can achieve greater efficiency, reduce costs, and improve overall performance.

### **2.1.2 Human Relations Theory**

According to Tosi (2009), human relations theory emerged in the 1930s as a response to the classical management theories that focused solely on tasks and efficiency. Instead, this theory shifted the focus towards the human element in organizations, emphasizing that employee satisfaction and motivation are crucial for achieving organizational success. According to the human relations theory, employees are not simply resources to be managed but individuals with unique needs, desires, and motivations. This theory recognizes that a happy and satisfied workforce is more likely to be productive and committed to the organization. One of the key principles of the human relations theory is the idea of employee engagement. Engaged employees are those who are emotionally invested in their work, committed to the organization's goals, and willing to put in extra effort to contribute to the success of the organization. Engaged employees are more likely to be proactive, innovative, and loyal (Mercurio & Medema, 2006). Haridimos Tsoukas & Knudsen (2003), noted that to promote employee engagement, the human relations theory suggests involving employees in decision-making processes. This creates a sense of ownership and empowerment among employees, making them feel valued and respected. By giving employees a voice in decision-making, organizations tap into the collective wisdom and creativity of their workforce. Furthermore, the human relations theory emphasizes the importance of leadership and supervision in creating

a positive work environment. It recognizes that the behaviour of leaders greatly influences employee morale and motivation. Good leaders are those who are empathetic, supportive, and understanding. They establish open lines of communication, actively listen to employees, and provide feedback and recognition for their contributions (Mercurio & Medema, 2006). This creates a climate of trust and cooperation, contributing to higher job satisfaction and commitment.

### **2.1.3 Contingency Theory**

Contingency theory, according to Tosi (2009), is a management theory that proposes that there is no one-size-fits-all approach to organisational structure. Instead, it contends that an organization's structure should be determined by a variety of external and internal factors. Market conditions are one of the key external factors considered by contingency theory. Competition, customer preferences, and economic conditions all have different dynamics in different industries and markets. In highly competitive industries, for example, where customer needs change rapidly, organisations must have a flexible structure that enables quick decision-making and responsiveness to market changes. Organisations in more stable and predictable industries, on the other hand, may choose a more hierarchical structure that focuses on efficiency and control. According to Haridimos Tsoukas and Knudsen (2003), technology is another important external factor that contingency theory considers. Technological advancements can have a significant impact on the structure of an organisation. The rise of digital technologies and automation, for example, has resulted in flatter organisational structures with fewer hierarchical levels. This encourages quicker communication and decision-making, as well as collaboration and innovation. Furthermore, Mercurio and Medema (2006) stated that legal requirements and regulations have an impact on organisational structure. Organisations must follow the laws and regulations that govern their industry, which may require specific reporting relationships or the separation of certain functions. For example, in highly regulated industries such as finance or healthcare, organisations must have a structure that ensures legal compliance while minimising liability risks. Contingency theory emphasises the importance of organisations being adaptable and flexible in order to respond effectively to changes in the external environment. This implies that organisational structures must be adaptable to changing market conditions, technological advancements, and legal requirements. Contingency theory suggests that organisations should use organic structures rather than mechanistic structures to achieve adaptability. Organic structures are distinguished by decision-making decentralisation, flexible roles and responsibilities, and fluid communication channels (Peltonen, 2016). Because decision-making is pushed down to lower levels and information flows more freely throughout the organisation, these structures enable quick response to external changes. Peltonen (2016), on the other hand, observed that mechanistic structures are more hierarchical and rule-based, which can result in slower decision-making and limited flexibility. While mechanistic structures may be appropriate for stable environments with low levels of uncertainty, in more dynamic environments, they can impede an organization's ability to adapt to external changes.

### **2.1.4 Systems Theory**

According to Haridimos Tsoukas & Knudsen (2003), systems theory, an organization is viewed as a complex system made up of various interconnected parts, such as departments, teams, individuals, processes, technology, and resources. These components are not viewed in isolation, but rather as interdependent elements that work together to achieve common goals and objectives. Peltonen (2016), pointed out three key concepts that underpin systems theory: Systems theory emphasizes that the different components of an organization are interdependent and interact with one another. Changes in one part of the system can have ripple effects on

other parts. For example, a change in the production process may impact the supply chain, employee roles, and customer satisfaction. Systems theory focuses on the organization as a whole entity, rather than as a sum of its individual parts. It recognizes that the behaviour and performance of the system as a whole cannot be fully understood by studying its individual components in isolation. This holistic perspective encourages managers to consider the larger system and its dynamics when making decisions or implementing changes.

Systems theory highlights the importance of feedback loops within an organization. Feedback allows the system to monitor its performance and make necessary adjustments to maintain stability and effectiveness. Positive feedback reinforces and amplifies desired behaviours, while negative feedback helps to correct and modify the system's functioning. Further, Tosi (2009), pointed that systems theory offers several benefits for understanding and managing organizations which are: By considering the organization as a system, managers can gain a broader understanding of its dynamics, complexities, and interdependencies. This helps in identifying potential bottlenecks, areas of improvement, and unintended consequences of changes. Systems theory encourages managers to look beyond isolated problems and consider how different parts of the organization interact to create challenges. By identifying the root causes and systemic issues, managers can develop more effective and long-lasting solutions. Viewing organizations as systems promotes collaboration and cooperation among different departments and individuals. When all parties recognize their interdependence, they are more likely to work together towards common goals, rather than being siloed or pursuing conflicting objectives. Systems theory recognizes that organizations exist within dynamic environments and need to be adaptable to external changes. By understanding the interconnectedness of the system, managers can anticipate and respond to changes more effectively, helping the organization remain competitive and resilient. Systems theory promotes a learning mind-set by encouraging managers to continuously analyse and improve the organization's system. This involves monitoring feedback, evaluating outcomes, and making adjustments as needed.

## **2.2 Identifying Challenges Faced by the Organization**

According to Aquinas (2008), while the specific challenges faced by an organization can vary greatly depending on its industry, size, and internal dynamics, there are some common challenges that many organizations encounter. These challenges can be categorized to external and internal challenges.

### **2.2.1 External Challenges**

External challenges are external factors or conditions that organisations must overcome to achieve their goals. Competitors, market trends, and technology can pose these challenges. Each challenge will be explained in detail in this response. According to Jones (2004), competitor analysis is an important part of strategic planning for organisations. It involves gathering and analysing information about competitors in the same industry or market. By understanding their competitors, businesses can assess their strengths, weaknesses, strategies, and market position. However, competitor analysis can be difficult for organisations, especially externally. Daft et al. (2014) noted that accurate and reliable competitor data is a major challenge in competitor analysis. Data is often collected from public sources, industry reports, and market research. However, this data may be incomplete or outdated. Competitive organisations may strategically hide or provide misleading data, making it hard for organisations to understand their activities. Data collection may be further complicated by industries with limited public information. Jones (2004) added that industries are diverse and dynamic, with new players entering the market regularly. It can be difficult and time-consuming to identify new competitors and track their strategy changes. Not identifying or monitoring all relevant competitors may result in missed opportunities or unexpected threats.

After data collection, analysing and interpreting it is difficult. Competitor analysis examines market share, product offerings, pricing strategies, marketing tactics, target markets, and customer feedback. Data can be difficult to interpret and extract meaningful insights from, especially voluminous or complex data. Incomplete analysis can lead to bad decisions and ineffective strategies (JONES, 2017).

Market trends shape organisations' environments. To stay competitive and successful, organisations must monitor market trends (Daft et al., 2014). Organisations can also face challenges from market trends. Market trends increase business competition, according to JONES (2017). Companies may face stiff competition from traditional and new market entrants as new technologies, products, or services emerge. This can force companies to innovate and differentiate to stay ahead. Market trends reflect changing customer tastes and habits. Companies must adapt their products, services, and marketing strategies to changing consumer tastes. Failure to do so may cost customers to competitors who better understand and meet these preferences. Globalisation and international market growth influence market trends. Global trends affect industries, so companies must adjust their strategies (Aquinas, 2008). This may involve entering new markets, navigating trade regulations, or managing international supply chains. Market trends depend on economic conditions, according to Daft et al. (2014). To predict how economic indicators like inflation, interest rates, unemployment, and consumer spending will affect their business, companies must monitor them. Economic downturns can lower consumer purchasing power and confidence, reducing product demand. Government regulations and policies affect market trends. Legal and regulatory changes affecting their industry must be monitored by organisations. Failure to comply with new regulations can cost money, reputation, and legal trouble. Market trends are increasingly shaped by sustainability and social responsibility. Organisations are pressured to be green, socially conscious, and ethical (Jones, 2004). Companies that ignore these trends risk losing customers and reputation.

Aquinas (2008) states that organisations must adapt to rapid technological change to stay competitive. To adopt new technologies, they must update their systems, processes, and workforce skills. The pace of technological change can be overwhelming and requires significant resources and effort to adapt. Introducing new technologies often requires significant investment. Companies must invest in R&D, hardware, software, training, and infrastructure. SMEs with limited funds may find this difficult. Implementing new technologies may not yield immediate returns, making it a risky investment. Technological advances can disrupt business models in various industries. Examples include digital platforms replacing retail stores, streaming services affecting the entertainment industry, and automation causing job losses. Organisations must anticipate disruptions and adjust their strategies and operations to stay relevant (Daft et al., 2014). This often requires reassessing value propositions, business processes, and workforce structure. Technology makes it easier for newcomers to disrupt markets, according to Daft et al. (2014). Lower entry barriers allow start-ups to quickly use technology to challenge established companies. Companies must constantly monitor new competitors and respond quickly. Current competitors can also use technology to gain an edge. This boosts competition and forces companies to improve operations and customer service (Aquinas, 2008). Technology increases data collection, storage, and analysis. Organisations must protect customer and organisational data. Data breaches and privacy violations can cost money and reputation. To address these issues, organisations must invest in cybersecurity and follow regulations and standards.

### **2.2.2 Internal Challenges**

Internal organizational challenges refer to the hurdles and obstacles that a company faces internally within its own structure and operations. These challenges can significantly impact

the efficiency, productivity, and overall performance of the organization (JONES, 2017). Resource constraints refer to limitations in terms of finances, human resources, or infrastructure that can hinder an organization's ability to accomplish its goals. Financial constraints can arise due to limited funding, cash flow problems, or increased costs of operations. This can affect an organization's ability to invest in necessary equipment, technology, or training programs, leading to difficulties in meeting organizational objectives (Daft et al., 2014). Human resource constraints occur when organizations do not have enough qualified employees to perform essential tasks. This could be due to a lack of skilled individuals in the job market, high employee turnover rates, or limited recruitment and retention strategies. A shortage of manpower can severely hamper an organization's ability to effectively execute projects or meet customer demands. Infrastructure constraints relate to limitations within an organization's physical facilities, such as inadequate office space, outdated technology systems, or insufficient transportation networks. These constraints can hinder operational efficiency, impact employee morale and collaboration, and limit the organization's ability to adapt to changing market conditions (Jones, 2004).

According to JONES (2017), effective communication is vital for the smooth functioning of any organization. Communication issues can arise due to various factors, such as a lack of clarity in messages, language barriers, ineffective communication channels, or a hierarchical organizational structure that inhibits open and transparent communication. Misunderstandings due to ambiguous messages or misinterpretations can lead to errors, delays in decision-making, and poor coordination among team members. Inconsistent or incomplete communication can also negatively affect relationships with stakeholders, customers, and clients, leading to loss of trust and potential conflicts. Furthermore, language barriers can impede effective communication, particularly in multinational organizations or those with diverse workforces. These barriers may result in miscommunication, decreased efficiency, or cultural misunderstandings. A hierarchical organizational structure that prioritizes top-down communication can restrict feedback, limit employee involvement in decision-making processes, and stifle innovation (Daft et al., 2014). This lack of open communication can lead to reduced employee engagement, decreased job satisfaction, and a lack of ownership over tasks. Employee engagement refers to the emotional commitment and dedication employees have towards their work and organization. When employees are disengaged, it can have detrimental effects on productivity, innovation, and overall organizational performance (Vassolo & Weisz, 2022). Disengaged employees may lack motivation, leading to decreased productivity and lower quality of work. They may also exhibit absenteeism and high turnover rates, resulting in increased recruitment and training costs for the organization. Innovation suffers when employees are not engaged as they are less likely to contribute new ideas, challenge existing practices, or actively participate in problem-solving. This can negatively impact an organization's ability to adapt to changing market conditions and leave them less competitive in the long run (Robbins, 1990).

### **2.3 Using Organizational Theory to Highlight Challenges**

Organizational theory encompasses a set of perspectives or "schools of thought" that provide frameworks for understanding and analysing organizations. These schools of thought offer valuable insights into the challenges organizations face and can help prescribe suitable structures to deal with them effectively (Vassolo & Weisz, 2022). An organization's structure should be aligned with its environment, objectives, and strategy to maximize its chances of success.

### 2.3.1 Classical theory

Classical theory provides valuable insights into the challenges that organizations may face in terms of efficiency gaps and communication breakdowns. Robbins (1990), pointed that classical theory of organizations, emphasizes the importance of a hierarchical structure and rational decision-making processes. This theory provides a framework to analyse and understand the challenges organizations may encounter and offers solutions to improve efficiency. One key benefit of applying organizational theory is the identification of potential efficiency gaps. Classical theory suggests that organizations should have a clear hierarchy and well-defined processes to maximize efficiency. By analysing the organization's structure, roles, and responsibilities, potential areas of inefficiency can be identified (Daft et al., 2014). For example, a company may have overlapping roles or redundant procedures that can be streamlined or eliminated to improve efficiency. By pinpointing these inefficiencies, organizations can focus on implementing changes that will lead to better resource utilization, cost reduction, and ultimately higher productivity. Further, Daft (2016), noted that organizational theory helps highlight communication breakdowns within the hierarchy. Effective communication is crucial for smooth functioning and coordination within an organization. Classical theorists emphasize the importance of clear and swift communication channels, such as formal reporting structures and well-defined roles, to ensure information flows efficiently across all levels.

However, in reality, there can be bottlenecks, delays, or gaps in information flow that hinder effective decision-making and coordination. By assessing communication channels and identifying breakdowns or barriers to information flow, organizations can take corrective actions to improve communication processes. This may involve redefining reporting structures, implementing better communication technologies, or enhancing interpersonal communication skills of employees (Daft et al., 2014). Organizational theory can also shed light on other challenges, such as power struggles, resistance to change, and poor motivation. Jones (2004), pointed that classical theorists argue that organizations need a well-defined chain of command and authority to avoid conflicts and power struggles. However, in practice, power struggles can arise due to ambiguities in roles or clashes of interests. By understanding the dynamics of power and authority within an organization, potential conflicts can be identified and addressed appropriately to ensure smooth operations. Similarly, classical theory recognizes the need for organizations to adapt and initiate change to remain competitive. However, change can be met with resistance from employees who may fear uncertainty or loss of status. Organizational theory provides insights into understanding resistance to change and suggests strategies to overcome it (Daft et al., 2014). This can involve involving employees in decision-making processes, clearly communicating the rationale for change, and providing necessary training and support to facilitate smooth transitions.

### 2.3.2 Human Relations Theory

One of the key theories in organizational theory is the Human Relations Theory, which focuses on the social aspect of work and emphasizes the importance of employee satisfaction, motivation, and involvement in decision-making processes. By applying this theory, Robbins (1990), noted that organizations can identify and address challenges related to these aspects, ultimately improving overall organizational performance. One challenge that can be addressed using Human Relations Theory is determining employee satisfaction levels and identifying motivation gaps. Employee satisfaction is crucial as it directly affects their productivity and commitment to the organization. Conducting employee surveys or assessments can help in understanding the factors influencing employee satisfaction and identifying areas that need improvement. This could involve analysing the work environment, compensation and benefits,

career growth opportunities, work-life balance, and communication channels within the organization. By addressing the identified gaps, organizations can enhance employee satisfaction levels and ultimately improve employee motivation (Daft, 2016). Another challenge that can be addressed through Human Relations Theory is assessing the extent of employee participation in decision-making. Daft et al. (2014), pointed that employee involvement increases their commitment, motivation, and job satisfaction. By evaluating the degree of employee participation in decision-making processes, organizations can identify opportunities to increase employee engagement. This could involve examining the level of involvement in setting goals, making strategic decisions, problem-solving, and providing feedback. Organizations can then implement strategies such as decentralizing decision-making, creating cross-functional teams, or establishing employee suggestion programs to enhance employee involvement. Applying Human Relations Theory also encourages organizations to foster positive relationships among employees and management. This can be achieved by promoting open communication, providing opportunities for team-building activities, and ensuring fair and transparent processes (Jones, 2004).

### 2.3.3 Contingency Theory

According to Robbins (1990), contingency Theory in organizational theory suggests that there is no one-size-fits-all approach to structuring an organization. Instead, the structure of an organization needs to be contingent on or aligned with the specific external factors it faces. In this context, external factors refer to any influences or pressures that originate from outside the organization and have the potential to impact its operations, strategies, and overall performance. Identifying specific external factors affecting the organization is crucial in analysing the challenges that the organization may face. These factors can be broadly categorized into macro-environmental factors and industry-specific factors. Macro-environmental factors include political, economic, social, technological, environmental, and legal (PESTEL) factors that may impact the organization at a broader, societal level (Jones, 2004). Industry-specific factors may include competitive dynamics, market trends, customer preferences, and regulatory changes that are specific to the industry in which the organization operates. For example, a technology company may face the external factor of rapid advancements in technology, which could pose challenges in terms of keeping up with the latest technological trends and innovations. Similarly, a retail organization may face the external factor of changing consumer preferences and behaviours, which may require them to adapt their product offerings and customer experience strategies. Once the specific external factors affecting the organization have been identified, the next step is to evaluate the suitability of the current organizational structure in adapting to these factors. This evaluation involves analysing the strengths and weaknesses of the current structure and its alignment with the external factors (Daft et al., 2014).

For instance, if an organization operates in a highly dynamic and rapidly changing industry, such as technology, its structure needs to be flexible and adaptable to cope with continuous disruptions and innovations. On the other hand, if an organization operates in a stable and predictable industry, such as utilities, a more hierarchical and centralized structure may be appropriate. The evaluation of the current structure should consider factors such as communication channels, decision-making processes, coordination mechanisms, and the level of centralization or decentralization. It also assesses the organization's ability to respond quickly, efficiently, and effectively to external changes. If the evaluation reveals that the current structure is not well-suited to adapt to the identified external factors, the organization may need to consider implementing structural changes (Robbins, 1990). This could involve redesigning the organizational hierarchy, restructuring departments or teams, improving

communication and collaboration systems, or incorporating more flexibility and autonomy into the decision-making processes.

#### **2.3.4 System theory**

Organizational theory, specifically the systems theory, plays a crucial role in highlighting challenges within an organization. The systems theory approach emphasizes the interconnected nature of various components within an organization, and it helps to identify areas where imbalance or dysfunction may exist. By analysing the interactions and dependencies between different parts of the organization, managers can gain a comprehensive understanding of the overall functioning of the system (Robbins, 1990). Daft et al. (2014) noted that the main aspects of systems theory are analysing the interconnections of organizational components. This involves examining how different departments, teams, or individuals within the organization interact with each other. For example, a manufacturing company may have various departments such as production, sales, marketing, and finance. Understanding how these departments collaborate and communicate with each other is essential in ensuring smooth operations. By mapping out these interconnections, organizations can identify potential areas where dysfunction may occur. For instance, if the production department is not properly coordinating with the marketing department, it can lead to misalignment in production and sales targets. Moreover, Jones (2004), the systems theory approach helps organizations identify areas where imbalance or dysfunction may exist. In any system, there is a delicate balance between various components, and any disruption can have negative consequences. By analysing the system as a whole, organizations can identify areas where adjustments are needed to improve overall performance. For instance, if a company's sales are declining while production levels remain high, there may be an imbalance that needs to be addressed. It could be that the marketing and sales departments are not effectively promoting the products or that there is a lack of customer feedback being incorporated into the production process (Daft et al., 2014). This perspective allows organizations to proactively address challenges and make necessary adjustments to optimize performance.

#### **2.4 Prescribing Suitable Structures to Address Challenges**

Challenges are an inevitable part of any organization or system therefore important to have suitable structures in place to effectively address these challenges (Jones, 2004). Prescribing the right structures involves identifying the specific challenges faced by the organization and designing appropriate frameworks and processes to tackle them. The classical theory of management, focuses on the concepts of hierarchy and efficiency in organizing and managing an organization. Based on these principles, several recommendations can be made for improving organizational effectiveness. The first recommendation is to streamline the hierarchy. Aquinas (2008) pointed that classical theory emphasizes a clear chain of command with well-defined roles and responsibilities. This principle suggests that organizations should eliminate unnecessary layers of management to improve decision-making efficiency. By reducing the number of levels in the hierarchy, organizations can accelerate the flow of information, increase responsiveness to changes, and enhance overall efficiency. This streamlining of the hierarchy can lead to faster decision-making and a more agile organization.

The second recommendation is to establish clearer communication channels. Daft et al. (2014), noted that classical theory recognizes the importance of effective communication in achieving organizational goals. Clear and open communication is necessary for transmitting information, coordinating activities, and fostering collaboration within the organization. To enhance communication, organizations should establish formal channels such as regular team meetings, clear reporting structures, and open-door policies. These measures can ensure that information flows smoothly throughout the organization, preventing miscommunication,

misunderstanding, and potential conflicts. Clear communication channels also promote transparency and accountability, enabling employees to understand their role in achieving organizational objectives (Jones, 2004). Additionally, classical theory principles recommend providing proper training and guidance to employees to enhance their productivity and effectiveness. This approach emphasizes the need for clear job descriptions, training programs, and performance evaluations. By investing in training and development, organizations can equip employees with the necessary skills and knowledge to perform their tasks efficiently (Robbins, 1990). Furthermore, classical theory advocates for the creation of standardized procedures and guidelines to ensure consistency and streamline operations. By establishing clear and well-documented processes, organizations can reduce inefficiencies, errors, and misunderstandings. Finally, classical theory principles suggest that organizations should establish a reward system based on performance. Rewards and recognition can motivate employees to work towards achieving organizational goals. By linking rewards to performance, organizations can increase employee engagement and encourage them to strive for excellence (JONES, 2017). Classical theory also highlights the importance of a fair and consistent evaluation system to eliminate bias and favouritism.

Human relations theory, focuses on the importance of positive interactions between individuals in the workplace. Based on this theory, there are several recommendations that can be made to improve employee satisfaction and motivation. Two of the key recommendations are implementing employee recognition and motivation strategies and encouraging employee participation in decision-making (Daft et al., 2014). Implementing employee recognition and motivation strategies involves recognizing and rewarding employees for their efforts and achievements. This can be done in various ways such as providing verbal praise, giving public recognition, and offering financial incentives or promotions. Recognizing employees' hard work and achievements can make them feel valued and appreciated, increasing their job satisfaction and motivation. When employees are recognized for their efforts, they are more likely to feel motivated to continue performing at a high level. This can lead to increased productivity and improved overall performance of the organization. Additionally, employee recognition helps to create a positive work environment where employees feel acknowledged and supported (Jones, 2004).

Another recommendation based on human relations theory principles is encouraging employee participation in decision-making. JONES (2017), noted that involving employees in decision-making processes not only provides them with a sense of ownership and control over their work, but it also enhances their job satisfaction and commitment. When employees are included in decision-making, they feel valued and respected. This fosters a sense of teamwork and collaboration, as employees feel that their opinions and ideas matter. In turn, this can lead to increased employee motivation and engagement. Moreover, involving employees in decision-making can lead to better decision outcomes. By tapping into the diverse perspectives and expertise of employees, organizations can make more informed decisions and avoid potential pitfalls. This can result in improved problem-solving and innovation within the organization. To effectively implement employee participation in decision-making, organizations should create a culture that encourages open communication and fosters a sense of psychological safety (Robbins, 1990). Employees should feel comfortable expressing their opinions and contributing their ideas without fear of negative consequences.

Contingency theory is a management approach that suggests there is no one best way to organize and operate an organization. Instead, the optimal approach depends on the unique circumstances and variables at play in a given situation (Daft et al., 2014). Based on this theory, the following recommendations can be made:

Contingency theory emphasizes that organizations need to align their structures with the demands and challenges of the external environment. Therefore, it is important to design structures that can quickly respond and adapt to changes in the external environment. This can involve creating cross-functional teams, flattening hierarchies, and decentralizing decision-making authority. By being more flexible and adaptive, organizations can effectively respond to market shifts, technological advancements, and regulatory changes (Jones, 2004). Contingency planning is crucial for organizations to effectively handle unexpected events, such as natural disasters, economic downturns, or supply chain disruptions. By having predefined plans in place, organizations can better mitigate risks and ensure business continuity. These plans should include steps to be taken in the event of specific disruptions, key roles and responsibilities, and communication protocols (Daft et al., 2014). Regular reviews and updates to contingency plans are essential to ensure they remain relevant and effective.

Robbins (1990), noted that contingency theory suggests that organizations need to consider and accommodate the needs and expectations of their specific stakeholders. By building strong relationships with key stakeholders, such as customers, suppliers, employees, and local communities, organizations can better understand their concerns and adapt their strategies accordingly. This can involve engaging in regular communication, soliciting feedback, and collaborating on problem-solving. Strong stakeholder relationships can enhance organizational resilience and provide support during challenging times. To effectively implement contingency theory principles, organizations should foster a culture that values flexibility and adaptability. This entails encouraging innovative thinking, risk-taking, and learning from failures (Jones, 2004). Leaders should set an example by promoting a growth mind-set and encouraging employees to embrace change. Additionally, organizations should invest in training and development programs to enhance employees' capabilities to adapt to new challenges and opportunities. Making informed decisions is vital in contingency theory. Organizations should rely on data and analytics to gather insights and guide decision-making processes. This involves establishing robust mechanisms for data collection, analysis, and interpretation. Through accurate and timely information, organizations can better anticipate potential disruptions, identify emerging trends, and make proactive adjustments to their strategies (Daft et al., 2014).

Systems theory principles can provide valuable recommendations for organizations aiming to improve their overall performance and effectiveness. One key recommendation is the promotion of cross-functional collaboration and knowledge sharing within the organization. By facilitating collaboration between different departments, organizations can enhance coordination, communication, and innovation. Cross-functional collaboration involves breaking down silos and encouraging employees from various departments to work together towards shared goals. This collaboration allows individuals to bring their unique expertise and perspectives to the table, leading to more comprehensive and innovative solutions (Daft et al., 2014). For example, when marketing and product development teams collaborate closely, it can result in the creation of products that better meet customer needs and preferences. In addition to collaboration, knowledge sharing is another crucial aspect of fostering a system thinking approach within an organization. By promoting knowledge sharing, organizations can ensure that valuable insights and expertise are disseminated across departments, reducing redundancy and encouraging learning from past experiences. Whether through regular meetings, training sessions, or digital platforms, organizations can create a culture that values continuous learning and knowledge exchange (Robbins, 1990).

Another critical recommendation based on systems theory principles involves addressing any imbalances or dysfunctions within the organizational system. An organization is a complex system with interdependent parts, and disruptions or imbalances in one area can impact the

overall performance. Identifying and addressing these dysfunctions or imbalances are vital for achieving a more efficient and effective organizational system (Jones, 2004). For instance, if communication breakdowns are causing delays in decision-making processes, addressing this issue through improved communication channels and protocols can enhance efficiency. Similarly, if there is a lack of coordination between different departments, establishing clear roles, responsibilities, and communication channels can help alleviate the dysfunction. Furthermore, analysing the overall functioning of the organization through a system thinking lens can reveal underlying issues that may hinder overall performance. This may involve identifying feedback loops that perpetuate negative patterns or understanding the impact of external factors on the organizational system (Robbins, 1990). By addressing these issues, leaders can create a healthier and more balanced organizational system that is resilient to challenges and adaptable to change.

### 3.0 Conclusion

Aligning an organization's structure with its environment and objectives is crucial for its success. When an organization's structure is well aligned, it facilitates efficient operations, effective decision-making, and adaptability to changing circumstances. This alignment ensures that the organization's structure supports its strategic goals and enables it to effectively navigate the complexities of its operating environment. Organizational theory plays a significant role in helping organizations achieve this alignment. It offers valuable insights and frameworks that allow organizations to identify the challenges they face and prescribe suitable structures to overcome these challenges. By examining the different schools of thought in organizational theory, organizations can gain a comprehensive understanding of their internal and external challenges and develop strategies to address them effectively. One of the key benefits of aligning an organization's structure with its environment and objectives is improved operational efficiency. When the structure of an organization is correctly aligned, it enables streamlined processes, clear roles and responsibilities, and efficient resource allocation. This optimizes the use of resources, reduces redundancies, and minimizes wastages, resulting in cost savings and improved productivity. Additionally, an aligned structure fosters teamwork and collaboration by creating a clear and cohesive work environment, enhancing overall organizational performance. Another crucial advantage of aligning an organization's structure is effective decision-making. When the structure supports the organization's objectives, it facilitates the flow of information and decision-making processes across different levels and functions. An aligned structure ensures that information reaches the relevant individuals in a timely manner, enabling them to make informed decisions. This reduces decision-making bottlenecks and empowers employees to take ownership of their roles, leading to faster response times and better decision outcomes. Further, an aligned structure enhances an organization's adaptability and agility. In today's rapidly changing business landscape, organizations need to be flexible and responsive to survive and thrive. By aligning the structure with the external environment, organizations can quickly identify and adapt to market trends, technological advancements, and competitive pressures. An aligned structure enables organizations to reconfigure their operations, allocate resources, and reposition themselves strategically, allowing them to seize opportunities and address threats promptly.

### REFERENCE

- Aquinas, P. G. (2008). *Organizational behaviour concepts, realities, applications and challenges*. New Delhi Excel Books.
- Daft, R. L., Murphy, J., & Willmott, H. (2014). *Organization theory and design: an international perspective*. Cengage Learning.

- Daft, R.L. (2016). *Organization theory and design*. Boston, MA: South Western Cengage learning.
- Etido Oliver Akpan. (2007). *Strategic alignment: the business imperative for leading organizations*. Tate Publishing.
- Goodman, M., & Dingli, S. M. (2013). *Creativity and Strategic Innovation Management*. Routledge. <https://doi.org/10.4324/9780203104378>
- Gulati, R., Mayo, A. J., & Nitin Nohria. (2013). *Management*. Cengage Learning.
- Gulati, R., Mayo, A. J., & Nitin Nohria. (2017). *Management: an integrated approach*. Boston, Ma Cengage Learning.
- Haridimos Tsoukas, & Knudsen, C. (2003). *The Oxford handbook of organization theory*. Oxford University Press.
- Henderson, J. C. (2016). *STRATEGIC ALIGNMENT: a model for organizational transformation via information technology ... (classic reprint)*.
- Jones Gareth R. (2004). *Organizational Theory, Design, and Change*. Pearson Education India.
- JONES, G. R. (2017). *Organizational Theory, Design and Change*.
- Mercuro, N., & Medema, S. G. (2006). *Economics and the law: from Posner to Postmodernism and beyond*. <https://doi.org/10.1515/9780691216010>
- Miles, R. E., & Snow, C. C. (2019). *Organizational Strategy, Structure, and Process*. Stanford University Press.
- Peltonen, T. (2016). *Organization theory: critical and philosophical engagements*. Emerald Group Publishing. <https://doi.org/10.1108/S2059-65612016020>
- Robbins, S. P. (1990). *Organization theory: structure, design, and applications*. Prentice Hall.
- Tosi, H. L. (2009). *Theories of organization*. Sage.
- Vassolo, R., & Weisz, N. (2022). *Strategy as leadership: facing adaptive challenges in organizations*. Stanford Business Books, an imprint of Stanford University Press. <https://doi.org/10.1515/9781503629820>