

The Organizational Paradox: A Paradoxical Case Study of Managerial Decision and Organizational Management

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Correspondence:

¹Rizky Dermawan
rizkydermawan@gmail.com

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Suhartutik, Rizky Dermawan¹, Siti Aminah

Universitas Pembangunan Nasional Veteran Jawa Timur, Management Department, Faculty of Economic and Business, Surabaya, Indonesia

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ABSTRACT: *This paper attempt to describe some cases and causes of unanticipated side effects of managerial decisions and organizational management, known as the organizational paradox. We found that the task of balancing education and research creates a paradoxical effect. Another case is the difficulty of achieving 'total benefits' from all departments. Action taken to improve the quality of the 'rich' department will create a dis-improvement of quality in 'poor' department. The third case is the paradox of paper-based performance quality. A performance quality based on the paper report is 'an administrative performance quality'; not real performance. Some causes to these cases are the difficulty of balancing between the vision achievement and the scarcity of resources, the existence of a practical point of view toward everything, the complexity of human action and its relation to the environment, human motivation, systemic causes and a tendency of disregarding the value of information.*

Keywords: *the organizational paradox, systemic causes, the tendency of disregarding the value of information*

INTRODUCTION

The organization is based on a set of relation exchange activities, both as organizational internal and external. For examples, exchange relation between educational service providers and service users (consumers or customers; students, or stakeholders), or between the organizational management party and the teaching staffs and employees. The organizational relation model of this kind is discussed through transaction theory. The transaction, as a single process, which is the center of all operational activities of the organization, potentially causes managerial problematic (O'Reilly and Tusman, 2008). the transactional problem which causes managerial problematic in the case of the determination of scarce resources exploitation selection optimally, seemingly faced by the entire organization.

The college autonomy case resulting in the consequence of tuition increase for the students, or the increase of educational budget rather aimed for saving the teachers and potentially decreasing the educational quality as whole, and have opportunities to lower the amount of interested persons to go into university – a choice of action aimed to bring into reality a desired certain goal achievement potentially will result in the other undesired consequence – is the problem core of organizational paradox/the paradox of organizational).

A paradox emerges from multiple consequences upon an action which seemingly seen as contradictive or works not in line with the selected action. The determination of decision alternative potentially will cause 'conflicting decisions.' Conflicting decisions emerges when the chosen action alternative does not only gives consequence has been estimated, but also gives the intended consequence or unpredicted before – especially which unprofitable, adverse, or risk (Jaffe, 2001).

In economics, the unpredicted consequence may be said as a 'by product' of a strategic decision. Results of economic growth can be measured or planned. But, often, every economic growth developmental policy will create a set of consequence which unpredicted before. For example, the overly large focus on the economic structure change that rather to service direction; financial and creative industry, and characterized as capital intensive, will indirectly disregard the development or the economic

management of natural resources wealth sector, which more characterized as labor intensive. For Indonesia, the conflicting decision of this kind resulted in the 'time bomb of unemployment' problem.

LITERATURE REVIEW

Understanding the organizational paradox problem is important based on a number of reasons. First, this is the effect of the transaction. As a center of organizational operating activity, transaction cause two problematic problems of "tensions", that is: first, problems related to the unique nature of the human factor; effort and strategy to control and all at once digging unique potential, such as: backgrounds of education, experience, perception, and expectation, of human as production factor; and second, balancing between differentiation and integration); conflict between differentiating and uniting a set of independent activities in organization, such as: job distribution, specialization vs. coordination, cooperation (Jaffe, 2001: 21-34).

Second, in the tight and fast changes competition era nowadays, re-designing organization; organizational factors is a must. Keep in stability and feel comfortable and secure from change are fatal mistakes. But designing organization will potentially cause stress and create a number of conflicting strengths, as mentioned above, and also other conflicting stresses, such as exploration vs. freedom (Clegg, 2002; Ford & Backoff, 1988). Contradictive or paradoxical condition like that is a natural thing in the organization, also included in the organizing process (Weick, 1979).

Third, the occurrence of understanding improvement in the business practitioners and academicians circle indicated that paradox is a matter attributed to organization life. Management of paradoxical matters is one of the important human activities. The resurgence and the fall of an organization are determined from its ability to understand and to handle the problem (Serman et al, 1997). For academicians, this problem provides a new attractive research area, resulting in something, and having continuous potential (Newman and Youngs, 2001).

However, although this problem is convinced a part of the organization, researchers rarely and seemingly keep paradox at a distance from the study of management and organization theories development (Ford & Backoff, 1988). As far as the researcher's knowledge, the organizational paradox theme did rarely discussed in both books and journals literatures, and the management and organization textbooks. Even, this theme did difficult to find in the literature discussing the management of college implementation.

The searching results on the Internet via Google search engine by the key word '*paradoks organisasional*,' only resulted in one scientific periodical published research discussing this theme (Dermawan, 2008). By the same key word in English, with the addition of sub word "research results on" the searching results got two types of research (Newman and Youngs, 2001; Serman et al, 1997). But, the research Alvarado et al. (2003) done was on a macro scale; the culture and history of Mexico. Thus, their study seemingly did not appropriate to be used as literature. While, the majority topics were in the form of article which emphasizes the importance of this theme in the study of organization and management (Smith & Lewis, 2011; Andriopoulos & Lewis, 2009; Clegg, 2002; Clegg, Cuhna, & Cuhna, 2002). A number of organizational behavior textbooks and organizational theory enrichment books, none of those are discussing organizational paradox problem as a sub topic of the major topic (Jaffe, 2001).

In case the academicians/researchers ignore this theme, then indirectly it will build a rather wide gap between managerial practice and knowledge codification that can provide a scientific solution for the problem. Whereas, one of missions and missions of college is to create the instruction mechanism or process for problem solving and decision taking in a scientific manner, planned, structured, measured, predicted, and controlled which institutionalized in so much via *Tridharma* model.

This working paper is designed to analyze the managerial decision and organization management of college that potentially cause the organizational paradox problem. In this working paper, we propose a number of research questions: a) What cases are in organization constituting and / or causing contradictive / paradox / multiple consequence problems; and b) What factors or causes are causing these problems.

RESEARCH METHOD

In order to obtain holistically and integrative data, and consider the relevance of data and focus and goal, then in data collection of this research used three data collection techniques, namely: (1) indepth interview, (2) participant observation, and (3) study of documents. The three techniques are used to

complement each other to collect data in accordance with the focus of research (Bogdan & Biklen, 1992; Nasution, 1996; Sonhadji, 1997).

The investigative model of data collection is, in which the researcher conducts the hidden observation or in structured interview, applied with the purpose to avoid the subjectivity on field fact and also the intervention of the research on the information from an informant. The expectation is in order that it formed the independent field data which free from the distortion of the subject (Glaser & Strauss, 1975).

RESULT AND DISCUSSION

Quality Achievement: Education or Research

One of aspects of educational quality, that very decisive is the improvement of lecturer roles in college. The quality of a college will be very prominent if viewed from the educative staff's ability side both quantitatively and qualitatively. Educative staff is not only as of the information searcher and the information presenter all at once, but also transmitter, motivator, catalyst, moderator and facilitator in learning and teaching process which his or her success will very decisive for the advancement of a college education.

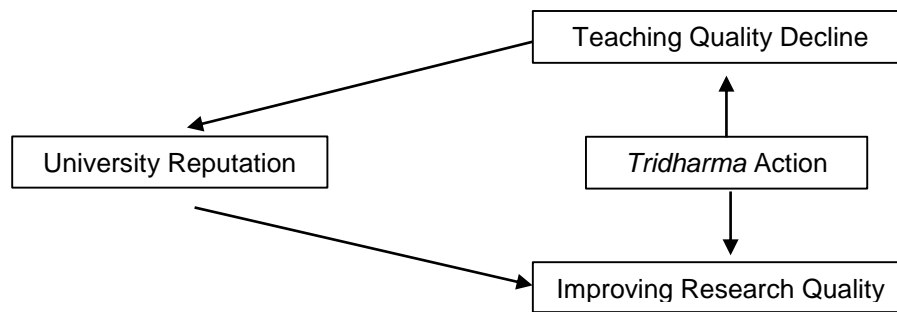


Figure 1. Teaching or Researching

Soemanagara (2011) stated that, in general, the reputation of the leading college quality is seen through the publication of scholarly scientific papers. This reputation is manifested through a variety of strategies. In general, the best strategy is the counter-service strategy to the teaching staffs, such as the faster structural and functional promotions or the reward incentive, that all of those are based on the publication of scientific articles in journals or books. The aim of action of this kind is the expectation for the formation of reading and writing culture, and the increase of productivity for writing. Nevertheless, the reputation that related to the publication of the scientific works – and relates it to the intended counter-service system, potentially cause the unintended consequence, that is the potential of indifference the education and teaching services. The decrease of commitment level for teaching students due to the lecturers busy in doing serious research is the organizational paradox case the College faced. The contrary matters also take place. A lecturer who focuses on the serious teaching process tends to do non-serious research.

The ideal education-teaching is, fundamentally, related to teaching-based research, but the fact in the field is not like this. Seemingly, there is no synchronization between both services. Our observation did not find the managerial decision or policy which relate the two of those as harmonious, one unity. This case obviously causes a dilemmatic condition. The downstream contributes to the lowering of College reputation.

Investigation in the field found a condition in which the policy issued by College in the case of teaching and research potentially tend to give the choice of teaching *or* researching exchange, and not teaching *and* researching. This case saw via the offer of many researches schemes without a policy for should relate the research to the scholarly study field background and/or the subject which a researcher supports. Investigation indicated the condition in which performing research is not an 'intellectual enthusiasm' or 'main motivator' of an academican. But, as an informant said, research is "...just meet lecturer work load (*BKD, beban kerja dosen*); or ... the important is researching..." (Informant, 2014).

Another finding is the tendency to view research as 'arena for seeking an additional livelihood.' In general, these two findings have characteristic of complement each other. Research that viewed not as part of academic spirit, and the way to seek additional livelihood, tend to produce 'pseudo-science.' In which the works of a lecturer do not synchronous or linear to the basic expertise and also the subject he or her support. Whereas, a consistency to specialize in a certain science is a prerequisite quality achievement in wide meaning, that includes education-teaching quality, research, and also institution quality.

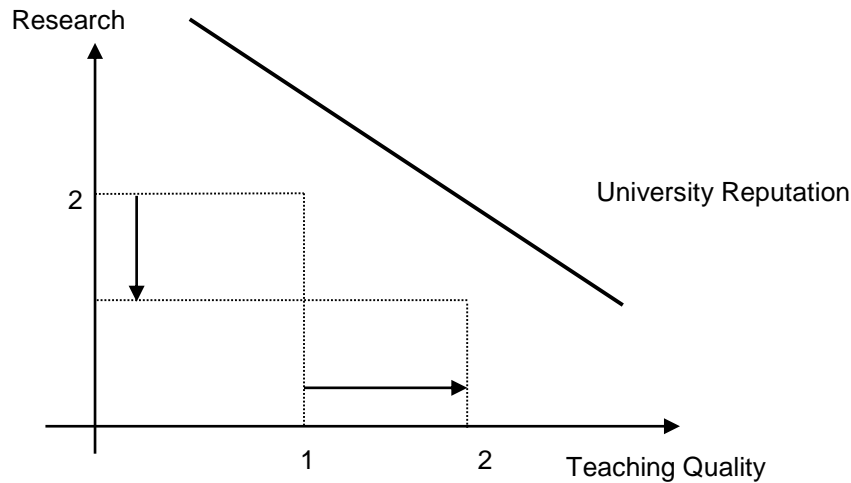


Figure 2. Teaching or Research

Majority colleges are confronted with exchange problem between teaching or researching. The organizational paradox of this kind becomes a classical problem for Colleges.

Faculty/Department of Quality Development

Soemanagara (2011) stated that every college desired to improve the existing academic faculty in the organization. But the strategy of improving the quality of each faculty, by assuming that every unit has the ability of equal performance or quality development, becomes difficult to do. This case, due to the availability of the resources of, the quantity and quality, each unit is different. Another factor affecting faculty performance is the interests of stakeholders. Stakeholders tend to choose a study program that supports welfare achievement. Unfortunately, in the tight autonomy and competition era, improving the entire faculties becomes the difficult choice.

College policy to improve all faculties will be confronted with the reality that the uniqueness and complexity of each of faculties will be more tend to create the "sub-optimization" condition (Jaffe, 2001). About this case, Rice and Bishoprick (1971: 139) stated that sub-optimization is a condition in which: "The attempt of one department to maximize its own performance in disregard of the welfare of other departments or of the welfare of the total organization." The effort of one faculty to maximize its own performance by disregarding the welfare of other faculties or the welfare of the total organization.

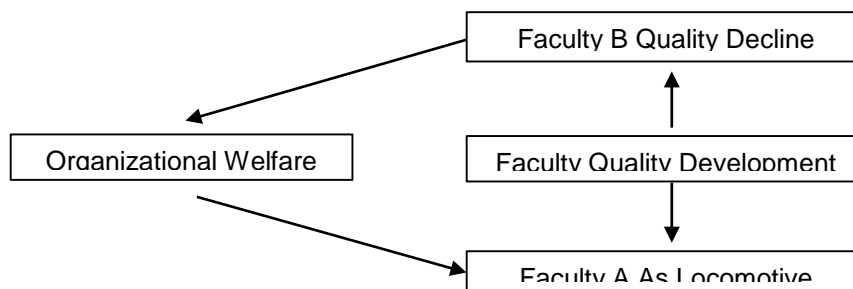


Figure 3. Faculty Quality Development

It is not peculiar if in College known with term 'wet program and dry program, or 'wet scholarly and dry scholarly'. The faculties of many interested persons will tend to be made as 'funds collector locomotives' from stakeholders. "Open-close" system of the study program is enabled in the autonomy era. The faculties of many interested persons, such as economics and communication for social sciences, and informatics engineering for exact sciences, become the major faculties of resources in collecting funds and students.

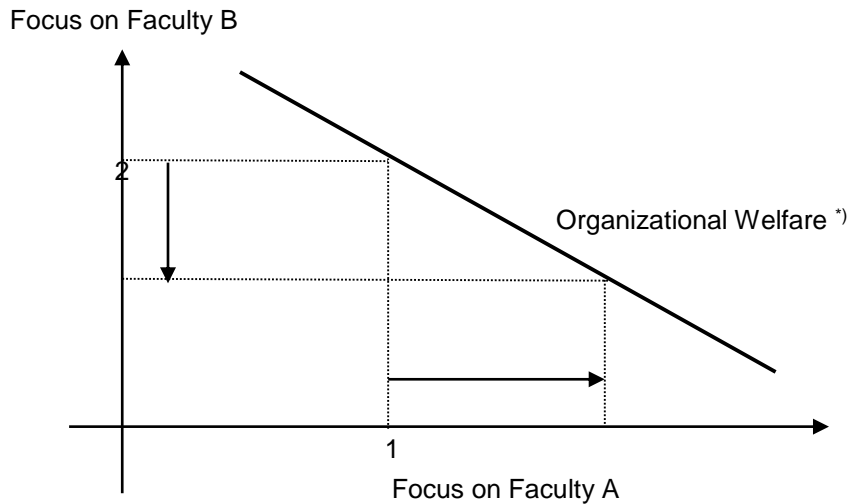


Figure 4. Development Choice

Explanation:

*) Based on Rice and Bishoprick's (1971: 139) view: "... the welfare of the total organization".

An informant in one of the faculties stated that, seemingly, there was a tendency to marginalize his faculty. Since the students who interested in this faculty were few, then the attention to them did not as good as to another faculty. The funds that flow down did not as much as to other faculties. Ended, the funds are directly proportional to the needs of *Tridharma* activities, student's numbers, and other academic considerations. But, clearly, the different attention, in fact, was felt to reduce the work spirit and also themselves and their organization quality improvements (Informant, 2014).

CONCLUSION

Organizational paradox or exchange dilemma is the 'inherent problem' in every decision taken. The decision making that focused only on the determination of solution alternative, and disregard the integrative process of organizational factor and skip the comprehensive inspection for the consequence of every choice alternative, tends to produce multiple consequences.

The paradoxical dilemmatic decision found in this research is the choice of teaching or researching, improvement of faculties/departments qualities, and person based performance quality. While, the causes of the three cases are: the dilemmatic choice of goal achievement allocation and scarce resources, practical orientation in achieving a goal, human complexity factor and its relation to the organizational environment, human motivation, and the systemic cause and information value processing.

This research was aimed to find the paradoxical cases in the scopes of managerial policy and organizational management and their causes. The research has not yet directed to find the answer about how is the dilemmatic choice can be resolved. Therefore, follow through research needed to do.

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