4.1 The Nature and Definition of Work Organizations

A work organization is a socially designed unit or collectivity that engages in activities to

accomplish a goal or set of imperatives, has an identifiable boundary, and is linked to the

external society. Work organizations can be demarcated from other social entities or

collectivities by four common characteristics:

• The presence of a group people who have something in common and who deliberately

or consciously design a structure and processes.

• Activity is directed towards accomplishing "a goal or set of imperatives".

• The existence of an "identifiable boundary" that establishes common membership

• The organization is connected to the "external society" and draws attention to the fact

that organizational activities and action influence the environment or larger society.

Multiple types of work organizations are possible. They vary in terms of their:

• Size ‐ Organizations can employ fewer than ten people to over 100, 000.

• Products or services ‐ Organizations can be grouped into four major categories

according to their products: [1] those that grow food and extract raw material, [2]

organizations that manufacture commodities, [3] organizations that provide services,

and finally [4] those that supply and process information.

• Purpose ‐ whether the work organization is operating for profit or is a not‐for‐profit

institution.

• Ownership ‐ the organization may be privately or publicly owned. Private organizations

are usually owned by a small group of people, whilst publicly held organizations issue

shares that are traded freely on a stock market and are owned by a large number of

people.

• Management ‐ The owners of an organization are its principals and these individuals

either manage the activities of the organization themselves or they may employ agents

(the managers) to manage on their behalf.