MANAGEMENT SYSTEM AND ORGANIZATIONAL LIFE CYCLE: A QUALITATIVE STUDY

Selma Zone Fekih Ahmed
Higher Institute of Technological Studies of Mahdia
Technologist, Department of Economics and Management
E-mail: zone.salma@topnet.tn

─Abstract ─

This research deals with the importance of the components of the management system according to the phases of organizational life cycle. The goal of our research is to provide the theoretical reflection on the life cycle of the organization and to shed light on the components of the management system for each phase. The conceptual analysis shows that the management system is made up of its three components: ethics, mode of functioning and procedure of regulation. The organizational life cycle is studied according to its phases.

The qualitative study of Tunisian companies operating in the food sector shows that components of the management system vary with the phases of the life cycle of the organization.

Key Words: *Management system, organizational life cycle, Tunisia.*
JEL Classification: D90, E32, L20, L50, L60, M10, M14, Q00, Z10.

1. INTRODUCTION

To ensure an effective control within organizations and to promote their development, the management system is presented as a tool in the hand of the manager to meet his objectives. In fact, it affects the whole organization in the sense of its values, its operation and control mechanisms. Adopting the biological concept in order to study the evolution of the organization, the life cycle of the organization is a concept that has attracted the interest of several authors (Lippitt

and Schmidt, 1967, Quinn and Cameron, 1983). The organizational life cycle is presented by a number of phases.

In addition, the studies conducted by authors to date features of the life cycle of the organization remain insufficient. In this sense, they have often focused on specific variables like structure (Quinn and Cameron, 1983; Katz and Khan, 1979;) or resources (Kimberley, 1979,) and the strategic choices (Miller and Friesen, 1984; Lester, Parnell et Carraher, 2003) or goals (Lippitt and Schmidt, 1967) or problems (Churchill and Lewis, 1983; Greiner, 1977) or control system (Christensen and Scott, 1964). It seems, indeed, that there are several gaps to be filled as part of the manager's ambitions, employees' effort or behavior to improve ability to adapt and evolve, or a manifestation of organizational classification variables.

The aim of our research is to find out the importance of the components of the management system according to the phases of the life cycle of the organization. This paper is structured in three parts: In the first part, we present a review of the literature on the management system and the life cycle of the organization. Then, we will discuss research propositions and describe the methodology used in this study. In the last section, we will present and discuss the results of this study, the limits of the work and suggestions for future research.

2. MANAGEMENT SYSTEM

The management system has oriented collective action and ensured its implementation. This is a presentation of the internal organization that promotes internal steering and value creation (Darbelet, Izard and Scaramuzza, 2007; Frioui, 2006; Tabatoni and Jarinou, 1975). It also helps to ensure regulation within the firm (Beer, 1979; Mélèze, 1979), entrepreneurship in small enterprises (Sammut, 1998; Marchesnay 1995) and promotes the attainment of performance (Supizet, 2002). Therefore, the system of management:

- Guides the action by a shared set of values (Frioui, 2006, Supizet, 2002; Sammut, 1998; Marchesnay 1995; Laflamme, 1981; Tabatoni and Jarinou, 1975).

- Supports operation through a structure or organizational model and a way of exercising power (Darbelet, Izard and Scaramuzza, 2007; Frioui, 2006; Supizet, 2002; Sammut, 1998; Marchesnay 1995; Laflamme, 1981; Tabatoni and Jarinou, 1975).

- Ensures regulation by evaluating achieved results, adopted behavior or provided effort (Darbelet, Izard and Scaramuzza, 2007; Frioui, 2006; Laflamme, 1981; Mélèze, 1979; Tabatoni and Jarinou 1975).

This research adopts a management system consisting of values and norms that determine the "ethics" component, of a structure, an organizational system and an operating mode that define the component of the "mode of functioning" and of a monitoring and evaluation system that forms the "procedure of regulation" component (Frioui, 2006).

3. THE ORGANIZATIONAL LIFE CYCLE

The organizational life cycle (OLC) specifies the structure, strategy, style and the critical conditions for development and environment according to the phases of the past and experienced organization. OLC is "*defined by the internal characteristics of the organization and external context in which they operate*" (Silvola, 2008a: 29-30). By adopting the biological design, the "*life cycle is a more of a collective interpretation of the organization's environment based on assessment by top management. Most firms do not pass inexorably from one stage of development to another in the traditional biological sense* "(Lester, Parnell and Carraher, 2003:340).

Models of the life cycle are presented by life cycle phases (Miller and Friesen, 1985; Hanks et *al*, 1993; Lester, Parnell and Carraher, 2003). The life cycle phases are "*unique configurations of variables related to organization context and structure*" (Hanks *et al.*, 1993:7). Note that each phase is multidimensional and is interpreted according to the activities and structures, which are different from one phase to another-(Lester, Parnell and Carraher, 2003, Miller and Friesen, 1984; Quinn and Cameron, 1983) or the set of problems (Quinn and Cameron, 1983). These life cycle phases actually explain the characteristics of the phenomenon of organizational development (Dodge, Fullerton and Robbins, 1994:122). Although the phases' number of OLC varies from three to ten; most of those who have studied the life cycle, argue at there are five phases which are the startup, the expansion, the maturity, the decline and the renewal (Lester, Parnell and Carraher, 2003; Hanks *et al.*, 1993; Miller and Friesen, 1984; Greiner, 1977). Our present study adopts a five stage model.

4. RESEARCH APPROACH AND METHODS

4.1. Research propositions

Our research seeks to investigate the factors explaining the life cycle of organizations through the dimensions of the management system. To reach this goal, we will check the propositions:

P1: *The importance of ethics varies according to the phases of the organizational life cycle.*
P2: *The importance of mode of functioning varies according to the phases of the organizational life cycle.*
P3: *The importance of procedure of regulation varies according to the phases of the organizational life cycle.*

4.2. Data collection process

The device consisted of an empirical study using qualitative exploratory interviews. The firms are selected from the food sector. We adopted the method of semi-structured interviews based on a guide's interview (Thiétart *et coll.*, 2003). The first part of the guide is concerned with the identification of interviewees; the second part provides answers to two open questions

- What's the evolution in the organization? Please specify the trigger's evolution, the moment's evolution, the means of organization's evolution and the life cycle.

- What is the importance of ethics, operating mode and regulation procedure[1] according to the phases of the organizational life cycle? Are they constant or variable depending on the organizational life cycle phases?

All managers were contacted beforehand to make an appointment. During the discussions, the use of tape was left to the managers' consent (Igalens and Roussel, 1998:98). Only five interviewees agreed to be recorded. Remaining interviewees took note on paper. The large parts were contacted in their offices and others preferred to be met with outside work hours and usually late in the day.

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[1] The three concepts were defined prior to the interviewees.

4.3. Analysis Method of data processing

Among the techniques of qualitative analysis, we find the method of content analysis which is "*a set of analysis techniques for communications by systematic procedures and objective descriptions of the content of the messages, to obtain indicators (quantitative or not) to the inference of knowledge about the conditions of production / reception (inferred variables) of these messages* "(Bardin, 2003:47)[2]. The use of the software QSRNvivo.7 was of great help to improve our content analysis. Our approach to content analysis was based on three steps outlined as follows:

- Pre-analysis during which data was prepared to become familiar with indicators, categories were defined, clues emerging from the corpus were held and more explicit themes are drawn.

- The operation of equipment where we ended up cutting the corpus recording units called encoding. "*The coding corresponds to a transformation performed according to specific rules of the raw data of the text*" (Bardin, 2003:134)[3]. Each element of the body must correspond to the categories identified in the first step.

- Treatment of results, inference and interpretation is a step in which we developed inferences and interpretations to provide an answer to the problem.

4.4. The sample

The sample size was determined after taking into account the principle of semantic saturation (Roussel and Wacheux, 2005). In other words, it reaches saturation when the answers to the interview guides can no longer afford to provide additional information. The choice of size was determined, based on the variation of certain characteristics namely age and especially the respondent's experience in the field. A total of 19 interviews were considered sufficient.

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[2] In Gavard-Perret Marie-Laure, Gotteland David, Haon Christophe et Jolibert Alain (2008), Méthodologie de la recherche : Réussir son mémoire ou sa thèse en sciences de gestion, Pearson Education, France, 383p.

[3] Idem.

Table 1: Characteristics of interviewees

	Age of respondent	Seniority	Division	Person interviewed
I[4]1	57	30	Meat	Manager R and D
I 2	56	37	Drink	Director
I 3	38	2	Meat	Owner
I 4	26	3	Refrigeration	Owner
I 5	51	25	Other food Industries	Director
I 6	32	8	Oil	Assistant Director
I 7	37	5	Cereals and derivatives	Accountant
I 8	35	17	Oil	Director
I 9	28	5	Milk and derivatives	Chief deposit
I 10	42	12	Other food Industries	Owner
I 11	34	3	Drink	Owner
I 12	51	14	Milk and derivatives	Finance director
I 13	31	6	Sugar	Director
I 14	43	15	Cereals and derivatives	Director
I 15	43	11	Other food Industries	Director
I 16	49	20	Oil	Director
I 17	40	10	Cereals and derivatives	Director
I 18	28	2	Fish	Owner
I 19	33	1	Fruits and vegetables	Owner

4.5. Strategy for data analysis

The validity of the qualitative study is to ensure that the variables are used to answer questions. We try to follow the steps presented by Thiétart *et coll.* (2003) namely to specify the key concepts, identify the different elements of the problem and provide a discussion between the different results at each interview until saturation. Reliability is assured by the categorization of data in the sense that we obtain the same results using two different investigators on the definitions of coding units (Thiétart *et coll,* 2003).

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[4] I : Interviewed

5. THE IMPORTANCE OF COMPONEMENTS OF MANAGEMENT SYSTEM ACCORDING TO PHASES OF OLC

5.1. Notion of OLC

The interviews show that the life cycle has defined by phases, activities and development. As one interviewee explained:

> *This is a set of internal activities that revolve in a circle, and the diameter of the circle is increasing. Whenever activities are diversified, the market expanded, so the diameter increases and the organization thrives. Otherwise, activities stagnating, market shrinks, the diameter decreases and the organization is depleted, it is the recession.* (I13).

Indeed, the life cycle is closely linked to the activities of the company and its context. This idea was the work of Hanks *et al.* (1993). Other interviewees refer to the notion of crisis by insisting that these are problems that trigger the use of another phase, which is consistent with the ideas of Greiner (1977). To this end, as one manger explained, the problems of organizational life cycle he met promote the organization's development, which would explain the OLC:

> *The organizational life cycle is the set of all the activities' organization. These activities emphasize internal development stages of organization and its relationship with the environment. The organizational life cycle is then, the path pursued by any organization which will be interrupted by the problems to solve.* (I12)

Therefore, the interviewees tend to display the phases during the OLC. As one of the interviewees described:

> *The life cycle is defined by a start-up phase, an increase and a progression. In a cycle of life there is a beginning and an end with several scenarios: there are companies that focus for example on a development plan, a walk of 4 to 5 years, so they will be forced after 5 years to close down. The second scenario which is ours based on new technologies, is to improve our product, so that it can meet the needs of clients. In this case, we can improve or create another replacement product* (I10).

Thus, the interviewees adopt the phases to define the OLC by startup, growth and maturity. As such, this finding is consistent with Smith, Mitchell and Summer (1985).

5.2. Importance of "ethics" according to the phases of OLC

Most managers mentioned the importance of achieving the objectives of the organization in relation to personal goals. Manager sacrificed his ambitions and desires for the welfare of society and the preferences of its partners.

I do not seek prestige as most of my colleagues, I'd like to ensure transparency, be fair and correct and keep everyone's job that suits him (I7).

Thus, the preference scale manager seems to be sacrificed in favor of the stakeholders to ensure the growth:

Since we are a small box, my greatest satisfaction is to establish the relationship with agents and managers working with us to ensure coordination based on informal communication and respect for the work (I2).

The organization saves holes called choke jobs. At growth phase, it must meet the needs of customers' time. We must update the points that have been forgotten from the startup. (I 10).

Must serve everyone especially when you need to raise awareness and grow. In addition, we provide a great atmosphere for our employees' work for production expansion, and then we are forced to offer a quality product for our customers, do not expect our suppliers and establish good relationship with them. The most important thing is to adapt to the market and have a good brand image. (I7)

In addition, the interviews conducted in this research show that there is a lack of commitment to the interests of society. Often as a complementary factor to the values of stakeholders that determines the ethical values it embodies the institutional integration and involvement. The influence seems to be a result of the interests of partners of the organization.

We must act according to the law in accordance with the duty. The organization is required to act in accordance with the laws. Side legal and political conditions must be met within the internal organization and provide a good work environment, good judgment, values, equality between employees, respect the interests and transparency of activities (I12).

Thus, "ethics" which comprise values of manager, stakeholders and society is more important during the growth phase. This result is in agreement with the study of organizations Zeland (Beverland and Locksbin, 2001). During the expansion of these organizations's Zeland, the brand is the priority of the manager. The importance to stakeholders arises with the start reflecting on customer retention, improved products, but increases during growth (Jawahar and Mclaughin, 2001). Then, the first proposition is confirmed.

5.3. Importance of "mode of functioning" according to the phases of OLC

The interviewees define the "mode of functioning" through leadership style as a factor of startup phases to promote the organization's effectiveness. This finding converges with the contributions of Quinn and Cameron (1983). These contributions underline that the organizational structure during startup "*was a reflection of the philosophy of its director*" (Quinn and Cameron, 1983:45).

> *I made committed so many mistakes! I considered creating a good atmosphere in the light of Google. I thought I had a better game against the part of those who work with me. I think this is inapplicable in Tunisia, you offer good conditions, they rebel. I changed my behavior: I'm not friendly or sociable, and I am quite simply authoritarian and very serious. People see weakness in your sympathy especially referring to my age. I will change and maybe later I go back to the starting point!* (I3).

Similarly, the Tunisian manager, while being aware of the importance of the definition of the task in the success of the organization, is a major concern to ensure a division of labor. Often faced by functional problems during the startup, he neglects this task and he'll realize, during the growth, of the negative consequences of his omissions. The explanation is illustrated in these verbatim excerpts:

> *The division of labor has been a problem since the phase of the growth. Indeed, during the birth of the organization, our first task was to secure the capital. This need was detected when opting for a business strategy to search for customer loyalty. I do not think we are in a phase to redefine the tasks because I have opted for a geographical decentralization. However, internal coordination and openness with each other, even competitors, are now the keys to our success* (I8).

All interviewees highlighted the importance of resources. They explain that they need more resources for development organizations.

> *We use both the material especially equipment, inventory, capital and loans that intangible means such as the skills of our employees, our knowledge of frameworks, various technologies and our brand. Both types of resources are considered in parallel and in the same size and at any time in the life of organization* (I 2).

Indeed, for a company to ensure its inception, the manager must take the right decision and be "*One Man Show*" (Miller and Friesen, 1984). In this regard, it is the managers' way, to his vision and contribution to disseminate information that the company will start its success (Lester, Parnell and Carraher, 2003). Similarly, interest in the cutting will increase during the growth phase as the manager is interested in ordering the tasks and the coordination from its beginning phase (Katz and Kahn, 1979). In addition, at the end of this research, the importance of the resources is widely emphasized in the growth phase as opposed to the start-up phase as the manager seeks to ensure the expansion of its activities and solve its internal problems (Cauvin and Bescos, 2002; Silvola, 2008b; Smith, Mitchell and Summer, 1985). Thus, the mode of functioning which is composed of leadership style, tasks and resources varies according to the phases of the OLC, so P2 is confirmed.

5.4. Importance of the "procedure of regulation" according to the phase of OLC

The interviewed managers revealed that they evaluate the results and behaviors. They encourage innovation and reaction. For this purpose, one manager explained that:

> *The most important thing is to create new products; we have a lot of hope in our technology partners. We must be able to provide ongoing training to our employees to improve their know-how. Our brand is at stake, we need to maintain and improve* (I 13).

However, managers don't set standards to evaluate the effort in question. They require that employees must adhere to a standard.

> *I'm not a policeman to give directions for effort. Everyone is responsible for his work. One is held to be careful and respect the conditions of work* (I 16).

The Interviewees also acknowledge, following the start, the evaluation of values and behavior. The evaluation is rather from growth phases.

> *When the organization sets its future to strengthen its brand image and be able to develop, it is also obliged to set ways of behavior of its employees. Organizational behavior is not the sum of individual behavior; it is related to the habits and customs of each. My task is to impose a standard of behavior.. The key for me is respect and the ability of each to enhance the existing ideas to be born of innovation* (I 14).

From this perspective, Silvola (2008b) emphasizes the importance of financial control at the end of the life cycle of organizations. Once the organization provides capacity information transmission, it is required to explore the markets and respond to risks. Every officer must ensure a response and action to ensure pro growth (Silvola, 2008a; Mclaughin and Jawahar, 2001). The importance of the regulation procedure which includes results, behavior and effort varies depending on the OLC.

6. CONCLUSION

The objectives of this research are to study the importance of the components of the management system according to the phases of the life cycle of organizations. This research proposes to help identify internal management tools for any manager who operates in the food industry. To ensure this goal, this research has started with the definition of the concept of the management system. Similarly, to define the life cycle of a theoretical study has proved interesting. We've pushed and moved toward the most common and empirically verified models. The

analysis of the results with the confrontation with the literature resulted in a life cycle of Tunisian food sector organizations defined by three phases and a management system including the importance of its components varies with the OLC. Our first contribution was to define the organizational life cycle, to identify criteria and to operationalize its variables. We have given importance to the variable of ethics often neglected and rarely studied in the context of this type of research. At first, this research will help managers to position themselves on the stage of the life cycle of their organization. Thereafter, it will promote knowledge of the elements and the internal control methods for the following phases. On the other side, this research reveals the factors explaining the growing system of the managers' organization.

Our study has certain limitations. We believe that the results may be different in the services sector. Especially since interviews are 19 in number, which allows us to generalize the findings. The results are, therefore, intimately linked to the sample. Do not forget that when responding managers, there is a degree of subjectivity and another researcher might be interpreted the results differently. This is why we have made use of another encoder and respected the saturation semantics.

Our research has certainly brought additional lighting in the context of the evolution of the organization and helped refine the theoretical and methodological studies on the life cycle of organizations and management system. We have been motivated throughout this research which has provided a balance between theory and empirical results. The results are in themselves an opportunity for Tunisian companies' food industry wishing to expand and evolve.

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