

Formal Organizations

by Sophia Tutorial



WHAT'S COVERED

This tutorial will cover the topic of formal organizations, through the definition and discussion of:

1. Formal Organizations
2. Types of Formal Organizations
3. Organizational Environment

1. FORMAL ORGANIZATIONS

A **formal organization** is a large social group, intentionally organized to achieve specific goals.

🔗 **EXAMPLE** Government agencies, the post office, high school, colleges, and corporations like Apple, Microsoft, and Coca Cola, are all formal organizations--large social groups designed to achieve specific goals.

IN CONTEXT

You couldn't go to the doctor, mail a letter, purchase food, put gas in your car, turn the lights on in your house, buy clothes, or even read this tutorial, without formal organizations. Formal organizations are a basic, vastly important part of modern society, which is why they are studied sociologically. In order to eliminate formal organizations from your life, you would have to basically live off the grid completely, which is extremely difficult to do.



TERM TO KNOW

Formal Organizations

Large social groups intentionally organized to achieve specific goals (i.e. government agencies, the United States Post Office, corporations, and higher education).

2. TYPES OF FORMAL ORGANIZATIONS

There are three types of formal organizations:

1. **Utilitarian organizations:** People participate in utilitarian organizations for useful reasons, useful being the

operative word. Most times you choose to belong to these organizations, but a majority of people belong to them in order to make a living.

➞ **EXAMPLE** Your job is a utilitarian organization. You belong to it voluntarily--and ideally like it--but you also belong to it for a utilitarian purpose, likely, income.

2. Normative organizations: These are also called voluntary associations. People participate in normative organizations because they want to--they volunteer to be there. Voluntary associations and normative organizations exist to pursue some goal in common that the participants believe has moral value or is good for society.

Belonging to these groups is voluntary, and people do it because they believe in the cause. Group membership makes a statement about your identity, tastes and preferences. Normative organizations are far more strongly linked to your identity and beliefs about how the world should operate.

➞ **EXAMPLE** Activist groups, such as environmental activists who want to see the environment protected, are normative organizations. People belong to this group because they want to, and believe in the cause. Likewise, gay and lesbian activism, political protest, boycotts of certain brands, corporations or products, and union participation are all voluntary associations.

3. Coercive organizations: People belong to coercive organizations not because they want to, but because they have to. They're forced to belong, often as a part of some kind of punishment.

➞ **EXAMPLE** Prisons and mental institutions are coercive organizations--people aren't there necessarily because they want to be, but because they are forced to be as some form of punishment.



TERMS TO KNOW

Utilitarian Organizations

Organizations that pay people for their efforts and thereby provide jobs.

Normative Organizations

Organizations that exist to pursue some goal in common that participants believe has moral value or is good for society (also sometimes called voluntary associations).

Coercive Organizations

Organizations that are involuntary for their members (i.e. prisons and mental institutions).

3. ORGANIZATIONAL ENVIRONMENT

Organizations may seem compartmentalized and black and white, but that's not necessarily the case. One organization can belong to all three types at the same time.

IN CONTEXT

Consider a mental institution. The doctor is there as part of a utilitarian organization: it provides his income. The patients are coerced--they have to be there because they are being punished or forcibly treated, for example, which makes it a coercive organization.

Now, what about the sociologist who's interested in the medicalization of deviance, who is doing her dissertation on this topic? She volunteers and spends a lot of time at the organization, which places her there for normative reasons. As you can see, it's not as black and white as you may think.

Organizations do not exist in isolation but as part of an organizational environment. An **organizational environment** is constituted by the social influences outside of an organization that affects its operation and, in some cases, its existence. Organizations do not exist in and of themselves or by themselves--they exist in context, enmeshed in society, and they're affected by outside forces such as technology, politics, and current events.

🔗 **EXAMPLE** The Department of Homeland Security is a formal organization which was created after the 9/11 terrorist attacks. This entire organization exists only because of an influence from the outside environment.

Economic trends are outside forces that can affect the organizational mission and existence; they form part of the organizational environment.

🔗 **EXAMPLE** High unemployment rates affect both business and government organizations. High unemployment means that many people might not be able to purchase the commodities that organizations are putting to market. Unemployment agencies--another formal organization--might be overloaded. This organization environment--the economic trend of high unemployment--impacts multiple organizations.

Finally, organizations are also affected by other organizations. In industry-speak, organizations dealing with other organizations is called 'business to business transactions,' or B2B.



BIG IDEA

Organizations are completely enmeshed in an organizational environment that affects their operation; they do not act in isolation.



TERM TO KNOW

Organizational Environment

Social influences outside an organization that affects its operation, and even its existence.



SUMMARY

Today you learned about an introduction to **formal organizations** and the three **types of organizations**. You also learned how formal organizations exist in an **organizational environment**.

Source: This work is adapted from Sophia author Zach Lamb.



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