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# CHAPTER – 1

*Introduction of  
Public Administration*

## INTRODUCTION OF PUBLIC ADMINISTRATION

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### STRUCTURE

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### 1.1 LEARNING OBJECTIVES

After going through this chapter, students will be able to:

- state the meaning, nature and importance of public administration;
- explain methodology of public administration and its relation with other social sciences;
- discuss the concept of public and private administration;
- state the concept of New Public Administration and New Public Management;
- discuss the meaning and application of Good-Governance.

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**1.2 INTRODUCTION**

This first section in the course Administrative Theory aims at introducing the discipline of Public Administration to students. It explains the meaning and characteristics of the discipline of Public Administration. Public Administration, as an aspect of governmental activity is very old. It is as old as human history. In European languages, the term Public Administration began to creep in during the seventeenth century to separate the absolute monarch's administration of public affairs from the management of his private household. It was a period when church was separated from the state and the government was superimposed on all other societal institutions within a definite territory. In every society there are some activities like maintenance of law and order and defence which have to be undertaken in public interest. Public Administration as a system of organisation is mainly concerned with the performance of these activities. Political decision makers set the goals for the political system. It is the business of Public Administration to work for the realisation of these goals. At the present stage of man's evolution, Public Administration has proved to be indispensable. The scope of Public Administration has expanded with the rise of the modern administrative state. Its growing importance in the conduct of human affairs is evident in the birth of numerous public laws, growth of public profession, accumulation of huge arms and increasing coverage of taxes and public expenditure. The domain of state functions is almost all comprehensive in socialist countries. Even the capitalist states have expanded their functions under compulsion of welfare considerations. The post-colonial 'third-world' countries have embarked upon Development Administration to speedily bring about state sponsored socio-economic reconstruction.

Public administration is the "translation of politics into the reality that citizens see every day." Any unelected, public employee is a public administrator: police officers, municipal budget analysts, HR benefits administrators, city managers, Census analysts, and cabinet secretaries are public administrators. Public administrators are public servants working in public departments and agencies, at all levels of government.

Civil servants and academics like Woodrow Wilson promoted American civil service reform in the 1880s, moving public administration into academia. Multidisciplinary in character, human resources, organizational theory, policy analysis and statistics, budgeting, and ethics are five pillars of the field.

## 1.3 MEANING AND NATURE OF PUBLIC ADMINISTRATION

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Public Administration is a specialised academic field. It essentially deals with the machinery and procedures of government activities. Administration has been defined as a cooperative human effort towards achieving some common goals. Thus defined administration can be found in various institutional settings such as a business firm, a hospital, a university, a government department and so on. As an aspect of this more generic concept, Public Administration is that species of administration which operates within a specific political setting. It is a means by which the policy decisions made by the political decision makers are carried out. Public Administration is decision making, planning the work to be done, formulating objectives and goals, working with the the legislature and citizen organisations to gain public support and funds for government programmes, establishing and revising organisation, directing and supervising employees, providing leadership, communicating and receiving communications, determining work methods and procedures-appraising performance, exercising controls and other functions performed by government executives and supervisors. It is the action part of the government, the means by which the purposes and goals of the government are realised.

Some well known definitions of Public Administration are:

“Public Administration is detailed and systematic execution of public law. Every particular application of law is an act of administration” — L.D. White.

“Public Administration is the art and science of management applied to the affairs of the State”

— D. Waldo.

“By Public Administration is meant in common usage the activities of the executive branches of the National, State and Local Governments”

— H. Simon.

The ‘Public’ aspect of Public Administration gives the discipline a special character. It can be looked at formally to mean government. So, Public Administration is government administration, the focus being specifically on public bureaucracy. This is the meaning commonly used in discussing Public Administration. Public Administration, in a wider sense, has sought to expand its ambit by including any administration that has considerable impact on the public. From this standpoint, a private electricity undertaking like the Calcutta Electric Supply Corporation can be considered a fit subject of discussion under Public

Administration. It is, however, in the first sense that Public Administration is usually considered.

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### *NATURE OF PUBLIC ADMINISTRATION*

The discipline of Public Administration has been evolving over the years under the impact of changing societal conditions and new developments in the allied Social Sciences. The original disciplinary interest was to improve Governmental performance. This led to its separation from its parent discipline of Political Science. In its enthusiasm to 'reform' government and make the administrative agencies more business-like and productive, Public Administration as a discipline has tilted markedly toward the "management sciences". The accent is on administrative and managerial tools and principles such as budgeting, management techniques, application of operations research methods, computer technology etc. Such heavy management orientation has tended to rob the discipline of its social science character. It has necessarily parted company with Political Science and almost merged itself into management education. The discipline has gradually come to assume a vocational character, the objective being to produce public managers much in the same fashion as the management institutes produce a cadre of managers for the business world.

This shift of disciplinary focus has been questioned by many. While acknowledging the importance of borrowing knowledge from allied discipline. It has been argued that Public Administration is essentially concerned with nation-building social regulation and public service activities. Management science orientation and application of management techniques to Public Administration need not to be a blind emulation of private management practices. The evaluative techniques of non-profit public organisations have to be significantly different and the basic orientation and sensitivity of public organisations to public interest brings in certain necessary constraints in governmental decision-making and bureaucratic behaviour.

Functioning under the compulsions of public law and under the glare of open public and legislative criticism, the bureaucracy has willy-nilly to follow certain administrative norms that have hardly any parallel in private management. A certain sensitivity to politics and a readiness to appreciate citizens demands and multiple interests of the clientele are desirable qualities in a bureaucrat. The private manager, by contrast, may afford to be inward-looking and secretive, but not the public servant.

Golembiewski has posed this dilemma of Public Administration as a discipline in terms of choice of 'locus' and 'focus'. 'Locus' stands for the institutional 'where' of the field; while 'focus' is the specialised 'what' of the field. As an academic discipline, for a long time, the place (locus) of Public Administration was in most cases, with Political Science and at times with subjects like History, Economics,

etc. So far, the question of 'focus' is concerned, in recent years, there has been an increasing tendency to lay emphasis on administrative techniques and not so much on public policy.

As Golembiewski has observed, the shifting paradigms (substantive concerns) of Public Administration may be understood in terms of 'locus' or 'focus'; while one has been sharply defined, the other has been conceptually ignored in academic circles in turns. Depending on the definition of the substantive concerns of the discipline, Public Administration can exist within the broader field of Political Science or, move away from the mother discipline in a search for a more free floating professional career in the company of business management or the management sciences.

It may be said that since the 'New Public Administration' movement of the late sixties, there has been an increasing awareness of the basically social science character of the discipline of Public Administration. The vocational orientation of the discipline has been found to be somewhat misguided and supportive of status quo. In turbulent times when social problems cry out for innovative social analysis, a conservative, management oriented discipline might be inadvertently reinforcing the forces of repression and social regression.

## **1.4 SCOPE AND IMPORTANCE OF PUBLIC ADMINISTRATION**

We shall now Attempt to discuss the scope and importance of the discipline of Public Administration. The scope and importance can be studied under two heads:

### ***THE SCOPE***

It is widely acknowledged that the scope of the discipline of Public Administration has to be wide enough to respond to the complex social realities of today. Major concerns of the discipline are:

**Promoting (publicness):** In a democratic society, Public Administration has to be explicitly 'public' in terms of democratic values, power-sharing and openness. This calls for a new climate in the bureaucracy. Public Administration, in practice, has to absorb the principles of democracy as an overarching form of the government.

**Policy Sensitivity:** As governments are called upon to play increasingly active roles in times of rapid changes and social crisis, innovative and timely policy formulation becomes a prime necessity in the government. This would necessitate a new preparedness within the administrative set-up that had hardly any precedence in the past.

**Implementation Capability:** Effective policy implementation is going to test the

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coping capacity of the governments in today's complex situations. Goals have to be clearly set; planning, programming and projections have to be followed step by step; and project management in all its ramifications has to have top priority in government. The strength of administration and the legitimacy of the government itself would depend more and more on the administration's capacity to deliver the goods in time and in response to the demands of the citizens.

**Shared understanding of social reality:** The capacity to cope with social and administrative complexity can be enhanced by a deliberate policy of organisational openness. The underlying assumption here is the administration needs to understand the diverse interests and influences. In today's complex administrative world, construction of administrative reality has to be based on the shared understanding of its actors such as the men at the top, the middle managers, the employees and the citizens. The centralised, insular bureaucracy does not fit in with the contemporaneous socio-administrative reality.

**Administration as a learning experience:** Shifting social reality and complex environmental conditions impose certain rigours on Public Administration today. Rusted 'principles' of the past or the administrative recipes of bureaucratic routine are no longer appropriate tools for analysis and problem solving. Public Administration in modern times has to be proactive, innovative, risk-taking, and often adventurous. This new, entrepreneurial zeal is expected to transform 'bureaucracy' into a new kind of learning organisation, more adaptable to changes, more open to new insights and innovations, and more accessible to the clientele.

These are the major concerns of government in all democratic countries. In the developing countries, these have added significance, as Public Administration has a pivotal role to play in the socio-economic reconstruction of post-colonial societies. The discipline of Public Administration cannot live in isolation. It has to develop in close association with the dynamic social changes. As a body of knowledge, it must develop explanatory strength to analyse socio-economic complexity and assist in the ushering in of a new society free of exploitation and human misery, poverty and deprivation of the past era.

### *THE DOMAIN*

Public Administration is the complex of governmental activities that are undertaken in public interest at different levels such as the central, state or provincial (in a federal set-up) and local levels. The discipline of Public Administration aims at a systematic study of these activities. Government, as political authority, is the major regulator of social life. With the emergence of democracy and the concept of welfare state, the governmental activities have increased by leaps and bounds. The historical movement has thus been from regulation to service and welfare. The police state has gradually given place to

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popular governance in the interest of widest possible public welfare in close association with the people themselves. Expanding governmental activities have resulted in expansion of the bureaucracy, creation of different forms of public and semipublic organisations, raising public expenditure, and overall control over public life. Since government has come to have such widespread influence and control over public life, its organisation, basis of authority, functions, finances and impact on society have been subjected to intellectual examination.

The area chosen by Public Administration has generally been "executive action" or the activities of the executive organ of the government. This means really a study of the bureaucracy: its structure, functions and behaviour. But, the other organs of government such as the Legislature and the Judiciary have also been found useful in public Administration analysis. The policy forming impetus comes from the legislature, and the legislative committees very often undertake important vigilance and control function. The Estimates Committee, the Public Accounts Committee, Committee on Public Undertakings etc. could be mentioned as examples of such Committees.

Similarly, the judiciary often adjudicates on quasi-judicial issues and passes important judgements affecting executive operations. Judicial administration itself forms a major component of Public Administration. Thus, the study of Public administration is basically focused on the "executive" no doubt; but an adequate understanding of Public Administration is not possible without taking into account the legislative and judicial administration as well.

### **1.5 EVOLUTION AND STATUS OF DISCIPLINE**

Public administration in general is an extension of governance. Administrators have been necessary as long as kings and emperors required pages, treasurers, and architects to carry out the business of government. Modern public administration is an extension of democratic governance, justified by classic and liberal philosophers of the western world such as Aristotle, John Locke, John Stuart Mill, Thomas Hobbes, Rousseau, Montesquieu, Thomas Paine, Samuel Adams Thomas Jefferson, to name a few.

Though rife with nepotism and favoritism, often referred to as a spoils system, public administrators have been the eyes and ears of government until relatively recently.

In medieval times, the abilities to read and write, add and subtract were as dominated by the educated elite as public employment. Nevertheless, public employment has become increasingly possible and probable for a wider range of adults with the help of greater literacy, better education to the average citizen, and classic liberal philosophers.



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Consequently, the need for expert civil servants whose ability to read and write formed the basis for developing expertise in such necessary activities as legal records, military prowess, and tax administration, and record keeping. As the European imperialist age progressed and the militarily dominant region extended its hold over other continents and people, the need for increasingly conventional administrative expertise grew.

Eighteenth century noble, King Frederick William I of Prussia, created professorates in Cameralism in an effort to service this need. The universities of Frankfurt an der Oder and University of Halle were Prussian institutions emphasizing economic and social disciplines, with the goal of societal reform. Johann Heinrich Gottlob Justi was the most well-known professor of Cameralism. Thus, from a Western European perspective, classic, medieval, and enlightened scholars formed the foundation of the discipline that has come to be called public administration.

Lorenz von Stein, an 1855 German professor from Vienna, is considered the founder of the science of public administration in many parts of the world. In the time of Von Stein, public administration was considered a form of administrative law, but Von Stein believed this concept too restrictive.

Von Stein taught:

- Public administration relies on many prestablished disciplines such as sociology, political science, administrative law and public finance. Further, public administration is an integrating science.
- Public administrators need be concerned with both theory and practice. Practical considerations are at the forefront of the field, but theory is the basis of best practices.
- Public administration is a science because knowledge is generated and evaluated according to the scientific method.

In the United States of America, Woodrow Wilson is considered the father of public administration. Formally it is considered as the first stage of evolution of public administration. He first formally recognized public administration in an 1887 article entitled "*The Study of Administration*." The future president wrote that "it is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or of energy." Wilson was more influential to the science of public administration than Von Stein, primarily due to an article Wilson wrote in 1887 in which he advocated four concepts :

- Separation of politics and administration

- Comparative analysis of political and private organizations
- Improving efficiency with business-like practices and attitudes toward daily operations
- Improving the effectiveness of public service through management and by training civil servants, merit-based assessment

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The separation of politics and administration has been the subject of lasting debate. The different perspectives regarding this dichotomy contribute to differentiating characteristics of the suggested generations of public administration.

The Second Stage of evolution is marked by the tendency to reinforce the idea of politics-administration dichotomy and to evolve a value-free 'science of management'. The central belief of this period was that there are certain 'principles' of administration which was the task of scholars to discover and advocate. W. F. Willoughby's principles of public administration (1927) first ushered in this new theme. Other important works of this period stressing this approach were principles of organisation by Mooney and Reiley, *Creative Experience* by Mary Parker Follett, Fayol's *Industrial and General Management* and *Papers on the Science of Public Administration* by Gulick and Urwick. The main reason for this upsurge of interest in administration, at least in the USA, was that following the catastrophic years of the Great Depression in the thirties, the functions of the government had so rapidly multiplied that there were not enough skilled government personnel to fill in the welfare departments newly created under the New Deal. Therefore, schools of public administration were established to quickly train as many men and women as possible, in the techniques of administration.

### ***PUBLIC ADMINISTRATION IN THE 1940s***

The separation of politics and administration advocated by Wilson continues to play a significant role in public administration today. However, the dominance of this dichotomy was challenged by second generation scholars, beginning in the 1940s. Luther Gulick's fact-value dichotomy was a key contender for Wilson's allegedly impractical politics-administration dichotomy. In place of Wilson's first generation split, Gulick advocated a "seamless web of discretion and interaction".

Luther Gulick and Lyndall Urwick are two second-generation scholars. Gulick, Urwick, and the new generation of administrators built on the work of contemporary behavioral, administrative, and organizational scholars including Henri Fayol, Fredrick Winslow Taylor, Paul Appleby, Frank Goodnow, and William Willoughby. The new generation of organizational theories no longer relied upon

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logical assumptions and generalizations about human nature like classical and enlightened theorists.

Gulick developed a comprehensive, generic theory of organization that emphasized the scientific method, efficiency, professionalism, structural reform, and executive control. Gulick summarized the duties of administrators with an acronym; POSDCORB, which stands for planning, organizing, staffing, directing, coordinating, reporting, and budgeting. Fayol developed a systematic, 14-point, treatment of private management. Second-generation theorists drew upon private management practices for administrative sciences. A single, generic management theory bleeding the borders between the private and the public sector was thought to be possible. With the general theory, the administrative theory could be focused on governmental organizations.

### *POST-WORLD WAR II TO THE 1970s*

The mid-1940s theorists challenged Wilson and Gulick. The politics-administration dichotomy remained the center of criticism in the third generation. In addition to this area of criticism, government itself came under fire as ineffective, inefficient, and largely a wasted effort.

The sometimes deceptive, and expensive American intervention in Vietnam along with domestic scandals including Watergate are two examples of self-destructive government behaviour during the third generation. There was a call by citizens for efficient administration to replace ineffective, wasteful bureaucracy. Public administration would have to distance itself from politics to answer this call and remain effective.

### *MINNOWBROOK CONFERENCE*

Minnowbrook (1968) marked the beginning of the "New Public Administration". The need for administration that was relevant to the public good was the general theme of conference papers, but no one idea dominated the proceedings which can be found in the compilation *Toward a New Public Administration: The Minnowbrook Perspective*, published in 1971.

"New Public Administration" was markedly different from the existing perception of public administration. It put more emphasis on the normative approach. The scholars who attended the Minnowbrook Conference were young scholars of public administration and they were more than eager to embrace new definitions of their discipline. They were severely harsh at the value neutral aspect of public administration and marked out four goals and three anti goals of the "New Public Administration" .

The four goals were 1. relevance 2. value 3. equity 4. change. The three anti goals are :

1. They rejected the value-neutral concept of public administration;
2. They rejected that public administration is concerned about preserving status-quo;
3. Public administration is not a branch of politics or management.

In order to achieve the goals the authors put forth four solutions which are famously called as the 4 D's. they are debureaucratization, democratization, delegation and decentralization. But the problem is that they do not provide a concrete idea about the degree of debureaucratization or democratization or delegation or decentralization required in the New Public Administration.

Later, a second conference, called "Minnowbrook II" was held at the same facility. That conference was not as successful as establishing itself as a defining intellectual event in the field of public administration as the first.

### **1980s**

In the late 1980s, yet another generation of public administration theorists began to displace the last. What was called New Public Management was proposed by David Osborne and Ted Gaebler. The new model advocated the use of private sector innovation, resources, and organizational ideas to improve the public sector. During the Clinton Administration (1992-2000), Vice President Al Gore adopted and reformed federal agencies accordingly. New public management there by became prevalent throughout the bureaucracy.

Some critics argue that the New Public Management concept of Americans as "customers" rather than "citizens" is an unacceptable abuse. That is, customers are a means to an end, profit, rather than part of the policy making process. Citizens are in fact the proprietors of government (the owners), opposed to merely the customers of a business (the patrons). In New Public Management, people are viewed as economic units not democratic participants. Nevertheless, the model is still widely accepted at all levels of government.

### **THE 1990s, 2000s AND NEW PUBLIC MANAGEMENT**

In the late 1990s, Janet and Robert Denhardt proposed a new public service model in response to the dominance of New Public Management. This model's chief contribution is a focus on Americans as "citizens" rather than "customers". Accordingly, the citizen is expected to participate in government and take an active role throughout the policy process. No longer are the proprietors considered an end to a mean.

While this remains feasible at the federal, state & local levels, where the concept of citizenship is commonly wedded, the emergence of 'transnational administration' with the growing number of international organizations and

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'transnational executive networks' complicates the prospects for citizen engagement:

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One example of this is [openforum.com.au](http://openforum.com.au), an Australian non-for-profit eDemocracy project which invites politicians, senior public servants, academics, business people and other key stakeholders to engage in high-level policy debate.

The critics of NPM claim that a successor to NPM is digital era governance, focusing on themes of reintegrating government responsibilities, needs-based holism (executing duties in cursive ways), and digitalization (exploiting the transformational capabilities of modern IT and digital storage).

## UNIT – 2

From the time of Plato and Aristotle of ancient Greece to the 18th Century, Social Sciences have been regarded as a single subject of study. With analysis of different aspects of it, it has split into different disciplines. Their development was hastened by the Industrial Revolution which gave rise to issues requiring investigation by specialists. The broad division of Social Science into Economics, History, Political Science, Public Administration, Sociology, etc. has proved inadequate to the understanding or the solving of several problems posed by social phenomena. This has led to specialisation in different areas of a subject (e.g., Economics into Applied Economics, Econometrics, etc. Political Science into Political Sociology, Political Anthropology, etc.). As a result it has become increasingly difficult to realise an integrated perspective of social events. Indeed, the writings in Social Sciences in the 20th century testify to the phenomenal expansion of specialisation. However, too much specialisation may lead to unrealistic results ignoring social phenomenon in its totality. It is like missing the wood for the trees. This is so, because, no social event is unidimensional nor does it occur in isolation. It is linked with, economic, political, administrative and social systems of a country. In order to understand the role of administrative system of Public Administration in a social setting, it is necessary to know the relationship between Public Administration and other Social Sciences. This unit is designed to help you not only to understand the nature of social phenomena but also to how whether Social Sciences can be regarded as Sciences; what features Public Administration has as Social Science and how it is related to other Social Sciences.

### 1.6 METHODOLOGY AND ITS RELATION TO OTHER SCIENCES

One of the main branches of political science, public administration can be broadly described as the development, implementation and study of branches of

government policy. The pursuit of the public good by enhancing civil society and social justice is the ultimate goal of the field. Though public administration has historically referred to as government management, it increasingly encompasses non-governmental organizations (NGOs) that also operate with a similar, primary dedication to the betterment of humanity.

Differentiating public administration from business administration, a closely related field, has become a popular method for defining the discipline. First, the goals of public administration are more closely related to those often cited as goals of the American founders and democratic people in general. That is, public employees work to improve equality, justice, security, efficiency, effectiveness, and, at times, for profit. These values help to both differentiate the field from business administration, primarily concerned with profit, and define the discipline. Second, public administration is a relatively new, multidisciplinary field. Woodrow Wilson's *The Study of Administration* is frequently cited as the seminal work. Dr. Wilson advocated a more professional operation of public officials' daily activities. Further, the future president identified the necessity in the United States of a separation between party politics and good bureaucracy, which has also been a lasting theme.

The multidisciplinary nature of public administration is related to a third defining feature: administrative duties. Public administrators work in public agencies, at all levels of government, and perform a wide range of tasks. Public administrators collect and analyze data (statistics), monitor fiscal operations (budgets, accounts, and cash flow), organize large events and meetings, draft legislation, develop policy, and frequently execute legally mandated, government activities.

Regarding this final facet, public administrators find themselves serving as parole officers, secretaries, note takers, paperwork processors, records keepers, notaries of the public, cashiers, and managers. Indeed, the discipline couples well with many vocational fields such as information technology, finance, law, and engineering. When it comes to the delivery and evaluation of public services, a public administrator is undoubtedly involved.

### ***SOCIAL PHENOMENA : THEIR INTEGRATED NATURE***

No social event can be studied in isolation without reference to other events. Consider for instance, the policy on Reservation. A good section of people are supporting it and an equal number are opposing it. If it is viewed only as a policy, for raising or reducing the percentage of reservations we would be facing difficulties. We have to take into consideration its root cause which is the outcome of the historical development of the Indian society. This means that we have to analyse the social, economic, political and cultural aspects of reservation policy in order to be able to formulate it in such a way as to meet the ends of social justice

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and ensure national progress. Likewise with regard to the problem of growing inefficiency in public offices you have to take into account a whole spectrum of policies ranging from the recruitment policy through educational policies to the absence of 'achievement' motivation. Then only you will know what has caused it. If you view inefficiency only as a matter of discipline in the offices you may not be able to solve the problem of inefficiency.

### *PUBLIC ADMINISTRATION AS A SOCIAL SCIENCE*

One of the problems faced by almost all Social Sciences is the absence of some important features of a Science. The main features of a Science are (a) exactness, (b) validity and (c) predictability. Sciences have laws which are verifiable; Sciences follow a systematic procedure of observation, investigation, experimentation, the building of a hypothesis, verification of the hypothesis by facts, tabulation, classification and correlation of facts, etc. in order to arrive at conclusions that can be put forward as generalisations. Thus exactness, universal validity and predictability are ensured.

As observed by Aristotle, a great Greek Philosopher, Art is to do and Science is to know. If Science is called a systematic body of knowledge, it can be acquired only through the application of the scientific method. At first, knowledge was viewed as a single entity in which various subjects of study could be regarded as different dimensions of it. Later, we find subjects divided into sciences such as Physical Sciences, Life Sciences and Social Sciences.

But just as the way we call Physical Sciences which deal with physical phenomena as exact Science or Sciences, we cannot call Social Sciences which deal with human beings as Sciences. The reason is that, the social phenomena in which human beings play a major role cannot be studied in as rigorous a way as the physical phenomena can be. Moreover, no Social Science can claim such exactness as to be able to make predictions.

This, however, does not mean that it is impossible to evolve valid laws about human behaviour. The contribution of Sigmund Freud to Psychology cannot be ignored. The point is that the level of exactness which is attainable in Physical Sciences is not possible in Social Sciences. 'Facts' in Physical Sciences, unlike those in Social Sciences, need not be related to any prescribed setting or context.

To be regarded as Science, Social Sciences have to have principles which are of universal applicability and validity. While some subjects in Social Sciences can claim to have developed such principles, the others can prove no such claim. The reason is that human behaviour is so complex that it is difficult to account for it, using the same principles in every context.

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For example, no political scientist can trace certain political developments to any one cause. However, you should not assume that there are no principles in any discipline of Social Sciences. Not all Social Sciences have such principles to which the criteria of exactness, universal validity and predictability can be strictly applied. The scientific methods which are used for arriving at accurate results, are now being borrowed by Social Sciences. The behavioural movement which has called for extensive use of empirical techniques for the scientific study of human behaviour, has made inter-disciplinary approach possible. It is against this background that we shall consider Public Administration as a Social Science.

Public Administration deals with certain aspects of human society. Various public organisations are supposed to serve the public in different ways. To the extent to which the administration deals with the public. Public Administration can be called a Social Science.

Public Administration is a Social Science having techniques and abstractions of its own concerning the concepts of action and its own problems of theory. It is vitally concerned with, the integration of knowledge in other Sciences, physical, biological, and psychological. Further, Public Administration relies on the method of observation rather than on that of experimentation. Although experimentation in a laboratory is not possible in the case of Public Administration, the advent of behaviouralism has made it possible.

Public Administration appears to be both positive and normative. Questions of 'What is' and 'What ought to be' are as much relevant to Public Administration as they are to Political Theory. Public Administration has been passing through various stages of theory building. In other words it is a discipline in the making.

### **RELATION WITH OTHER SOCIAL SCIENCES**

Let us now consider the relation between the Public Administration and other Social Sciences, viz, Political Science, Sociology, Economics, History and Law.

#### **Relation with Political Science**

Of all the interrelationships among Social Sciences, those between Political Science and Public Administration stand apart from others. Political Science according to a Social scientist is concerned with the study of "authoritative allocations of values". It focuses the relationship between State and individual. It provides answers to questions concerning the origin and nature of the State and also considers the institutions through which the members of society exercise power. For a long time Public Administration has been regarded as a part of Political Science. About 100 years ago Woodrow Wilson called for the separation of Public Administration from Political Science on the ground that 'the field of administration is the field of business'. Following Woodrow Wilson, Frank Goodnow, yet another protagonist of the separation of Public Administration



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from Political Science has observed that since a large part of administration is not directly connected with politics it needs to be removed from the control of political parties. Writers from the US were largely influenced by the above mentioned argument and emphasised the need for overcoming the ill-effects of the 'spoils system' according to which the party coming into power replaces the officials appointed by its predecessor with those chosen by it to run administration. However, the hundred years old history of Public Administration brings out the severe limitations to which the growth of Public Administration as an independent discipline is subjected. It is therefore, not surprising that the contemporary theoreticians of Public Administration have advocated its re-unification with its parent discipline, i.e., Political Science.

We know that the political system of every country is related to its administrative system. Indeed, it is the country's political system which creates its administrative system. Conventionally speaking, Political Science deals with policy making and the implementation of policies is left to the administrators. Thus the administration is charged with the responsibility of translating the political will of a country into practical forms of action. However, this is easier said than done. Again, it would be noted that the administration plays a significant role in the formulation of policies also. It follows that the political system and administration influence each other to such an extent that it will be sometimes difficult to demarcate between the roles played by them respectively in the given case. In a parliamentary government like India, while the minister, as a political leader and member of Cabinet participates in policy making, but as the top boss of the Ministry/Department, is also involved in administrative decision-making. Similarly though the civil servants are supposed to administer/ implement the policy-decisions, the senior administrators are also involved in policy-formulations by way of providing data/information/advice to the Minister. As has been pointed out by some writers, the character and form of administration of a country are influenced by its political system. If this view is accepted, it may be asked whether one can understand the administrative system without understanding the political system. For instance, in a democratic system of governance the bureaucracy (or the administrative system) is expected to obey its political master. In such a case the concept of bureaucratic neutrality put forward by Weber ( a German Sociologist who is considered an authority on types of bureaucracy) does not hold good.

Administration is regarded as a powerful agent of change in most of the developing countries. But, the nature of the State itself in such countries is the root cause of poverty, inequality and injustice. In such cases we have to examine the prevalent political system before we analyse the role of Public Administration in the country concerned. Thus, the separation of Public Administration from Political Science, according to some critical observers; denies us the requisite

'political approach' to Public Administration. For instance, the study of the Indian Political system, the historical evolution of Indian Administrative System, the debates in the Constituent Assembly and the basic constitutional law which are all subjects of Political Science would alone provide an insight into the process and the working of the Public Administration in the country. In fact, there are certain areas of study common to Political Science and Public Administration such as Public Policy, Comparative Constitutions, and Local Government. Again, Government is regarded as a continuous integrated process comprising different functions — Legislative, Executive and Administrative. Considered in this light, the scope of Public Administration is not a routine process but a dynamic process involving considerable discretion. Studies in administration, therefore, focus not only on policy formulation but also on political parties, pressure groups, public opinion, etc. The methods and techniques of Political Science are borrowed extensively by researchers in Public Administration also, which includes public policy, public welfare and public interest. The relationship between politics and administration is so close that they may be regarded as the two sides of a coin.

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### Relation with Sociology

Sociology is concerned with the scientific study of social structure. It is a Science which studies the form of human actions in society. It also studies the inter-relatedness of the other Social Sciences. It is called by some a 'super science' unifying the generalisations of the other Social Sciences. Post colonial societies continue to be in the grip of an all pervasive bureaucracy. They are marked by inequalities of every kind. This is why the policies and their implementation in such countries need to be studied within a broad framework of class, caste and power. American scholars like Riggs and Presthus have brought out clearly the undifferentiated nature of social reality characterised by a close nexus between society, polity and its administrative system.

Administration as we are aware, operates in the context of the society of which it is a part. Hence, just as the society is concerned with goals, values, belief systems, so also should be the administration. Thus, we notice a two way relationship; administration exists in a social setting and the pattern of administration theoretically is determined by society. Through administrative leadership the society may be influenced. Sociology is concerned with the human behaviour in a group, the various types of groups and the ways in which they influence human instincts and activity. Administration is a cooperative endeavour in which, a large number of people are engaged in achieving certain objectives.

The administrators themselves form a distinct group known as bureaucracy which, while maintaining its identity frequently interacts with its social environment. If the organisation is big enough there will be small groups and

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even sub-groups within it. These small groups and sub-groups have their own loyalties, sympathies, antipathies, ethics, outlook which would influence the administrative apparatus. Sociology offers to Public Administration information about groups, their behaviour, and the way they affect social life. It is, therefore, not surprising that writers regarded as eminent in Public Administration primarily belong to Sociology. Max Weber's essay on bureaucracy has influenced many other writers in Public Administration. Some of the recent works in Sociology on status, class, power, occupation, family, etc., provide useful information and a theoretical base for the Sociology of Public Administration.

The classical theories of administration tell us about the importance of structures in administration, considering human behaviour to be static, The contemporary theories, regarding it as being dynamic, investigate why a particular decision is taken by an administrator in a particular situation. In the course of such an investigation the study of special background of administrators will be found necessary. The tools developed by Sociology are made use of by the scholars of Public Administration in order to understand the sociology of administrators.' A notable work in this field is that by V. Subrahmaniam on the social background of Indian Administrators. The interest in studies of the representativeness of a country's bureaucracy makes for the study of the relationship between Sociology and Public administration. If one looks at the administrative structures engaged in the reconstruction of societies, especially those of developing countries, one will find that the bureaucracy is engaged in community action.

A good number of institutions/universities offer a course in Social Administration as part of the Postgraduate and other programmes. Premier institutes like the Tata Institute of Social Sciences are offering special training programmes to the officials of welfare agencies like Tribal Development, etc. The National Institute of Rural Development conducts special training courses for the personnel of All India Services which are intended to acquaint the administrators with the 'sociology of rural India.

### **Relation with Economics**

"Economics is a science concerned with those aspects of social behaviour and those institutions which are involved in the use of scarce resources to produce and distribute goods and services in the satisfaction of human wants". This definition of Economics may be said to have been modified by the well-known economist, L. Robbins, who defines it as "the science which studies human behaviour as a relationship between ends and scarce means which have alternative use".

These definitions suggest that economics is as much concerned with human behaviour as any other Social Sciences.

The major objectives of administration during 18th and a good part of 19th century were maintenance of law and order and collection of revenue. In the wake of Industrial Revolution there occurred a radical transformation of the concept of the State. This was due to its being compelled to become more responsive to the needs of the masses, especially the working classes than ever before. Industrial Acts fixing working hours and minimum wages extended an enormous pressure on the administration. Goals like the establishment of a socialist society led to the expansion of the role of administration in development. Those industries which had been hitherto managed by the private sector had come under the direct administration of the government. The fast growing Public Sector (i.e. industries directly under the government) illustrates the relationship between Economics and Public Administration. Indeed, the expanding role of the Public Sector and a direct intervention of the government to regulate extreme swings in the economy place a great burden on Public Administration.

Planning has been chosen as the means to realise the goal of Socialist society. If efficient implementation of plans ensures goal attainment, the task of the administrators is to choose methods for effective implementation of plans. The administrators today have been entrusted with the responsibility of managing railways, insurance companies and tackling issues concerning agriculture, banking, etc. They, therefore, have got to have an understanding of the economic problems of the country.

The ancient classic Arthashastra is not only a treatise on the art of administration but also a reference book on Economics. In several other respects Arthashastra points out the close relationship between Public Administration and Economics.

### **Relation with History**

According to E.H. Cart, "history is a continuous process of interaction between the historian and his facts) an unending dialogue between the present and the past".

History provides an insight into the past. The study of historical background of a country enables us to understand its administrative systems. Historians have recorded not only political events like battles and the deeds of rulers but also particulars of administration. For instance, L.D. White in his books on the early history of American administration. Administrative history of Medieval England provided useful material for understanding the systems of administration of those times. History tells us how administrative problems arose in the past and how they were solved.

Significantly, modern historians have been paying increasing attention of the prevalent administrative systems. This augurs well for Social Sciences like Public Administration since it will provide valuable information to them.

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### Relation with Law

According to Malinowski "Law is sanctioned norm". According to Goodhart, Law is any rule recognised as being obligatory by the bulk of the community. In other words, violation of norms is usually followed by counteraction. A legal norm is marked by probability that it will be enforced by specialised staff. The authority to enforce rules is vested in administration. This explains the relationship between Law and Public Administration.

Public Administration has to function within the framework of the law of the country. In other words, law sets the limits of administrative action, though it allows considerable discretion to the administration. A subject common to these two disciplines is Administrative Law. Legislature enacts laws (acts) which the administration has to implement. The role of administration is not restricted to implementation only; it has a role to play in law-making also. Civil servants have a say in the formulation, presentation and enactment of laws.

In fact, Public Administration has been described by a writer as a machinery concerned with the 'systematic and detailed execution of law'. The relationship between administration and law appears to be so close that in some countries Public Administration is studied as part of some courses in law. Some subjects like Delegated Legislation, structure and functioning of Administrative Tribunals are studied by both the students of Law and those of Public Administration.

The Indian form of Ombudsman (*i.e.*, Lok Pal and Lok Ayukta) are studied by students of Public Administration as institutions for the redressal of public grievances. The study of such institutions show the increasing importance of the relationship between Law and Public Administration.

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Most authors differentiate public administration and private administration by educational institutions (public schools vs. private schools). Although it's a good example to provide a comprehensive analysis between the two sectors. Historically, in our country, public schools have a much higher quality education than private schools, and studying economics and public administration, it is not just the nature of bureaucracies, nor the scope of public administration that the case today was reversed. While some authors identified over a dozen factors that differentiates public to private administration, Denhardt only speaks of the three fundamental differences between the two.

The most apparent difference between the two sectors is their organizing principles or goal. While private administration has a definite mission, which is the pursuit of profit or stability or growth of revenues, public administration, on the other hand, has ambiguous purposes. Furthermore, the dilemma in ambiguity

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of purposes is exacerbated by too many unnecessary and inoperable agencies, with purposes that overlap and bloated bureaucracies. One might say that the goal of public administration is to enact public policies, but the overlapping and the main ambiguity of most of these policies, and the vagueness of the enactment of these policies make public administration's purpose to be more ambiguous. Nevertheless, the fact that public institutions are not profit driven, should not lead us to believe that public sector employees and managers are not concerned about financial matters. As is the case with private companies, public sector units and organizations fight for funding and influence.

Another factor that makes the public sector different from the private is decision making. In public administration, the decision must be and should be pluralistic. The founding fathers intentionally created a democratic republic where all key decisions are made in politicized environment. This allows for maximum participation: open debate, multiple veto points - a decision making hierarchy where consensus must be achieved at each level, ideally, an informed decision. While private administration's decision-making is much more simple- it's monopolistic or close to monopolistic. This type of decision-making would avoid any conflicts in interest; hence, the goal is clearly defined.

The visibility of public administrators is another notable difference between public and private sector. While a manager in a private business may work in relative obscurity, the public manager must operate in the public eye. His or her actions are constantly subjected to public scrutiny. The publicness of the work of the public manager doesn't end in merely carrying out public policy, the public manager has to respond to the demands of the public. Denhardt speaks of the "inevitable tension" between efficiency and responsiveness, the pressure to manage effectively and to be simultaneously responsive to public concerns. This pressure often leaves public organizations in a "no-win" situation, trying to serve a public that demands effective government but balks at paying for it (taxes). The public also demands accountability in government, an assurance that those who formulate, implement and administer public programs will act responsibly.

One quality that makes public sector different from private is in the form of unit analysis. Apart from publicly owned-companies, most public institutions are part of a larger chain of command and control where it is harder to draw a line between the different parts of the system- and where legal frameworks provide little help in this. For instance: public agencies- like research councils or directorates of health- interact closely with ministries as well as subordinate institution and "users". The innovation activities in these institutions are heavily influenced by decisions made above and below the chain of commands. The closest parallel to private sector will be large conglomerates or multinational companies.

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The complex system of organizations with various (and to some extent conflicting) tasks, is one of the reasons for the inefficiency of public administration. Although, some authors in public administration, such Woodrow Wilson in *The Study of Public Administration*, where he reiterated that the evolution of public administration together with its complex system and increasing number of bureaucracies is to complement the population growth, but a population with sufficient number of agencies to manage them and with high marginal productivity for each public employee, is better than a bloated bureaucracy with little or zero marginal productivity, and worse, unnecessary and redundant purpose.

Lastly, although political aspect is both apparent in public and private sector, political aspect is more important in the public than in the private sector. Policy decisions normally affect companies directly and indirectly, through laws, regulations and financial support. The public sector is at least formally controlled by elected politicians. The intimate link between this governance dimension and funding of current expenses of the activities implies a very strong link between ownership and control on the one hand and the growth strategies of the subsidiary organizations.

### 1.7 PUBLIC AND PRIVATE ADMINISTRATION

As earlier observed, the 'management' euphoria at one stage led to a blurring of distinction between public and private administration.

The distinction between the public and the private sector is however, greatly influenced by the political philosophy of each nation. In the USA, for instance, the private sector plays a very important role in the American economy and society. The public sector is in many ways dependent on the private sector for the supply of goods and services.

Hence, the tendency in that country is toward a blurring of lines rather than a distinct bifurcation of responsibilities. In India, by contrast, the public sector is slowly emerging as the dominant sector in the context of mixed economy. The steady expansion of the public sector in India, if it continues unabated, is expected to draw a sharper distinction between the public and private management.

Considerations of general welfare should be the common concern of both public and private administration. Private management can ignore the larger public interest only at its peril. At the other end, Public Administration can hardly ignore the needs of efficient management. Yet, the two types are basically different, as discussed below :

- (i) The major purpose of Public Administration is to serve the public and hence general welfare and, in specific cases, public satisfaction are the ends that public administration must serve. By contrast, private

administration is basically oriented toward earning profit for the business proprietors. Inability to earn profit will soon drive a private enterprise out of business.

- (ii) Public Administration has to operate strictly according to law, rules and regulation. Adherence to law brings in a degree of rigidity of operation in the public sector. There is always the fear of audit or accountability that acts as a constraint on performance. On the contrary private administration is relatively free from such constraints of law and regulations. There are of course general laws regulating business, but individual business firms have considerable flexibility to adapt their operations to changing situations. This is possible because of their relative freedom from specific laws and rules that abound in Public Administration.
- (iii) The actions of Public Administration are much more exposed to the public gaze. An achievement rarely gets publicity, but a little fault hits the newspaper headline. Organisations like the police have to be on their toes to make sure that their operations do not incur the public wrath. This wide publicity is not to be found in private administration, nor is it so very closely watched by the public and the media.
- (iv) In Public Administration, any show of discrimination or partiality will evoke public censure or legislative commotion. Hence, the administrators are to be very consistent and impartial in their dealings with the public. In private administration, discrimination is freely practised due to competitive demands. In the choice of products and in fixing prices, business administration overtly practises discrimination which is almost a part of business culture.
- (v) Public Administration, especially at higher levels of government, is exceedingly complex. There are many pulls and pressures, many minds have to meet and discuss, consultations go on in several rounds of meetings before decisions are taken. Activities in one department have ramifications that spread over several other departments. By contrast, private administration is, generally speaking, much more well-knit and single-minded in operation. There is much less complexity in organisation and operations. The pressures are certainly almost non-existent.
- (vi) Public Administration as organisation is thus much more complex, compared to business or private organisation. Any unit of government administration is tied up with a network of allied public organisations and has to work in close interaction with them. A private organisation by contrast, has more compactness, insularity and autonomy of action.
- (vii) Public Administration has overarching responsibilities in terms of nation-building, and shaping the future society. It is, therefore, much more value oriented. Private organisations have to follow the guidelines laid down by the public authorities.

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## 1.8 THE STATE VERSUS MARKET DEBATE

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The *State vs. Market* debate is about the roles of state and market in the society and economy. It stands for institutional pluralism (plurality of agencies) in providing goods and services to the consumer and thus promotes his interests.

For much of the 1990s, the debate in India gradually shifted against a major role for the State in the economy and for primacy to the market and private enterprise. Even services like water and electricity were considered for transformation into private market-driven enterprises. Dr. Ravi Kanbur of Cornell University pointed out in a recent lecture at ISEC in Bangalore that this shift was not confined to India and had occurred during the 1980s in Latin America, Africa, Asia and the old Soviet Union and its satellites. The stimulants were the collapse of the Soviet Union and the rise of the Chinese economy as a powerful driver of world trade and investment. Economic opinion saw a shift in the pendulum from the primary role for the State in the economy in the 1950s and 1960s to a dominant role for private enterprise and the market.

This shift in the relative roles of the State and private enterprise took place first in the US and UK. When the first archconservative American Presidential candidate Barry Goldwater in the 1960s preached less government, few took him seriously. His disciple Ronald Reagan as President introduced policies and programmes that were to the right of Goldwater. He embraced the Laffer curve and cut taxes, increased defence spending to record levels, pushing the Soviet Union into economic breakdown as it tried to compete, and raised deficits to unprecedented levels. Today's President Bush is outspending Reagan, has cut taxes and threatens more, and has converted a huge budget surplus into a mind-boggling deficit. Yet nobody calls him as they did Reagan, a slave of 'voodoo' economics.

The 'Washington consensus' represented a standard programme laid down by the International Monetary Fund for countries that came to it for emergency assistance when their economies had reached such unsustainable levels of borrowing that they were unable to service their debts. It called for cutting deficits, raising domestic taxes and cutting import duties, opening the economy to foreign investment and moving towards a convertible currency. The most indebted nation in the world has a ballooning deficit. But the prescription has not been applied to the US. When the dollar is the reserve currency for the world, everyone wants to trade with it, its economy has vast resources, enormous innovation and rising productivity, it is the only superpower in military and economic terms and people want to keep their money there.

Thus, the emerging view in development theory is that the market must be allowed to work wherever it can function efficiently and the state must step in promptly and efficiently wherever the market can not perform properly.

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## **UNIT – 4**

In the earlier units we have discussed the approaches used in Public Administration in the context of developments in the subject to meet the requirements of developing societies. Even in developed societies like USA, Canada and Britain, the administrative systems faced new challenges. The concept of New Public Administration is one response to these challenges. In this unit we shall examine the significance, features, and relevance of New Public Administration, New Public Management and Good-- Governance.

### **1.9 NEW PUBLIC ADMINISTRATION**

In regard to the theory and practice of Public Administration rethinking and suggestions for reform took place among individual intellectuals as well as at common forums of the scholars and administrators. For instance, F.C. Mosner edited a publication, entitled "Governmental Reorganization: Cases and Commentaries (1967)". The book dealt With the common theme of administrative reorganisation and reform to strengthen administrative capability and responsibility.

The discussions at the various forums did not always result in any consensus among the participants about any set formulae for administrative change. However, several valuable view points did emerge, regarding introduction of changes in the theory and practice of Public Administration in response to the rapidly changing environment. This urge for change has resulted in the organisation of several conferences in America. Of these conferences one organised at Philadelphia in 1967 and the second organised at Minnowbrook in 1968 are the most important.

#### ***CHANGING ENVIRONMENT OF SOCIAL UNREST***

In the second half of the present century rapid environmental changes taking place in USA enabled her to achieve greater prosperity and power. But at the same time more and more social tensions and unrest among several sections of people began to take place. The social dissatisfaction and protests were mostly confined to the minority groups, the unemployed and certain highly sensitive youth groups.

These became a matter of growing concern to the elected officials, the administrators the intellectuals and the public leaders. A good deal of public debate and discussion began to take place as how to solve the challenging societal and

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technological problems. Several changes in policies and institutions began to be undertaken and some others were debated to strengthen political and administrative capabilities for coping with the rapidly changing environments: economic, social, political, technological and human.

### *PHILADELPHIA CONFERENCE*

The Philadelphia Conference on the Theory and Practice of Public Administration held under the chairmanship of James C. Charlesworth in 1967, in USA. Major viewpoints expressed at this conference about the subject and practice of Public Administration are summarised below :

- (a) With the progressive transformation of the limited function state into a welfare state, the responsibilities and functions of its government have increased very considerably. This implies growth in the dimensions and functions of the administration. Since this growth is to be a continuous process, it would be erroneous to demarcate rigidly the boundaries of the study of Public Administration. The scope of the subject should remain flexible to facilitate its growth. Again, it being obvious that administrators are involved in policy making process as advisers and facilitators besides being primarily concerned with policy implementation, the dichotomy between policy and administration and therefore between the study of government and study of Public Administration is meaningless.
- (b) Too much emphasis on perfection of hierarchy and internal processes in administrative organisations results in rigidities in administrative performance which detract from its relevance and efficacy in rapidly changing environments, organisational innovations and management flexibility are therefore appropriate.
- (c) The subject and practice of Public administration should pay increased attention to the social problems of urban squalor, unemployment, poverty, environmental pollution and degradation.
- (d) There are great socio-economic disparities between classes of people. Hence, social equity should be given due attention. For promoting equity as an administrative value alongwith the existing values of efficiency and accountability, as well as for improving administrative responsiveness, people's participation in administrative decision-making and activities should be institutionally provided in a reorganised administration. This would also mean that the study of public Administration should also include social equity as one of the themes.
- (e) Education and training programmes in Public Administration should not only provide management abilities and technique skills but should also deepen the social sensitivity or consciousness of students/trainees as well as of the public personnel at work in various governmental agencies.

Moreover, administrative ethics needs due emphasis in education programmes so as to prevent or minimise the chances of malpractices and corruption.

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### **MINNOWBROOK CONFERENCE**

A year later in 1968 comparatively young scholars and practitioners of Public Administration met at Minnowbrook to critically review the relevance of the study and practice of Public Administration in terms of rapidly changing environment posing challenging problems before the government and social system in the country. Several view points were expressed vigorously. Though these were not much dissimilar to the ones expressed at the Philadelphia Conference or by some individual academics at times, it was the passionate character of discussions which was the distinctive feature of the meet at Minnowbrook. Moreover, this was followed later on by small group meets of the participants to keep up the tempo of their view points as well as to elucidate these for publicity or dissemination. The essence of the various view points articulated by the young participants was the advocacy for a normative approach in place of the value-free efficiency approach of the classical theory. This normative approach stresses that the purpose of governmental administration should be reduction of economic, social and psychic suffering and the enhancement of life opportunities both for the employees of the government as well as for citizens. In other words, concerned sections of people should be freed from deprivations, wants and social disabilities. For this purpose, it was suggested that administrative organisations and administrative systems should be continuously adapted to the environmental changes and should also facilitate clientele or citizen involvement in administrative processes to improve administrative effectiveness.

### **1.10 FEATURES OF NEW PUBLIC ADMINISTRATION**

George Frederickson has summarised, in several of his writings, the main features of the new approach to Public Administration passionately advocated at Minnowbrook conference and afterwards. According to him, social equity is the key concept stressed as an additional administrative value by the advocates of the new approach. He even titled one of his books as *New Public Administration*. According to him the various features of the New Public Administration are as stated below.

#### **CHANGE AND ADMINISTRATIVE RESPONSIVENESS**

The social, political, economic and technological environments are changing rapidly. Administrative organisations should, therefore, develop clear criteria by which the effectiveness and relevance of their decisions and actions can be judged

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in the changing context. They should also set up an appropriate device and procedure to effect appropriate change regularly within themselves so as to be responsive to the environment. In other words, organisational and operational flexibility or adaptability to meet environmental changes should be in-built in the administrative system and in each of its departments and agencies.

### *RATIONALITY*

In Public Administration there is a good deal of emphasis on rationality as the main criterion for administrative decisions and actions. But this rationality really refers to the rationality of the administrator and not as people would interpret it. The administrator needs to consult the citizens as well not only about what is proposed to be done but also about what ought to be done and by whom.

### *MANAGEMENT- WORKER RELATIONS*

It is true that human relations approach within an administrative organisation enhances both morale and productivity (efficiency) among employees but these are not to be end in themselves. The main objective should be the satisfaction of the citizens with the performance and attitudes of the administrative employees whose morale and productivity would have risen due to any human relations approach within an organisation.

### *STRUCTURES*

There is a need for adopting a dynamic approach to organisational structure. Appropriate decentralisation of authority and modification of hierarchies of control and subordination, for instance, need continuous review so that the structure becomes relevant to the changing needs of environment. In other words, there should be alternative structures to be chosen from the above inventory of organisations rather than one standardised organisational structure based upon POSDCORB or other principles stressed by the advocates of the traditional approach to Public Administration. Small decentralised and flexible hierarchies, for instance, can be suitable for administrative organisation's concerned with programmes of intimate concern to the people or some of their sections.

### *EDUCATION-IN PUBLIC ADMINISTRATION*

The subject of Public Administration has been enriched by several streams of knowledge (concepts, ideas and insights). Heterogeneity is characteristic of this subject. The management approach, the human relations approach, political approach and public participative or choice approach continue to contribute to its growth. This is how it should be. Since public affairs, in which the government is engaged, are highly varied and complex, no single approach or theory or concept would be adequate to guide action or understand its rationale.

## 1.11 GOALS OF NEW PUBLIC ADMINISTRATION

New Public Administration literature has stressed four important goals – namely, relevance, values, equity and change.

### **RELEVANCE**

Public Administration has always emphasised efficiency and economy. Public Administration is criticised as having little to say about contemporary problems and issues. At the Minnowbrook Conference, the participants focused attention on the need for policy-oriented Public Administration and emphasised that Public Administration must explicitly deal with political and normative implications of all administrative actions. Another aspect of relevance that was voiced was Public Administration knowledge. At the Minnowbrook Conference, some of the following questions were raised:

- (a) What standards of decision do we use to select?
- (b) Which questions ought to be studied and how to study them?
- (c) Who defines our questions and priorities for us?
- (d) To what extent are we aware of the social and moral implications of knowledge in Public Administration?
- (e) What are the uses of Public Administration as a social and political science?
- (f) Does Public Administration presently yield knowledge useful to certain institutions in society (usually the dominant ones) and not to others?

These are very disturbing questions challenging the status quo in Public Administration.

### **VALUES**

New Public Administration is explicitly normative. It rejects value concealing behaviouralism as well as procedural neutrality of traditional Public Administration. The participants at the Minnowbrook Conference, clearly espoused that value neutral Public Administration is impossible. They emphasised that public officials have to advocate the interests of the disadvantaged people.

### **SOCIAL EQUITY**

Public Administration is indicated as an instrument of status quo, denying social justice to the less privileged groups. The leaders of New Public Administration emphasise the principle of social equity. Realisation of this principle should be the purpose of Public Administration.

Frederickson himself explains the concept of social equity much more boldly when says: "A Public Administration which fails to work for changes, which tries to redress the deprivation of minorities, will likely be eventually used to repress

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those minorities. Client-focus administration is a major goal of New Public Administration. Other goals are debureaucratisation, democratic decision-making and decentralisation of administrative process in the interest of more effective and humane delivery of public services.

**CHANGE**

Achievement of social equity requires promotion of change by the public administrators. Change is necessary to prevent Public Administration from coming under the dominance of powerful interest groups. New public administration should regard change as a constant fact of administrative life.

In conclusion, what the New Public Administration movement focused was that the administrator should be given less "generic" and more "public" than his predecessor, less "descriptive" and more "prescriptive", less "institution oriented" and more "client-impact oriented", less "neutral" and more "normative", and it is hoped, no less scientific.

**1.12 COMMENTS ON NEW PUBLIC ADMINISTRATION**

According to Alan Campbell many of the issues brought to the surface vigorously by advocates of New Public Administration were not new. These have been raised by other scholars from time to time. But these have been raised by proponents of New Public Administration very forcefully and with a strong commitment to social change. Their strong emphasis on citizen's participation in decision-making, on normative value of social equity, and human relations approach oriented largely to service to people is once again a reminder about the need for reorientation of theory and practice of Public Administration.

Dwight Waldo, in his book titled "Enterprise of Public Administration (1980)" has pointed out that New Public Administration projects three perspectives clearly – client (citizen) oriented bureaucracy, representative bureaucracy and people's participation. These public perspectives if woven into Public Administration appropriately would tend to democratise it even more than before.

Carter and Duffey, writing on New Public Administration in the International Journal of Public Administration, (1984) have expressed doubt whether the objective of social equity is actually getting recognised as a well-established administrative objective or value in addition to the existing ones of efficiency, effectiveness and public accountability. The great disparities of wealth and income continue in USA to a large extent. Due to recent curtailment of government spending on social welfare programme in USA the deprived sections of the people still do not have adequate access to all the requisite economic and social facilities for their substantial betterment.

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We are of the view that since in USA the main emphasis has been on free competition and individual initiative, adoption of social equity as a policy and administrative objective is not an easy proposition. In course of time, perhaps the progress towards its adoption may become more encouraging due to social pressures.

Recent trends in the study and practice of Public administration in several countries, both developed (e.g., France, Sweden and Britain) and developing (e.g., India, Pakistan ) also, indicate similar revision and additions. The intensity and extent of the impact of the trends however, vary from one country to the other, depending upon their respective historical heritages, national resources, character of political system, cultural and demographic patterns and role of the state in national development. The impact is very weak in some countries at one extreme and very strong at the other due to their differing national profiles. On the whole, these trends indicate:

- (a) growing emphasis on social equity in public policies and administrative actions;
- (b) devising of institutional arrangements to facilitate increased public participation in administrative processes (i.e. decision-making, operations, etc.) at local and grassroot levels;
- (c) strengthening of political direction of administration as well as of administrative accountability to the political authorities within the government;
- (d) adoption of innovative (new) types of organisations as well as of modern management practices, and techniques and technologies to raise the administrative capability ( i.e., efficiency and effectiveness) to deal with highly diverse, complex and numerous governmental tasks.
- (e) growth of unionism among the public personnel (government employees) of various grades and Wing of organised arrangements for government-employees consultation and negotiations as well as for arbitration of disputes.

### 1.13 NEW PUBLIC MANAGEMENT

New Public Management is a management philosophy used by governments since the 1990s to modernise the public sector. New Public management is a broad and very complex term used to describe the wave of public sector reforms throughout the world since the 1990s. The main hypothesis in the NPM-reform wave is that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other objectives and considerations.



## NOTES

The New Public Management aims at 3Es— *Economy, Efficiency and Effectiveness*.

- (i) *Economy*— The eradication of waste.
- (ii) *Efficiency*— The streamlining of services.
- (iii) *Effectiveness*— The specification of objectives to ensure that resources are targeted on problems.

The emphasis of NPM is on performance-appraisal, cost-cutting, innovation, responsiveness, competence, accountability, quality improvement, flexibility, competition, choice, information-technology, debureaucratisation, decentralisation, down-sizing and entrepreneurialisation.

### ***DIFFERENCES FROM PRIVATE SECTOR***

Jonathan Boston (1996), one of the early writers of NPM, identified several ways in which public organisations differ from the private sector:

- degree of market exposure—reliance on appropriations
- legal, formal constraints—courts, legislature, hierarchy
- subject to political influences
- coerciveness—many state activities unavoidable, monopolistic
- breadth of impact
- subject to public scrutiny
- complexity of objectives, evaluation and decision criteria
- authority relations and the role of managers
- organisational performance
- incentives and incentive structures
- personal characteristics of employees

Boston also identifies that reform tends to ignore these differences.

### ***FEATURES OF NEW PUBLIC MANAGEMENT***

The essential characteristic features of New Public Management have been stipulated differently by different writers in Public Administration. Key elements include various forms of decentralizing management within public services (*e.g.*, the creation of autonomous agencies and devolution of budgets and financial control), increasing use of markets and competition in the provision of public services (*e.g.*, contracting out and other market-type mechanisms), and increasing emphasis on performance, outputs and customer orientation.

NPM is characterized by its emphasis on reduction and deregulation of bureaucracy, employing market mechanisms or semi-market entities to conduct

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government action, devolution of responsibility downward and outward in organizations, and energizing the workforce to think in entrepreneurial terms (Carroll 1998:402).

New Public Management avow to fix the problems of government such as low public confidence in bureaucracy, waste, poor programme design and performance deficit. Hodge argues that NPM is grounded on two intellectual themes namely; institutional economics and managerialism (Hodge 2006:38 quoting Lynn, 1996). Institutional economics proposes disaggregating public bureaucracies and the use of competition while managerialism includes an emphasis on private sector management techniques, hands-on-professional management and performance measurement.

Sharma analytically asserts NPM as a new paradigm which seeks to implant a new approach in the traditional public administration for enhancing efficiency, productivity, improved service delivery, and accountability (2006:4). In a precise summary form, he argues that NPM advocates debureaucratization, flexibility, innovation, reliance on the private sector, creation of an enabling environment for private enterprise growth, and use of means other than public bureaucracy for service delivery through contracting out and outsourcing. He adds that NPM advocates offloading and down sizing, or right sizing, public private partnership, competition and reliance on market forces. It also advocates empowerment, emphasis on results, public participation, decentralization, greater emphasis on productivity-enhancing measures and use of modern information and communication technology, and e-governance.

Compared to other public management theories, NPM is more oriented towards outcomes and efficiency through better management of public budget. It is considered to be achieved by applying competition, as it is known in the private sector, to organizations of public sector, emphasizing economic and leadership principles. New Public management addresses beneficiaries of public services much like customers (another parallel with the private sector) and conversely citizens as shareholders.

NPM is characterized by its emphasis on reduction and deregulation of bureaucracy, employing market mechanisms or semi-market entities to conduct government action, devolution of responsibility downward and outward in organizations, and energizing the workforce to think in entrepreneurial terms.

There is a general consensus among many scholars that New Public Management asserts that the market, not the government, is the best allocator of resources; individuals are the best judges of their own welfare; and that the private sector management techniques could be useful to improve government performance (Hodge 2006, Hughes 2003). However, there is a disagreement with the idea that individuals are the best judges of their own welfare basing on the

belief that in some cases individuals cannot best judge on their own welfare; and of such the government has to make judgement on behalf of her citizens for the provision of merit goods and protection of their wellbeing.

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### LATER DEVELOPMENTS

Some modern authors define NPM as a combination of splitting large bureaucracies into smaller, more fragmented ones, competition between different public agencies, and between public agencies and private firms and incentivization on more economic lines. Defined in this way NPM was an intellectual force in public management outside the USA from the early 1980s to the early 2000s.

NPM, compared to other public management theories, is more oriented towards outcomes and efficiency through better management of public budget. It is considered to be achieved by applying competition, as it is known in the private sector, to organizations in the public sector, emphasizing economic and leadership principles. New public management addresses beneficiaries of public services much like customers, and conversely citizens as shareholders.

### CONTROVERSY

Some authors say NPM has peaked and is now in decline. Critics like Dunleavy now proclaim that NPM is 'dead' and argue that the cutting edge of change has moved on to digital era governance focusing on reintegrating concerns into government control, holistic (or joined-up) government and digitalization (exploiting the Web and digital storage and communication within government). In the UK and US NPM has been challenged since the turn of the century by a range of related critiques such as Third Way thinking and particularly the rise of ideas associated with Public Value Theory (Mark Moore, Kennedy Business School, John Benington, Warwick Business School) which have re-asserted a focus on citizenship, networked governance and the role of public agencies in working with citizens to cocreate public value, generate democratic authorisation, legitimacy and trust, and stress the domains within which public managers are working as complex adaptive systems with characteristics which are qualitatively different from simple market forms, or private sector business principles.

Privatisation of government seems prominent still however in Australia, Scandinavia, Eastern Europe, and various Asian and Middle Eastern countries.

### 1.14 GOOD GOVERNANCE – CONCEPT AND APPLICATIONS

Good governance is an indeterminate term used in development literature to describe how public institutions conduct public affairs and manage public resources in order to guarantee the realization of human rights. Governance describes "the process of decision-making and the process by which decisions are implemented (or not implemented)". The term governance can apply to

corporate, international, national, local governance or to the interactions between other sectors of society.

The concept of "good governance" often emerges as a model to compare ineffective economies or political bodies with viable economies and political bodies. Because the most "successful" governments in the contemporary world are liberal democratic states concentrated in Europe and the Americas, those countries' institutions often set the standards by which to compare other states' institutions. Because the term good governance can be focused on any one form of governance, aid organizations and the authorities of developed countries often will focus the meaning of good governance to a set of requirements that conform to the organizations agenda, making "good governance" imply many different things in many different contexts.

Good governance can therefore be understood as comprising two concepts: the ideal orientation of a state that works best to achieve self-reliant and sustainable development and social justice; and the ideal functioning of government that operates most effectively and efficiently.

The key point of the former, *i.e.*, the ideal orientation of a state, hinges on whether the state's basic attitudes are democratically oriented. Elements contributing to this include, for example, the legitimacy and accountability of the government, the securing of human rights, local autonomy and devolution of power, and civilian control of the military.

The latter, the functioning of the government, depends on whether a government has the requisite political and administrative structures and mechanisms and the capability to function effectively and efficiently. Elements contributing to the latter concept of good governance include the basic laws and institutions of a nation, the administrative competence and transparency, decentralization of its administration, and the creation of an appropriate market environment; all of these are needed to support people's participation in every aspect of politics, the economy, and society. These are therefore necessary components of good governance as "the government functioning as the basis for participatory development."

#### **FORMS AND APPLICATIONS**

Government Body of people that sets and administers public policy, and exercises executive, political, and sovereign power through customs, institutions, and laws within a state. Governance is defined here; as the dynamic interaction between people, structures, processes and traditions that support the exercise of legitimate authority in provision of sound leadership, direction, oversight, and control of an entity in order to ensure that its purpose is achieved, and that there is proper accounting for the conduct of its affairs, the use of its resources, and the results of its activities.

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In international affairs, analysis of good governance can look at any of the following relationships:

- between governments and markets;
- between governments and citizens;
- between governments and the private or voluntary sector;
- between elected officials and appointed officials;
- between local institutions and urban and rural dwellers;
- between legislature and executive branches; and
- between nation states and institutions.

The varying types of comparisons comprising the analysis of governance in scholastic and practical discussion can cause the meaning of "good governance" to vary greatly from practitioner to practitioner.

### **REFORM AND STANDARDS**

Three institutions can be reformed to promote good governance: the state, the private sector and civil society. However, amongst various cultures, the need and demand for reform can vary depending on the priorities of that country's society. A variety of country level initiatives and international movements put emphasis on various types of governance reform. Each movement for reform establishes criteria for what they consider good governance based on their own needs and agendas. The following are examples of good governance standards for prominent organizations in the international community.

Good governance defines an ideal which is difficult to achieve in full, though it is something development supporters consider donating to causes. Major donors and international financial institutions, like the IMF or World Bank, are basing their aid and loans on the condition that the recipient undertake reforms ensuring good governance. This is mostly due to the close link between poor governance and corruption.

### **Democratization**

Because concepts such as civil society, decentralisation, peaceful conflict management and accountability are often used when defining the concept of good governance, the definition of good governance promotes many ideas that closely align with effective democratic governance. Not surprisingly, emphasis on good governance can sometimes be equated with promoting democratic government.

### **1.15 SUMMARY**

- Public Administration is a specialised academic field. It essentially deals with the machinery and procedures of government activities. Administration has been defined as a cooperative human effort towards achieving some common goals.

- One of the main branches of political science, public administration can be broadly described as the development, implementation and study of branches of government policy.
- One of the problems faced by almost all Social Sciences is the absence of some important features of a Science. The main features of a Science are (a) exactness, (b) validity and (c) predictability.
- New Public Administration literature has stressed four important goals — namely, relevance, values, equity and change.
- New Public Management is a management philosophy used by governments since the 1980s to modernise the public sector. New Public management is a broad and very complex term used to describe the wave of public sector reforms throughout the world since the 1980s.
- Good governance is an indeterminate term used in development literature to describe how public institutions conduct public affairs and manage public resources in order to guarantee the realization of human rights. Governance describes “the process of decision-making and the process by which decisions are implemented (or not implemented)”.

## NOTES

### 1.16 REVIEW QUESTIONS

1. Discuss the meaning and nature of Public Administration.
2. What are the important scopes of Public Administration?
3. Describe the history of evolution of Public Administration.
4. How is Public Administration interrelated to Political Science?
5. Distinguish between private and public administration.
6. What are the main features of New Public Administration?
7. What do you mean by Good Governance?

### 1.17 FURTHER READINGS

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## CHAPTER – 2

### NOTES

# BASIC CONCEPT AND PRINCIPLES OF ORGANIZATION

### STRUCTURE

- 2.1 Learning Objectives
- 2.2 Introduction
- 2.3 Meaning and Definitions of Organization
- 2.4 Characteristics/Features of Organization
- 2.5 Importance/Need/Advantages of Organization
- 2.6 Formal and Informal Organization
- 2.7 Principles of Organization
- 2.8 Bases of Organizational Units and Subunits
- 2.9 Organizational Structure or Hierarchy
- 2.10 Span of Control
- 2.11 Unity of Command
- 2.12 Delegation
- 2.13 Integration vs. Disintegration
- 2.14 Centralization vs. Decentralization
  - Decentralized Governance
  - Administrative Decentralization
- 2.15 Coordination
- 2.16 Summary
- 2.17 Review Questions
- 2.18 Further Readings

### 2.1 LEARNING OBJECTIVES

After going through this chapter, students will be able to:

- state the meaning, origin and importance of organization;
- distinguish between formal and informal organization;
- explain the principles of organization and the primary bases of organization units;
- discuss the concept of hierarchy, span of control and unity of command;
- state the concept of delegation, centralization, decentralization and coordination.

## UNIT – 5

Basic Concept and  
Principles of  
Organization

### 2.2 INTRODUCTION

An organization is a social arrangement which pursues collective goals, controls its own performance, and has a boundary separating it from its environment. The word itself is derived from the Greek word organon, itself derived from the better-known word ergon.

In the social sciences, organizations are the object of analysis for a number of disciplines, such as public administration, sociology, economics, political science, psychology, management, and organizational communication. In more specific contexts, particularly for sociologists, the term "institution" may be preferred. The broader analysis of organizations is commonly referred to as organizational studies, organizational behaviour or organization analysis.

### 2.3 MEANING AND DEFINITIONS OF ORGANIZATION

Organisation is the foundation upon which the whole structure of management is built. Organisation is related with developing a frame work where the total work is divided into manageable components in order to facilitate the achievement of objectives or goals. Thus, organisation is the structure or mechanism (machinery) that enables living things to work together. In a static sense, an organisation is a structure or machinery manned by group of individuals who are working together towards a common goal. Alike 'management', the term 'organisation' has also been used in a number of ways. broadly speaking, the term 'organisation' is used in four different senses: as a process, as a structure of relationship, as a group of persons and as a system, as given below:

**Organisation as a Process :** In this first sense, organisation is treated as a dynamic process and a managerial activity which is essential for planning the utilization of company's resources, plant an equipment materials, money and people to accomplish the various objectives.

**Organisation as a Framework of Relationship :** In the second sense organisation refers to the structure of relationships and among position jobs which is created to release certain objectives. The definitions of Henry, Urwick, Farland, Northcourt, Lansburgh and Spriegel Breach, Davis, Mooney and Reily etc., come under this group. For example: According to Mooney and Reily, "Organisation is the form of every human association for the attainment of a common purpose."

**Organisation as a Group of persons :** In the third sense, organisation is very often viewed as a group of persons contributing their efforts towards certain goals. Organisation begins when people combine their efforts for some common purpose. It is a universal truth that an individual is unable ability and resources.

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Barnard has defined 'Organisation' as an identifiable group of people contributing their efforts towards the attainment of goals.

**Organisation as a System :** In the fourth sense, the organisation is viewed as system. System concepts recognize that organizations are made up of components each of which has unique properties, capabilities and mutual relationship. The constituent element of a system are linked together in such complex ways that actions taken by one producer have far reaching effect on others.

In short, organizing is the determining, grouping and arranging of the various activities deemed necessary for the attainment of the objectives, the assigning of people to those activities, the providing of suitable physical factors of environment and the indicating of the relative authority delegated to each individual charged with the execution of each respective activity.

### **DEFINITIONS OF ORGANISATION**

Different authors have defined organisation in different ways. The main definitions of organisation are as follows:

- According to Keith Davis, "Organisation may be defined as a group of individuals, large or small, that is cooperating under the direction of executive leadership in accomplishment of certain common object."
- According to Chester I. Barnard, "Organisation is a system of co-operative activities of two or more persons."
- According to Louis A. Allen, "Organisation is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives."
- According to Mooney and Railey, "Organisation is the form of every human association for the attainment of a common purpose."

### **2.4 CHARACTERISTICS/FEATURES OF ORGANISATION**

The main characteristics or Features of organisation are as follows:

**Outlining the Objectives:** Born with the enterprise are its long-life objectives of profitable manufacturing and selling its products. Other objectives must be established by the administration from time to time to aid and support this main objective.

**Identifying and Enumerating the Activities:** After the objective is selected, the management has to identify total task involved and its break-up closely related component activities that are to be performed by an individual or division or a department.

**Assigning the Duties:** When activities have been grouped according to similarities and common purposes, they should be organized by a particular department. Within the department, the functional duties should be allotted to particular individuals.

**Defining and Granting the Authority:** The authority and responsibility should be well defined and should correspond to each other. A close relationship between authority and responsibility should be established.

**Creating Authority Relationship:** After assigning the duties and delegations of authority, the establishment of relationship is done. It involves deciding who will act under whom, who will be his subordinates, what will be his span of control and what will be his status in the organisation. Besides these formal relationships, some informal organizations should also be developed.

## 2.5 IMPORTANCE/NEED/ADVANTAGES OF ORGANISATION

The well-known industrialist of U.S.A. late Andrew Cannegi, when sold his famous 'United State Steel Corporation', showed his confidence in organisation by uttering the following words, "Take away our factories, take away our trade, our avenues of transportation, our money, leave nothing but our organisation, and in four years, we shall re-established ourselves." Since ages and in every walk of life, organisation has been playing a vital role. The significance or main advantages of organisation are as follows:

- ***It Facilitated Administration and management:*** Organisation is an important and the only tool to achieve enterprise goals set b administration and explained by management. A sound organisation increases efficiency, avoids delay and duplication of work, increases managerial efficiency, increases promptness, motivates employees to perform their responsibility.
- ***It Help in the Growth of Enterprise:*** Good organisation is helpful to the growth, expansion and diversifications of the enterprise.
- ***It Ensures Optimum Use of Human Resources:*** Good organisation establishes persons with different interests, skills, knowledge and viewpoints.
- ***It Stimulates Creativity:*** A sound and well-conceived organisation structure is the source of creative thinking and initiation of new ideas.
- ***A Tool of Achieving Objectives:*** Organisation is a vital tool in the hands of the management for achieving set objectives of the business enterprise.
- ***Prevents Corruption:*** Usually corruption exists in those enterprises which lack sound organisation. Sound organization prevents corruption by raising the morale of employees. They are motivated to work with greater efficiency, honesty and devotion.

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- **Co-ordination in the Enterprises:** Different jobs and positions are welded together by structural relationship of the organisation. The organizational process exerts its due and balanced emphasis on the co-ordination of various activities.
- **Eliminates Overlapping and Duplication or work:** Overlapping and duplication of work exists when the work distribution is not clearly identified and the work is performed in a haphazard and disorganized way. Since a good organisation demands that the duties be clearly assigned amongst workers, such overlapping and duplication is totally eliminated.

### **SOUND OR GOOD ORGANISATION**

Organisation is not an end in itself but a means to achieve an end. Whether an organisation is good or bad depends on the fact as to how much efficiently and promptly it is in a position to achieve the objectives. An ideal organisation is one which is expected by all. Some people think that an ideal organisation stands in a dream only and actually it does not exist. However, it is a wrong concept. An ideal organisation is a reality which can be achieved through the active cooperation of all the members of an organisation and also by following the principles of organisation is not an exact science as physics and chemistry. Though a sound organisation is mainly based on the active cooperation of all the members of the organisation and on certain principles but also it is based on the capabilities of the individuals available to work along with its simplicity and flexibility. An organisation conceived and developed on the above lines will reward its leaders and well as its members (Personnel). Not only will the objectives be achieved more easily, and conveniently, but the physical operation of the organisation will also be greatly enhanced. Thus, a sound or good or ideal and result-oriented organisation must possess the following characteristics.

**Realization of Objectives:** Organisation is tool of achieving objectives of an enterprise. For this purpose, the organisation should be divided in several department, sub-departments, branches and units etc.

**Harmonious Grouping of Functions etc:** For achieving the organisation objectives there must be harmonious grouping of functions, jobs and sub-jobs in such a way so that there is action, consultation and co-ordination without any delay and difficulty.

**Reasonable Span of Control:** Another characteristic of organisation is that it should have reasonable span of control. Ordinarily, a person (personnel) cannot control more than five or six subordinates.

**Clear-cut allocation of Duties and Responsibilities:** There must be clear-cut allocation of duties and responsibilities in any scheme of sound organisation. Every executive must know his scope of activities, the ideal number is three.

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**Promotion of Satisfaction:** The most important element of any human organisation is the promotion of satisfaction of workers. Man works in a group or in an organisation and hence the success or failure of any organisation depends on as to how much the organisation is in a position to provide satisfaction to individuals or group working under him.

**Fullest Utilization of Manpower:** Another important characteristic of an ideal organisation is as to how far it is successful in making fullest and economical utilization of the available manpower.

**Provision and Development and Expansion:** Another important of an ideal organisation is that there exists the necessary provision for development and expansion so that it is possible to expand and develop any organisation according to needs and requirements and necessary changes an alternatives may be made.

**Coordination and Cooperation:** In order to achieve the objectives of the enterprise, there must be close coordination and cooperation in the activities of everybody working in the organisation. Further, there should also be active coordination and cooperation amongst the various departments an sub-departments. It will also assist in elimination the evil of red tapism.

**Unity of Command:** There must be unity of command. No one in any organisation should report to more than one line supervisor, and everybody must know to whom he reports and who reports to him. No subordinate should get orders from more than one supervisor, otherwise it will lead to confusion, chaos and conflict.

**Effective System of Communication:** An ideal organisation must possess effective system of communication. The inter-communication system should be clear and easier and there should be no ambiguity at and level.

**High Morale:** An ideal organisation is that in which the workers possess high morale. They work with full capacity, energy, enthusiasm, devotion and sincerity.

**Flexibility:** The last but not the least important characteristic of an ideal organisation is that it should be flexible so that necessary changes an modifications in the the size of the organisation as well as technology could be easily and conveniently effected.

## 2.6 FORMAL AND INFORMAL ORGANIZATION

Formal organization is a fixed set of rules of intra-organization procedures and structures. As such, it is usually set out in writing, with a language of rules that ostensibly leave little discretion for interpretation. In some societies and in some organization, such rules may be strictly followed; in others, they may be little more than an empty formalism.

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- To facilitate the accomplishment of the goals of the organization: In a formal organization the work is delegated to each individual of the organization. He/She works towards the attainment of definite goals, which are in compliance with the goals of the organisation.
- To facilitate the co-ordination of various activities: The authority, responsibility and accountability of individuals in the organization is very well defined. Hence, facilitating the co-ordination of various activities of the organisation very effectively.
- To aid the establishment of logical authority relationship: The responsibilities of the individuals in the organisation are well defined. They have a definite place in the organisation due to a well defined hierarchical structure which is inherent in any formal organisation.
- Permit the application of the concept of specialization and division of Labour, division of work amongst individuals according to their capabilities helps in greater specializations and division of work.
- Create more group cohesiveness.

Characteristics of a formal organization are as follows:

- Well defined rules and regulation
- Arbitrary structure
- Determined objectives and policies
- Status symbol
- Limitation on the activities of the individual
- Strict observance of the principle of co-ordination
- Messages are communicated through scalar chain.

### **INFORMAL ORGANIZATION**

The informal organization is the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviours, interactions, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations. It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation. The informal organization evolves organically and spontaneously in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members.

Tended effectively, the informal organization complements the more explicit structures, plans, and processes of the formal organization: it can accelerate and enhance responses to unanticipated events, foster innovation, enable people to solve problems that require collaboration across boundaries, and create footpaths showing where the formal organization may someday need to pave a way.

## The Informal vs. the Formal Organization

The nature of the informal organization becomes more distinct when its key characteristics are juxtaposed with those of the formal organization.

Key characteristics of the informal organization:

- evolving constantly
- grass roots
- dynamic and responsive
- excellent at motivation
- requires insider knowledge to be seen
- treats people as individuals
- flat and fluid
- cohered by trust and reciprocity
- difficult to pin down
- essential for situations that change quickly or are not yet fully understood.

Key characteristics of the formal organization:

- enduring, unless deliberately altered
- top-down
- missionary
- static
- excellent at alignment
- plain to see
- equates "person" with "role"
- hierarchical
- bound together by codified rules and order
- easily understood and explained
- critical for dealing with situations that are known and consistent.

Historically, some have regarded the informal organization as the byproduct of insufficient formal organization—arguing, for example, that “it can hardly be questioned that the ideal situation in the business organization would be one where no informal organization existed.” However, the contemporary approach—one suggested as early as 1925 by Mary Parker Follett, the pioneer of community centers and author of influential works on management philosophy—is to integrate the informal organization and the formal organization, recognizing the strengths and limitations of each. Integration, as Follett defined it, means breaking down apparent sources of conflict into their basic elements and then building new solutions that neither allow domination nor require compromise. In other words, integrating the informal organization with the formal organization replaces competition with coherence.

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At a societal level, the importance of the relationship between formal and informal structures can be seen in the relationship between *civil society and state authority*. The power of integrating the formal organization and the informal organization can also be seen in many successful businesses.

### **Functions of Informal Organizations**

Keith Davis suggests that informal groups serve at least four major functions within the formal organizational structure.

- (i) They perpetuate the cultural and social values that the group holds dear. Certain values are usually already held in common among informal group members. Day-to-day interaction reinforces these values that perpetuate a particular lifestyle and preserve group unity and integrity. For example, a college management class of 50 students may contain several informal groups that constitute the informal organization within the formal structure of the class. These groups may develop out of fraternity or sorority relationships, dorm residency, project work teams, or seating arrangements. Dress codes, hairstyles, and political party involvement are reinforced among the group members.
- (ii) They provide social status and satisfaction that may not be obtained from the formal organization. In a large organization (or classroom), a worker (or student) may feel like an anonymous number rather than a unique individual. Members of informal groups, however, share jokes and gripes, eat together, play and work together, and are friends-which contributes to personal esteem, satisfaction, and a feeling of worth.
- (iii) They promote communication among members. The informal group develops a communication channel or system (i.e., grapevine) to keep its members informed about what management actions will affect them in various ways. Many astute managers use the grapevine to "informally" convey certain information about company actions and rumors.
- (iv) They provide social control by influencing and regulating behaviour inside and outside the group. Internal control persuades members of the group to conform to its lifestyle. For example, if a student starts to wear a coat and tie to class, informal group members may razz and convince the student that such attire is not acceptable and therefore to return to sandals, jeans, and T-shirts. External control is directed to such groups as management, union leadership, and other informal groups.

### **Disadvantages of Informal Groups**

Informal organizations also possess the following potential disadvantages and problems that require astute and careful management attention.

## ***Resistance to Change***

Perpetuation of values and lifestyle causes informal groups to become overly protective of their "culture" and therefore resist change. For example, if restriction of output was the norm in an autocratic management group, it must continue to be so, even though management changes have brought about a more participative administration. A minority female student may have a tough time being fully accepted on a project team composed of three white, prejudiced young men—regardless of her academic competency.

## ***Role Conflict***

The quest for informal group satisfaction may lead members away from formal organizational objectives. What is good for and desired by informal group members is not always good for the organization. Doubling the number of coffee breaks and the length of the lunch period may be desirable for group members but costly and unprofitable for the firm. Employees' desire to fulfill the requirements and services of both the informal group and management results in role conflict. Role conflict can be reduced by carefully attempting to integrate interests, goals, methods, and evaluation systems of both the informal and formal organizations, resulting in greater productivity and satisfaction on everyone's behalf.

## ***Rumor***

The grapevine dispenses truth and rumor with equal vengeance. Ill-informed employees communicate unverified and untrue information that can create a devastating effect on employees. This can undermine morale, establish bad attitudes, and often result in deviant or, even violent behaviour. For example, a student who flunks an exam can start a rumor that a professor is making sexually harassing advances toward one of the students in class. This can create all sorts of ill feelings toward the professor and even result in vengeful acts like "egging" the residence or knocking over the mail box.

## ***Conformity***

Social control promotes and encourages conformity among informal group members, thereby making them reluctant to act too aggressively or perform at too high a level. This can harm the formal organization by stifling initiative, creativity, and diversity of performance. In some British factories, if a group member gets "out of line", tools may be hidden, air may be let out of tires, and other group members may refuse to talk to the deviant for days or weeks. Obviously, these types of actions can force a good worker to leave the organization.

## **Benefits of the Informal Organization**

Although informal organizations create unique challenges and potential problems for management, they also provide a number of benefits for the formal organization.

## **NOTES**



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***Blend with Formal System***

Formal plans, policies, procedures, and standards cannot solve every problem in a dynamic organization; therefore, informal systems must blend with formal ones to get work done. As early as 1951, Robert Dubin recognized that "informal relations in the organization serve to preserve the organization from the self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures." No college or university could function merely by everyone following the "letter of the law" with respect to written policies and procedures. Faculty, staff, and student informal groups must cooperate in fulfilling the spirit of the law" to effectuate an organized, sensibly run enterprise.

***Lighten Management Workload***

Managers are less inclined to check up on workers when they know the informal organization is cooperating with them. This encourages delegation, decentralization, and greater worker support of the manager, which suggests a probable improvement in performance and overall productivity. When a professor perceives that students are conscientiously working on their term papers and group projects, there are likely to be fewer "pap tests" or impromptu progress reports. This eases the professors load and that of the students and promotes a better relationship between both parties.

***Fill Gaps in Management Abilities***

For instance, if a manager is weak in financial planning and analysis, a subordinate may informally assist in preparing reports through either suggestions or direct involvement. ' Act as a safety valve. Employees experience frustration, tension, and emotional problems with management and other employees. The informal group provides a means for relieving these emotional and psychological pressures by allowing a person to discuss them among friends openly and candidly. In faculty lounge conversations, frustrations with the dean, department head, or students are "blown off" among empathetic colleagues.

***Encourage Improved Management Practice***

Perhaps a subtle benefit of informal groups is that they encourage managers to prepare, plan, organize, and control in a more professional fashion. Managers who comprehend the power of the informal organization recognize that it is a "check and balance" on their use of authority. Changes and projects are introduced with more careful thought and consideration, knowing that the informal organization can easily kill a poorly planned project.

***Understanding and Dealing with the Environmental Crisis***

The IRG Solution - hierarchical incompetence and how to overcome it 1984, argued, that Central media and government type Hierarchical

organizations, could not adequately understand the environmental crisis we were manufacturing, or how to initiate adequate solutions. It argued that what was required, was the widespread introduction of informal networks or Information Routing Groups which were essentially a description of social networking services prior to the internet.

## **UNIT – 6**

Every enterprise, big or small, prescribes certain basic objectives. Organization serves as a tool in attaining these prescribed objectives. Every part of the organization and the organization as a whole should be geared to the basic objective determined by the enterprise. Every organization has to follow some basic principles to realise the objectives.

### **2.7 PRINCIPLES OF ORGANIZATION**

There is no unanimity as to number of principles of organisation amongst the leading authors on the subject. L.K. Urwick, in his paper 'Scientific Principles of Organisation' (1938) and 'Notes on the Theory of Organisation' (1952) prescribed ten principles of organisation.

Thereafter, many other writers on the subject have added a few more principles of organisation. The main principles of organisation are as follows:

#### ***PRINCIPLE OF SPECIALIZATION***

Precise division of work facilitates specialization. According to this principles division of work between the employees must be based on their ability, capability, tasks, knowledge and interest. This will ensure specialization and specialization will lead to efficiency, quality and elimination of wastage etc.

#### ***THE SCALAR PRINCIPLE***

The principle is sometimes known as the 'chain command'. There must be clear lines of authority running from the top to the bottom of the organisation.

#### ***THE PRINCIPLE OF AUTHORITY***

Authority is the element of organisation structure. It is the tool by which a manager is able to create an environment for individual performance.

#### ***THE PRINCIPLE OF UNITY OF COMMAND***

One subordinate should be kept in the supervision of one boss only. This principle avoids the possibility of conflicts in instructions and develops the feeling of personnel responsibility for the work.

### **THE PRINCIPAL SPAN OF CONTROL**

It is also known as 'span of management', 'span of supervision' or 'levels of organisation', etc.

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#### **THE PRINCIPLE OF DEFINITION**

The contents of every position should be clearly defined. The duties, responsibilities, authorities and organizational relationship of an individual working on a particular position should be well defined.

#### **THE PRINCIPLE OF THE UNITY OF DIRECTION**

The basic rationale for the very existence of organisation is the attainment of certain objectives. Major objective should be split into functional activities and there should be one objective and one plan for each group of people.

#### **THE PRINCIPLE OF SUPREMACY OF ORGANISATION OBJECTIVES**

The organisation goals and objectives should be given wide publicity within the organisation. The people contributing to it, should be made to understand that enterprise objectives are more valuable and significant and one should place one's personal motives under it.

#### **THE PRINCIPLE OF BALANCE**

In every organisation structure there is need for balance. For effective grouping and assigning activities, this principle calls for putting balance on all types of factors human, technical as well as financial.

#### **THE PRINCIPLE OF HUMAN ELEMENT**

This principle indicates that the success or failure of an enterprise largely depends on the handling of human element. If the organisation has sound labor policies along with a number of welfare activities it is bound to succeed.

#### **THE PRINCIPLE OF DISCIPLINE**

According to his principle, it is the responsibility of the management to maintain proper discipline in the enterprise. Fayol considered discipline as 'respect for agreements which are directed at achieving obedience, application, energy and outward mark of respect.'

### **2.8 BASES OF ORGANIZATIONAL UNITS AND SUBUNITS**

Organisation means identifying, arranging and integrating different elements of organisation into efficient working order. It requires the management to follow the following process of organisation.

## ***DIVISION OF WORK***

The main function is divided into sub-functions and entrusted to the different departmental heads. The result is the establishment of departments like Purchase, Sales, Production, Accounts, Publicity and Public relations. The departments can be further classified just as production department into (1) Planning (2) Designing, (3) Operations, (4) Production Control and (5) Repairs and Maintenance. The division of the work is based upon the fact that specialization is keynote of efficient organisation.

## ***GROUPING OF JOB AND DEPARTMENTATION***

The second step is to group similar or related jobs into larger units, called departments, divisions or sections. Grouping process is called departmentation.

The department may be based upon functions such as manufacturing, marketing and financing etc. Department may also be based on products, such as textiles, cosmetic, stationery etc. These departments may have different sections as per requirement.

Grouping jobs or Departmentation aims at achieving coordination and facilitates unity of efforts. The departments are linked together on the basis of interdependence. The divided task is assigned to specific individual or group of individuals who are supposed to be the most qualified and specialized persons for the task.

## ***ASSIGNING DUTIES***

The work to be performed by every individual is clearly defined and made known to him. Every one must know, what he is required to do in order to avoid any misunderstanding, duplication or overlapping in the work.

## ***GRANTING AUTHORITIES AND FIXING RESPONSIBILITIES***

Assigning of duties to individuals must coincide with the appropriate and relevant authorities. Every employee must know, what the authorities granted to him and for what and to whom he will be responsible, liable and accountable.

## ***DELEGATION OF AUTHORITY***

Those who are made responsible for specific tasks are given due authority. Both responsibility and authority go hand in hand together. Reasonable powers are delegated to heads and supervisory staff to enable them to do their work with ease and efficiency.

## ***EFFECTIVE COMMUNICATION***

Effective communication is the keynote of efficient organisation. There should be proper arrangement of communication messages from executives to

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subordinates and vice-versa. Proper communication system establishes harmonious relationship between employees and enables execution of work in the right manner at the appropriate time and in an atmosphere of perfect mutual adjustment.

### **CO-ORDINATION OF ACTIVITIES FOR COMMON OBJECTIVES**

Business activity is a team work or the group activity, so the efforts of every employee must be co-ordinate effectively to achieve the common objectives of the enterprise.

### **STRUCTURE OF ORGANISATION**

In order to achieve the desired goals, sound and effective organizational structure is necessary. Organizational structure, as we know is the system of job positions, roles assigned to these positions and specifying authority, responsibility and task of every positions. The structure undoubtedly provides basic framework for executive and employees to perform their task smoothly. The following points must be taken into consideration while building organizational structure.

### **CONSIDERATIONS FOR BUILDING ORGANIZATIONAL STRUCTURE**

#### **Job Design**

Jobs should be designed in such a way, that job should have specified and defined task to be performed. Jobs should be designed in such fashion that every individual could contribute his maximum worth to the enterprise. The major and related activities of the jobs should also be specified.

#### **Departmentation or Grouping of Identical Jobs**

Identical and similar jobs should be grouped together in a department and placed under a departmental head. Such departmentation will help in building coordination between different jobs and managers. Departments can be established on different basis. It may have production, marketing and finance departments, if it is based upon functions.

#### **Span of Control**

Under span of control, the number of employees and jobs managed by each manager is specified. The chain of command is also clearly stated. It is specified that who will report whom is the smooth performance of his duties. Effective span of control avoids overlapping, duplication and confusion in the work.

#### **Delegation of Authority**

In order to get the job done properly and smoothly, requisite authorities are granted to the managers. Authority is the power to command employees and instruct them to do a piece of work. The authority empowers to know certain

facts, to enjoy privileged position and command respect and obedience from employees. Delegation is no doubt, sharing task with requisite authority with subordinates. As such the manger multiplies himself through delegation.

#### **(A) Functional Structure of Organization**

Grouping together the entire work into major functional departments and entrusting these departments to functional specialists is known as functional structure of organisation. Each major function of the enterprise is organized as a separate department. These departments may be engineering, production, personnel, finance and marketing in a manufacturing company. If it is retail stores, these departments may be purchase, sales and stores etc as per requirement. The names of the departments can change as per the requirements, nature and size of the enterprise.

Major functions of the enterprise differ from each other on account of technicalities involved, specialized education and training needed. However, these functions have common goal of achieving maximum efficiency to maximize overall returns of the enterprise. The functional heads are provided functional authority over the subordinates under their command.

Functional organisation is the developed form of Taylor's functional foremanship. In practice, modern functional organisation is restricted to top level of the organizational structure and not carried down to the lowest level as recommended by Taylor.

Functional structure of organisation is extensively used these days by almost every enterprise at different levels. The sales, production, finance and marketing functions are so widely recognized that almost every enterprise uses it as the basis of Departmentation.

#### **(B) Divisional Structure of Organizations**

Grouping of activities or Departmentation on the basis of product lines and areas is known as divisional structure of organisation. Divisional structure has been finding favor with the multiple large scale enterprise. Under this structure the top level delegates extensive authorities to the divisional heads. The divisional head is the in charge of the manufacturing, purchase, sales, engineering and other departments of the division under his command. He is also made responsible for the profit or loss of his division.

Product and product line is an important basis for Departmentation. It facilitates the use of specialized and specialist services of the divisional managers in their product line. He can use his personal skill and his specialized knowledge for the development of his department.

Organizations having their business all over the country may adopt divisional structure on the basis of area, such as north division, south division, east, west and central division. The organisation structure of LIC and Railways is also upon

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divisional structure. The manufacturing enterprise producing variety of goods may have different division for different products such as textile division, plastic division, stationary division etc.

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### UNIT – 7

Organization hierarchy refers to how people and tasks are grouped. For example, an organization may be structured in functional units such as accounting and marketing, with only one type of specialist working in each of these units. Or, an organization can be structured in product units. In this instance, specialists of all types are grouped together within one unit. An organization hierarchy can consist of units such as divisions and departments. A department can be part of a company or of a division.

#### 2.9 ORGANIZATIONAL STRUCTURE OR HIERARCHY

An organizational structure is a mainly hierarchical concept of subordination of entities that collaborate and contribute to serve one common aim.

Organizations are a variant of clustered entities. An organization can be structured in many different ways and styles, depending on their objectives and ambience. The structure of an organization will determine the modes in which it operates and performs.

Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual. Individuals in an organizational structure are normally hired under time-limited work contracts or work orders, or under permanent employment contracts or program orders.

#### *OPERATIONAL ORGANIZATIONS AND INFORMAL ORGANIZATIONS*

The set organisational structure may not coincide with facts, evolving in operational action. Such divergence decreases performance, when growing. e.g., a wrong organizational structure may hamper cooperation and thus hinder the completion of orders in due time and within limits of resources and budgets. Organizational structures shall be adaptive to process requirements, aiming to optimize the ratio of effort and input to output.

An effective organizational structure shall facilitate working relationships between various entities in the organization and may improve the working efficiency within the organizational units. Organization shall retain a set order and control to enable monitoring the processes. Organisation shall support command for coping with a mix of orders and a change of conditions while performing work. Organization shall allow for application of individual skills to

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enable high flexibility and apply creativity. When a business expands, the chain of command will lengthen and the spans of control will widen. When an organization comes to age, the flexibility will decrease and the creativity will fatigue. Therefore, organizational structures shall be altered from time to time to enable recovery. If such alteration is prevented internally, the final escape is to turn down the organization to prepare for a re-launch in an entirely new set up.

### **SUCCESS FACTORS**

Common success criteria for organizational hierarchy are:

- Decentralized reporting
- Flat hierarchy
- High transient speed
- High transparency
- Low residual mass
- Permanent monitoring
- Rapid response
- Shared reliability
- Matrix hierarchy.

### **HISTORICAL BACKGROUND AND CLASSIFICATION**

Organizational structures developed from the ancient times of hunters and collectors in tribal organizations through highly royal and clerical power structures to industrial structures and today's post-industrial structures. Organizational hierarchy is of following types:

#### **Pre-Bureaucratic Structures**

Pre-bureaucratic (entrepreneurial) structures lack standardization of tasks. This structure is most common in smaller organizations and is best used to solve simple tasks. The structure is totally centralized. The strategic leader makes all key decisions and most communication is done by one on one conversations. It is particularly useful for new (entrepreneurial) business as it enables the founder to control growth and development.

They are usually based on traditional domination or charismatic domination in the sense of Max Weber's tripartite classification of authority.

#### **Bureaucratic Structures**

Bureaucratic structures have a certain degree of standardization. They are better suited for more complex or larger scale organizations. They usually adopt a tall structure. Then tension between bureaucratic structures and non-bureaucratic is echoed in Burns and Stalker distinction between mechanistic and organic structures. It is not the entire thing about bureaucratic structure. It is



very much complex and useful for hierarchical structures organization, mostly in tall organizations.

### **Post-Bureaucratic**

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The term of post bureaucratic is used in two senses in the organizational literature: one generic and one much more specific. In the generic sense the term post bureaucratic is often used to describe a range of ideas developed since the 1980s that specifically contrast themselves with Weber's ideal type bureaucracy. This may include total quality management, culture management and matrix management, amongst others. None of these however has left behind the core tenets of Bureaucracy. Hierarchies still exist, authority is still Weber's rational, legal type, and the organization is still rule bound. Heckscher, arguing along these lines, describes them as cleaned up bureaucracies, rather than a fundamental shift away from bureaucracy. Gideon Kunda, in his classic study of culture management at 'Tech' argued that 'the essence of bureaucratic control - the formalisation, codification and enforcement of rules and regulations - does not change in principle. It shifts focus from organizational structure to the organization's culture'.

Another smaller group of theorists have developed the theory of the Post-Bureaucratic Organization., provide a detailed discussion which attempts to describe an organization that is fundamentally not bureaucratic. Charles Heckscher has developed an ideal type, the post-bureaucratic organization, in which decisions are based on dialogue and consensus rather than authority and command, the organization is a network rather than a hierarchy, open at the boundaries (in direct contrast to culture management); there is an emphasis on meta-decision making rules rather than decision making rules. This sort of horizontal decision making by consensus model is often used in housing cooperatives, other cooperatives and when running a non-profit or community organization. It is used in order to encourage participation and help to empower people who normally experience oppression in groups.

Still other theorists are developing a resurgence of interest in complexity theory and organizations, and have focused on how simple structures can be used to engender organizational adaptations. For instance, Miner studied how simple structures could be used to generate improvisational outcomes in product development. Their study makes links to simple structures and improvisational learning. Other scholars such as Jan Rivkin and Siggelkow, and Nelson Repenning revive an older interest in how structure and strategy relate in dynamic environments.

### **Functional Structure**

Employees within the functional divisions of an organization tend to perform a specialized set of tasks, for instance the engineering department would be staffed

only with software engineers. This leads to operational efficiencies within that group. However it could also lead to a lack of communication between the functional groups within an organization, making the organization slow and inflexible.

As a whole, a functional organization is best suited as a producer of standardized goods and services at large volume and low cost. Coordination and specialization of tasks are centralized in a functional structure, which makes producing a limited amount of products or services efficient and predictable. Moreover, efficiencies can further be realized as functional organizations integrate their activities vertically so that products are sold and distributed quickly and at low cost. For instance, a small business could start making the components it requires for production of its products instead of procuring it from an external organization. But not only beneficial for organization but also for employees faiths.

### **Divisional Structure**

Also called a "product structure", the divisional structure groups each organizational function into a divisions. Each division within a divisional structure contains all the necessary resources and functions within it. Divisions can be categorized from different points of view. There can be made a distinction on geographical basis (a US division and an EU division) or on product/service basis (different products for different customers: households or companies). Another example, an automobile company with a divisional structure might have one division for SUVs, another division for subcompact cars, and another division for sedans. Each division would have its own sales, engineering and marketing departments.

### **Matrix Structure**

The matrix structure groups employees by both function and product. This structure can combine the best of both separate structures. A matrix organization frequently uses teams of employees to accomplish work, in order to take advantage of the strengths, as well as make up for the weaknesses, of functional and decentralized forms. An example would be a company that produces two products, "product a" and "product b". Using the matrix structure, this company would organize functions within the company as follows: "product a" sales department, "product a" customer service department, "product a" accounting, "product b" sales department, "product b" customer service department, "product b" accounting department. Matrix structure is amongst the purest of organizational structures, a simple lattice emulating order and regularity demonstrated in nature.

- *Weak/Functional Matrix:* A project manager with only limited authority is assigned to oversee the cross- functional aspects of the project. The

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functional managers maintain control over their resources and project areas.

- *Balanced/Functional Matrix:* A project manager is assigned to oversee the project. Power is shared equally between the project manager and the functional managers. It brings the best aspects of functional and projectized organizations. However, this is the most difficult system to maintain as the sharing power is delicate proposition.
- *Strong/Project Matrix:* A project manager is primarily responsible for the project. Functional managers provide technical expertise and assign resources as needed.

Among these matrixes, there is no best format; implementation success always depends on organization's purpose and function.

### **ORGANIZATIONAL CIRCLE : MOVING BACK TO FLAT**

The flat structure is common in enterpreneurial start-ups, university spin offs or small companies in general. As the company grows, however, it becomes more complex and hierarchical, which leads to an expanded structure, with more levels and departments.

Often, it would result in bureaucracy, the most prevalent structure in the past. It is still, however, relevant in former Soviet Republics and China, as well as in most governmental organizations all over the world. Shell Group used to represent the typical bureaucracy: top-heavy and hierarchical. It featured multiple levels of command and duplicate service companies existing in different regions. All this made Shell apprehensive to market changes, leading to its incapacity to grow and develop further. The failure of this structure became the main reason for the company restructuring into a matrix.

Starbucks is one of the numerous large organizations that successfully developed the matrix structure supporting their focused strategy. Its design combines functional and product based divisions, with employees reporting to two heads. Creating a team spirit, the company empowers employees to make their own decisions and train them to develop both hard and soft skills. That makes Starbucks one of the best at customer service.

Some experts also mention the multinational design, common in global companies, such as Procter & Gamble, Toyota and Unilever. This structure can be seen as a complex form of the matrix, as it maintains coordination among products, functions and geographic areas.

In general, over the last decade, it has become increasingly clear that through the forces of globalization, competition and more demanding customers, the structure of many companies has become flatter, less hierarchical, more fluid and even virtual.

## Team

One of the newest organizational structures developed in the 20th century is team. In small businesses, the team structure can define the entire organization. Teams can be both horizontal and vertical. While an organization is constituted as a set of people who synergize individual competencies to achieve newer dimensions, the quality of organizational structure revolves around the competencies of teams in totality. For example, every one of the Whole Foods Market stores, the largest natural-foods grocer in the US developing a focused strategy, is an autonomous profit centre composed of an average of 10 self-managed teams, while team leaders in each store and each region are also a team. Larger bureaucratic organizations can benefit from the flexibility of teams as well. Xerox, Motorola, and DaimlerChrysler are all among the companies that actively use teams to perform tasks.

## Network

Another modern structure is network. While business giants risk becoming too clumsy to proact (such as), act and react efficiently, the new network organizations contract out any business function, that can be done better or more cheaply. In essence, managers in network structures spend most of their time coordinating and controlling external relations, usually by electronic means. The potential management opportunities offered by recent advances in complex networks theory have been demonstrated including applications to product design and development, and innovation problem in markets and industries.

## 2.10 SPAN OF CONTROL

Span of Control means the number of subordinates that can be managed efficiently and effectively by a superior in an organization. It suggests how the relations are designed between a superior and a subordinate in an organization. Span of control is of two types:

**Narrow span of control:** Narrow Span of control means a single manager or supervisor oversees few subordinates. This gives rise to a tall organizational structure.

**Wide span of control:** Wide span of control means a single manager or supervisor oversees a large number of subordinates. This gives rise to a flat organizational structure.

There is an inverse relation between the span of control and the number of levels in hierarchy in an organization, *i.e.*, narrower the span, the greater is the number of levels in an organization.

Narrow span of control is more expensive as compared to wide span of control as there are more number of superiors and therefore there are greater communication problems between various levels of management. Wide span of

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control is best suited when the employees are not widely scattered geographically, as it is easy for managers to be in touch with the subordinates and to supervise them.

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In case of narrow span of control, there are comparatively more opportunities for growth as the number of levels are more. The more efficient and organized the superiors are in performing their tasks, the better it is to have wide span of management. The less motivated and confident the employees are, the better it is to have a narrow span of management so that the supervisors can spend time with them and supervise them well. The more standardized is the nature of work, like - if same task can be performed using same types of inputs, the better it is to have a wide span of management as more number of employees can be supervised by a single supervisor. There is more flexibility, prompt decision making, effective communication between higher level and lower level management, and improved customer interaction in case of wide span of management. Technological advancement such as internet, emails, mobile phones, etc. makes it easy for superiors to widen their span of control as there is more effective communication.

An ideal span of control according to modern authors is around 15 to 20 subordinates per manager, while according to the traditional authors the ideal number is around 6 subordinates per manager. In reality, the ideal span of control depends upon various factors, such as:

- (i) Nature of an organization
- (ii) Nature of job
- (iii) Skills and competencies of manager
- (iv) Employees skills and abilities
- (v) The kind of interaction that takes happens between superiors and subordinates, etc

### *FACTORS AFFECTING SPAN OF CONTROL*

These are the factors affecting span of control:

1. Geographical Location, if the branches of a business are widely dispersed, then the manager will find it difficult to supervise each of them, as such the span on control will be smaller.
2. Capability of workers, if workers are highly capable, and do not require much supervision and can be left on their own, eg: Theory Y type of people, need not be supervised much as they are motivated and take initiative to work, as such the span of control will be smaller.
3. Similarity of task, if the task that the subordinates are performing are similar, then the span of control can be wider, as the manager can supervise them all at the same time. However, of course the capability of the supervisor has to also be taken into consideration.

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## **2.11 UNITY OF COMMAND**

Each individual participating in the operation reports to only one supervisor. This eliminates the potential for individuals to receive conflicting orders from a variety of supervisors, thus increasing accountability, preventing freelancing, improving the flow of information, helping with the coordination of operational efforts, and enhancing operational safety. This concept is fundamental to the ICS chain of command structure.

For every objective, ensure unity of effort under one responsible commander.

In a planning situation it is important to establish a command or authority hierarchy. A specific individual must accept personal accountability for approving plans and actions.

This tip is sometimes interpreted as “have one boss” and that is the general thrust. The commander can delegate, but it is important to know who is in command in a situation.

A person should have one and only one manager or boss to whom he or she is directly responsible. Each person in an organization should take orders from and report to only one person or one boss.

## **UNIT — 8**

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate. Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

## **2.12 DELEGATION**

Delegation is the assignment of authority and responsibility to another person (normally from a manager to a subordinate) to carry out specific activities. However, the person who delegated the work remains accountable for the outcome of the delegated work. Delegation empowers a subordinate to make decisions, *i.e.*, it is a shift of decision-making authority from one organizational level to a lower one. Delegation, if properly done, is not abdication.

The opposite of effective delegation is micromanagement, where a manager provides too much input, direction, and review of delegated work. In general, delegation is good and can save money and time, help in building skills, and motivate people. Poor delegation, on the other hand, might cause frustration, and confusion to all the involved parties.

## ELEMENTS OF DELEGATION

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1. **Authority** - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misutilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.
2. **Responsibility** - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.
3. **Accountability** - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the person will think beyond his scope of job. Accountability, in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

For achieving delegation, a manager has to work in a system and has to perform following steps:-

- (i) Assignment of tasks and duties
- (ii) Granting of authority
- (iii) Creating responsibility and accountability.

Delegation of authority is the base of superior-subordinate relationship, it involves following steps:-

- (i) **Assignment of Duties** – The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.
- (ii) **Granting of Authority** – Subdivision of authority takes place when a superior divides and shares his authority with the subordinate. It is for this reason, every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very important to get effective results.
- (iii) **Creating Responsibility and Accountability** – The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Responsibility is very important. Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted. Accountability, on the other hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

Therefore every manager, *i.e.*, the delegator has to follow a system to finish up the delegation process. Equally important is the delegatee's role which means his responsibility and accountability is attached with the authority over to here.

Relationship between Authority and Responsibility Authority is the legal right of person or superior to command his subordinates while accountability is the obligation of individual to carry out his duties as per standards of performance Authority flows from the superiors to subordinates, in which orders and instructions are given to subordinates to complete the task. It is only through authority, a manager exercises control. In a way through exercising the control the superior is demanding accountability from subordinates. If the marketing manager directs the sales supervisor for 50 units of sale to be undertaken in a month. If the above standards are not accomplished, it is the marketing manager who will be accountable to the chief executive officer. Therefore, we can say that

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authority flows from top to bottom and responsibility flows from bottom to top. Accountability is a result of responsibility and responsibility is result of authority. Therefore, for every authority an equal accountability is attached.

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<b>Differences between Authority and Responsibility</b>	
<i>Authority</i>	<i>Responsibility</i>
It is the legal right of a person or a superior to command his subordinates.	It is the obligation of subordinate to perform the work assigned to him.
Authority is attached to the position of a superior in concern.	Responsibility arises out of superior-subordinate relationship in which subordinate agrees to carry out duty given to him.
Authority can be delegated by a superior to a subordinate.	Responsibility cannot be shifted and is absolute.
It flows from top to bottom.	It flows from bottom to top.

**2.13 INTEGRATION VS. DISINTEGRATION**

Growing globalisation and more complex business environment are conditions which gave requests for organizations to rapidly increasing management effectiveness and require application of new management theories which can respond to modern business conditions. Modern management theory offers some new concepts, which could support necessary changes in organization to increase their effectiveness.

An integrated management system is a management system that integrates all of an organization's systems and processes in to one complete framework, enabling an organization to work as a single unit with unified objectives.

With an integrated system, the organization becomes a unified whole, with each function aligned behind a single goal: improving the performance of the entire organization. Instead of "silos", the organization will have a genuinely co-ordinated system: one that's greater than the sum of its parts, and can achieve more than ever before. An integrated system provides a clear, holistic picture of all aspects of the organization, how they affect each other, and their associated risks. There is less duplication, and it becomes easier to adopt new systems in future.

An integrated management system allows a management team to create one structure that can help to effectively and efficiently deliver an organization's objectives. From managing employees' needs, to monitoring competitors' activities, from encouraging best practice to minimizing risks and maximizing resources, an integrated approach can help an organization achieve their objectives.

## NEED FOR INTEGRATION

Integration refers to integration of the objectives and activities of specialized units or sub-systems in order to achieve the organization's overall strategic objectives. Coordination and integration are necessary controlling mechanisms to ensure placid functioning, particularly when organizations become large and complex. Integration aims at ensuring that different sub-systems work towards common goals.

Integration of the organizational sub-systems relates to differentiation and division of labour in the organization. Organizational differentiation means un-bundling and re-arranging of activities. Re-grouping and re-linking them is organizational integration (Lawrence and Lorsch, 1967). When different units are assigned different tasks and functions, they set independent goals for performing the assigned tasks and function accordingly. In such situations, integration of the activities of different sub-systems is necessary to facilitate smooth working and to bridge communication gaps.

In research organizations, integration of research units and administrative units is very important for the smooth functioning of research activities.

Integration and coordination is necessary for several reasons (Anderson, 1988):

- As the organization encounters environmental complexity, diversity and change, it requires more and more differentiation of its units. Need for integration also increases with increase in structural dimensions.
- Different specialized units are required to achieve broad strategic objectives rather than only individual objectives. For the purpose of achieving these strategic objectives, a research manager has to coordinate different units.
- A research manager has to settle conflicts and disputes between different specialized units. When different units are assigned different goals and tasks, conflicts are inevitable. A manager needs to integrate and coordinate the work of different sub-units to effectively resolve conflicts.
- Managers also need to coordinate and integrate independent units or research stations to ensure that their objectives and functioning are in consonance with overall organizational goals and strategies.
- The necessity for coordination increases with increased specialization, because increases in specialized functions leads to decision making in specialized units or sub-units. This may cause conflict.

## METHODS OF INTEGRATION

Within any large organization it is important to have proper communication systems to enable different sub-systems to coordinate various activities and avoid obstacles in the work environment. Lack of proper coordination often causes

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conflicts in an organization. To ensure proper coordination in research organizations, the research manager has to take care of behavioural dimensions (such as motivation and conflicts) while ensuring an efficient overall structure.

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### *ACHIEVING INTEGRATION*

The structure of a research institution needs to be suitably designed to facilitate proper coordination and integration of different specialized units. A poorly designed structure may:

- hinder coordination and integration,
- cause conflicts, and
- lead to poor performance.

### *DETERMINING THE DECISION MAKING LEVEL*

A manager has to decide about the levels at which decisions are to be taken, and this would depend upon the type, impact and values of decisions.

### *DECIDING THE SPAN OF CONTROL*

Span of control refers to the number of specialized activities or personnel supervised by one manager. There is no optimal number for a span of control and number of levels in the hierarchy. In fact, span of control and hierarchy levels are inter-related and depend on situational factors (Barkdull, 1963). Some of the important situational factors are:

- Similarity of functions.
- Complexity of supervised functions.
- Direction and control needed by subordinates.
- Coordination required by the manager.
- Planning required by the manager.
- Organizational help received by the manager.

### *METHODS TO IMPROVE INTEGRATION*

There are several ways to improve integration, the most common being through a hierarchy of authority. For this, specialized units whose activities are inter-related could be put under one manager.

Coordination can also be improved through

- developing rules and procedures wherever possible,
- providing professional training,
- liaison roles, and
- use of professional committees involving managers from different specialized units.

Using committees to improve coordination is more difficult than other methods, as it requires considerable skills in group dynamics and technical knowledge on the part of the chairperson of the committee. The person who takes this role must not be involved directly in the work, but tries to assist managers in improving integration.

## **2.14 CENTRALIZATION VS. DECENTRALIZATION**

Centralization is said to be a process where the concentration of decision making is in a few hands. All the important decision and actions at the lower level, all subjects and actions at the lower level are subject to the approval of top management. According to Allen, "Centralization" is the systematic and consistent reservation of authority at central points in the organization. The implication of centralization can be :

- (i) Reservation of decision making power at top level.
- (ii) Reservation of operating authority with the middle level managers.
- (iii) Reservation of operation at lower level at the directions of the top level.

Under centralization, the important and key decisions are taken by the top management and the other levels are into implementations as per the directions of top level. For example, in a business concern, the father & son being the owners decide about the important matters and all the rest of functions like product, finance, marketing, personnel, are carried out by the department heads and they have to act as per instruction and orders of the two people. Therefore in this case, decision making power remain in the hands of father and son.

On the other hand, Decentralization is a systematic delegation of authority at all levels of management and in all of the organization. In a decentralization concern, authority is retained by the top management for taking major decisions and framing policies concerning the whole concern. Rest of the authority may be delegated to the middle level and lower level of management.

The degree of centralization and decentralization will depend upon the amount of authority delegated to the lowest level. According to Allen, "Decentralization refers to the systematic effort to delegate to the lowest level of authority except that which can be controlled and exercised at central points".

Decentralization is not the same as delegation. In fact, decentralization is all extension of delegation. Decentralization pattern is wider in scope and the authorities are diffused to the lowest most level of management. Delegation of authority is a complete process and takes place from one person to another. While decentralization is complete only when fullest possible delegation has taken place. For example, the general manager of a company is responsible for receiving the leave application for the whole of the concern.

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The general manager delegates this work to the personnel manager who is now responsible for receiving the leave applicants. In this situation delegation of authority has taken place. On the other hand, on the request of the personnel manager, if the general manager delegates this power to all the departmental heads at all level, in this situation decentralization has taken place. There is a saying that "Everything that increasing the role of subordinates is decentralization and that decreases the role is centralization". Decentralization is wider in scope and the subordinate's responsibility increase in this case. On the other hand, in delegation the managers remain answerable even for the acts of subordinates to their superiors.

### **ORGANIZATIONAL THEORY**

Decentralization also called departmentalization is the policy of delegating decision-making authority down to the lower levels in an organization, relatively away from and lower in a central authority. A decentralized organization shows fewer tiers in the organizational structure, wider span of control, and a bottom-to-top flow of decision-making and flow of ideas.

In a centralized organization, the decisions are made by top executives or on the basis of pre-set policies. These decisions or policies are then enforced through several tiers of the organization after gradually broadening the span of control until it reaches the bottom tier.

In a more decentralized organization, the top executives delegate much of their decision-making authority to lower tiers of the organizational structure. As a correlation, the organization is likely to run on less rigid policies and wider spans of control among each officer of the organization. The wider spans of control also reduces the number of tiers within the organization, giving its structure a flat appearance.

One advantage of this structure, if the correct controls are in place, will be the bottom-to-top flow of information, allowing decisions by officials of the organization to be well informed about lower tier operations. For example, if an experienced technician at the lowest tier of an organization knows how to increase the efficiency of the production, the bottom-to-top flow of information can allow this knowledge to pass up to the executive officers.

### **POLITICAL THEORY**

Some political theorists believe that there are limits to decentralization as a strategy. They assert that any relaxation of direct control or authority introduces the possibility of dissent or division at critical moments, especially if what is being decentralized is decision-making among human beings. Friedrich Engels famously responded to Bakunin, refuting the argument of total decentralization, or

anarchism, by scoffing “how these people propose to run a factory, operate a railway or steer a ship without having in the last resort one deciding will, without single management, they of course do not tell us”.

However, some anarchists have, in turn, responded to his argument, by explaining that they do support a (very limited) amount of centralization, in the form of freely elected and recallable delegates. More to the point from the majority of anarchist perspectives are the real-world successes of anarchist communities, which for the majority only ended when they were defeated by the overwhelming military might of the State or neighboring States. All in all, we do not know what a truly decentralized society would look like over a long period of time since it has never been permitted to exist, however the Zapatistas of Mexico are proving to be quite resilient.

In “On Authority”, Engels also wrote of democratic workplaces that “particular questions arise in each room and at every moment concerning the mode of production, distribution of material, etc., which must be settled by decision of a delegate placed at the head of each branch of labour or, if possible, by a majority vote.”

Modern trade unions and management scientists tend to side strongly with Engels in this debate, and generally agree that decentralization is very closely related to standardisation and subordination, *e.g.*, the standard commodity contracts traded on the commodity markets, in which disputes are resolved all according to a jurisdiction and common regulatory system, within the frame of a larger democratic electoral system which can restore any imbalances of power, and which generally retains the support of the population for its authority.

### **DECENTRALIZED GOVERNANCE**

Decentralization—the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations and/or the private sector is a complex and multifaceted concept. It embraces a variety of concepts. Different types of decentralization shows different characteristics, policy implications, and conditions for success.

Typologies of decentralization have flourished (Dubois & Fattore 2009). For example, political, administrative, fiscal, and market decentralization are the types of decentralization. Drawing distinctions between these various concepts is useful for highlighting the many dimensions of successful decentralization and the need for coordination among them. Nevertheless, there is clearly overlap in defining these terms and the precise definitions are not as important as the need for a comprehensive approach. Political, administrative, fiscal and market decentralization can also appear in different forms and combinations across countries, within countries and even within sectors.

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## **POLITICAL DECENTRALIZATION**

### **NOTES**

Political decentralization aims to give citizens or their elected representatives more power in public decision-making. It is often associated with pluralistic politics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities. The concept implies that the selection of representatives from local electoral constituency allows citizens to know better their political representatives and allows elected officials to know better the needs and desires of their constituents. Political decentralization often requires constitutional or statutory reforms, creation of local political units, and the encouragement of effective public interest groups.

## **ADMINISTRATIVE DECENTRALIZATION**

Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of governance. It is the transfer of responsibility for the planning, financing and management of public functions from the central government or regional governments and its agencies to local governments, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities. The three major forms of administrative decentralization — deconcentration, delegation, and devolution — each have different characteristics.

### **Deconcentration**

Deconcentration is the weakest form of decentralization and is used most frequently in unitary states— redistributes decision-making authority and financial and management responsibilities among different levels of the national government. It can merely shift responsibilities from central government officials in the capital city to those working in regions, provinces or districts, or it can create strong field administration or local administrative capacity under the supervision of central government ministries.

### **Delegation**

Delegation is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations,

or special project implementation units. Usually these organizations have a great deal of discretion in decision-making. They may be exempted from constraints on regular civil service personnel and may be able to charge users directly for services.

### **Devolution**

Devolution is an administrative type of decentralisation. When governments devolve functions, they transfer authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status. Devolution usually transfers responsibilities for services to local governments that elect their own elected functionaries and councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. Administrative decentralization always underlies most cases of political decentralization.

### **IMPLICATIONS OF DECENTRALIZATION**

1. There is less burden on the Chief Executive as in the case of centralization.
2. In decentralization, the subordinates get a chance to decide and act independently which develops skills and capabilities. This way the organization is able to process reserve of talents in it.
3. In decentralization, diversification and horizontal can be easily implanted.
4. In decentralization, concern diversification of activities can place effectively since there is more scope for creating new departments. Therefore, diversification growth is of a degree.
5. In decentralization structure, operations can be coordinated at divisional level which is not possible in the centralization set up.
6. In the case of decentralization structure, there is greater motivation and morale of the employees since they get more independence to act and decide.
7. In a decentralization structure, co-ordination to some extent is difficult to maintain as there are lot many department divisions and authority is delegated to maximum possible extent, *i.e.*, to the bottom most level delegation reaches. Centralization and decentralization are the categories by which the pattern of authority relationships became clear. The degree of centralization and de-centralization can be affected by many factors like nature of operation, volume of profits, number of departments, size of a concern, etc. The larger the size of a concern, a decentralization set up is suitable in it.

### **NOTES**



## **2.15 COORDINATION**

### **NOTES**

In human society, organizations embody a powerful way to coordinate complex behaviour. Various models of organizations exist, from bureaucratic systems based on norms to competitive systems based on markets. Moreover, organizational concepts structure the behavior of complex entities in a hierarchy of encapsulated entities. For example, roles structure departments, which in turn structure organizations. Moreover, organizations structure inter-organizational virtual organizations. Organizations specify also the interaction and communication possibilities of each of these entities, abstracting from the implementation of their behaviour.

In particular, organizational concepts are used to enrich coordination languages and models developed in business organizations to coordinate the interaction among elements. Moreover, these languages and models are nowadays used to model and analyze administrative organizations too.

Coordination has both positive and negative connotations. Positively, it means bringing about cooperation and team work among the persons and units of an organisation. Negatively, it means removing conflicts, inconsistencies, friction, overlapping and working at cross purposes among persons or units of an organisation.

According to Mooney, "Coordination is the first principle of organisation and includes within itself all other principles which are subordinate to it and through which it operates".

### ***CHALLENGES OF COORDINATION***

Coordination is one of the things that people in organizations find most difficult. They typically combine four things.

- exaggerated expectations of what can (or should) be achieved, in terms of synergy and integration;
- limited or fixed notions of how coordination can (or should) be achieved;
- resistance to coordination by other people;
- inability to pay attention to coordination when it's done effectively.

### ***COORDINATING VERTICALLY THROUGH HIERARCHY***

Work is assigned to specialized units and coordinated by a manager. A hierarchy (vertical) of authority evolves from lower to higher levels. A manager can use the following principles of hierarchy of authority for integrating specialized units:

- The *unity of command* principle. Every worker should report to only one manager.

- The *scalar* principle. Decision-making authority (and a chain of command) should be from the top to lower levels.
- *Responsibility* principle. A manager is accountable for the performance of his or her subordinates. In turn, subordinates are responsible to their manager for their performance.

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### 2.16 SUMMARY

- Organisation is the foundation upon which the whole structure of management is built. Organisation is related with developing a frame work where the total work is divided into manageable components in order to facilitate the achievement of objectives or goals.
- Formal organization is a fixed set of rules of intra-organization procedures and structures.
- The informal organization is the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviours, interactions, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations.
- An organizational structure is a mainly hierarchical concept of subordination of entities that collaborate and contribute to serve one common aim.
- Span of Control means the number of subordinates that can be managed efficiently and effectively by a superior in an organization. It suggests how the relations are designed between a superior and a subordinate in an organization.
- Delegation is the assignment of authority and responsibility to another person (normally from a manager to a subordinate) to carry out specific activities.

### 2.17 REVIEW QUESTIONS

1. What are the principal features of an organization?
2. Distinguish between formal and informal organization.
3. Discuss the principles of organization.
4. What do you mean by hierarchy in an organization?
5. Write a short note on the followings:
  - (i) span of control
  - (ii) delegation
  - (iii) unity of command.
6. Distinguish between centralized and decentralized.
7. How can integration be improved? Discuss.

## 2.18 FURTHER READINGS

### NOTES

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# CHAPTER— 3

*Theories of  
Administration*

## THEORIES OF ADMINISTRATION

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### STRUCTURE

- 3.1 Learning Objectives
- 3.2 Introduction
- 3.3 Scientific Management Theory
- 3.4 Fayol's Administrative Theory
- 3.5 Structure of Gulick and Urwick Administrative Theory  
— Principles of Organization
- 3.6 From Fayol's Elements to POSDCORB
- 3.7 Practical Value of Classical Theory
- 3.8 Criticism of Classical Theory
- 3.9 Weber's Bureaucratic Theory
- 3.10 Michel Crozier's Ideas of Bureaucracy
- 3.11 Ideas of M.P. Follett
- 3.12 Ideas of C.I. Barnard
- 3.13 Human Relations Theory  
— Elton Mayo
- 3.14 Behavioural Theory
- 3.15 Participative Management  
— Rensis Likert's Ideas
- 3.16 Chris Argyris' Ideas
- 3.17 Douglas McGregor's ideas
- 3.18 Summary
- 3.19 Review Questions
- 3.20 Further Readings

### 3.1 LEARNING OBJECTIVES

After going through this chapter, students will be able to:

- state the scientific management theory;
- discuss the classical and bureaucratic theory;
- explain the ideas of M.P. Follett and C.I. Barnard along with human relation theory of Elton Mayo;
- discuss the behavioural and participative management theory.

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**3.2 INTRODUCTION**

Public Administration Theory is the amalgamation of history, organizational theory, social theory, political theory and related studies focused on the meanings, structures and functions of public service in all its forms.

A standard course of study in Post Graduation programmes dedicated to public administration, public administration theory often recounts major historical foundations for the study of bureaucracy as well as epistemological issues associated with public service as a profession and as an academic field.

Important figures of study include : Max Weber, Frederick Taylor, Luther Gulick, Mary Parker Follett, Chester Barnard, Herbert Simon, and Dwight Waldo. In more recent times, the field has had three main branches: new public management, classic public administration and postmodern public administration theory. The last grouping is often viewed as manifest in the Public Administration Theory.

Administrative theory, classical administrative theory; an early form of organization theory, pioneered mainly by Henri Fayol (1841–1925), which was concerned principally with achieving the 'most rational' organization for co-ordinating the various tasks specified within a complex division of labour.

The translation of this book into English as *General and Industrial Management* (1949) implies that Fayol was concerned mainly with business management, although he himself makes it clear that his ideas about management were intended to apply to all formal organizations, including political and religious undertakings. Expressing the French 'administration' as 'management' has also led to the alternative designation of this approach as the 'classical school of scientific management'. More recent exponents include Lyndall Urwick and Peter F. Drucker.

Fayol, who is acknowledged to be the earliest advocate of a theoretical analysis of managerial activities, identified the key functions of management as being those of forecasting and planning. The most rational and efficient organizations were, in his view, those which implemented a plan that facilitated 'unity, continuity, flexibility, precision, command and control'. Universal principles of administration were then distilled from these objectives. These include the key elements of the scalar chain (authority and responsibility flowing in an unbroken line from the chief executive to the shop floor); unity of command (each person has only one supervisor with whom he or she communicates); a pyramid of prescribed control (first-line supervisors have a limited number of functions and subordinates, with second-line supervisors controlling a prescribed number of first-line supervisors, and so on up to the chief executive); unity of

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direction (people engaged in similar activities must pursue a common objective in line with the overall plan); specialization of tasks (allowing individuals to build up a specific expertise and so be more productive); and, finally, subordination of individual interests to the general interest of the organization. This list is not exhaustive, but illustrates the key proposition of administrative theory, which is that a functionally specific and hierarchical structure offers the most efficient means of securing organizational objectives.

Classical administrative theory, like its near-contemporary the scientific management approach, rests on the premisses that organizations are unproblematically rational and (effectively) closed systems. In other words, organizations are assumed to have unambiguous and unitary objectives, which the individuals within them pursue routinely, by obeying the rules and fulfilling their role expectations, according to the prescribed blueprint and structure. Moreover, in the attempt to maximize efficiency, it is only variables within that structure that need to be considered and manipulated. The interaction of the organization with its environment, together with the various factors which are external to the organization but nevertheless have consequences for its internal functioning, are systematically ignored. Clearly, both perspectives take a rather deterministic view of social action, since each assumes that individuals will maximize organizational efficiency, independently of their own welfare, and with no thought for the relationship between the collective goal and their own particular purposes. The Human Relations Movement in organizational analysis, an otherwise diverse group of writers and approaches, is united by its opposition to precisely this assumption. Despite such criticisms, the classical theory of administration has exerted considerable influence on the fields of business studies and public administration, and it still provides the basic concepts which many managers use in clarifying their objectives.

### **3.3 SCIENTIFIC MANAGEMENT THEORY**

Scientific management, a leading example of technicism and a theory of work behaviour based on the highly influential and controversial writings of Frederick Winslow Taylor (1856–1915). Taylorism sought to eradicate the industrial inefficiency and loss of leadership supposedly due to the growth in scale of enterprises and the managerial revolution. It sought a new legitimacy and discipline for management by basing it on the authority of science—time-and-motion studies. The result would be a supposed mental revolution in which worker-management conflict would be replaced by: scientific redesign of supervision and work organization, including the celebrated notions of functional foremanship, and a thinking department to research into task performance; detailed study and fragmentation of individual tasks so as to identify the 'one

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best way' to be adopted by all workers; selection and motivation of workers to give systematic matching of tasks and abilities; and incentive payments to determine by scientific (implicitly incontestable) means 'a fair day's work for a fair day's pay'. In this way, individual economic reward was to be linked directly to task completion, as the only means of compelling workers to labour—the assumption being that, unlike management, workers are of limited intelligence, innately idle, and driven by a need for immediate gratification.

Scientific management was the beginning of systematic work study in industry, and impressed not only industrialists (notably Henry Ford) but also leading figures elsewhere, including Lenin. However, it was resisted strongly at grassroots level by workers, trade unionists, and even managers, because of its very tight control of personal work-life. Taylor viewed workers as if they were, or ought to be, human extensions of industrial machinery. Scientific Management (or 'Taylorism') ignores the nature of work as a social process, has a dehumanized view of workers, and treats work motivation in crude instrumental terms—defects later criticized by the 'Human Relations' school of industrial organization and organizational sociology. In recent sociological studies of the labour process, a lively controversy has surrounded the question of whether Taylorism was unique, or expressed a general tendency for capitalism to divide mental from manual labour.

### **GENERAL APPROACH**

- Shift in decision-making from employees to managers
- Develop the one best way as a standard method for performing each job
- Select workers with appropriate abilities for each job
- Train workers in the standard method previously developed
- Support workers by planning their work and eliminating interruptions
- Provide wage incentives to workers for increased output

### **CONTRIBUTIONS**

- Scientific approach to management and process improvement
- Importance of compensation for performance
- Began the careful study of tasks and jobs
- Importance of selection criteria by management
- Perspective of improving the productivity and efficiency of manual workers

### **ELEMENTS**

- Labor is defined and authority/responsibility is legitimised/official
- Positions placed in hierarchy and under authority of higher level

- Selection is based upon technical competence, training or experience
- Actions and decisions are recorded to allow continuity and memory
- Management is different from ownership of the organization
- Managers follow rules/procedures to enable reliable/predictable behavior

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### *MASS PRODUCTION METHODS*

Taylorism is often mentioned along with Fordism, because it was closely associated with mass production methods in manufacturing factories. Taylor's own name for his approach was scientific management. This sort of task-oriented optimization of work tasks is nearly ubiquitous today in industry, and has made most industrial work menial, repetitive and tedious; this can be noted, for instance, in assembly lines and fast-food restaurants. Taylor's methods began from his observation that, in general, workers forced to perform repetitive tasks work at the slowest rate that goes unpunished. This slow rate of work has been called by various terms, including "soldiering", (reflecting the way conscripts may approach following orders), "dogging it", or "goldbricking". Managers may call it by those names or "loafing" or "malingering"; workers may call it "getting through the day" or "preventing management from abusing us". Taylor used the term "soldiering" and observed that, when paid the same amount, workers will tend to do the amount of work that the slowest among them does. This reflects the idea that workers have a vested interest in their own well-being, and do not benefit from working above the defined rate of work when it will not increase their compensation. He therefore proposed that the work practice that had been developed in most work environments was crafted, intentionally or unintentionally, to be very inefficient in its execution. He posited that rational analysis and synthesis could uncover one best method for performing any particular task, that prevailing methods were seldom equal to these best methods, and that if the best methods were taught to workers and their compensation was linked to output, their productivity would go up.

Taylor introduced many concepts that were not widely accepted at the time. For example, by observing workers, he decided that labor should include rest breaks so that the worker has time to recover from fatigue. He proved this with the task of unloading ore: workers were taught to take rest during work and as a result production increased.

The scientific management approach developed by Taylor is based on the concept of planning of work to achieve efficiency, standardization, specialization and simplification. Acknowledging that the approach to increased productivity was through mutual trust between management and workers, Taylor suggested that, to increase this level of trust,

- the advantages of productivity improvement should go to workers,



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- physical stress and anxiety should be eliminated as much as possible,
- capabilities of workers should be developed through training, and
- the traditional 'boss' concept should be eliminated.

Taylor developed the following four principles of scientific management for improving productivity:

- Science, not rule-of-thumb Old rules-of-thumb should be supplanted by a scientific approach to each element of a person's work.
- Scientific selection of the worker Organizational members should be selected based on some analysis, and then trained, taught and developed.
- Management and labour cooperation rather than conflict Management should collaborate with all organizational members so that all work can be done in conformity with the scientific principles developed.
- Scientific training of the worker Workers should be trained by experts, using scientific methods.

Today's armies employ scientific management. Of the key points listed, all but wage incentives for increased output are used by modern military organizations. Wage incentives rather appear in the form of skill bonuses for enlistments.

### *DIVISION OF LABOR*

Unless people manage themselves, somebody has to take care of administration, and thus there is a division of work between workers and administrators. One of the tasks of administration is to select the right person for the right job:

"the labor should include rest breaks so that the worker has time to recover from fatigue. Now one of the very first requirements for a man who is fit to handle pig iron as a regular occupation is that he shall be so stupid and so phlegmatic that he more nearly resembles in his mental make-up the ox than any other type. The man who is mentally alert and intelligent is for this very reason entirely unsuited to what would, for him, be the grinding monotony of work of this character. Therefore the workman who is best suited to handling pig iron is unable to understand the real science of doing this class of work." — Taylor (1911)

This view—match the worker to the job—has resurfaced time and time again in management theories. Many theories have been applied to the business.

### *PRINCIPLES OF FUNCTIONAL FOREMANSHIP*

Taylor advocated functional foremanship for achieving ultimate specification. This technique was developed to improve the quality of work as

single supervisor may not be an expert in all the aspects of the work. Therefore, workers are to be supervised by specialist foreman. The scheme of functional foremanship is an extension of principle of specialization at the supervisory level. Taylor advocated appointment of 8 foremen, 4 at the planning level and other 4 at implementation level. The names and function of these specialist foremen are:

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- Instruction card clerk concerned with tagging down of instructions according to which workers are required to perform their job.
- Time and cost clerk is concerned with setting a time table for doing a job & specifying the material and labor cost involved in it.
- Route clerk determines the route through which raw materials has to be passed.
- Shop Disciplinarians are concerned with making rules and regulations to ensure discipline in the organization.
- Gang boss makes the arrangement of workers, machines, tools, workers etc.
- Speed boss concerned with maintaining the speed and to remove delays in the production process.
- Repair boss concerned with maintenance of machine, tools and equipments.
- Inspector is concerned with maintaining the quality of product.

### LIMITATIONS

Applications of scientific management sometimes fail to account for two inherent difficulties :

- Individuals are different from each other: the most efficient way of working for one person may be inefficient for another;
- The economic interests of workers and management are rarely identical, so that both the measurement processes and the retraining required by Taylor's methods are frequently resented and sometimes sabotaged by the workforce.

Both difficulties were recognised by Taylor, but are generally not fully addressed by managers who only see the potential improvements to efficiency. Taylor believed that scientific management cannot work unless the worker benefits. In his view management should arrange the work in such a way that one is able to produce more and get paid more, by teaching and implementing more efficient procedures for producing a product.

Although Taylor did not compare workers with machines, some of his critics use this metaphor to explain how his approach makes work more efficient by removing unnecessary or wasted effort. However, some would say that this

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approach ignores the complications introduced because workers are necessarily human: personal needs, interpersonal difficulties and the very real difficulties introduced by making jobs so efficient that workers have no time to relax. As a result, workers worked harder, but became dissatisfied with the work environment. Some have argued that this discounting of worker personalities led to the rise of labor unions.

It can also be said that the rise in labor unions is leading to a push on the part of industry to accelerate the process of automation, a process that is undergoing a renaissance with the invention of a host of new technologies starting with the computer and the Internet. This shift in production to machines was clearly one of the goals of Taylorism, and represents a victory for his theories.

It may not be adaptive to changing scenarios; it overemphasizes routine procedures, *i.e.*, strictly following a given set of rules and regulations, work procedures, production centredness etc.

However, tactfully choosing to ignore the still controversial process of automating human work is also politically expedient, so many still say that practical problems caused by Taylorism led to its replacement by the human relations school of management in 1930. Others (Braverman 1974) insisted that human relations did not replace Taylorism but that both approaches are rather complementary: Taylorism determining the actual organisation of the work process and human relations helping to adapt the workers to the new procedures.

However, Taylor's theories were clearly at the roots of a global revival in theories of scientific management in the last two decades of the 20th century, under the moniker of 'corporate reengineering' or 'business process reengineering'. As such, Taylor's ideas can be seen as the root of a very influential series of developments in the workplace, with the goal being the eventual elimination of industry's need for unskilled, and later perhaps, even most skilled labor in any form, directly following Taylor's recipe for deconstructing a process. This has come to be known as commodification, and no skilled profession, even medicine, has proven to be immune from the efforts of Taylor's followers, the 'reengineers', who are often called derogatory names such as 'bean counters'.

### MENTAL REVOLUTION THEORY

Taylor contended that the success of these principles require "a complete mental revolution" on the part of management and labour. Rather than quarrel over profits both side should increase production, by so doing, he believed profits would rise to such an extent that labour have to fight over them. Employers to pay more productive workers higher rate than others. Using a "scientifically correct" rate that would benefit both the company and workers. Thus the workers were urged to surpass their previous performance standards to earn more pay.

Taylor called his plan the differential rate system. Taylor believed that management and labour had common interest in increasing productivity.

This mental revolution was not isolated to the shop floor but extended into all realms of life. The proper arrangement of work would create the proper citizen, he believed. "The writer's observation, however, would lead him to the conclusion that most men tend to become more instead of less thrifty when they receive the proper increase for an extra hard day's work." Taylor told a Congressional Committee questioner who was concerned that increased wages would make workers less frugal. "They live rather better, begin to save money, become more sober, and work more steadily. And this certainly forms one of the strongest reasons for advocating this type of management." Scientific management promised a mental revolution in the relationship of worker/manager, citizen/government and individual/community. "Taylor's development of a science of management," claims William Akin, "moved logically from the microcosm of work, to the organization of the factory, and beyond to society." Scientific management, like much of the progressive movement, promised to create within citizens the desire to behave.

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### LEGACY

Scientific management was an early attempt to systematically treat management and process improvement as a scientific problem. With the advancement of statistical methods, the approach was improved and referred to as quality control in 1920s and 1930s. During the 1940s and 1950s, the body of knowledge for doing scientific management evolved into Operations Research and management cybernetics. In the 1980s there was total quality management, in the 1990s re-engineering. Today's Six Sigma and lean manufacturing could be seen as new kinds of scientific management, though their principles vary so drastically that the comparison might be misleading. In particular, Shigeo Shingo, one of the originators of the Toyota Production System, believed that this system and Japanese management culture in general should be seen as kind of scientific management.

Peter Drucker saw Frederick Taylor as the creator of knowledge management, as the aim of scientific management is to produce knowledge about how to improve work processes. Although some have questioned whether scientific management is suitable only for manufacturing, Taylor himself advocated scientific management for all sorts of work, including the management of universities and government.

Scientific management has had an important influence in sports, where stop watches and motion studies rule the day. (Taylor himself enjoyed sports—especially tennis and golf—and he invented improved tennis racquets and improved golf clubs, although other players liked to tease him for his unorthodox designs, and they did not catch on as replacements for the mainstream implements.)

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Systematic study and analysis of organisation can be traced to the later part of 19th and early 20th centuries. Taylor, Henry Fayol, Max Weber, Mooney and Reiley, Gulick and Urwick are prominent among the many who attempted the scientific study of organisation. Based on his experiments, Taylor formulated his universal 'principles of scientific management' to improve productivity and efficiency in organisations. Henry Fayol, a successful French manager and industrialist, expressed his ideas in 1916 in his book "General and Industrial Management". Max Weber a German Sociologist, focused on the concept of 'Bureaucracy'. James Mooney, an industrialist with long years of experience with business enterprises, published 'Onward Industry' in 1918 co-authoring with Alan Reiley. Luther Gulick and Lyndall Urwick based on their own experience and studies and that of others contributed extensively towards formulating general principles of administration and organisation.

They concentrated on certain aspects of Public Administration with rich experience of serving the public offices, military and industrial organisations. Both were "indefatigable publicists, propagandists, and promoters of the gospel of neutral principles directed at raising the level of organisational efficiency", Gulick was a member of the "President's Committee on Administrative Management".

They edited "Papers on the Science of Administration" (1937) which is considered as an important work in the development of the science of administration. It summarised the principles of administration and proclaimed that Public Administration guided by efficiency could become a science.

Gulick's other works include: Administrative Reflections from World War-II, Metropolitan Problems and American Ideas, Modern Management for the City of New York.

Urwick's published works include: "The Elements of Administration" "Management of Tomorrow", "The Making of Scientific Management" (3 Volumes), "The Patterns of Management and Leadership in the XX Century Organizations".

### 3.4 FAYOL'S ADMINISTRATIVE THEORY

The elements of administrative theory (Fayol, 1949) relate to accomplishment of tasks, and include principles of management, the concept of line and staff, committees and functions of management.

- Division of work or specialization This increases productivity in both technical and managerial work.

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- Authority and responsibility These are imperative for an organizational member to accomplish the organizational objectives.
- Discipline Members of the organization should honour the objectives of the organization. They should also comply with the rules and regulations of the organization.
- Unity of command This means taking orders from and being responsible to only one superior.
- Unity of direction Members of the organization should jointly work toward the same goals.
- Subordination of individual interest to general interest The interest of the organization should not become subservient to individual interests or the interest of a group of employees.
- Remuneration of personnel This can be based on diverse factors such as time, job, piece rates, bonuses, profit-sharing or non-financial rewards.
- Centralization Management should use an appropriate blend of both centralization and de-centralization of authority and decision making.
- Scalar chain If two members who are on the same level of hierarchy have to work together to accomplish a project, they need not follow the hierarchy level, but can interact with each other on a 'gang plank' if acceptable to the higher officials.
- Order The organization has a place for everything and everyone who ought to be so engaged.
- Equity Fairness, justice and equity should prevail in the organization.
- Stability of tenure of personnel Job security improves performance. An employee requires some time to get used to new work and do it well.
- Initiative This should be encouraged and stimulated.
- Esprit de corps Pride, allegiance and a sense of belonging are essential for good performance. Union is strength.
- The concept of line and staff The concept of line and staff is relevant in organizations which are large and require specialization of skill to achieve organizational goals. Line personnel are those who work directly to achieve organizational goals. Staff personnel include those whose basic function is to support and help line personnel.
- Committees are part of the organization. Members from the same or different hierarchical levels from different departments can form committees around a common goal. They can be given different functions, such as managerial, decision making, recommending or policy formulation. Committees can take diverse forms, such as boards,

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commissions, task groups or ad hoc committees. Committees can be further divided according to their functions. In agricultural research organizations, committees are formed for research, staff evaluation or even allocation of land for experiments.

- Functions of management Fayol (1949) considered management as a set of planning, organizing, training, commanding and coordinating functions. Gulick and Urwick (1937) also considered organization in terms of management functions such as planning, organizing, staffing, directing, coordinating, reporting and budgeting.

### 3.5 STRUCTURE OF GULICK AND URWICK ADMINISTRATIVE THEORY

Although Gulick and Urwick were interested in dealing with administration as a whole, they dealt mostly with the technical aspects of formal organisation. Urwick was heavily oriented to formalism in organisation theory.

Gulick and Urwick formulated 'universal' principles of organisation. These formulations are popularly called 'classical theory' of organisation. 'They are also called 'administrative management' theory, 'mechanistic' theory, etc. The classical theory is so called because it is one of the earliest formulations based on systematic analysis of organisations; it is dominant in the field of administrative theory; and finally because it is long established and generally accepted in administrative literature. They sincerely believed that a science of administration can be developed based on some principles and based on the experience of administrators. Thus, the administration which was considered hitherto an art developed into a science.

In discussing organisations as social groups, Urwick says "the correct analogy must be analogy with the living organism-the biological parallel. For this reason the mechanistic parallel can be very helpful in discussing organisation. Another name for it is the engineering approach".

It is significant to note that Gulick and Urwick, along with other classical theorists, attach more importance to the structure of organisation than the role of the people in the organisation. In short, Urwick traces a very large proportion of the friction and confusion in the society, with its manifest consequences in human suffering to the faulty structural arrangements in organisations. Urwick stressed the importance of design in organisation. He pointed out that it is impossible for humanity to advance the knowledge of organisations unless this factor is isolated. He further considered lack of design as "illogical, cruel, wasteful and inefficient".

Urwick in his book, "Elements of Administration" defines organisation as determining activities necessary to any purpose and arranging them in groups assigned to individuals. The whole arrangement must be undertaken in a "cold-

blooded, detached spirit", like the preparation of an engineering design, without any reference to the individuals in the organisation. Thus, he believed that effort must be made to fit people to the structure.

### 3.6 FROM FAYOL'S ELEMENTS TO POSDCORB

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Both Gulick and Urwick were heavily influenced by Taylor and Fayol. Gulick used Fayol's five elements of administration viz., Planning, Organisation, Command, Coordination and Control as a framework for his neutral principles. Gulick condensed the duties of an administrator into a famous acronym POSDCORB. Each letter in the acronym stands for one of the seven activities of the administrator. They are as follows:

**Planning (P):** working out the things that need to be done and the methods for doing them to accomplish the purpose set for the enterprise;

**Organising (O):** establishment of the formal structure of authority through which work sub-divisions are arranged, defined and coordinated for the defined objective;

**Staffing(S):** the whole personnel function of bringing in and training the staff, and maintaining favourable conditions of work;

**Directing (D):** continuous task of making decisions and embodying them in specific and general orders and instructions, and serving as the leader of the enterprise;

**Coordinating (CO):** the all important duty of inter-relating the various parts of the work;

**Reporting (R):** keeping the executive informed as to what is going on, which thus includes keeping himself and his subordinates informed through records, research, and inspection; and

**Budgeting (B):** all that goes with budgeting in the form of fiscal planning, accounting and control.

This list of activities is an improvement over Fayol's elements of administration. The term POSDCORB came into wide use, in the administrative processes. With its merits and demerits, it served a number of writers well in dealing with different aspects of administration.

#### **PRINCIPLES OF ORGANIZATION**

Urwick identified eight principles of administration applicable to all organizations. The principles are:

- (i) The "principle of Objective" — that all organizations should be an expression of a purpose;



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- (ii) The "principle of Correspondence" — that authority and responsibility must be co-equal;
- (iii) The "principle of Responsibility" — that the responsibility of higher authorities for the work of subordinates is absolute;
- (iv) The "Scalar Principle" — that a pyramidal type of structure is built up in an organisation;
- (v) The "principle of span of Control";
- (vi) The "principle of Specialisation" — limiting one's work to a single function;
- (vii) The "principle of Coordination"; and
- (viii) The "principle of Definition" — clear prescription of every duty.

After stressing the significance of structure as a designing process and identifying the functions of the executive in terms of POSDCORB, Gulick and Urwick concentrated their efforts on the discovery of principles of organisation based on which the structure may be designed.

Similarly Gulick expounded ten principles of organisation. In expressing these principles Gulick was very much influenced by Henry Fayol's 14 basic elements of administration. The principles of Gulick are:

- (i) Division of work or Specialisation;
- (ii) Bases of departmental organisations;
- (iii) Coordination through Hierarchy;
- (iv) Deliberate Coordination;
- (v) Coordination through Committees;
- (vi) Decentralisation;
- (vii) Unity of Command;
- (viii) Staff and Line;
- (ix) Delegation; and
- (x) Span of control.

You would now examine some of these important principles briefly.

### Work Division

According to Gulick "work division is the foundation of organisation, indeed, the reason for organisation. The other classical thinkers also made the principle of work division as the central tenet of their theory. Work division is necessary because "men differ in nature, capacity and skill, and gain greatly in dexterity by specialisation".

In assigning functions to groups of people, their first principle is homogeneity based on the identity or simplicity of four factors:

- The purpose they serve, (function).
- The process they use,

- The persons or things they deal with (clientele), and
- The place where they work.

These are popularly known as Gulicks 4'P' bases of departmentalisation. However, in subdividing the work or establishing the units of work, a choice must be made as to which of these principles – purpose, process, person(s) or place are relevant. Realising the limitations of the division of work, Gulick observed that “division of work and integrated organisation’ are the bootstraps by which mankind lifts itself in the process of civilisation”.

### **Coordination**

If sub-division of work is inescapable, Gulick declared, coordination becomes mandatory. Based on his experience, Gulick says that coordination can be achieved in two primary ways:

- By organisation, that is inter-relating the sub-divisions of work by allotting them to persons who are appropriately placed in the Structure of authority, so that the work may be coordinated by orders reaching from the top to the bottom of the entire organisation.
- By the dominance of an idea, that is, the development of intelligent singleness of purpose in the minds of those who are working together so that each worker will voluntarily fit his task into the whole with skill and enthusiasm.

These two principles of coordination, he observes, are not mutually exclusive, but together both are really effective. Size and time are the great limiting factors in the development of coordination. Therefore, he pointed out, coordination must be approached with different emphasis in small and in large organisations, in simple and in complex situations, in stable and in new or changing organisations. Thus, Gulick maintains that “coordination is not something that develops by accident. It must be won by intelligent, vigorous, persistent and organised effort”.

### **Unity of Command**

Gulick and Urwick believed that “well-managed administrative units in the Government are almost without exception headed by single administrators”. They were against boards or commissions. Leadership is vested in one man against a plural body. They reiterated Fayol’s maxim of unity of command, knowing that rigid adherence to this principle may lead to absurdities. They were emphatic that “A man cannot serve two masters”.

A workman subjected to order from more than one supervisor will be “confused, inefficient, irresponsible”, a workman subjected to order from but one superior may be “methodical, efficient, and responsible”.

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## Line and Staff

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A special mention should be made of the Gulick-Urwick's principle of staff assistance to the executive and the relations between the "Line" and "staff officials". They borrowed these principles from their experience in military administration. However, no management theory has yet been clear about the meaning of the Line and Staff principle in civilian organisations.

According to Gulick the staff experts have to "devote their time exclusively to the knowing, thinking and planning functions". They must not be given any administrative authority or responsibility but they should get the results by the "authority of ideas" Thus, they emphasised the necessity of special staff to assist the higher executives.

Public officials in their every day work do not have time to read, think and meet their subordinates; hence they need assistance in their central tasks of command, control and coordination. Such assistance should be extended by general staff, coordinating the work of staff specialists. Thus, the general staff and special staff relieve the top executive from the burdensome details of administration; they free him to concentrate upon the most important tasks and enable him to exercise a larger span of control.

### The Span of Control

To Urwick, "a supervisor can supervise directly the work of more than five or at the most, six subordinates whose work interlocks". The limit of control is due to the limits of knowledge, time and energy, and different, kinds of works and sizes of organisations. It arises in part from the differences, in the capacities and work habits of individual executives and in part from the non-comparable character of work. Thus, the element of diversification of function, the element of time and the element of space govern the principle of span of control. The failure to attach sufficient importance to these variables limits the scientific validity of the principle. Gulick and Urwick were influenced by Graicunas who furnished mathematical support to the concept of a narrow Span of Control.

Gulick, suggested further research into the problem, but concluded that the chief executive of an organisation can deal with only a few immediate subordinates, The number is determined not only by the nature of work, but also by the capacity of the executive, and the number of immediate subordinates: the stability and geographical proximity of organisation. Though, he was less categorical about the number of subordinates, he was nonetheless confident about the general validity of the principle.

## 3.7 PRACTICAL VALUE OF CLASSICAL THEORY

According to Baker certain specific ideas of practical value have emerged from classical theory. They are enumerated as follows:

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- The first was the identification of organisation or administration as a distinct function to be studied and practised. The practical achievement was to make people think and apply themselves to the problem of management and organisation.
- Secondly, it introduced some clear thinking about authority, responsibility, delegation.
- Thirdly, it propounded the idea that administration is a separate activity which deserves intellectual investigation.
- Fourthly, it played a significant role in rationalising and stimulating production in the industrial organisation, to some extent..
- Finally, the very limitations of the theory instigated further investigations in organisational behaviour. Thus, classical theory despite its shortcomings made significant contribution to the development of the organisation theories.

### 3.8 CRITICISM OF CLASSICAL THEORY

Herbert Simon attacked some of the accepted principles of administration of classical organisation theory, particularly its principles of division of functions, unity of command and span of control. Referring to the 4 'P's, he asserts that division of responsibility and specialisation can be either by function, or by process, or by objective or by place. Classical theory, he points out, has not given any clue as to which basis is preferable in any particular circumstance. For him the principle of unity of command is also ambiguous in terms of sphere. Thus, Simon described the "Principles of Administration" as the mere "Proverbs of Administration", each paired with a mutually contradictory proverb—as Span 'of Control should be narrow, but chains of command should be short.

Gulick's line and staff functions in large and complex organisations are simply out of touch with reality. The 'span of control' doctrine is even more confusing and misleading. The responsibility for this confusion rests mainly with Graicuna mathematical formula of 'five or most probably four'. The basic fallacy is the authoritarian assumption that the top executive needs to have some sort of relationship with every one below him in the organisation.

The principles of administration of Gulick and Urwick were severely criticised as they have not made clear as to what they meant by the universal validity of the 'principles'. Simon considered that "the principles of administration are at best criteria for describing and diagnosing administrative situations". They suggest only working rules of conduct which wide experience seems to have validated.

It has been pointed out that all the classical theorists have displayed a pro-management bias in their theories. They were concerned with the problems of

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management and not the other organisational problems that concern the other levels of management and men.

The theory is criticised as atomistic, which looks at the individuals in isolation from the fellowmen in the organisation. It is mechanistic as it fails to explain the dynamics of organisational behaviour. It is static and rational. It also does not take any note of non-economic incentives.

It is more concerned with the work than the human being who does the work. It underestimated the human element and human behaviour. The human being is considered a mere cog in the organisation machine.

### 3.9 WEBER'S BUREAUCRATIC THEORY

Max Weber has probably been one of the most influential users of the word in its social science sense. He is well-known for his study of bureaucratization of society; many aspects of modern public administration go back to him; a classic, hierarchically organized civil service of the continental type is – if perhaps mistakenly – called Weberian civil service several different years between 1818 and 1860, prior to Weber's birth in 1864.

Weber described the ideal type bureaucracy in positive terms, considering it to be a more rational and efficient form of organization than the alternatives that preceded it, which he characterized as charismatic domination and traditional domination. According to his terminology, bureaucracy is part of legal domination. However, he also emphasized that bureaucracy becomes inefficient when a decision must be adopted to an individual case.

Weber's conceptual framework of bureaucracy cannot be understood properly without understanding his typology of authority system.

#### *WEBER'S THEORY OF AUTHORITY*

The influential sociologist Max Weber proposed a theory of authority that included three types. He pioneered a path towards understanding how authority is legitimated as a belief system. His essay "The three types of legitimate rule", translated in English and published posthumously in 1958, is the clearest explanation of his theory.

Spencer interpreted Weber's theory to say that legitimate order and authority stems from "different aspects of a single phenomenon - the forms that underlie all instances of ordered human interaction". There are two fundamental components of order, norms and authority. Spencer explained that "authority and norms represent polar principles of social organization: In the one case organization rests upon orientation to a rule or a principle; in the other instance it is based upon compliance to commands" (Spencer 1970, 124).

Weber's three types of authority are traditional, charismatic, and legal-rational authority. Coser points out that Weber wrote about "pure" types of authority, and that "he was aware that in empirical reality mixtures will be found in the legitimation of authority" (Coser 1971, 227). As such, many examples of the following authority types may overlap.

### Authority Types

Traditional authority is legitimated by the sanctity of tradition. The ability and right to rule is passed down, often through heredity. It does not change overtime, does not facilitate social change, tends to be irrational and inconsistent, and perpetuates the status quo. In fact, Weber states: "The creation of new law opposite traditional norms is deemed impossible in principle." Traditional authority is typically embodied in feudalism or patrimonialism. In a purely patriarchal structure, "the servants are completely and personally dependent upon the lord", while in an estate system (*i.e.*, feudalism), "the servants are not personal servants of the lord but independent men" (Weber 1958, 4). But, in both cases the system of authority does not change or evolve.

Charismatic authority is found in a leader whose mission and vision inspire others. It is based upon the perceived extraordinary characteristics of an individual. Weber saw a charismatic leader as the head of a new social movement, and one instilled with divine or supernatural powers, such as a religious prophet. Weber seemed to favor charismatic authority, and spent a good deal of time discussing it. In a study of charisma and religion, *Riesebrodt (1999)* argues that Weber also thought charisma played a strong - if not integral - role in traditional authority systems. Thus, Weber's favor for charismatic authority was particularly strong, especially in focusing on what happened to it with the death or decline of a charismatic leader. Charismatic authority is "routinized" in a number of ways according to Weber: orders are traditionalized, the staff or followers change into legal or "estate-like" (traditional) staff, or the meaning of charisma itself may undergo change.

Legal-rational authority is empowered by a formalistic belief in the content of the law (legal) or natural law (rationality). Obedience is not given to a specific individual leader - whether traditional or charismatic - but a set of uniform principles. Weber thought the best example of legal-rational authority was a bureaucracy (political or economic). This form of authority is frequently found in the modern state, city governments, private and public corporations, and various voluntary associations. In fact, Weber stated that the "development of the modern state is identical indeed with that of modern officialdom and bureaucratic organizations just as the development of modern capitalism is identical with the increasing bureaucratization of economic enterprise (Weber 1958, 3).

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However, no authority structure, Weber wrote, could actually be exclusively bureaucratic, because some positions would be held by a variety of charismatic leaders. He also stated that non-bureaucratic legal authority could be found in organizations that have rotating office holders, such as "Parliamentary and committee administration and all sorts of collegiate and administrative bodies" (Weber 1958, 3). Weber's feelings about bureaucracies sometimes came through in his writing and he tended to view the move towards legal-rational authority as a move into an "iron cage".

### Inter-Relationships

Weber's theory of authority is very rich and intricate. Weber and others have detailed many interesting relationships and processes occurring between the types. Blau's "Critical Remarks on Weber's Theory of Authority" (1963) explains two of these in particular, components that either strengthen or weaken an authority type in regards to another.

The three authority types may be re-enforced by traits that differentiate them from other types. Traditional authority is impersonal (unlike charisma) and non-rational (unlike legal-rational). Charismatic authority is dynamic (unlike tradition) and non-rational (again, unlike legal-rational). Finally, legal-rational authority is dynamic (unlike tradition) and impersonal (unlike charisma). Conversely, Blau means to say that traditional is un-dynamic, charisma is personal, and legal-rational is rational. The likelihood of retaining a particular type of authority may depend on the ability of that authority system to retain the traits that make it unique and reject the traits that make it more conducive to another authority type.

To elaborate, particular authority types can *lose their power* to - and thus transition into - other types by some of the following ways. Revolutionary ideals can be advocated by a charismatic leader or the rational pursuit of ends via abstract formal principles can both weaken traditional authority. Revolutionary charismatic movements can be crystallized into a traditional order or bureaucratized into a rational formal organization. Finally, the irrational forces and powers of tradition or charisma can weaken legal-rational authority.

Collins observes that, for Weber, these categories of authority "do not exist merely for the sake of labeling and classifying history; they are embedded in a larger network of concepts and in an image of how they work" (Collins 1986, 6). As such, Weber's three types of authority match up to his three categories of inequality: class, status groups, and parties. Traditional authority is the basis for status groups. Charismatic authority lends itself to a market scheme (such as the potential for life chances), and Weber considered it to be the outcome of class. Finally, parties are the codification of legal-rational authority, especially in the case of bureaucracies.

According to Weber, the attributes of modern bureaucracy include its impersonality, concentration of the means of administration, a leveling effect on social and economic differences and implementation of a system of authority that is practically indestructible.

Weber's analysis of bureaucracy concerns :

- the historical and administrative reasons for the process of bureaucratization (especially in the Western civilisation)
- the impact of the rule of law upon the functioning of bureaucratic organisations
- the typical personal orientation and occupational position of a bureaucratic officials as a status group
- the most important attributes and consequences of bureaucracy in the modern world

A bureaucratic organization is governed by the following seven principles:

1. official business is conducted on a continuous basis
2. official business is conducted with strict accordance to the following rules:
  - the duty of each official to do certain types of work is delimited in terms of impersonal criteria
  - the official is given the authority necessary to carry out his assigned functions
3. the means of coercion at his disposal are strictly limited and conditions of their use strictly defined
4. every official's responsibilities and authority are part of a vertical hierarchy of authority, with respective rights of supervision and appeal
5. officials do not own the resources necessary for the performance of their assigned functions but are accountable for their use of these resources
6. official and private business and income are strictly separated
7. offices cannot be appropriated by their incumbents (inherited, sold, etc.)
8. official business is conducted on the basis of written documents

A bureaucratic official:

- is personally free and appointed to his position on the basis of conduct
- exercises the authority delegated to him in accordance with impersonal rules, and his or her loyalty is enlisted on behalf of the faithful execution of his official duties
- appointment and job placement are dependent upon his or her technical qualifications
- administrative work is a full-time occupation
- work is rewarded by a regular salary and prospects of advancement in a lifetime career

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An official must exercise his or her judgment and his or her skills, but his or her duty is to place these at the service of a higher authority; ultimately he/she is responsible only for the impartial execution of assigned tasks and must sacrifice his or her personal judgment if it runs counter to his or her official duties.

Weber's work has been continued by many, like Robert Michels with his Iron Law of Oligarchy.

### CRITICISM

As Max Weber himself noted, real bureaucracy will be less optimal and effective than his ideal type model. Each of Weber's seven principles can degenerate:

- Competences can be unclear and used contrary to the spirit of the law; sometimes a decision itself may be considered more important than its effect;
- Nepotism, corruption, political infighting and other degenerations can counter the rule of impersonality and can create a recruitment and promotion system not based on meritocracy but rather on oligarchy;

Even a non-degenerated bureaucracy can be affected by common problems:

- Overspecialization, making individual officials not aware of larger consequences of their actions;
- Rigidity and inertia of procedures, making decision-making slow or even impossible when facing some unusual case, and similarly delaying change, evolution and adaptation of old procedures to new circumstances;
- A phenomenon of group thinking - zealotry, loyalty and lack of critical thinking regarding the organisation which is perfect and always correct by definition, making the organisation unable to change and realise its own mistakes and limitations;
- Disregard for dissenting opinions, even when such views suit the available data better than the opinion of the majority;
- A phenomenon of Catch-22 (named after a famous book by Joseph Heller) - as bureaucracy creates more and more rules and procedures, their complexity rises and coordination diminishes, facilitating creation of contradictory and recursive rules, as described by the saying "the bureaucracy is expanding to meet the needs of the expanding bureaucracy";
- Not allowing people to use common sense, as everything must be as is written by the law.

Weber's theory is infirm on account of dysfunctions (Hicks and Gullett, 1975) such as rigidity, impersonality, displacement of objectives, limitation of

categorization, self-perpetuation and empire building, cost of controls, and anxiety to improve status.

### 3.10 MICHEL CROZIER'S IDEAS OF BUREAUCRACY

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Michel Crozier wrote *The Bureaucratic Phenomenon* (1964) as a re-examination of Weber's (1922) concept of the efficient ideal bureaucracy in the light of the way that bureaucratic organizations had actually developed. Whereas for Weber, bureaucracy was the ultimate expression of a trend toward the efficient, rational organization, Crozier examined bureaucracy as a form of organization that evokes:

"the slowness, the ponderousness, the routine, the complication of procedures and the maladapted responses of the bureaucratic organization to the needs which they should satisfy" (Crozier, 1964).

He examined a number of culturally specific examples of bureaucratic organizations in an attempt to understand why bureaucracies so often became dysfunctional.

After reviewing the different ways in which the term is used, Crozier describes the sense in which he uses the term bureaucracy thus:

"A bureaucratic organization is an organization that cannot correct its behaviour by learning from its errors" (Crozier, 1964, p 187).

Adding:

"not only a system that does not correct its behaviour in view of its errors; it is also too rigid to adjust, without crises, to the transformations that the accelerated evolution of the industrial society makes more and more imperative" (Crozier, 1964, p 198).

In essence, Crozier presents an argument against the Tayloristic notion of 'the one best way' to organize an activity and Weber's view of bureaucracy as the ultimate expression of rationality and efficiency. He notes that in 1964 'advanced organizations' had already:

"been obliged to discard completely the notion of the one best way [and] are beginning to understand that the illusion of perfect rationality has to long persisted, weakening the possibilities of action by insisting on rigorous logic and immediate coherence" (Crozier, 1964, p 159).

From his analysis of his case studies, he develops a theory of bureaucratic dysfunction based on his observations. Although he later extends his ideas to cover other settings, the two main cases on which he bases his theory are both located in France: "The Clerical Agency" and "The Industrial Monopoly". Crozier chose these examples not only because he was French, but also because he claims that socially and culturally France has developed in such a way that it created organizations that closely resembled the Weberian notion of an ideal bureaucracy.

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His theory is based on the observation that in situations where almost every outcome has been decided in advance according to a set of impersonal and predefined rules and regulations, the only way in which people are able to gain some control over their lives is to exploit 'zones of uncertainty' where the outcomes are not already known.

"an unintended consequence of rationalisation is the predictability of ones behaviour is the sure test of ones own inferiority" (Crozier, 1964, p158).

For Crozier, organizations are not autonomous entities but social constructs that are:

"man made and socially created [and] the indirect result of the power struggles within the organization" (Crozier, 1964, p 162).

Attacking both the rationalists and the human relations school for ignoring the role that such power struggles play in the shaping of an organization he argues that organizational relations are in fact a series of strategic games where the protagonists attempt either to exploit any areas of discretion for their own ends, or to prevent others from gaining an advantage:

"Each group fights to preserve and enlarge the area upon which it has some discretion, attempts to limit its dependence upon other groups and accept such dependence only insofar as it is a safeguard ... [preferring] retreatism if there is no other choice but submission" (Crozier, 1964, p 156).

The result of this is that goals are subverted and the organization becomes locked into a series of inward looking power struggles. Thus, paradoxically, the result of attempting to design an efficient organization that runs on rational and impersonal lines is to create a situation where the opposite to is true.

### ***THEORY OF BUREAUCRATIC DYSFUNCTION***

Crozier argues that:

"the bureaucratic system of organization is primarily characterized by the existence of a series of relatively stable vicious circles that stem from centralisation and impersonality" (Crozier, 1964, p 193).

He outlines four such 'vicious circles' that he observed in the organizations he studied.

### **The Development of Impersonal Rules**

In an attempt to be rational and egalitarian, bureaucracies attempt to come up with a set of abstract impersonal rules to cover all possible events. Crozier gives the example of the concours (competitive examinations) which mean that, once the exams are passed, promotion become simply a matter of seniority and

avoiding damaging conflicts. The result, he argues, is that hierarchical relationships decline in importance or disappear completely which means that higher level in the bureaucracy have effectively lost the power to govern the lower levels.

### **The Centralization of Decisions**

If one wishes to maintain the impersonal nature of decision making, it is necessary to ensure that decision are made at a level where those who make them are protected from the influence of those who are affected by them. The effect of this is that problems are resolved by people who have no direct knowledge of the problems they are called upon to solve, and so, priority is given to the resolution of internal political problems instead. In this case, the power to influence events over which one has direct experience is lost and it is passed to some impartial central body.

### **The Isolation of Strata and Group Pressure within Strata**

The suppression of the possibility of exercising discretion among superiors and the removal of opportunities for bargaining from subordinates results in an organization that consists of a series of isolated strata. The notional equality within the strata becomes the only defence for the individual against demands from other parts of the organization and allows groups some degree of control over their own domain. The result is very strong per group pressure to conform to the norms of the strata regardless of individual beliefs or the wider goals of the organization.

### **The Development of Parallel Power Relationships**

It is impossible to account for every eventuality, even by the constant addition of impersonal rules and the progressive centralisation of decision-making; consequently, individuals or groups that control the remaining zones of uncertainty, wield a considerable amount of power. This can lead to the creation of parallel power structures that give certain groups or individuals in certain situations, disproportionate power in an otherwise regulated and egalitarian organization. Once again, this can lead to decisions being made based on factors separate from the overall goals of the organization.

## **UNIT – 11**

Mary Parker Follett occupies a very significant place in the development of thinking and practice around adult and informal education. Her contribution can be seen in three particular arenas. First, her involvement in, and advocacy of, community centers in the first two quarters of the twentieth century did a great deal to establish them as an important social and educational form. Second, her theorizing around the notions of community, experience and the group, and how

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these related to the individual and to the political domain broke new ground - and was 'far ahead of her time' (Konopka 1958: 29). It provided a key element in the development of the theorizing and practice of groupwork and community development and organization. For example, her argument that democracy could only work if individuals organized themselves into neighbourhood groups, and people's needs, desires and aspirations were attended to was fundamental to the sorts of thinking that emerged. Last, she was able to help key figures like Henry Croly and Eduard Lindeman not only to develop their thinking, but also to access important sources of financial help.

Today, Mary Parker Follett is better known for her pioneering work on management - although her contribution was soon forgotten after her death in 1933 (especially in the USA). She looked to approach organizations as group networks rather than as hierarchical structures, and attended to the influence of human relations within the group. In terms of current debates around management such a perspective is hardly revolutionary - but then it's radicalism and 'soft' orientation stood well outside mainstream.

One of the greatest contributions of Barnard is to point out the cooperation nature of organizations. Barnard was the first to insist that organizations by their very nature are cooperative systems and cannot fail to be so. Cooperation is the essence of organizations. An organization can survive only because of cooperation. Actually, he emphasized cooperation almost to the exclusion of such things as conflict, imperative coordination and financial inducements. We should give Barnard the credit, however, for seeing that an organization is a cooperative system, interpreted with the language of contract theory, this is saying that in order for an organization to exist, there should be a set of contracts that every member agrees.

The problem is that Barnard seems to minimize the importance of individuals in order to emphasize on the cooperation in organizations. He defined the organizations as "nonpersonal". And he is forced to distinguish between the organizational aspects of people and the personal aspects: an employee has dual personality—an organization personality and an individual personality. But looking from the contract theory's view, we do not need "nonpersonality" to ensure cooperation. Actually, every individual can decide whether to cooperate (enter the contract) after considering her own preferences. Cooperation can exist as long as the contract is designed in such a way that it is to every member's best interest to cooperate.

Barnard also believes that organizations are superior to individuals. Organizations are rational, while individuals are not. This is an interesting point. In modern economic theory, it is often assumed that individuals are rational, while if we aggregate individuals to a group, the group may not be rational. Of course, this is from the "aggregation" view that there may not exist a representative rational individual for the group even when each member of the group is rational.

I think Barnard's point is valid in that "bounded rationality" may be a better description of individual behaviours than "rationality". But "organizations are rational" seems to be too simple a claim to be accepted. If we regard organizations as a set of contracts, it is very hard to define rational behaviours for the organization.

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As necessary for cooperation, Barnard stresses on the existence of the organization purpose and each member's commitment to it. We have discussed extensively in the class that there do not exist an organization purpose in the strict sense. First of all, it is hard, if at all possible, to draw the border of an organization. Second, even if we can, every member in the organization has her own purposes (even for each individual, it's possible that she has multiple purposes): the employee wants to get a wage and build up working experiences; the supplier wants to sell her product; the customer wants good products...It's not very meaningful to say which should be the organization purpose. In fact, for an organization to exist, every member's purposes must be satisfied, otherwise she can refuse to participate. In the literature and business, when people talk about "organization purpose", they usually mean the shareholders' purpose which is to increase the stock price. Note that to accomplish that, we need to satisfy other stakeholders' purposes as well though those are not identified as "organization purpose". Also, every member needs not to commit to that purpose in order to accomplish it.

Barnard redefines authority from his cooperation view of organization: authority comes from the bottom. Before him, people usually took it for granted that the persons at the top of an organization have a lot more authority than those at the bottom. Barnard is very insightful to note that the subordinate makes a decision to grant authority to the person above her. If a subordinate does not accept the legitimacy of an order, the person giving it has no authority. This point of view is essentially a contract theory view. Barnard also speaks of the "fiction of the superior authority". To explain the fact that organizations do fire people, Barnard says that "firing" is essentially a decision of the employees. If the employee knows what behaviours would lead to being fired while she still chooses that behavior, then she is actually choosing to be fired.

Based on his organizational theory (essentially cooperation), Barnard discusses the functions of the executive. He believes that the executive functions serve to maintain a system of cooperative effort. It is not quite correct to say that the executive functions are to manage the system of cooperative efforts because as a whole, it is managed by itself, not by the executive, which is part of it. He argues that control relates directly to the work of the organization as a whole rather than to the work of executives as such. The fact that practically the control is over executives for the most part is only due to the heavy dependence of the cooperation success upon the functioning of the executive.

### 3.11 IDEAS OF M.P. FOLLETT

#### NOTES

Follett was born in 1868 into an affluent Quaker family in Quincy, Massachusetts. She was educated at the Thayer Academy but had to take on a significant role within the family in her teens when her father died (her mother was disabled). In 1892 she entered Society for the Collegiate Instruction of Women in Cambridge, Massachusetts (later Radcliffe College) where she graduated in 1898 in economics, government, law and philosophy. While at Radcliffe she spent a year at Newnham College, Cambridge. Her research thesis at Radcliffe was published in 1896 as *The Speaker of the House of Representatives* (and quickly became a standard work).

From 1900 to 1908 Follett became involved in social work in the Roxbury neighborhood of Boston (joining the staff of Roxbury Neighborhood House). She had an independent income and was able to throw herself into the work (in much the same way that Jane Addams and others were able to become immersed in settlement activity). She appears to have had the classic abilities of the informal educator to engage with a wide range of people, to listen and explore what they had to say, and to gain their confidence and esteem.

Roxbury at that point was a diverse neighbourhood both in terms of class and ethnicity. It had many of the classic dynamics of the suburbs - a grid-like design with no strong centre, a relative lack of attachment by its inhabitants and fairly limited local networks. However, Mary Parker Follett saw considerable possibility in the diverse nature of the population. Mixed neighbourhoods have potential, she believed, in that they can work against the narrowness and exclusiveness of many, more homogenized, communities.

Instead of shutting out what is different, we should welcome it because it is different and through its difference will make a richer content of life. Every difference that is swept up into a bigger conception feeds and enriches society; every difference which is ignored feeds on society and eventually corrupts it.

Follett looked to encourage face-to-face encounter and the development of groups and activities. Diversity became a key ingredient of her vision of community. She believed that all human interaction held potential, and that it needed cultivating. Through such attention creativity and learning could be realized.

From 1908 Mary Parker Follett became involved in the movement to establish community centers in public schools (as chairperson of the Women's Municipal League's Committee on Extended Use of School Buildings). She sought to make 'the centers into institutions for overcoming civic apathy, further mutual understanding among groups, and creating a local framework for the integration

of churches, trade associations, lodges and youth groups' (Quandt 1970: 39). In 1911 the committee was able to open the East Boston High School Social Center as an experiment for the winter. The success of the initiative proved to be a catalyst for the development of other centers. Her experience was to change her view of democracy and the place of local groups radically - and was a major force behind her work on the promotion of local networks and democratic forms in *The New State* (1918).

Later Mary Park Follett was to serve as a member of the Massachusetts Minimum Wage Board, and in 1917 she became vice-president of the National Community Center Association. The interest in industrial conditions appears to have grown in part from a concern for vocational guidance in connection with evening schools. She was also involved in *The Inquiry* a social reform movement founded by the Federal Council of Churches in America. (The main financial backer was Dorothy Straight - who went on to marry Leonard Elmhurst and to found Dartington Hall in England).

At this time (perhaps through Henry Croly) Follett met Eduard Lindeman and became deeply impressed with the direction and quality of his thinking. Lindeman was similarly struck by her 'marvelous mind' (Leonard 1991: 44). Aside from the political direction of her work (her concern with democracy and local group organization) one of the key things to strike Lindeman was Mary Parker Follett's interest in, and commitment to, adult education.

Lindeman and Follett were, according to Stewart (1987: 147), 'an odd couple' and their collaboration was always a little wobbly. She proposed that they write a book together - something which Lindeman rejected. However, both acknowledge considerable debts to each other.

The exacting, sickly, maidenly, and (to judge from her correspondence with Lindeman) severely neurotic Mary Follett did not always achieve good personal chemistry with the volatile, lusty, and often disorganized Eduard Lindeman. Though her own behaviour could also be erratic, the ethereal Miss Follett required personal and professional surroundings that were predictable, built on ground that was solid - very solid.

Her commitment and quick thinking made a last impression on many that met her (such as Lyndall Urwick - who was to later edit her papers on management and administration).

From the early 1920s Mary Parker Follett devoted a significant amount of attention to the state of management and administration in industry and public institutions. *Creative Experience* followed in 1924. This book, with its focus on learning, exploration and team, can be seen as a key predecessor of more recent interest in learning organizations.

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## THE NEW STATE

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In *The New State* Mary Parker Follett argued that group organization and local networks provided the key to democratic advance. The study of democracy', she wrote, 'has been based largely on the study of institutions; it should have been based on how men behave together'. The book was begun as an exploration of community and social centers and quickly changed into a much wider analysis. According to Konopka (1958: 28) the crucial elements were as follows:

- (1) Social experience is the basis of state structure.
- (2) Sovereignty is relative to the capacity to rule oneself, to rule a group or a state.
- (3) State structure is the expression of elements of identity in purpose.
- (4) The will of a group is not atomic but is the common expression of individual wills.
- (5) Rich experience can only come through actual experiences in group life. There must be experience in a variety of groups. Because of the multiplicity of human nature no one group can exhaust the capacity of the modern citizen.
- (6) Individual and group are not antitheses.
- (7) The individual is the ultimate unit which is more diversified than any group can be.
- (8) There is no necessary contradiction between the citizen and the state.
- (9) Freedom and determinism are not opposites.
- (10) Self and others are not opposites.

In exploring groups and experience in this way Mary Parker Follett draws upon the work of James and others (for example she looks upon the person as 'a complex of radiating and converging, crossing and recrossing energies. She is able to place individuality in a social context and to stress relationship.

The individual is created by the social process and is daily nourished by that process. There is no such thing as a self-made man. What we possess as individuals is what is stored up from society, is the subsoil of social life.... Individuality is the capacity for union. The measure of individuality is the depth and breadth of true relation. I am an individual not as far as I am apart from, but as far as I am a part of other men. Evil is non-relation. (Follett 1918: 62)

Given this analysis it is no surprise that Mary Parker Follett argued for the deepening of people's capacities for, and commitment to, citizenship through involvement in groups and associations (in this respect she is an important advocate of *la vie associative* - the educative power of association). 'No one can give us democracy, we must learn democracy', she wrote.

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To be a democrat is not to decide on a certain form of human association, it is to learn how to live with other men... The group process contains the secret of collective life, it is the key to democracy, it is the master lesson for every individual to learn, it is our chief hope or the political, the social, the international life of the future. (Follett 1918: 22-23)

Neighborhood education was, thus, one of the key areas for social intervention, and the group a central vehicle. Her own experience in Roxbury and elsewhere had taught her that it was possible for workers to become involved in local groups and networks and to enhance their capacity for action and for improving the quality of life of their members. Group process could be learned and developed by practice. As Konopka (1958; 29) again notes, she 'realized the dual aspect of the group, that it was a union of individuals but it also presented an individual in a larger union'. She argued that progressives and reformers had been wrong in not using the group process.

### CREATIVE EXPERIENCE

Creative Experience (1924) while carrying forward a number of the themes developed in *The New State* (1918) reflects Mary Parker Follett's growing interest in the problems of industrial relations and the realm of management. She has the same commitment to democracy and encounter, but the focus is now on, as the title suggests, the creative use of experience. In this, David W. Stewart (1987: 145) suggests, her approach was basically that of a pragmatist, 'though she emphasized—and placed higher value on—the creative rather than the verifying aspects of experience'.

Experience is the power-house where purposes and will, thought and ideals, are being generated. I am not of course denying that the main process of life is that of testing, verifying, comparing. To compare and to select is always the process of education... When you get to a situation it becomes what it was plus you; you are responding to the situation plus yourself, that is, to the relation between it and yourself... Life is not a movie for us; you can never watch life because you are always in life... The 'progressive integrations,' the ceaseless interweavings of new specific respondings, is the whole forward moving of existence; there is no adventure for those who stand at the counters of life and match samples. (Follett 1924: 133-134)

Follett's is a philosophy of engagement and encounter. Through thinking about our experiences, questioning their meaning and truth and looking to the people we are, it is possible to learn. But there can be dangers in this process if approached narrowly.

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The people who 'learn by experience' often make great messes of their lives, that is, if they apply what they have learned from a past incident to the present, deciding from certain appearances that the circumstances are the same, forgetting that no two situations can ever be the same. All that I am, all that life has made me, every past experience that I have had - woven into the tissue of my life - I must give to the new experience. That past experience has indeed not been useless, but its use is not in guiding present conduct by past situations. We must put everything we can into each fresh experience, but we shall not get the same things out which we put in if it is a fruitful experience, if it is part of our progressing life... We integrate our experience, and then the richer human being that we are goes into the new experience; again we give ourself and always by giving rise above the old self. (Follett 1924: 136-137)

What we have here is the difference in Follett's terms between a 'mechanical and creating intelligence' (op. cit.) (which in turn mirrors the distinction Aristotle makes between technical and practical reasoning).

### *MARY PARKER FOLLETT ON POWER AND MANAGEMENT*

From the publication of *Creative Experience* to her death in 1933 Mary Parker Follett was best known for her work around the administration and management of organizations. In 1925, she presented an influential paper, 'The Psychological Foundations of Business Administration' to executives at the annual conference of the Bureau of Personnel Administration in New York. She argued that the ideas she had been developing with regard to communities could equally be applied to organizations (we have seen a similar shift in recent years around the notion of social capital).

Organizations, like communities, could be approached as local social systems involving networks of groups. In this way Mary Parker Follett was able to advocate the fostering of a 'self-governing principle' that would facilitate 'the growth of individuals and of the groups to which they belonged'. By directly interacting with one another to achieve their common goals, the members of a group 'fulfilled themselves through the process of the group's development'.

Boje and Rosile (2001) suggest that Follett was seeking to temper scientific management with her own science of the situation, 'one in which management and workers together cooperated to define not only productivity but situations of social justice'. Exploring 'the science of the situation' involved both management and workers studying the situation at hand together. Boje and Rosile (2001) argue that she was 'the first advocate of situation-search models of leadership and cooperation'. This was not to some surface activity: 'the willingness to search for

the real values involved on both sides and the ability to bring about an interpenetration of these values' (Follett 1941: 181).

One of the key aspects of Mary Parker Follett's approach was the 'circular' theory of power she initially developed in *Creative Experience* (1924)

Power begins with the organization of reflex arcs. Then these are organized into a system - more power. Then the organization of these systems comprise the organism - more power. On the level of personality I gain more and more control over myself as I unite various tendencies. In social relations power is a centripetal self-developing. Power is the legitimate, the inevitable, outcome of the life-process. We can always test the validity of power by asking whether it is integral to the process of outside the process. (Follett 1924: 193)

In terms of organizations this view of power involved managers, workers, and other stakeholders influencing each other. She distinguishes between power-over and power-with. (or co-active power rather than coercive power).

What is the central problem of social relations? It is the question of power... But our task is not to learn where to place power; it is how to develop power. We frequently hear nowadays of 'transferring power as the panacea for all our ills. Genuine power can only be grown, it will slip from every arbitrary hand that grasps it; for genuine power is not coercive control, but coactive control. Coercive power is the curse of the universe; coactive power, the enrichment and advancement of every human soul. (Follett, 1924: xii-xiii).

Follett suggests that 'power-over' is resorted to because 'people will not wait for the slower process of education' (1924: 190). 'Power-with', she argues, 'is what democracy should mean in politics or industry (ibid.: 187).

## CONCLUSION

While Mary Parker Follett's contribution to management theory has come to be recognized, relatively little attention has been given in recent years to her work around the development of thinking and practice in the field of informal education and lifelong learning. At one level this is not surprising. Just as her ideas around management were out of step with the dominant discourses of the 1930s and 1940s, so her concerns with local democracy, group process and the educative power of associational life do not find a ready response within policy debates today.

However, it may well be that her time has come. Recent attention to the decline in civic community, most notably by Robert Putnam, may well encourage people to look at what Follett has to offer. Her arguments for the development of schools as community centres still holds considerable power; her exploration of the nature of experience still offers educators insights; and the case for the development of local groups and networks as the bedrock of democracy (and

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community) is as strong as ever. Her finishing thought in *The New State* (1918), that the 'Community Centre is the real continuation school of America, the true university of true democracy' is something that we would do well to ponder. We need to extend and deepen associational life.

### 3.12 IDEAS OF C.I. BARNARD

Chester Irving Barnard was an American business executive, public administrator, and the author of pioneering work in management theory and organizational studies. His landmark 1938 book, *Functions of the Executive*, sets out a theory of organization and of the functions of executives in organizations. The book has been widely assigned in university courses in management theory and organizational sociology.

Barnard looked at organizations as systems of cooperation of human activity, and noted that they are typically short-lived. It is rare for a firm to last more than a century. Similarly most nations last for less than a century. The only organization that can claim a substantial age is the Roman Catholic Church. According to Barnard, organizations are not long-lived because they do not meet the two criteria necessary for survival: effectiveness and efficiency. Effectiveness, is defined the usual way: as being able to accomplish stated goals. In contrast, Barnard's meaning of organizational efficiency differed substantially from the conventional use of the word.

He defined efficiency of an organization as the degree to which that organization is able to satisfy the motives of the individuals. If an organization satisfies the motives of its members while attaining its explicit goals, cooperation among its members will last.

Barnard was a great admirer of Talcott Parsons (1902-1979) and he and Parsons corresponded persistently. The two scholars would send manuscripts for commentary to each other and they would write long letters where they engage in a common theoretical discussion. The first correspondence between Barnard and Parsons began in the end of the 1930s and it persisted essentially to Barnard's death in 1961.

#### *FUNCTIONS OF THE EXECUTIVE*

Barnard's classic 1938 book *Functions of the Executive* discusses, as the title suggests, the functions of the executive, but not from a merely intuitive point of view, but instead deriving them from his conception of cooperative systems.

Barnard summarized the functions of the executive as follows:

- Establishing and maintaining a system of communication;

- Securing essential services from other members;
- Formulating organizational purposes and objectives.

### **AUTHORITY AND INCENTIVES**

Barnard formulated two interesting theories: one of authority and the other of incentives. Both are seen in the context of a communication system grounded in seven essential rules:

- The channels of communication should be definite;
- Everyone should know of the channels of communication;
- Everyone should have access to the formal channels of communication;
- Lines of communication should be as short and as direct as possible;
- Competence of persons serving as communication centers should be adequate;
- The line of communication should not be interrupted when the organization is functioning;
- Every communication should be authenticated.

Thus, what makes a communication authoritative rests with the subordinate rather than with his superior. Barnard's perspective had affinities to that of Mary Parker Follett and was very unusual for his time, and that has remained the case down to the present day. He seemed to argue that managers should obtain authority by treating subordinates with respect and competence.

As for incentives, he proposed two ways of convincing subordinates to cooperate: tangible incentives and persuasion. He gives great importance to persuasion, much more than to economic incentives. He described four general and four specific incentives. The specific incentives were:

1. Money and other material inducements;
2. Personal non-material opportunities for distinction;
3. Desirable physical conditions of work;
4. Ideal benefactions, such as pride of workmanship etc.

### **3.13 HUMAN RELATIONS THEORY**

Human Relations Movement refers to those researchers of organizational development who study the behavior of people in groups, in particular workplace groups. It originated in the 1930s' Hawthorne studies, which examined the effects of social relations, motivation and employee satisfaction on factory productivity. The movement viewed workers in terms of their psychology and fit with companies, rather than as interchangeable parts.

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"The hallmark of human-relation theories is the primacy given to organizations as human cooperative systems rather than mechanical contraptions."

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### ELTON MAYO

Elton Mayo (1880 – 1949) believed that workers are not just concerned with money but could be better motivated by having their social needs met whilst at work (something that Taylor ignored). He introduced the Human Relation School of thought, which focused on managers taking more of an interest in the workers, treating them as people who have worthwhile opinions and realising that workers enjoy interacting together.

Mayo conducted a series of experiments at the Hawthorne factory of the Western Electric Company in Chicago.

He isolated two groups of women workers and studied the effect on their productivity levels of changing factors such as lighting and working conditions.

He expected to see productivity levels decline as lighting or other conditions became progressively worse.

What he actually discovered surprised him: whatever the change in lighting or working conditions, the productivity levels of the workers improved or remained the same.

From this Mayo concluded that workers are best motivated by:

Better communication between managers and workers (Hawthorne workers were consulted over the experiments and also had the opportunity to give feedback)

Greater manager involvement in employees working lives (Hawthorne workers responded to the increased level of attention they were receiving)

Working in groups or teams. (Hawthorne workers did not previously regularly work in teams)

In practice therefore businesses should re-organise production to encourage greater use of team working and introduce personnel departments to encourage greater manager involvement in looking after employees' interests. His theory most closely fits in with a paternalistic style of management.

### MASLOW

Abraham Maslow (1908 – 1970) along with Frederick Herzberg (1923-) introduced the Neo-Human Relations School in the 1950's, which focused on the psychological needs of employees. Maslow put forward a theory that there are five levels of human needs which employees need to have fulfilled at work.

All of the needs are structured into a hierarchy and only once a lower level of need has been fully met, would a worker be motivated by the opportunity of

having the next need up in the hierarchy satisfied. For example a person who is dying of hunger will be motivated to achieve a basic wage in order to buy food before worrying about having a secure job contract or the respect of others.

A business should therefore offer different incentives to workers in order to help them fulfill each need in turn and progress up the hierarchy. Managers should also recognise that workers are not all motivated in the same way and do not all move up the hierarchy at the same pace. They may therefore have to offer a slightly different set of incentives from worker to worker.

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### **THEORY OF HIERARCHY OF NEEDS**

Psychologist Abraham Maslow first introduced his concept of a hierarchy of needs in his 1943 paper "A Theory of Human Motivation" and his subsequent book, *Motivation and Personality*. This hierarchy suggests that people are motivated to fulfill basic needs before moving on to other needs.

Maslow's hierarchy of needs is most often displayed as a pyramid. The lowest levels of the pyramid are made up of the most basic needs, while the more complex needs are located at the top of the pyramid. Needs at the bottom of the pyramid are basic physical requirements including the need for food, water, sleep and warmth. Once these lower-level needs have been met, people can move on to the next level of needs, which are for safety and security.

As people progress up the pyramid, needs become increasingly psychological and social. Soon, the need for love, friendship and intimacy become important. Further up the pyramid, the need for personal esteem and feelings of accomplishment take priority.

Like Carl Rogers, Maslow emphasized the importance of self-actualization, which is a process of growing and developing as a person to achieve individual potential.

### **Types of Needs**

Maslow believed that these needs are similar to instincts and play a major role in motivating behavior. Physiological, security, social, and esteem needs are deficiency needs (*also known as D-needs*), meaning that these needs arise due to deprivation. Satisfying these lower-level needs is important in order to avoid unpleasant feelings or consequences.

Maslow termed the highest-level of the pyramid as growth needs (*also known as being needs or B-needs*). Growth needs do not stem from a lack of something, but rather from a desire to grow as a person.

### **Five Levels of the Hierarchy of Needs**

There are five different levels in Maslow's hierarchy of needs :



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### 1. *Physiological Needs*

These include the most basic needs that are vital to survival, such as the need for water, air, food and sleep. Maslow believed that these needs are the most basic and instinctive needs in the hierarchy because all needs become secondary until these physiological needs are met.

### 2. *Security Needs*

These include needs for safety and security. Security needs are important for survival, but they are not as demanding as the physiological needs. Examples of security needs include a desire for steady employment, health insurance, safe neighborhoods and shelter from the environment.

### 3. *Social Needs*

These include needs for belonging, love and affection. Maslow considered these needs to be less basic than physiological and security needs. Relationships such as friendships, romantic attachments and families help fulfill this need for companionship and acceptance, as does involvement in social, community or religious groups.

### 4. *Esteem Needs*

After the first three needs have been satisfied, esteem needs becomes increasingly important. These include the need for things that reflect on self-esteem, personal worth, social recognition and accomplishment.

### 5. *Self-actualizing Needs*

This is the highest level of Maslow's hierarchy of needs. Self-actualizing people are self-aware, concerned with personal growth, less concerned with the opinions of others and interested fulfilling their potential.

## **HERZBERG**

Frederick Herzberg (1923-) had close links with Maslow and believed in a two-factor theory of motivation. He argued that there were certain factors that a business could introduce that would directly motivate employees to work harder (Motivators). However there were also factors that would de-motivate an employee if not present but would not in themselves actually motivate employees to work harder (Hygienefactors).

Motivators are more concerned with the actual job itself. For instance how interesting the work is and how much opportunity it gives for extra responsibility, recognition and promotion. Hygiene factors are factors which 'surround the job' rather than the job itself. For example a worker will only turn up to work if a business has provided a reasonable level of pay and safe working conditions but these factors will not make him work harder at his job once he is there. Importantly

Herzberg viewed pay as a hygiene factor which is in direct contrast to Taylor who viewed pay, and piece-rate in particular

Herzberg believed that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods. Some of the methods managers could use to achieve this are:

**Job enlargement** — workers being given a greater variety of tasks to perform (not necessarily more challenging) which should make the work more interesting.

**Job enrichment** — involves workers being given a wider range of more complex, interesting and challenging tasks surrounding a complete unit of work. This should give a greater sense of achievement.

**Empowerment** means delegating more power to employees to make their own decisions over areas of their working life.

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## UNIT — 12

Herbert Simon's book, *Administrative Behavior*, relies on Barnard and advances the science of administration. Simon identified some of the problems in administrative study before 1947 (the year when the book was written): lack of "adequate linguistic and conceptual tools for realistically and significantly describing even a simple administrative organization— describing it, that is, in a way that will provide the basis for scientific analysis of the effectiveness of its structure and operation". Simon used Barnard's earlier work as framework, and developed more relevant concepts and a more precise vocabulary.

Simon remarked that "it is not possible to build an adequate theory of human behavior unless we have an appropriate unit of analysis". A noticeable character of Simon's book is that he uses decision premises, instead of the whole decision, as the unit of his analysis.

### 3.14 BEHAVIOURAL THEORY

*Administrative Behaviour* was Herbert Simon's doctoral dissertation and his first book. It served as the foundation for his life's work. The centerpiece of this book is the behavioural and cognitive processes of making rational human choices, that is, decisions. An operational administrative decision should be correct and efficient, and it must be practical to implement with a set of coordinated means.

Any decision involves a choice selected from a number of alternatives, directed toward an organizational goal or subgoal. Realistic options will have real consequences consisting of personnel actions or non-actions modified by environmental facts and values. In actual practice, some of the alternatives may be conscious or unconscious; some of the consequences may be unintended as

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well as intended; and some of the means and ends may be imperfectly differentiated, incompletely related, or poorly detailed.

The task of rational decision-making is to select the alternative that results in the more preferred set of all the possible consequences. This task can be divided into three required steps: (1) the identification and listing of all the alternatives; (2) the determination of all the consequences resulting from each of the alternatives; and (3) the comparison of the accuracy and efficiency of each of these sets of consequences. Any given individual or organization attempting to implement this model in a real situation would be unable to comply with the three requirements. It is highly improbable that one could know all the alternatives, or all the consequences that follow each alternative.

The question here is: given the inevitable limits on rational decision-making, what other techniques or behavioural processes can a person or organization bring to bear to achieve approximately the best result? Simon writes: "The human being striving for rationality and restricted within the limits of his knowledge has developed some working procedures that partially overcome these difficulties. These procedures consist in assuming that he can isolate from the rest of the world a closed system containing a limited number of variables and a limited range of consequences."

Administrative Behaviour, as a text, addresses a wide range of human behaviors, cognitive abilities, management techniques, personnel policies, training goals and procedures, specialized roles, criteria for evaluation of accuracy and efficiency, and all of the ramifications of communication processes. Simon is particularly interested in how these factors directly and indirectly influence the making of decisions.

Weaving in and out of the practical functioning of all of these organizational factors are two universal elements of human social behaviour that Simon addresses the Role of Authority, and Loyalties, and Organizational Identification.

Authority is a well studied, primary mark of organizational behaviour, and is straightforwardly defined in the organizational context as the ability and right of an individual of higher rank to determine the decision of an individual of lower rank. The actions, attitudes, and relationships of the dominant and subordinate individuals constitute components of role behaviour that can vary widely in form, style, and content, but do not vary in the expectation of obedience by the one of superior status, and willingness to obey from the subordinate. Authority is highly influential on the formal structure of the organization, including patterns of communication, sanctions, and rewards, as well as on the establishment of goals, objectives, and values of the organization.

Decisions can be complex admixtures of facts and values. Information about facts, especially empirically proven facts or facts derived from specialized experience, are more easily transmitted in the exercise of authority than are the

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expressions of values. Simon is primarily interested in seeking identification of the individual employee with the organizational goals and values. Following Lasswell he states that "a person identifies himself with a group when, in making a decision, he evaluates the several alternatives of choice in terms of their consequences for the specified group". A person may identify himself with any number of social, geographic, economic, racial, religious, familial, educational, gender, political, and sports groups. Indeed, the number and variety are unlimited. The fundamental problem for organizations is to recognize that personal and group identifications can either facilitate or obstruct correct decision-making for the organization. A specific organization has to deliberately determine and specify in appropriate detail and clear language its own goals, objectives, means, ends, and values.

Chester Barnard pointed out that "the decisions that an individual makes as a member of an organization are quite distinct from his personal decisions". Personal choices may determine whether an individual joins a particular organization, and continue to be made in his or her extra-organizational private life. But, as a member of an organization, that individual makes decisions not in relationship to personal needs and results, but in an impersonal sense as part of the organizational intent, purpose, and effect. Organizational inducements, rewards, and sanctions are all designed to form, strengthen, and maintain this identification.

The correctness of decisions is measured by two major criteria: (1) adequacy of achieving the desired objective; and (2) the efficiency with which the result was obtained. Many members of the organization may focus on adequacy, but the overall administrative management must pay particular attention to the efficiency with which the desired result was obtained.

Simon's contributions to research in the area of decision-making have become increasingly mainstream in the administrative/business community thanks to the growth of management consulting.

### 3.15 PARTICIPATIVE MANAGEMENT

Participative management, otherwise known as employee involvement or participative decision-making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation of solutions. Employees are invited to share in the decision-making process of the firm by participating in activities such as setting goals, determining work schedules, and making suggestions. Other forms of participative management include increasing the responsibility of employees (job enrichment); forming self-managed teams, quality circles, or quality-of-work-life committees; and soliciting survey feedback. Participative management, however, involves more than allowing employees to take part in making decisions.

It also involves management treating the ideas and suggestions of employees with consideration and respect. The most extensive form of participative management is direct employee ownership of a company.

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Four processes influence participation. These processes create employee involvement as they are pushed down to the lowest levels in an organization. The farther down these processes move, the higher the level of involvement by employees. The four processes include:

1. Information sharing, which is concerned with keeping employees informed about the economic status of the company.
2. Training, which involves raising the skill levels of employees and offering development opportunities that allow them to apply new skills to make effective decisions regarding the organization as a whole.
3. Employee decision making, which can take many forms, from determining work schedules to deciding on budgets or processes.
4. Rewards, which should be tied to suggestions and ideas as well as performance.

### *RENSIS LIKERT'S IDEAS*

In the 1960s Likert developed four systems of management which described the relationship, involvement, and roles between management and subordinates in industrial settings. The four systems is a result of the study that he has done with the highly productive supervisors and their team members of an American Insurance Company. Later on, he and Jane G. Likert revised the systems to apply to educational settings. Their revision was initially intended to spell out the roles of principals, students, and teachers; eventually other individuals in the academic realm were included such as superintendents, administrators, and parents.

Likert conceptualised four different types of management systems which can be depicted on a continuum. They are :

- (i) System 1 Management (Exploitative - Authoritative)
- (ii) System 2 Management (Benevolent - Authoritative)
- (iii) System 3 Management (Consultative)
- (iv) System 4 Management (Participative - Group)

#### **Exploitive Authoritative System**

In this type of management system the job of employees/subordinates is to abide by the decisions made by managers and those with a higher status than them in the organisation. The subordinates do not participate in the decision making. The organisation is concerned simply about completing the work. The

organisation will use fear and threats to make sure employees complete the work set. There is no teamwork involved.

### **Benevolent Authoritative System**

Just as in an exploitive authoritative system, decisions are made by those at the top of the organisation and management. However employees are motivated through rewards (for their contribution) rather than fear and threats. Information may flow from subordinates to managers but it is restricted to "what management want to hear".

### **Consultative System**

In this type of management system, subordinates are motivated by rewards and a degree of involvement in the decision making process. Management will constructively use their subordinates ideas and opinions. However involvement is incomplete and major decisions are still made by senior management. There is a greater flow of information (than in a benevolent authoritative system) from subordinates to management. Although the information from subordinate to manager is incomplete and euphemistic.

### **Participative (Group) System**

Management have complete confidence in their subordinates/employees. There is lots of communication and subordinates are fully involved in the decision making process. Subordinates comfortably express opinions and there is lots of teamwork. Teams are linked together by people, who are members of more than one team. Likert calls people in more than one group "linking pins". Employees throughout the organisation feel responsible for achieving the organisation's objectives. This responsibility is motivational especially as subordinates are offered economic rewards for achieving organisational goals which they have participated in setting.

## **3.16 CHRIS ARGYRIS' IDEAS**

Chris Argyris has made a significant contribution to the development of our appreciation of organizational learning, and, almost in passing, deepened our understanding of experiential learning. In this unit we examine the significance of the models he developed with Donald Schön of single-loop and double-loop learning, and how these translate into contrasting models of organizational learning systems.

### ***THEORIES OF ACTION: THEORY IN USE AND ESPOUSED THEORY***

Our starting point is Argyris and Schön's (1974) argument that people have mental maps with regard to how to act in situations. This involves the way they plan, implement and review their actions. Furthermore, they assert that it is these

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maps that guide people's actions rather than the theories they explicitly espouse. What is more, fewer people are aware of the maps or theories they do use. (Argyris, 1980). One way of making sense of this is to say that there is a split between theory and action. However, Argyris and Schön suggest that two theories of action are involved.

The notion of a theory of action can be seen as growing out of earlier research by Chris Argyris into the relationships between individuals and organizations (Argyris 1957, 1962, 1964). A theory of action is first a theory: 'its most general properties are properties that all theories share, and the most general criteria that apply to it – such as generality, centrality and simplicity – are criteria applied to all theories' (Argyris and Schön 1974: 4). The distinction made between the two contrasting theories of action is between those theories that are implicit in what we do as practitioners and managers, and those on which we call to speak of our actions to others. The former can be described as theories-in-use. They govern actual behaviour and tend to be tacit structures. Their relation to action 'is like the relation of grammar-in-use to speech; they contain assumptions about self, others and environment – these assumptions constitute a microcosm of science in everyday life' (Argyris & Schön 1974: 30). The words we use to convey what we, do or what we would like others to think we do, can then be called espoused theory.

When someone is asked how he would behave under certain circumstances, the answer he usually gives is his espoused theory of action for that situation. This is the theory of action to which he gives allegiance, and which, upon request, he communicates to others. However, the theory that actually governs his actions is this theory-in-use. (Argyris and Schön 1974: 6-7)

Making this distinction allows us to ask questions about the extent to which behaviour fits espoused theory; and whether inner feelings become expressed in actions. In other words, is there congruence between the two? Argyris (1980) makes the case that effectiveness results from developing congruence between theory-in-use and espoused theory. For example, in explaining our actions to a colleague we may call upon some convenient piece of theory. We might explain our sudden rush out of the office to others, or even to ourselves at some level, by saying that a 'crisis' had arisen with one of 'our' clients. The theory-in-use might be quite different. We may have become bored and tired by the paper work or meeting and felt that a quick trip out to an apparently difficult situation would bring welcome relief. A key role of reflection, we could argue, is to reveal the theory-in-use and to explore the nature of the 'fit'. Much of the business of supervision, where it is focused on the practitioner's thoughts, feelings and actions, is concerned with the gulf between espoused theory and theory-in-use or in bringing the later to the surface. This gulf is no bad thing. If it gets too wide then

there is clearly a difficulty. But provided the two remain connected then the gap creates a dynamic for reflection and for dialogue.

To fully appreciate theory-in-use we require a model of the processes involved. To this end Argyris and Schön (1974) initially looked to three elements:

**Governing variables:** those dimensions that people are trying to keep within acceptable limits. Any action is likely to impact upon a number of such variables – thus any situation can trigger a trade-off among governing variables.

**Action strategies:** the moves and plans used by people to keep their governing values within the acceptable range.

**Consequences:** what happens as a result of an action. These can be both intended - those actor believe will result - and unintended. In addition those consequences can be for the self, and/or for others.

Where the consequences of the strategy used are what the person wanted, then the theory-in-use is confirmed. This is because there is a match between intention and outcome. There may be a mismatch between intention and outcome. In other words, the consequences may be unintended. They may also not match, or work against, the person's governing values. Argyris and Schön suggest two responses to this mismatch, and these are can be seen in the notion of single and double-loop learning.

### ***SINGLE-LOOP AND DOUBLE-LOOP LEARNING***

For Argyris and Schön (1978: 2) learning involves the detection and correction of error. Where something goes wrong, it is suggested, an initial port of call for many people is to look for another strategy that will address and work within the governing variables. In other words, given or chosen goals, values, plans and rules are operationalized rather than questioned. According to Argyris and Schön (1974), this is single-loop learning. An alternative response is to question to governing variables themselves, to subject them to critical scrutiny. This they describe as double-loop learning. Such learning may then lead to an alteration in the governing variables and, thus, a shift in the way in which strategies and consequences are framed. Thus, when they came to explore the nature of organizational learning. This is how Argyris and Schön (1978: 2-3) described the process in the context of organizational learning:

When the error detected and corrected permits the organization to carry on its present policies or achieve its presents objectives, then that error-and-correction process is single-loop learning. Single-loop learning is like a thermostat that learns when it is too hot or too cold and turns the heat on or off. The thermostat can perform this task because it can receive information (the temperature of the room) and take corrective action. Double-loop learning occurs

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when error is detected and corrected in ways that involve the modification of an organization's underlying norms, policies and objectives.

Single-loop learning seems to be present when goals, values, frameworks and, to a significant extent, strategies are taken for granted. The emphasis is on 'techniques and making techniques more efficient' (Usher and Bryant: 1989: 87) Any reflection is directed toward making the strategy more effective. Double-loop learning, in contrast, 'involves questioning the role of the framing and learning systems which underlie actual goals and strategies (op. cit.). In many respects the distinction at work here is the one used by Aristotle, when exploring technical and practical thought.

The former involves following routines and some sort of preset plan – and is both less risky for the individual and the organization, and affords greater control. The latter is more creative and reflexive, and involves consideration notions of the good.

Reflection here is more fundamental: the basic assumptions behind ideas or policies are confronted... hypotheses are publicly tested... processes are disconfirmable not self-seeking (Argyris 1982: 103-4).

The focus of much of Chris Argyris' intervention research has been to explore how organizations may increase their capacity for double-loop learning. He argues that double-loop learning is necessary if practitioners and organizations are to make informed decisions in rapidly changing and often uncertain contexts (Argyris 1974; 1982; 1990). As Edmondson and Moingeon (1999:160) put it:

The underlying theory, supported by years of empirical research, is that the reasoning processes employed by individuals in organizations inhibit the exchange of relevant information in ways that make double-loop learning difficult – and all but impossible in situations in which much is at stake. This creates a dilemma as these are the very organizational situations in which double-loop learning is most needed.

The next step that Argyris and Schön take is to set up two models that describe features of theories-in-use that either inhibit or enhance double-loop learning. The belief is that all people utilize a common theory-in-use in problematic situations. This they describe as Model I – and it can be said to inhibit double-loop learning. Model II is where the governing values associated with theories-in-use enhance double-loop learning.

### **MODEL I AND MODEL II**

Argyris has claimed that just about all the participants in his studies operated 'from theories-in-use or values consistent with Model I (Argyris et al. 1985: 89). It involves 'making inferences about another person's behaviour without checking whether they are valid and advocating one's own views abstractly without

explaining or illustrating one's reasoning' (Edmondson and Moingeon 1999:161). The theories-in-use are shaped by an implicit disposition to winning (and to avoid embarrassment). The primary action strategy looks to the unilateral control of the environment and task plus the unilateral protection of self and others. As such Model I leads to often deeply entrenched defensive routines (Argyris 1990; 1993) – and these can operate at individual, group and organizational levels. Exposing actions, thoughts and feelings can make people vulnerable to the reaction of others. However, the assertion that Model I is predominantly defensive has a further consequence:

Acting defensively can be viewed as moving away from something, usually some truth about ourselves. If our actions are driven by moving away from something then our actions are controlled and defined by whatever it is we are moving away from, not by us and what we would like to be moving towards. Therefore, our potential for growth and learning is seriously impaired. If my behaviour is driven by my not wanting to be seen as incompetent, this may lead me to hide things from myself and others, in order to avoid feelings of incompetence.

For example, if my behaviour is driven by wanting to be competent, honest evaluation of my behaviour by myself and others would be welcome and useful. (Anderson 1997)

It is only by interrogating and changing the governing values, the argument goes, is it possible to produce new action strategies that can address changing circumstances.

Chris Argyris looks to move people from a Model I to a Model II orientation and practice – one that fosters double-loop learning. He suggests that most people, when asked, will espouse Model II. As Anderson (1997) has commented, Argyris offers no reason why most people espouse Model II. In addition, we need to note that the vast bulk of research around the models has been undertaken by Argyris or his associates.

#### **Model I Theory-in-Use Characteristics**

*The governing Values of Model I are: –*

Achieve the purpose as the actor defines it

Win, do not lose

Suppress negative feelings

Emphasize rationality

Primary Strategies are:

Control environment and task unilaterally

Protect self and others unilaterally

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**Usually operationalized by: —**

Unillustrated attributions and evaluations e.g., "You seem unmotivated"  
Advocating courses of action which discourage inquiry e.g., "Lets not talk about the past, that's over."

Treating ones' own views as obviously correct

Making covert attributions and evaluations

Face-saving moves such as leaving potentially embarrassing facts unstated

**Consequences include: —**

Defensive relationships

Low freedom of choice

Reduced production of valid information

Little public testing of ideas

The significant features of Model II include the ability to call upon good quality data and to make inferences. It looks to include the views and experiences of participants rather than seeking to impose a view upon the situation. Theories should be made explicit and tested, positions should be reasoned and open to exploration by others. In other words, Model II can be seen as dialogical – and more likely to be found in settings and organizations that look to shared leadership. It looks to:

- Emphasize common goals and mutual influence.
- Encourage open communication, and to publicly test assumptions and beliefs.
- Combine advocacy with inquiry.

**Model II Characteristics**

**The governing values of Model II include: —**

Valid information

Free and informed choice

Internal commitment

**Strategies include: —**

Sharing control

Participation in design and implementation of action

**Operationalized by: —**

Attribution and evaluation illustrated with relatively directly observable data

Surfacing conflicting view  
Encouraging public testing of evaluations  
*Consequences should include: –*  
Minimally defensive relationships  
High freedom of choice  
Increased likelihood of double-loop learning

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As Edmondson and Moingeon (1999:162) comment, employing Model II in difficult interpersonal interactions 'requires profound attentiveness and skill for human beings socialized in a Model I world'. While they are not being asked to relinquish control altogether, they do need to share that control.

### ORGANIZATIONAL LEARNING

Chris Argyris and Donald Schön suggest that each member of an organization constructs his or her own representation or image of the theory-in-use of the whole (1978: 16). The picture is always incomplete – and people, thus, are continually working to add pieces and to get a view of the whole. They need to know their place in the organization, it is argued.

An organization is like an organism each of whose cells contains a particular, partial, changing image of itself in relation to the whole. And like such an organism, the organization's practice stems from those very images. Organization is an artifact of individual ways of representing organization.

Hence, our inquiry into organizational learning must concern itself not with static entities called organizations, but with an active process of organizing which is, at root, a cognitive enterprise. Individual members are continually engaged in attempting to know the organization, and to know themselves in the context of the organization. At the same time, their continuing efforts to know and to test their knowledge represent the object of their inquiry. Organizing is reflexive inquiry.

[Members] require external references. There must be public representations of organizational theory-in-use to which individuals can refer. This is the function of organizational maps. These are the shared descriptions of the organization which individuals jointly construct and use to guide their own inquiry....

Organizational theory-in-use, continually constructed through individual inquiry, is encoded in private images and in public maps. These are the media of organizational learning. (Argyris and Schön 1978: 16-17)

With this set of moves we can see how Chris Argyris and Donald Schön connect up the individual world of the worker and practitioner with the world of

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organization. Their focus is much more strongly on individual and group interactions and defenses than upon systems and structures (we could contrast their position with that of Peter Senge 1990, for example). By looking at the way that people jointly construct maps it is then possible to talk about organizational learning (involving the detection and correction of error) and organizational theory-in-use.

For organizational learning to occur, 'learning agents', discoveries, inventions, and evaluations must be embedded in organizational memory' (Argyris and Schön 1978: 19). If it is not encoded in the images that individuals have, and the maps they construct with others, then 'the individual will have learned but the organization will not have done so' (op. cit.).

In this organizational schema single-loop learning is characterized as when, 'members of the organization respond to changes in the internal and external environment of the organization by detecting errors which they then correct so as to maintain the central features of theory-in-use' (ibid.: 18). Double-loop learning then becomes:

those sorts of organizational inquiry which resolve incompatible organizational norms by setting new priorities and weightings of norms, or by restructuring the norms themselves together with associated strategies and assumptions. (Argyris and Schön 1978: 18)

The next step is to argue that individuals using Model I create Organizational I (O-I) learning systems. These are characterized by 'defensiveness, self-fulfilling prophecies, self-fuelling processes, and escalating error' (Argyris 1982: 8). O-I systems involve a web of feedback loops that 'make organizational assumptions and behavioural routines self-reinforcing – inhibiting "detection and correction of error" and giving rise to mistrust, defensiveness and self-fulfilling prophecy' (Edmondson and Moingeon 1999:161). In other words, if individuals in an organization make use of Model I learning the organization itself can begin to function in ways that act against its long-term interests. Indeed, in a very real sense systems can begin to malfunction. As Argyris and Schön (1996: 28) put it, 'The actions we take to promote productive organizational learning actually inhibit deeper learning'. The challenge is, then, to create a rare phenomenon – an Organizational II (O-II) learning system.

Here we come to the focus of organizational effort – the formulation and implementation of an intervention strategy. This, according to Argyris and Schön (1978: 220-1) involves the 'interventionist' in moving through six phases of work:

Phase 1	Mapping the problem as clients see it. This includes the factors and relationships that define the problem, and the relationship with the living systems of the organization.
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Phase 2	The internalization of the map by clients. Through inquiry and confrontation the interventionists work with clients to develop a map for which clients can accept responsibility. However, it also needs to be comprehensive.
Phase 3	Test the model. This involves looking at what 'testable predictions' can be derived from the map – and looking to practice and history to see if the predictions stand up. If they do not, the map has to be modified.
Phase 4	Invent solutions to the problem and simulate them to explore their possible impact.
Phase 5	Produce the intervention.
Phase 6	Study the impact. This allows for the correction of errors as well as generating knowledge for future designs. If things work well under the conditions specified by the model, then the map is not disconfirmed.

By running through this sequence and attending to key criteria suggested by Model II, it is argued, organizational development is possible. The process entails looking for the maximum participation of clients, minimizing the risks of candid participation, starting where people want to begin (often with instrumental problems), and designing methods so that they value rationality and honesty.

### CONCLUSION

How are we to evaluate these models and line of argument? First, we can say that while there has been a growing research base concerning the models and interventionist strategy, it is still limited – and people sympathetic to the approach have largely undertaken it. However, as Peter Senge's experience (recounted at the top of the page) demonstrates, the process and the focus on reflection-in-action does appear to bear fruit in terms of people's connection with the exercise and their readiness to explore personal and organizational questions.

Second, it is assumed that 'good' learning 'takes place in a climate of openness where political behaviour is minimized' (Easterby-Smith and Araujo 1999: 13). This is an assumption that can be questioned. It could be argued that organizations are inherently political – and that it is important to recognize this. Organizations can be seen as coalitions of various individuals and interest groups. 'Organizational goals, structure and policies emerge from an ongoing process of bargaining and negotiation among major interest groups' Bolman and Deal 1997: 175). Thus, perhaps we need to develop theory that looks to the political nature of structures, knowledge and information. Here we might profitably look to games

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theory, the contribution of partisan and political institutions (Beem 1999) and an exploration of how managers can make explicit, and work with, political processes (Coopey 1998). Perhaps the aim should be 'to incorporate politics into organizational learning, rather than to eradicate it' (Easterby-Smith and Araujo 1999: 13).

Third, and this might be my prejudice, I think we need to be distrustful of bipolar models like Model I and Model II. They tend to set up an 'either-or' orientation. They are useful as teaching or sensitizing devices, alerting us to different and important aspects of organizational life, but the area between the models (and beyond them) might well yield interesting alternatives.

Fourth, the interventionist strategy is staged or phased – and this does bring with it some problems. Why should things operate in this order. Significantly, this does highlight a tension between Argyris's orientation and that of Schön (1983). Schön in his later work on reflection-in-action draws on his pragmatist heritage (and especially the work of Dewey) and presents the making of theory-in-action and the expression of professional artistry in a far less linear fashion. Rather than there being phases, we could argue that intervention of this kind involves a number of elements or dimensions working at once.

This said, the theorizing of theory-in-action, the educative power of the models, and the conceptualization of organizational learning have been, and continue to be, significant contributions to our appreciation of processes in organizations. The notion of 'double-loop learning' does help us to approach some of the more taken-for-granted aspects of organizations and experiences. It provides us with a way of naming a phenomenon (and problem), and a possible way of 'learning our way out'. Argyris and Schön have made a significant contribution to pragmatic learning theory. First, by introducing the term 'theory' or 'theory in action', 'they provide the function of abstract conceptualization (see experiential learning) 'more structure and more coherence' (Finger and Asún 2000: 45). Abstract conceptualization 'becomes something one can analyze and work from' (op. cit.). Second, through the notion of 'learning-in-action' Argyris and Schön rework the experiential learning cycle.

Unlike Dewey's, Lewin's or Kolb's learning cycle, where one had, so to speak, to make a mistake and reflect upon it – that is, learn by trial and error – it is now possible thanks to Argyris and Schön's conceptualization, to learn by simply reflecting critically upon the theory-in-action. In other words, it is no longer necessary to go through the entire learning circle in order to develop the theory further. It is sufficient to readjust the theory through double-loop learning.

This is a very significant development and has important implications for educators. In the experiential learning model of Kolb (1984) the educator is in

essence a facilitator of a person's learning cycle. To this role can be added that of teacher, coach or mentor, the person who 'helps individuals (managers, professionals, workers) to reflect upon their theories-in-action'.

It is a significant development – but it has gone largely unnoticed in the adult education and lifelong learning fields. This is a result, in part, of rather blinkered reading by professionals and academics within that area, and because Argyris and Schön did not address, to any significant degree, the arena directly (Argyris's continued to focus on organization and management, and Schön's on professional thinking).

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### 3.17 DOUGLAS MCGREGOR'S IDEAS

Douglas McGregor, an American social psychologist, proposed his famous X-Y theory in his 1960 book 'The Human Side Of Enterprise'. Theory x and theory y are still referred to commonly in the field of management and motivation, and whilst more recent studies have questioned the rigidity of the model, McGregor's X-Y Theory remains a valid basic principle from which to develop positive management style and techniques.

McGregor's XY Theory remains central to organizational development, and to improving organizational culture.

McGregor's X-Y theory is a salutary and simple reminder of the natural rules for managing people, which under the pressure of day-to-day business are all too easily forgotten.

McGregor's ideas suggest that there are two fundamental approaches to managing people. Many managers tend towards theory x, and generally get poor results. Enlightened managers use theory y, which produces better performance and results, and allows people to grow and develop.

McGregor's ideas significantly relate to modern understanding of the Psychological Contract, which provides many ways to appreciate the unhelpful nature of X-Theory leadership, and the useful constructive beneficial nature of Y-Theory leadership.

#### *THEORY X ('AUTHORITARIAN MANAGEMENT' STYLE)*

- The average person dislikes work and will avoid it he/she can.
- Therefore most people must be forced with the threat of punishment to work towards organisational objectives.
- The average person prefers to be directed; to avoid responsibility; is relatively unambitious, and wants security above all else.

#### *THEORY Y ('PARTICIPATIVE MANAGEMENT' STYLE)*

- Effort in work is as natural as work and play.



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- People will apply self-control and self-direction in the pursuit of organisational objectives, without external control or the threat of punishment.
- Commitment to objectives is a function of rewards associated with their achievement.
- People usually accept and often seek responsibility.
- The capacity to use a high degree of imagination, ingenuity and creativity in solving organisational problems is widely, not narrowly, distributed in the population.
- In industry the intellectual potential of the average person is only partly utilised.

**CHARACTERISTICS OF THE X THEORY MANAGER**

Perhaps the most noticeable aspects of McGregor's XY Theory - and the easiest to illustrate - are found in the behaviours of autocratic managers and organizations which use autocratic management styles.

What are the characteristics of a Theory X manager? Typically some, most or all of these:

- results-driven and deadline-driven, to the exclusion of everything else
- intolerant
- issues deadlines and ultimatums
- distant and detached
- aloof and arrogant
- elitist
- short temper
- shouts
- issues instructions, directions, edicts
- issues threats to make people follow instructions
- demands, never asks
- does not participate
- does not team-build
- unconcerned about staff welfare, or morale
- proud, sometimes to the point of self-destruction
- one-way communicator
- poor listener
- fundamentally insecure and possibly neurotic
- anti-social

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- vengeful and recriminatory
- does not thank or praise
- withholds rewards, and suppresses pay and remunerations levels
- scrutinises expenditure to the point of false economy
- seeks culprits for failures or shortfalls
- seeks to apportion blame instead of focusing on learning from the experience and preventing recurrence
- does not invite or welcome suggestions
- takes criticism badly and likely to retaliate if from below or peer group
- poor at proper delegating - but believes they delegate well
- thinks giving orders is delegating
- holds on to responsibility but shifts accountability to subordinates
- relatively unconcerned with investing in anything to gain future improvements
- unhappy

### **HOW TO MANAGE UPWARDS - MANAGING YOUR X THEORY BOSS**

Working for an X theory boss isn't easy - some extreme X theory managers make extremely unpleasant managers, but there are ways of managing these people upwards. Avoiding confrontation (unless you are genuinely being bullied, which is a different matter) and delivering results are the key tactics.

- Theory X managers (or indeed theory Y managers displaying theory X behaviour) are primarily results oriented - so orientate your your own discussions and dealings with them around results - ie what you can deliver and when.
- Theory X managers are facts and figures oriented - so cut out the incidentals, be able to measure and substantiate anything you say and do for them, especially reporting on results and activities.
- Theory X managers generally don't understand or have an interest in the human issues, so don't try to appeal to their sense of humanity or morality. Set your own objectives to meet their organisational aims and agree these with the managers; be seen to be self-starting, self-motivating, self-disciplined and well-organised - the more the X theory manager sees you are managing yourself and producing results, the less they'll feel the need to do it for you.
- Always deliver your commitments and promises. If you are given an unrealistic task and/or deadline state the reasons why it's not realistic, but be very sure of your ground, don't be negative; be constructive as to how the overall aim can be achieved in a way that you know you can deliver.

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- Stand up for yourself, but constructively - avoid confrontation. Never threaten or go over their heads if you are dissatisfied or you'll be in big trouble afterwards and life will be a lot more difficult.
- If an X theory boss tells you how to do things in ways that are not comfortable or right for you, then don't questioning the process, simply confirm the end-result that is required, and check that it's okay to 'streamline the process' or 'get things done more efficiently' if the chance arises - they'll normally agree to this, which effectively gives you control over the 'how', provided you deliver the 'what' and 'when'.

And this is really the essence of managing upwards X theory managers - focus and get agreement on the results and deadlines - if you consistently deliver, you'll increasingly be given more leeway on how you go about the tasks, which amounts to more freedom. Be aware also that many X theory managers are forced to be X theory by the short-term demands of the organisation and their own superiors - an X theory manager is usually someone with their own problems, so try not to give them any more.

### 3.18 SUMMARY

- Public Administration Theory is the amalgamation of history, organizational theory, social theory, political theory and related studies focused on the meanings, structures and functions of public service in all its forms.
- Scientific management, a leading example of technicism and a theory of work behaviour based on the highly influential and controversial writings of Frederick William Taylor (1856-1915).
- The elements of administrative theory (Fayol, 1949) relate to accomplishment of tasks, and include principles of management, the concept of line and staff, committees and functions of management.
- Although Gulick and Urwick were interested in dealing with administration as a whole, they dealt mostly with the technical aspects of formal organisation. Urwick was heavily oriented to formalism in organisation theory.
- Both Gulick and Urwick were heavily influenced by Taylor and Fayol. Gulick used Fayol's five elements of administration viz., Planning, Organisation, Command, Coordination and Control as a framework for his neutral principles.
- Weber described the ideal type bureaucracy in positive terms, considering it to be a more rational and efficient form of organization than the alternatives that preceded it, which he characterized as charismatic domination and traditional domination.

- Barnard's classic 1938 book *Functions of the Executive* discusses, as the title suggests, the functions of the executive, but not from a merely intuitive point of view, but instead deriving them from his conception of cooperative systems.
- *Administrative Behaviour* was Herbert Simon's doctoral dissertation and his first book. It served as the foundation for his life's work. The centerpiece of this book is the behavioural and cognitive processes of making rational human choices, that is, decisions.
- Participative management, otherwise known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation of solutions.

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### 3.19 REVIEW QUESTIONS

1. What are the essential elements of Scientific Management Theory?
2. Discuss the concept Fayol's Administrative Theory.
3. What are the practical values of classical theory?
4. Describe the Weber's analysis of bureaucracy.
5. State the ideas of M.P. Follett pertaining to power and management.
6. Discuss the contribution of Elton Mayo to Human Relation Theory.
7. Explain the two model theory of Chris Argyris.
8. Describe the X and Y theory of Douglas McGregor.

### 3.20 FURTHER READINGS

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# CHAPTER – 4

Administrative Behaviour

## ADMINISTRATIVE BEHAVIOUR

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### STRUCTURE

- 4.1 Learning Objectives
- 4.2 Introduction
- 4.3 Definition and Perspectives of Leadership
- 4.4 Characteristics and Importance of Leadership
- 4.5 Leadership Theories and Models
- 4.6 Types of Leaders
- 4.7 Functions of Leadership
- 4.8 Meaning and Importance of Decision-Making
- 4.9 Types/Models of Decision-Making
- 4.10 Factors Influencing Decision Making
- 4.11 Meaning, Types and Characteristics of Communication
- 4.12 Channels of Communication
- 4.13 Problems and Importance of Decision Making
- 4.14 Effective Communication
- 4.15 Definitions and Concepts of Motivation
- 4.16 Theories of Motivation
- 4.17 Interrelation Between Motivation and Morale
- 4.18 Summary
- 4.19 Review Questions
- 4.20 Further Readings

### 4.1 LEARNING OBJECTIVES

After going through this chapter, students will be able to:

- state the meaning, definition and perspectives of leadership;
- describe the meaning and importance of decision-making;
- explain the meaning, types and characteristics of communication;
- discuss the concept and definition of motivation;
- state the theories of motivation.

### 4.2 INTRODUCTION

Administrative studies, administrative behaviour, and administrative theory is the systematic study and careful application of knowledge about how people - as individuals and as groups - act within administration.

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Administrative Behaviour studies encompasses the study of administration from multiple viewpoints, methods, and levels of analysis. For instance, one textbook divides these multiple viewpoints into three perspectives: modern, symbolic, and postmodern. Another traditional distinction, present especially in American academia, is between the study of "micro" administrative behaviour – which refers to individual and group dynamics in an administrative setting – and "macro" administrative theory which studies whole administration, how they adapt, and the strategies and structures that guide them. To this distinction, some scholars have added an interest in "meso" – primarily interested in power, culture, and the networks of individuals and units in administration – and "field" level analysis which study how whole populations of administration interact. In this section of the book, we will discuss various important aspects of administrative behaviour.

## UNIT – 13

Most of us are familiar with the word 'leader'. The word leadership can refer to the process of leading, the concept of leading and those entities that perform one or more acts of leading. In our day to day life, leadership can be viewed as either actual or potential.

- Actual leader gives guidance or direction, as in the phrase "the emperor has provided satisfactory leadership".
- Potential leader has the capacity or ability to lead, as in the phrase "she could have exercised effective leadership"; or as implies in the concept "born to lead".

### 4.3 DEFINITION AND PERSPECTIVES OF LEADERSHIP

Leadership can have a formal aspect (as in most political or business leadership) or an informal one (as in most friendships). The abstract term "leadership" usually implies that the entities doing the leading possess some "leadership skills" or competencies; while the term "leading" suggests action of leading.

Several types of entities may provide or exhibit leadership, actual or potential. Leadership emerges when an entity as "leader" contrives to receive deference from other entities who become "followers". The process of getting deference can become competitive in that the emerging "leader" draws "followers" from the factions of the prior or alternative "leaders".

In a democratic country, the people retain sovereignty (popular sovereignty) but delegate day-to-day administration and leadership to elected representatives.

Competence or perceived competence provides a possible basis for selecting leadership elites from a broader pool of potential talent. Political lobbying may prove necessary in electoral systems, but immediately demonstrated skill and character may secure leadership in smaller groups such as a service agency.

Many organizations and groups aim to identify, foster and promote what they see as leadership potential or ability - especially among younger members of society. The issues of succession planning or of legitimating a leader become important when leadership (particularly individual leadership) might or must change due to term-expiry, accident or senescence (growing old).

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### LEADERSHIP PERSPECTIVES

An organization that is established as an instrument or means for achieving defined objectives has been referred to as a formal organization. Its design specifies how goals are subdivided and reflected in subdivisions of the organization. Divisions, departments, sections, positions, jobs, and tasks make up this work structure. Thus, the formal organization is expected to behave impersonally in regard to relationships with clients or with its members. According to Weber's definition, entry and subsequent advancement is by merit or seniority. Each employee receives a salary and enjoys a degree of tenure that safeguards her/him from the arbitrary influence of superiors or of powerful clients. The higher his position in the hierarchy, the greater his presumed expertise in adjudicating problems that may arise in the course of the work carried out at lower levels of the organization. It is this bureaucratic structure that forms the basis for the appointment of heads or chiefs of administrative subdivisions in the organization and endows them with the authority attached to their position.

In contrast to the appointed head or chief of an administrative unit, a leader emerges within the context of the informal organization that underlies the formal structure. The informal organization expresses the personal objectives and goals of the individual membership. Their objectives and goals may or may not coincide with those of the formal organization. The informal organization represents an extension of the social structures that generally characterize human life — the spontaneous emergence of groups and organizations as ends in themselves.

In prehistoric times, humanity was preoccupied with personal security, maintenance, protection, and survival. Now humanity spends a major portion of waking hours working for organizations. Her/His need to identify with a community that provides security, protection, maintenance, and a feeling of belonging continues unchanged from prehistoric times. This need is met by the informal organization and its emergent, or unofficial, leaders.

Leaders emerge from within the structure of the informal organization. Their personal qualities, the demands of the situation, or a combination of these and other factors attract followers who accept their leadership within one or several



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overlay structures. Instead of the authority of position held by an appointed head or chief, the emergent leader wields influence or power. Influence is the ability of a person to gain co-operation from others by means of persuasion or control over rewards. Power is a stronger form of influence because it reflects a person's ability to enforce action through the control of a means of punishment.

A leader is a person who influences a group of people towards a specific result. It is not dependent on title or formal authority. (Elevos, paraphrased from Leaders, Bennis, and Leadership Presence, Halpern & Lubar). Leaders are recognized by their capacity for caring for others, clear communication, and a commitment to persist. An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. However, she or he must possess adequate personal attributes to match his authority, because authority is only potentially available to him. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge her/his role in the organization and reduce it to that of a figurehead. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority. Leadership can be defined as one's ability to get others to willingly follow. Every organization needs leaders at every level.

### 4.4 CHARACTERISTICS AND IMPORTANCE OF LEADERSHIP

Studies of leadership have suggested qualities that people often associate with leadership. They include the following qualities.

- Guiding others through providing a role model and through willingness to serve others first
- Talent and technical/specific skill at some task at hand
- Initiative and entrepreneurial drive
- Charismatic inspiration - attractiveness to others and the ability to leverage this esteem to motivate others
- Preoccupation with a role - a dedication that consumes much of leaders' life - service to a cause
- A clear sense of purpose (or mission) - clear goals - focus - commitment
- Results-orientation - directing every action towards a mission - prioritizing activities to spend time where results most accrue
- Optimism - very few pessimists become leaders
- Rejection of determinism - belief in one's ability to "make a difference"
- Ability to encourage and nurture those that report to them - delegate in such a way as people will grow

- Role models - leaders may adopt a persona that encapsulates their mission and lead by example
- Self-knowledge (in non-bureaucratic structures)
- Self-awareness - the ability to "lead" (as it were) one's own self prior to leading other selves similarly
- With regards to people and to projects, the ability to choose winners - recognizing that, unlike with skills, one cannot (in general) teach attitude. Note that "picking winners" ("choosing winners") carries implications of gamblers' luck as well as of the capacity to take risks, but "true" leaders, like gamblers but unlike "false" leaders, base their decisions on realistic insight (and usually on many other factors partially derived from "real" wisdom).
- Understanding what others say, rather than listening to how they say things- this could partly sum this quality up as "walking in someone else's shoes" (to use a common cliché).

Situational leadership theory (Stodgill 1957) proceeds from the assumption that different situations call for different traits. According to this group of theories, no single optimal psychographic profile of a leader exists. It has been said that leadership behavior becomes a function not only of the characteristics of the leader, but of the characteristics of followers as well. Other situational leadership models introduce a variety of variables. These variables include

- the nature of the task (structured or routine)
- organizational policies, climate, and culture
- the preferences of the leader's superiors
- the expectations of peers
- the reciprocal responses of followers

Thus leadership is essentially about managing an organization on the basis of certain individual and situational qualities of managers. But there are several variants of leadership depending upon situation and kind of organization. An understanding of these various categories will help the managers of Adult Learning Centers to run these centers in an efficient way.

#### *LEADERSHIP STYLES*

Leadership styles may be of relevance to in a variety of situations where there is a requirement to manage others. Effective performance will depend on many factors including the organizational culture in which the individual is operating.

**Directive Leader:** Directive Leaders are characterized by having firm views about how and when things should be done. As such they leave

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little leeway for subordinates to display independence, believing that they should adhere to the methods and schedules as originally laid down. Having a high goal-orientation and being particularly concerned with results the Directive Leader will tend to closely monitor the behaviour and performance of others. This may lead them to be perceived as a little cool and detached.

**Delegative Leader:** As the name suggests, the style of Delegative Leaders is characterized by delegating work to subordinates. Since their style is not strongly democratic, the process of delegation may not involve consultation. As a result, subordinates will generally be assigned work rather than have active input into how projects should be conducted.

**Participative Leader:** Participative leaders are primarily concerned with getting the best out of a team as a whole. Hence, they encourage contributions from all members of a team and believe that by pooling ideas and coming to a consensus view the best solutions to problems will naturally arise.

**Consultative Leader:** The Consultative Leadership Style combines elements of both democratic and directive leadership orientations. They value group discussion and tend to encourage contributions from the separate members of the team. However, although group discussions will be largely democratic in nature, Consultative Leaders typically make the final decision as to which of the varying proposals should be accepted.

**Negotiative Leader:** Negotiative Leaders motivate subordinates by encouraging them, through incentives etc., to work towards common objectives. Hence, through a process of negotiation attempts will be made to arrive at some mutually equitable arrangement with the other members of the team so as to motivate them to work in a particular way. Negotiative Leaders tend to rely on their skills of persuasion to achieve their stated goals.

### **IMPORTANCE OF LEADERSHIP**

One can govern oneself, or one can govern the whole earth. In between, we may find leaders who operate primarily within families, bands, tribes, states, nations or empires.

In addition to these, we also find, for example, religious leaders (potentially with their own internal hierarchies), work-place leaders (executives, officers, senior/upper managers, middle managers, staff-managers, linemenagers, team-leaders, supervisors) and leaders of voluntary associations.

Believing that charisma and personality alone can work miracles, most leaders operate within a structure of supporters and groups of executives who carry out and monitor the expressed or filtered-down will of the leader. This undercutting the importance of leadership may serve as a reminder of the existence of the follower. A more or less formal bureaucracy can promote an ordinary personality as an entirely effective leader. Bureaucratic organizations can also raise incompetent people to levels of leadership. These leaders may build coalitions and alliances. Political parties abound with such leaders. Still others depend on rapport with the masses: they labor on the actual work place or stand in the front-line of battle, leading by example.

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### LEADERSHIP AND MANAGEMENT

Some commentators (for example, Cogner 1992) link leadership closely with the idea of management; some would even regard the two as synonymous. If one accepts this premise, one can view leadership as

- 1 centralized or decentralized
- 2 broad or focused
- 3 decision-oriented or morale centered
- 4 intrinsic or derived from some authority

Any of the bipolar labels traditionally ascribed to management style could also apply to leadership style. Hersey and Blanchard (1982) use this approach. They claim that management merely consists of leadership applied to business situations; or in other words: management forms a sub-set of the broader process of leadership. According to Hersey and Blanchard (1982: 3), "Leadership occurs any time one attempts to influence the behaviour of an individual or group, regardless of the reason. Management is a kind of leadership in which the achievement of organizational goals is paramount".

However, a clear distinction between management and leadership may nevertheless prove useful. This would allow for a reciprocal relationship between leadership and management, implying that an effective manager should possess leadership skills, and an effective leader should demonstrate management skills.

Zaleznik (1977) for example, delineated differences between leadership and management. He saw leaders as inspiring visionaries, concerned about substance; while he views managers as planners who have concerns with process. Bennis (1989) further explicated a dichotomy between managers and leaders. He drew the following twelve distinctions between the two groups.

- Managers administer, leaders innovate
- Managers ask how and when, leaders ask what and why
- Managers focus on systems, leaders focus on people

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- Managers do things right, leaders do the right things
- Managers maintain, leaders develop
- Managers rely on control, leaders inspire trust
- Managers have a short-term perspective, leaders have a longer term perspective
- Managers accept the status-quo, leaders challenge the status-quo
- Managers have an eye on the bottom line, leaders have an eye on the horizon
- Managers imitate, leaders originate
- Managers emulate the classic good soldier, leaders are their own person
- Managers copy, leaders show originality.

Box gives the various leadership styles. Working with a community, an adult educator is always looking for actual or potential leaders and learning about different styles of leadership can help in identifying actual or potential leaders in a community.

### **4.5 LEADERSHIP THEORIES AND MODELS**

Students of leadership have produced theories involving traits, situational interaction, function, behaviour, power, vision and values, charisma, and intelligence among others.

#### ***TRAIT THEORY***

Trait theory tries to describe the characteristics associated with effective leadership.

#### **Early History**

The search for the characteristics or traits of leaders has been ongoing for centuries. History's greatest philosophical writings from Plato's Republic to Plutarch's Lives have explored the question of "What qualities distinguish an individual as a leader?" Underlying this search was the early recognition of the importance of leadership and the assumption that leadership is rooted in the characteristics that certain individuals possess. This idea that leadership is based on individual attributes is known as the "trait theory of leadership."

This view of leadership, the trait theory, was explored at length in a number of works in the previous century. Most notable are the writings of Thomas Carlyle and Francis Galton, whose works have prompted decades of research. In *Heroes and Hero Worship* (1841), Carlyle identified the talents, skills, and physical characteristics of men who rose to power. In Galton's (1869) *Hereditary Genius*, he examined leadership qualities in the families of powerful men. After showing

that the numbers of eminent relatives dropped off when moving from first degree to second degree relatives, Galton concluded that leadership was inherited. In other words, leaders were born, not developed. Both of these notable works lent great initial support for the notion that leadership is rooted in characteristics of the leader.

For decades, this trait-based perspective dominated empirical and theoretical work in leadership. Using early research techniques, researchers conducted over a hundred studies proposing a number of characteristics that distinguished leaders from nonleaders: intelligence, dominance, adaptability, persistence, integrity, socioeconomic status, and self-confidence just to name a few.

### **The Rise of Alternative Leadership Theories**

In the late 1940s and early 1950s, however, a series of qualitative reviews of these studies (e.g., Bird, 1940; Stogdill, 1948; Mann, 1959) prompted researchers to take a drastically different view of the driving forces behind leadership. In reviewing the extant literature, Stogdill and Mann found that while some traits were common across a number of studies, the overall evidence suggested that persons who are leaders in one situation may not necessarily be leaders in other situations. Subsequently, leadership was no longer characterized as an enduring individual trait, as situational approaches (see alternative leadership theories below) posited that individuals can be effective in certain situations, but not others. This approach dominated much of the leadership theory and research for the next few decades.

### **The Reemergence of the Trait Theory**

New methods and measurements were developed after these influential reviews that would ultimately reestablish the trait theory as a viable approach to the study of leadership. For example, improvements in researchers' use of the round robin research design methodology allowed researchers to see that individuals can and do emerge as leaders across a variety of situations and tasks. Additionally, during the 1980s statistical advances allowed researchers to conduct meta-analyses, in which they could quantitatively analyze and summarize the findings from a wide array of studies. This advent allowed trait theorists to create a comprehensive and parsimonious picture of previous leadership research rather than rely on the qualitative reviews of the past. Equipped with new methods, leadership researchers revealed the following:

- Individuals can and do emerge as leaders across a variety of situations and tasks
- Significant relationships exist between leadership and such individual traits as:
  - intelligence

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- adjustment
- extraversion
- conscientiousness
- openness to experience
- general self-efficacy

### *CURRENT CRITICISMS OF THE TRAIT THEORY*

While the trait theory of leadership has certainly regained popularity, its reemergence has not been accompanied by a corresponding increase in sophisticated conceptual frameworks.

Specifically, Zaccaro (2007) noted that trait theories still:

1. Focus on a small set of individual attributes such as Big Five personality traits, to the neglect of cognitive abilities, motives, values, social skills, expertise, and problem-solving skills
2. Fail to consider patterns or integrations of multiple attributes
3. Do not distinguish between those leader attributes that are generally not malleable over time and those that are shaped by, and bound to, situational influences
4. Do not consider how stable leader attributes account for the behavioural diversity necessary for effective leadership.

### *LEADER ATTRIBUTE PATTERN APPROACH*

Considering the criticisms of the trait theory outlined above, several researchers have begun to adopt a different perspective of leader individual differences - the leader attribute pattern approach. In contrast to the traditional approach, the leader attribute pattern approach is based on theorists' arguments that the influence of individual characteristics on outcomes is best understood by considering the person as an integrated totality rather than a summation of individual variables. In other words, the leader attribute pattern approach argues that integrated constellations or combinations of individual differences may explain substantial variance in both leader emergence and leader effectiveness beyond that explained by single attributes, or by additive combinations of multiple attributes.

### *BEHAVIOURAL AND STYLE THEORIES*

In response to the early criticisms of the trait approach, theorists began to research leadership as a set of behaviours, evaluating the behavior of 'successful' leaders, determining a behaviour taxonomy and identifying broad leadership styles. David McClelland, for example, Leadership takes a strong personality with

a well developed positive ego. Not so much as a pattern of motives, but a set of traits is crucial. To lead; self-confidence and a high self-esteem is useful, perhaps even essential.

Kurt Lewin, Ronald Lipitt, and Ralph White developed in 1939 the seminal work on the influence of leadership styles and performance. The researchers evaluated the performance of groups of eleven-year-old boys under different types of work climate. In each, the leader exercised his influence regarding the type of group decision making, praise and criticism (feedback), and the management of the group tasks (project management) according to three styles: (1) authoritarian, (2) democratic and (3) laissez-faire. Authoritarian climates were characterized by leaders who make decisions alone, demand strict compliance to his orders, and dictate each step taken; future steps were uncertain to a large degree. The leader is not necessarily hostile but is aloof from participation in work and commonly offers personal praise and criticism for the work done. Democratic climates were characterized by collective decision processes, assisted by the leader. Before accomplishing tasks, perspectives are gained from group discussion and technical advice from a leader. Members are given choices and collectively decide the division of labor. Praise and criticism in such an environment are objective, fact minded and given by a group member without necessarily having participated extensively in the actual work. Laissez faire climates gave freedom to the group for policy determination without any participation from the leader. The leader remains uninvolved in work decisions unless asked, does not participate in the division of labor, and very infrequently gives praise. The results seemed to confirm that the democratic climate was preferred.

The managerial grid model is also based on a behavioural theory. The model was developed by Robert Blake and Jane Mouton in 1964 and suggests five different leadership styles, based on the leaders' concern for people and their concern for goal achievement.

### **SITUATIONAL AND CONTINGENCY THEORIES**

Situational theory also appeared as a reaction to the trait theory of leadership. Social scientists argued that history was more than the result of intervention of great men as Carlyle suggested. Herbert Spencer (1884) said that the times produce the person and not the other way around. This theory assumes that different situations call for different characteristics; according to this group of theories, no single optimal psychographic profile of a leader exists. According to the theory, "what an individual actually does when acting as a leader is in large part dependent upon characteristics of the situation in which he functions."

Some theorists started to synthesize the trait and situational approaches. Building upon the research of Lewin et al., academics began to normatize the

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descriptive models of leadership climates, defining three leadership styles and identifying in which situations each style works better. The authoritarian leadership style, for example, is approved in periods of crisis but fails to win the "hearts and minds" of their followers in the day-to-day management; the democratic leadership style is more adequate in situations that require consensus building; finally, the laissez faire leadership style is appreciated by the degree of freedom it provides, but as the leader does not "take charge", he can be perceived as a failure in protracted or thorny organizational problems. Thus, theorists defined the style of leadership as contingent to the situation, which is sometimes classified as contingency theory. Four contingency leadership theories appear more prominently in the recent years: Fiedler contingency model, Vroom-Yetton decision model, the path-goal theory, and the Hersey-Blanchard situational theory.

The Fiedler contingency model bases the leader's effectiveness on what Fred Fiedler called situational contingency. This results from the interaction of leadership style and situational favourableness (later called "situational control"). The theory defined two types of leader: those who tend to accomplish the task by developing good-relationships with the group (relationship-oriented), and those who have as their prime concern carrying out the task itself (task-oriented). According to Fiedler, there is no ideal leader.

Both task-oriented and relationship-oriented leaders can be effective if their leadership orientation fits the situation. When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered a "favourable situation". Fiedler found that task-oriented leaders are more effective in extremely favourable or unfavourable situations, whereas relationship-oriented leaders perform best in situations with intermediate favourability.

Victor Vroom, in collaboration with Phillip Yetton (1973) and later with Arthur Jago (1988), developed a taxonomy for describing leadership situations, taxonomy that was used in a normative decision model where leadership styles were connected to situational variables, defining which approach was more suitable to which situation. This approach was novel because it supported the idea that the same manager could rely on different group decision-making approaches depending on the attributes of each situation. This model was later referred as situational contingency theory.

The path-goal theory of leadership was developed by Robert House (1971) and was based on the expectancy theory of Victor Vroom. According to House, the essence of the theory is "the meta proposition that leaders, to be effective, engage in behaviours that complement subordinates' environments and abilities in a manner that compensates for deficiencies and is instrumental to subordinate satisfaction and individual and work unit performance. The theory identifies four

leader behaviors, achievement-oriented, directive, participative, and supportive, that are contingent to the environment factors and follower characteristics. In contrast to the Fiedler contingency model, the path-goal model states that the four leadership behaviors are fluid, and that leaders can adopt any of the four depending on what the situation demands. The path-goal model can be classified both as a contingency theory, as it depends on the circumstances, but also as a transactional leadership theory, as the theory emphasizes the reciprocity behavior between the leader and the followers.

The situational leadership model proposed by Hersey and Blanchard suggests four leadership-styles and four levels of follower-development. For effectiveness, the model posits that the leadership-style must match the appropriate level of followership-development. In this model, leadership behavior becomes a function not only of the characteristics of the leader, but of the characteristics of followers as well.

### **FUNCTIONAL THEORY (FUNCTIONAL LEADERSHIP MODEL)**

Functional leadership theory (Hackman & Walton, 1986; McGrath, 1962) is a particularly useful theory for addressing specific leader behaviors expected to contribute to organizational or unit effectiveness. This theory argues that the leader's main job is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said to have done their job well when they have contributed to group effectiveness and cohesion (Fleishman et al., 1991; Hackman & Wageman, 2005; Hackman & Walton, 1986).

While functional leadership theory has most often been applied to team leadership (Zaccaro, Rittman, & Marks, 2001), it has also been effectively applied to broader organizational leadership as well (Zaccaro, 2001). In summarizing literature on functional leadership (see Kozlowski et al. (1996), Zaccaro et al. (2001), Hackman and Walton (1986), Hackman & Wageman (2005), Morgeson (2005)), Klein, Zeigert, Knight, and Xiao (2006) observed five broad functions a leader performs when promoting organisation's effectiveness. These functions include: (1) environmental monitoring, (2) organizing subordinate activities, (3) teaching and coaching subordinates, (4) motivating others, and (5) intervening actively in the group's work.

A variety of leadership behaviours are expected to facilitate these functions. In initial work identifying leader behaviour, Fleishman (1953) observed that subordinates perceived their supervisors' behaviour in terms of two broad categories referred to as consideration and initiating structure. Consideration includes behavior involved in fostering effective relationships. Examples of such behaviour would include showing concern for a subordinate or acting in a supportive manner towards others. Initiating structure involves the actions of

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the leader focused specifically on task accomplishment. This could include role clarification, setting performance standards, and holding subordinates accountable to those standards.

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### *TRANSACTIONAL AND TRANSFORMATIONAL THEORIES*

The transactional leader (Burns, 1978) is given power to perform certain tasks and reward or punish for the team's performance. It gives the opportunity to the manager to lead the group and the group agrees to follow his lead to accomplish a predetermined goal in exchange for something else. Power is given to the leader to evaluate, correct and train subordinates when productivity is not up to the desired level and reward effectiveness when expected outcome is reached.

The transformational leader (Burns, 1978) motivates its team to be effective and efficient. Communication is the base for goal achievement focusing the group on the final desired outcome or goal attainment. This leader is highly visible and uses chain of command to get the job done. Transformational leaders focus on the big picture, needing to be surrounded by people who take care of the details. The leader is always looking for ideas that move the organization to reach the company's vision.

### *LEADERSHIP AND EMOTIONS*

Leadership can be perceived as a particularly emotion-laden process, with emotions entwined with the social influence process. In an organization, the leaders' mood has some effects on his/her group. These effects can be described in 3 levels:

1. The mood of individual group members. Group members with leaders in a positive mood experience more positive mood than do group members with leaders in a negative mood. The leaders transmit their moods to other group members through the mechanism of emotional contagion. Mood contagion may be one of the psychological mechanisms by which charismatic leaders influence followers.
2. The affective tone of the group. Group affective tone represents the consistent or homogeneous affective reactions within a group. Group affective tone is an aggregate of the moods of the individual members of the group and refers to mood at the group level of analysis. Groups with leaders in a positive mood have a more positive affective tone than do groups with leaders in a negative mood.
3. Group processes like coordination, effort expenditure, and task strategy. Public expressions of mood impact how group members think and act.

When people experience and express mood, they send signals to others. Leaders signal their goals, intentions, and attitudes through their expressions of moods. For example, expressions of positive moods by leaders signal that leaders deem progress toward goals to be good. The group members respond to those signals cognitively and behaviorally in ways that are reflected in the group processes.

In research about client service, it was found that expressions of positive mood by the leader improve the performance of the group, although in other sectors there were other findings.

Beyond the leader's mood, her/his behaviour is a source for employee positive and negative emotions at work. The leader creates situations and events that lead to emotional response. Certain leader behaviours displayed during interactions with their employees are the sources of these affective events. Leaders shape workplace affective events. Examples – feedback giving, allocating tasks, resource distribution. Since employee behaviour and productivity are directly affected by their emotional states, it is imperative to consider employee emotional responses to organizational leaders. Emotional intelligence, the ability to understand and manage moods and emotions in the self and others, contributes to effective leadership in organizations. Leadership is about being responsible.

### **NEO-EMERGENT THEORY**

The Neo-emergent leadership theory (from the Oxford school of leadership) espouses that leadership is created through the emergence of information by the leader or other stakeholders, not through the true actions of the leader himself. In other words, the reproduction of information or stories form the basis of the perception of leadership by the majority. It well known that the great naval hero Lord Nelson often wrote his own versions of battles he was involved in, so that when he arrived home in England he would receive a true hero's welcome. In modern society, the press, blogs and other sources report their own views of a leader which may be based on reality, but may also be based on a political command, a payment or an inherent interest of the author, media or leader. Therefore, it can be contended that the perception of all leaders is created and in fact does not reflect their true leadership qualities at all.

### **ENVIRONMENTAL LEADERSHIP THEORY**

The Environmental leadership model (Carmazzi) describes leadership from a Group dynamics perspective incorporating group psychology and self awareness to nurture "Environments" that promote self sustaining group leadership based on personal emotional gratification from the activities of the group. The Environmental Leader creates the psychological structure by which employees can find and attain this gratification through work or activity.

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It stems from the idea that each individual has various environments that bring out different facets from their own Identity, and each facet is driven by emotionally charged perceptions within each environment. The Environmental Leader creates a platform through education and awareness where individuals fill each others emotional needs and become more conscious of when, and how they affect personal and team emotional gratifications. This is accomplished by knowing why people "react" to their environment instead of act intelligently.

"Environmental Leadership is not about changing the mindset of the group or individual, but in the cultivation of an environment that brings out the best and inspires the individuals in that group.

It is not the ability to influence others to do something they are not committed to, but rather to nurture a culture that motivates and even excites individuals to do what is required for the benefit of all. It is not carrying others to the end result, but setting the surrounding for developing qualities in them to so they may carry each other." –Carmazzi

The role of an Environmental Leader is to instill passion and direction to a group and the dynamics of that group. This leader implements a psychological support system within a group that fills the emotional and developmental needs of the group.

### 4.6 TYPES OF LEADERS

Leadership style refers to a leader's behaviour. It is the result of the philosophy, personality and experience of the leader.

#### **KURT LEWIN'S LEADERSHIP STYLES**

Kurt Lewin and colleagues identified different styles of leadership:

- Dictator
- Autocratic
- Participative or Democratic
- Laissez Faire.

#### **Autocratic or Authoritarian Leaders**

Under the autocratic leadership style, all decision-making powers are centralized in the leader, as with dictator leaders.

They do not entertain any suggestions or initiatives from subordinates. The autocratic management has been successful as it provides strong motivation to the manager. It permits quick decision-making, as only one person decides for the whole group and keeps each decision to themselves until they feel it is needed by the rest of the group. An autocratic leader does not trust anybody.

## Participative or Democratic Leaders

The democratic leadership style favors decision-making by the group as shown, such as leader gives instruction after consulting the group.

They can win the cooperation of their group and can motivate them effectively and positively. The decisions of the democratic leader are not unilateral as with the autocrat because they arise from consultation with the group members and participation by them.

## Laissez Faire or Free Rein Leaders

A free rein leader does not lead, but leaves the group entirely to itself as shown; such a leader allows maximum freedom to subordinates.

They are given a freehand in deciding their own policies and methods.

Different situations call for different leadership styles. In an emergency when there is little time to converge on an agreement and where a designated authority has significantly more experience or expertise than the rest of the team, an autocratic leadership style may be most effective; however, in a highly motivated and aligned team with a homogeneous level of expertise, a more democratic or laissez faire style may be more effective. The style adopted should be that which most effectively achieves the objectives of the group while balancing the interests of its individual members.

## 4.7 FUNCTIONS OF LEADERSHIP

The functions of leadership in an administrative organisation are analysed by the following thinkers.

*Hicks and Gullet* identified the following eight functions of a leader :

- (i) Supplying organisational objectives to the members.
- (ii) Arbitrating on disagreements among organisational members.
- (iii) Catalising to arouse the subordinate to action.
- (iv) Suggesting ideas to subordinates.
- (v) Inspiring subordinates to work effectively towards accomplishment of organisational goals.
- (vi) Praising subordinates to satisfy their recognition and esteem needs.
- (vii) Providing security to followers when they face problems.
- (viii) Representing the organisation before others and serving as a symbol of the organisation.

F.E. Fiedler identified the following two function of leadership : (i) Directing group activities (ii) Co-ordinating group activities.

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P. Fiffner and Presthus says that a leader is the modifier of organisational behaviour. They commented, "Get the right man in the leadership job and all your problems will be solved."

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### UNIT – 14

Decision-making can be regarded as the mental processes (cognitive process) resulting in the selection of a course of action among several alternatives. Every decision-making process produces a final choice. The output can be an action or an opinion of choice.

#### 4.8 MEANING AND IMPORTANCE OF DECISION MAKING

A good place to start is with some standard definitions of decision-making.

*1. Decision-making is the study of identifying and choosing alternatives based on the values and preferences of the decision maker.*

Making a decision implies that there are alternative choices to be considered, and in such a case we want not only to identify as many of these alternatives as possible but to choose the one that (1) has the highest probability of success or effectiveness and (2) best fits with our goals, desires, lifestyle, values, and so on.

*2. Decision-making is the process of sufficiently reducing uncertainty and doubt about alternatives to allow a reasonable choice to be made from among them.*

This definition stresses the information-gathering function of decision making. It should be noted here that uncertainty is reduced rather than eliminated. Very few decisions are made with absolute certainty because complete knowledge about all the alternatives is seldom possible. Thus, every decision involves a certain amount of risk. If there is no uncertainty, you do not have a decision; you have an algorithm—a set of steps or a recipe that is followed to bring about a fixed result.

#### *IMPORTANCE OF DECISION-MAKING*

When there are different ways of performing a task, it becomes necessary to find out the best way and that is what decision-making is all about.

The need for decision-making may be stated as follows:

- Decision-making makes it possible to adopt the best course of action in carrying out a given task. When there are different ways of performing a task, it becomes necessary to find out the best way and that is what decision-making is all about. The course of action finally selected should produce the best results.

- By choosing the best method of doing any work, decision-making ensures optimum use of the enterprise resources, namely, men, machines, materials and money. Resources are always scarce and therefore, it is necessary to make a proper use of the same.
- Decision-making helps to find a solution to any problem in a work place. For example, if an organization faces the problem of low productivity, such a problem cannot be ignored and it becomes necessary to find a remedy. To find a remedy, the actual cause of the problem must be identified after which corrective action may be taken. If negative employee attitude is found to be the root cause of low productivity, the management may have to decide on the right course of action to be adopted to change such a negative attitude.
- Decision-making helps to identify the best course of action in each given situation and thereby promotes efficiency. The course of action finally selected should be acceptable to both the workers and the management. Satisfied workers put in their best efforts and this result in higher output. Higher output satisfies the management and it may come forward to share the gain with the workers. Thus, there is improvement in the overall efficiency of the organization.

The conflicts in an organization are resolved through decisions. For example, the workers may want better pay and improved working conditions and put forth their views to the management. If the management avoids taking a decision on the matter, the workers are not going to give up. A decision, therefore, becomes necessary. Such a decision need not be one-sided decision. The management may evolve a formula that is acceptable to the workers as well.

#### 4.9 TYPES/MODELS OF DECISION-MAKING

There are many types of decision-making and these can be easily categorised into the following 4 groups:

- Rational
- Intuitive
- Recognition primed decision-making
- The ultimate decision making model.

Let's consider these in more detail.

##### **RATIONAL**

Rational decision-making is the commonest of the types of decision-making that is taught and learned when people consider that they want to improve their decision-making. These are logical, sequential models where the emphasis is on listing many potential options and then working out which is the best. Often the pros and cons of each option are also listed and scored in order of importance.

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The rational aspect indicates that there is considerable reasoning and thinking done in order to select the optimum choice. Because we put such a heavy emphasis on thinking and getting it right in our society, there are many of these models and they are very popular. People like to know what the steps are and many of these models have steps that are done in order.

People would love to know what the future holds, which makes these models popular. Because the reasoning and rationale behind the various steps here, is that if you do x, then y should happen. However, most people have personal experience that the world usually doesn't operate that way.

The rational planning model is the process of realizing a problem, establishing and evaluating planning criteria, create alternatives, implementing alternatives, and monitoring progress of the alternatives. It is used in designing neighborhoods, cities, and regions. The rational planning model is central in the development of modern urban planning and transportation planning. The very similar rational decision-making model, as it is called in organizational behavior is a process for making logically sound decisions. This multi-step model and aims to be logical and follow the orderly path from problem identification through solution.

### Method

Rational decision-making or planning follows a series of steps detailed below:

#### *Verify, Define, and Detail the problem*

Verifying, defining and detailing the problem (problem definition, goal definition, information gathering). This step includes recognizing the problem, defining an initial solution, and starting primary analysis. Examples of this are creative devising, creative ideas, inspirations, breakthroughs, and brainstorming. The very first step which is normally overlooked by the top level management is defining the exact problem. Though we think that the problem identification is obvious, many times it is not. The rational decision-making model is a group-based decision-making process. If the problem is not identified properly then we may face a problem as each and every member of the group might have a different definition of the problem. Hence, it is very important that the definition of the problem is the same among all group members. Only then is it possible for the group members to find alternate sources or problem solving in an effective manner.

#### *Generate all possible solutions*

This step encloses two to three final solutions to the problem and preliminary implementation to the site. In planning, examples of this are Planned Units of Development and downtown revitalizations.

This activity is best done in groups, as different people may contribute different ideas or alternative solutions to the problem. If you are not able to generate

alternative solutions, there is a chance that you might not arrive at an optimal or a rational decision. For exploring the alternatives it is necessary to gather information. Technology may help with gathering this information.

#### *Generate objective assessment criteria*

Evaluative criteria are measurements to determine success and failure of alternatives. This step contains secondary and final analysis along with secondary solutions to the problem.

Examples of this are site suitability and site sensitivity analysis. After going thoroughly through the process of defining the problem, exploring for all the possible alternatives for that problem and gathering information this step says evaluate the information and the possible options to anticipate the consequences of each and every possible alternative that is thought of. At this point of time we have to also think over for optional criteria on which we will measure the success or failure of our decision taken.

#### *Choose the best solution which we have already generated*

This step comprises a final solution and secondary implementation to the site. At this point the process has developed into different strategies of how to apply the solutions to the site. Based on the criteria of assessment and the analysis done in previous steps, choose the best solution which we have generated. Once we go through the above steps thoroughly, implementing the fourth step is easy job. These four steps form the core of the Rational Decision-Making Model.

#### *Implementing the preferred alternative*

This step includes final implementation to the site and preliminary monitoring of the outcome and results of the site. This step is the building/renovations part of the process.

#### *Monitoring and evaluating outcomes and results*

This step contains the secondary and final monitoring of the outcomes and results of the site. This step takes place over a long period of time.

### **REQUIREMENTS AND LIMITATIONS**

However, there are a lot of assumptions, requirements without which the rational decision model is a failure. Therefore, they all have to be considered. The model assumes that we have or should or can obtain adequate information, both in terms of quality, quantity and accuracy. This applies to the situation as well as the alternative technical situations. It further assumes that you have or should or can obtain substantive knowledge of the cause and effect relationships relevant to the evaluation of the alternatives. In other words, it assumes that you have a thorough knowledge of all the alternatives and the consequences of the alternatives chosen. It further assumes that you can rank the alternatives and choose the best of it. The following are the limitations for the Rational Decision Making Model:

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- It requires a great deal of time.
- It requires great deal of information.
- It assumes rational, measurable criteria are available and agreed upon.
- It assumes accurate, stable and complete knowledge of all the alternatives, preferences, goals and consequences.
- It assumes a rational, reasonable, non – political world.

### *THE BOUNDED RATIONAL DECISION-MAKING MODEL: A REALISTIC APPROACH*

The Rational Decision-Making Model, amongst its many assumptions assumes that there is a single, best solution that will maximize the desired outcomes.

Now, the bounded rationality model says that the problems and the decisions are to be reduced to such a level that they will be understood. In other words, the model suggests that we should interpret information and extract essential features and then within these boundaries we take a rational decision.

The model turns towards compromising on the decision-making process though it is a structured decision making model. The decision maker takes the decision or is assumed to choose a solution though not a perfect solution but “good enough” solution based on the limited capacity of the group leader to handle the complexity of the situation, ambiguity and information. The steps involved in the decision making are alike to the rational decision-making process the model assumes that the perfect knowledge about all the alternatives are not possible for a human being to know. Hence, based on the limited knowledge he takes a good enough knowledge though not a perfect decision.

To cut the long story short we can say that the decision that is taken is rational but is taken in a bounded area and the choice of alternatives is though not perfect is nearer to the perfect decision. In rational process the assumption is that the exact problem, all the alternatives, should be thoroughly known to the decision maker. However, the realistic approach of human limitation is overlooked in rational decision-making, but the same approach is considered mainly in the bounded rational decision-making process.

Hence, it is also called as a Realistic Approach for Rational Decision-Making Process.

### *ASSUMPTIONS OF THE MODEL*

The rational decision-making model contains a number of assumptions.

- **Problem clarity:** The problem is clear and unambiguous. The decision maker is assumed to have complete information regarding situation.
- **Known options:** It is assumed the decision maker can identify all the relevant criteria and can list all the viable alternatives. Furthermore, the

decision maker is aware of all possible consequences of each alternative.

- **Clear preferences:** Rationality assumes that the criteria and alternatives can be ranked and weighted to reflect their importance.
- **Constant preferences:** It's assumed that the specific decision criteria are constant and that the weights assigned to them are stable over time.
- **No time or cost constraints:** The rational decision maker can obtain full information about criteria and alternatives because it's assumed that there are no time or cost constraints.
- **Maximum payoff:** The rational decision maker will choose the alternative that yields the highest perceived value.

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### THREE CONCEPTS OF RATIONAL PLANNING

John Friedmann describes the three concepts of rationality that have informed planning as:

#### Market Rationality

Market rationality is described as being grounded in metaphysics of possessive individualism and which predicates the individual as existing prior to society. Society then becomes the mechanism that enables individuals to pursue their private interests. This prior-to status gives market rationality a quasi-natural character, and ranks it as being beyond human intention, thereby making its assumptions unavoidably compelling. From this perspective, reason is the means toward the maximization of private satisfactions.

#### Social Rationality

Social rationality is the opposite assumption, that the social group grants the individual their identity through membership in the group. Reason becomes the tool of the collective interest and functions as the avenue toward communal satisfactions.

#### INTUITIVE

The second of the types of decision-making are the intuitive models. The idea here is that there may be absolutely no reason or logic to the decision-making process. Instead, there is an inner knowing, or intuition, or some kind of sense of what the right thing to do is.

And there are probably as many intuitive types of decision making as there are people. People can feel it in their heart, or in their bones, or in their gut and so on. There are also a variety of ways for people to receive information, either in pictures or words or voices.

People talk about extra sensory perception as well. However, they are still actually picking up the information through their five senses. Clairsentience is

where people feel things, clairaudience is hearing things and clairvoyance is seeing things.

And of course we have phrases such as 'I smell a rat', 'it smells fishy' and 'I can taste success ahead'.

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Other types of decision-making in the intuitive category might include tossing a coin, throwing dice, tarot cards, astrology, and so on.

Decision wheels are usually more humorous than intuitive but they do have a serious application.

### *RECOGNITION PRIMED*

Gary Klein has spent considerable time studying human decision-making and his results are very interesting. He believes that we make 90 to 95% of our decisions in a pattern recognition way. He suggests that what we actually do is gather information from our environment in relation to the decision we want to make. We then pick an option that we think will work. We rehearse it mentally and if we still think it will work, we go ahead.

If it does not work mentally, we choose another option and run that through in our head instead. If that seems to work, we go with that one. We pick scenarios one by one, mentally check them out, and as soon as we find one that works, we choose it.

He also points out that as we get more experience, we can recognise more patterns, and we make better choices more quickly.

Of interest here is that the military in many countries have adapted his methods because they are considerably more effective than either of the types of decision making we've discussed already. In fact, you could say that his model is a combination of the above two types of decision-making.

### *THE ULTIMATE*

In terms of making decisions, this last of the types of decision-making is the most important one model. It includes the ideas of the recognition primed decision making model and much more.

Firstly, before you even make a decision, you establish how and who you want to be. You obviously want to be in a good state so that you can make good decisions. But you also want to be true to yourself, and that means knowing who 'yourself' is.

Once you learn how to be solid and centred, then and only then, do you make decisions. And the decisions are always organised around staying true to yourself and doing things that are good for and aligned who you are. Doing things that are on your own path, and that allow you to become even more solid and centred. The whole model is organised around having the kinds of experiences that you want to be having, and even when the world upsets your plans with its

own, you learn how to use this and manipulate it so that you still get what you want anyway.

Now it's obviously a little bit more tricky to learn, because you're learning about a human being and not just writing out lists on a sheet of paper. But the time and effort invested means that you develop a good environment for your organization that you may have only previously dreamed of.

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### 4.10 FACTORS INFLUENCING DECISION-MAKING

Critical managerial decision-making is the key to superior performance at work. One has to refer to critical Data, past records and performance metrics and analysis before making decisions. Mc Kinsey study tries to assess the various factors which influence decision making at work. Executives often end up referring to wrong sources, which lacks scientific rigor and credentials in its finding, for arriving critical decisions. Just because one strategy works for a particular organization may not prove to be equally effective for other enterprises.

Unfortunately, many of the studies are deeply flawed and based on questionable data that can lead to erroneous conclusions. Worse, they give rise to the especially grievous notion that business success follows predictably from implementing a few key steps. In promoting this idea, authors obscure a more basic truth—namely, that in the business world success is the result of decisions made under conditions of uncertainty and shaped in part by factors outside our control. In the real world, given the flux of competitive dynamics, even seemingly good choices do not always lead to favourable outcomes.

This reliance on questionable data, in turn, gives rise to a number of further errors in logic. Two delusions—of absolute performance and of lasting success—have particularly serious repercussions for business strategists.

It's actually a real problem which many strategist face and typically too much of analysis may lead to complicated or erroneous conclusions if the context of the reference is not verified. Sometimes a single factor can be picked up as a major perceived threat and instead of finding a meaningful and objective solution based on organizations own reality decisions may be unduly influenced by halo impressions.

The following are the factors influencing Managerial decision-making

1. **Preparation of Budget:-** Decision-making involves budget allocation *i.e.*, resource allocation to various aspect of decision. Budget may be allocated to various factors of production.
2. **Future Development:-** Strategic plans are usually expected to have a significance future prosperity of the organization. This is because there is a long-term commitment. In case of absence of long-term commitment the firm cannot achieve future development.

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3. **Orientation:-** Strategic planning should keep in view of the competition existing in the market. Sometimes firms have to face non-price competition.
4. **Factors of Environment:-** Plans are always influenced by business environment always influencing factor for decision-making. There may external or internal that influence business. Buyers, Suppliers, government and competitors are likely to react in accordance with changes in environment. Thus, business also should act in the same passion.
5. **Risk:-** Strategic plans mostly face the problem of risk. The plans should able to tackle the risk bearing capacity. Risk and uncertainty are two important aspects, which can not be expected by business man.

The following are the various important decisions in different functional management.

1. **Planning:-** It is a stage of "Strategic Formulation". Strategic formulation includes forecasting, formulating objectives, policies and goals.
2. **Organizing:-** It is strategy implementation process. It includes all those managerial activities that result in a structure of task, authority and responsibility relationship.
3. **Directing:-** It also comes under strategy implementation process. Directing involves efforts directed towards shaping human behavioural. It includes; leadership, communication, motivation, morale, organizational change etc.,
4. **Staffing:-** Recruitment is an important function of Staff. Man power is required to implement strategies.
5. **Controlling:-** It can be called as Strategy Evaluation. Controlling refer to all those activities directed towards assuring that actual results are consistent with planned targets.

## UNIT – 15

Communication is a process of transferring information from one entity to another. Communication processes are sign-mediated interactions between at least two agents which share a repertoire of signs and semiotic rules. Communication is commonly defined as "the imparting or interchange of thoughts, opinions, or information by speech, writing, or signs".

Communication is a process whereby information is enclosed in a package and is channeled and imparted by a sender to a receiver via some medium. The receiver then decodes the message and gives the sender a feedback. All forms of communication require a sender, a message, and an intended recipient, however the receiver need not be present or aware of the sender's intent to communicate at the time of communication in order for the act of communication to occur. Communication requires that all parties have an area of communicative

commonality. There are auditory means, such as speech, song, and tone of voice, and there are nonverbal means, such as body language, sign language, paralanguage, touch, eye contact, through media, i.e., pictures, graphics and sound, and writing.

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#### 4.11 MEANING, TYPES AND CHARACTERISTICS OF COMMUNICATION

Communication is the process of exchanging information and ideas. An active process, it involves encoding, transmitting, and decoding intended messages. There are many means of communicating and many different language systems. Speech and language are only a portion of communication. Other aspects of communication may enhance or even eclipse the linguistic code. These aspects are paralinguistic, nonlinguistic, and metalinguistic. Paralinguistic mechanisms signal attitude or emotion and include intonation, stress, rate of delivery, and pause or hesitation.

Nonlinguistic clues include gestures, body posture, facial expression, eye contact, head and body movement, and physical distance or proxemics. Metalinguistic cues signal the status of communication based on our intuitions about the acceptability of utterances. In other words, metalinguistic skills enable us to talk about language, analyze it, think about it, separate it from context, and judge it.

Communication is the meaningful interaction with people in such a manner that the ideal that the ideal thought is same and getting the feedback also. Communication is commonly defined as "the exchange of thoughts, ideas, feelings, information, opinions, and knowledge". It also involves mutuality of understanding.

##### *Definitions of Communication:*

- Communication is meaningful interaction.
- Communication is information sharing.
- Communication is a link force.
- Communication is understanding.
- Communication is fundamental requisite of life.

##### *Important Characteristics of Communication:*

- It is a 2-way process.
- Communication process happens between or among two or more parties. (Sender and Receiver)
- Communication involves exchange of ideas, feelings, information, thoughts, and knowledge.



- Communication involves mutuality of understanding between Sender and Receiver.

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### ***PROCESS OF COMMUNICATION***

There are two types of Communication *i.e.*, Verbal and Non-Verbal Communication.

Claude Shannon and Warren Weaver developed the most widely used model of communication process. This model consists of eight components : (i) Source (ii) Encoding (iii) Message (iv) Channel (v) Decoding (vi) Receiver (vii) Feedback and (viii) Noise.

#### ***Forms/Types of Communication:***

##### ***Verbal Communication:***

1. **Oral Communication:** Oral communication is information spoken by mouth; the use of speech. Some of the examples of Oral Communication are: Face to face communication, Telephonic Communication, Public Address System (Speech), Informal rumor mill (Grape Wine), Audio & Visual Media (Radio, TV), Lectures, Conference-Interchange of views, Meetings, Cultural Affairs.
2. **Written Communication:** Communication by means of written symbols (either printed or handwritten). Some of the examples are: Orders, Instructions, Letters, Memos, Reports, Policy manuals, Information Bulletin, Complaint System, Suggestion System, etc

##### ***Nonverbal Communication:***

1. **Body Language** includes facial expression, eye contact, postures, gestures, touch.
2. **Para Language** is the way we say something rather than what we say, is another nonverbal code.
3. **Space and Time Language:** Space Language includes surroundings (Design & Language). It communicates social status also.
4. **Sign Language:** A sign language is a language which, instead of conveyed sound patterns, uses visually transmitted sign patterns.

### **4.12 CHANNELS OF COMMUNICATION**

In the development of an organizational structure, communication channels are an important consideration. The manager in a hierarchical system becomes a link in the communication chain. It is the hierarchical system that gives direction to and imposes restrictions upon the flow of communications. Management decisions and directions flow from higher to lower levels in the organization. Responses and reports from the lower level managers flow upward in the

organization. Managers also spend time communicating with their peers. Therefore, we see from the outset that communications must function effectively in a lateral direction, as well as downward and upward.

Committees influence the communication process within an organization. A well-run committee can serve as a supplementary link in the communication chain and provide a means for disseminating information. However, committees often fail to ensure that Managers A and B tell each other what they wish or need to know. Although they cannot give directions or issue procedures, staff members influence the communication process within an organization. The advice or recommendations of staff members are accepted by subordinate managers, because of the anticipated support by the staff member's superior. When a staff member is given functional decision prerogatives, he essentially assumes the same status as his superior with respect to such matters. T. C. Warner believes that "one's accomplishment is in a very real sense dependent upon the quality of the communication with others." And John Connor says that "there is no more valuable asset in business life than the ability to express one's thoughts with clarity and precision."

To set the stage for information and message flow through an organization, let's review the basic elements of the communication process. These elements include: someone to send the message (the encoder), some means for channeling it, someone to receive it (the decoder), and a feedback mechanism. A multiplicity of encoders, channels, decoders, and feedback mechanisms can be used. However, for the information in a message to be processed clearly, quickly, and with a minimum amount of degradation, management must establish clear, formal communication channels.

Let's assume the message to be transmitted originates with the manager, or that he is serving as the agent for passing along a message from another source. Regardless of the source, the message passes through his (the sender's) filter before it reaches the intended recipient. The sender injects his attitudes and perceptions into the message; determines who should receive it; and the channels through which it should flow, i.e., upward, down-ward, laterally, or a combination of these. The attitudes and perceptions of the recipient, of course, influence the message translation, as well as the feedback he provides. Peter Drucker, noted exponent of good management practices, says:

"The manager has a specific tool: information. He doesn't "handle" people, but instead he motivates, guides, organizes people to do their own work. His tool—the only tool - to do all this is the spoken or written word or the language of numbers. It does not matter whether the manager's job is engineering, accounting,

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or spelling. To be effective, a manager must have the ability to listen and to read, and the ability to speak and to write. Managers need skill in getting their thinking across to other people."

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This describes quite adequately the manager's role in the communication process.

### *THE COMMUNICATION CHANNELS*

The communication channel selected for transmitting a message plays a significant role in maintaining the quality of the original message in its passage from the sender to receiver. The sender, given the opportunity to weigh the merits of using an oral or written communication, or a combination of the two, selects the most effective for the situation.

Regardless of the communication channel selected, the sender will encounter obstacles. In the previous chapter, the various barriers to effective communication were analyzed. Considering the possible barriers, the sender must choose the channel which he feels will best guarantee transfer of the essence and meaning of his message without misunderstanding or distortion.

- To counteract possible interference in the communication channel, the message should attract attention, contain redundancy, continue repetition, or use a combination of these approaches.
- To attract attention, the message must be different from others competing for the recipient's time. A short handwritten message instead of the usual typed message is one method that can attract attention.
- To provide redundancy, the message must be rephrased several times (the technique used in newspaper articles), and/or summarized in the final paragraph. The sender should avoid too much redundancy because this tends to clutter the communication channel.
- To provide repetition, the message must be transmitted through more than one channel, as in spoken and written form, or transmitted more than once through the same channel, as in TV advertising.

Now, let's turn our attention to the basic communication channels within an organization. There are three channels: formal, informal, and unofficial.

**Formal:** The communication within the formal organizational structure that transmits goals, policies, procedures, and directions.

**Informal:** The communication outside the formal organizational structure that fills the organizational gaps, maintains the linkages, and handles the one-time situations.

**Unofficial:** The interpersonal communication within (or among) the social

structure of the organization that serves as the vehicle for casual interpersonal exchanges, and transmittal of unofficial communications.

A more detailed examination of each of these communication channels will provide a better understanding of these functions.

### Formal Communication

Formal communication - written or oral - follows the chain of command of the formal organization; the communication flows from the manager to his immediate subordinates. Each recipient then re-transmits the message in the selected form to the next lower level of management or to staff members, as appropriate. The message progresses down the chain of command, fanning out along the way, until all who have a need to know are informed. Formal communication also flows upward through the organization on the same basis.

Formal communication normally encompasses the transmittal of goals, policies, instructions, memoranda, and reports; scheduled meetings; and supervisory-subordinate interviews.

### Informal Communication

No organization operates in a completely formal or structured environment. Communication between operations depicted in an organizational chart do not function as smoothly or as trouble-free as the chart may imply. In most organizations operating effectively, channels of communication have developed outside the hierarchical structure.

The informal communication process supplements the formal process by filling the gaps and/or omissions. Successful managers encourage informal organizational linkages and, at the same time, recognize that circumvention of established lines of authority and communication is not a good regular practice. When lines of authority have been bypassed, the manager must assume responsibility for informing those normally in the chain of command of the action taken.

There is a fine line between using informal communications to expedite the work of the organization and the needless bypassing of the chain of command. The expediting process gets the job done, but bypassing the chain of command causes irritation and can lead to hard feelings. To be effective, the manager must find a way to balance formal and informal communication processes.

### Unofficial Communication

Astute program and functional managers recognize that a great deal of communication taking place within their organizations is interpersonal. News of revised policies and procedures, memoranda, and minutes of meetings are subjects

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of conversation throughout the organization. These subjects often share the floor with discussions of TV shows, sports news, politics, and gossip.

The "grapevine" is a part of the unofficial communication process in any organization. A grapevine arises because of lack of information employees consider important: organizational changes, jobs, or associates. This rumor mill transmits information of highly varying accuracy at a remarkable speed. Rumors tend to fall into three categories: those reflecting anxiety, those involving things hoped for, and those causing divisiveness in the organization. Some rumors fade with the passing of time; others die when certain events occur.

Employees take part in the grapevine process to the extent that they form groups. Any employee not considered a part of some group is apt to be left out of this unofficial communication process.

The grapevine is not necessarily good or bad. It serves a useful function when it acts as a barometer of employees' feelings and attitudes. Unfortunately, the information traveling along the grapevine tends to become magnified or exaggerated. Employees then become alarmed unnecessarily by what they hear. It is imperative that a manager be continually alert to the circulation of false information. When discovered, positive steps should be taken to provide the correct information immediately.

#### **COORDINATION - ANOTHER COMMUNICATION FUNCTION**

One of the major functions of the communication process in an organization is effective coordination. Information available within the various functional groups is normally routed to key decision centers. It must be complete, accurate, and timely. When decisions are made, they must be transmitted to all concerned groups within the organization. The messages containing the decisions must be clear and precise.

The success of the response to each message is dependent upon the preciseness of the original message, the communication channel used for transmitting it, the interpretation and understanding of the receiver, and the channel selected for transmitting the feed back. Lawrence Appley states: "There is little risk of over- simplification in saying that good managers are good communicators; poor managers are usually the opposite. If an individual has a sincere desire to clarify his thinking, there is no better way to do it than to put it in writing."

#### **4.13 PROBLEMS AND IMPORTANCE OF COMMUNICATION**

Management must be continually aware of the barriers to effective communication and take steps necessary to keep the channels open. There are

some approaches to solving communication problems that are worthy of consideration at this time.

- *Try to maintain a good relationship. A poor superior-subordinate relationship hampers the communication process.*
- *Don't overlook the importance of upward communication from a subordinate, or lateral communication with a peer. This can hamper the communication process.*
- *Don't clog the channel of communication. Its value may be reduced by a delay in receipt of the communication.*

It is better for you as a manager, to pass too much information down the chain of command than to pass too little. The receipt of more information gives your subordinate a feeling of confidence and security; lack of information promotes insecurity and a feeling of not being trusted. The problem in many organizations is that too little information is passed down the chain of command, and too much information is required to be passed up the chain. This problem is discussed in more detail later.

Pay attention to the selection of the form in which the message will be conveyed. A message not conveyed in an acceptable form may fail to pass the barriers in the communication channel, regardless of whether it is moving down the chain of command, up the chain, or laterally.

### OVERLOADING

Much attention has been focused on the direction of the communication flow, but very little attention on the quantity of information in the communication chain. In your organization, is the daily message flow high and low? In most cases the organization would operate more effectively if the message flow increased; however, there is a limitation on the number of messages an organization can handle.

The free flow of information within an organization is an ideal to be achieved. When the information received far exceeds that required, the recipients cannot give proper attention to what is really needed. Much valuable time is devoted to the sorting and selection process.

One of the problems of using redundancy and repetition to minimize breakdown in the communication process is possible overload. Therefore, these techniques must be used with caution. If you are spending an increasing amount of time on the communication process, it is imperative to your future success that you develop an efficient information-processing skill.

How can an organization cope with an information overload situation? There is no one best way. The techniques that have been developed are often used in conjunction with one another. One technique involves filtering the messages so that the important ones, those requiring immediate action, get to the decision-

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maker first. Another technique involves delegating and decentralizing the decision-making process so messages do not go to a single executive. Still another technique involves carefully selecting information sources and eliminating those proven inaccurate or unreliable.

### ***THE IMPORTANCE AND THE BENEFITS***

Sometimes top executives come to grips with basic practical viewpoints which, when carefully articulated, can help all of us. In a presentation to undergraduates, Howard Blauvelt said, "Business needs skilled communicators." This is a more kindly stance than that taken by many leading educators who are appalled at the inability of undergraduates to spell, write simple effective English or express themselves orally.

"The ability to listen, digest, distill, and further communicate information is fundamental," Blauvelt said. His message is clear. Robert Sarnoff has said: "Today's leaders are frequently men and women who have mastered the art of communication. They know how to get their ideas across. And successful people - those who are continually sought for key positions - effectively combine their ability to communicate with a solid foundation of knowledge. For knowledge is the predominant quality in the transmission of ideas."

### **4.14 EFFECTIVE COMMUNICATION**

Administrator need to be effective communicators to achieve positive results in today's organisations. Some of the purposes are -

- Seeking or receiving information, encouragement, control, selling proposals, confrontation.
- Talking to different levels within the hierarchy - to individuals, to groups, to departments - and externally to customers, suppliers, vendors, and other professionals.
- Using both formal communication - Meetings, reports, proposals, notices; and Informal communication - counseling, advising, talking to other employees.
- Working in different roles: as Chairman, project leader, analyst, subordinate, colleague.
- Evaluating communications : are they facts, opinions, gossip ?
- Building up networks to obtain real information which may be given freely or concealed - which means you need to ask the right questions, or else you will find yourself drowned in data but starved of information.
- Trying to influence those over whom you have no power.

Organisational communication can be External Communication and Internal Communication. Internal Communication is within the organisation, whereas, External Communication is the communication with the external stakeholders of the organisation. The importance and the purpose of the communication in organisation has been explained above.

Communication in organizations use two basic channels – formal and informal. Both are important and both carry messages – sometimes reinforcing and sometimes conflicting – throughout the organisation.

Formal channels are ones which have been set up by the organisation. Messages flow in three directions : downwards, upwards and sideways . The downward message consists primarily of information which is necessary for any staff to carry-out their work, such as policies and procedures, orders and requests which are passed down the appropriate level in the hierarchy. Upward messages are reports, requests, opinions, complaints. Sideways messages are between different departments, functions or people at the same level in the organisation.

There tend to be strict rules about the use of these formal channels. For communication to be effective, all three channels need to be open and unblocked at all times. The upward channel is the one which blocks most easily, and when this happens it is an indicator that an organisation's policies, procedures and employee relations need to be reviewed.

Informal Channels spring up by virtue of common interests between people in the organisation – these interests may be caused by work, social or outside relationships. The grapevine is very powerful channel. It has been estimated that managers receive over half the information they need for planning purposes through the grapevine. Its messages may frequently be distorted, but they often carry more credibility than those coming from the formal channels. Informal channels become the only means of communication when the formal channels become blocked or break-down.

## UNIT – 16

When researchers set out to explain the many different aspects of Motivation from an Organizational Behaviour perspective, many different key aspects, theories, and implementation methods are used to describe this very large, unique and broad topic.

Motivation is essentially described by the textbook as “the extent to which persistent effort is directed towards a goal.” It is very important for modern managers to understand the different forms and characteristic values of different motivation theories, and how to properly implement them in their organization.

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## 4.15 DEFINITIONS AND CONCEPTS OF MOTIVATION

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Motivation is the activation or energization of goal-orientated behavior. Motivation is said to be intrinsic or extrinsic. The term is generally used for humans but, theoretically, it can also be used to describe the causes for animal behavior as well. This article refers to human motivation. According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a desired object, hobby, goal, state of being, ideal, or it may be attributed to less-apparent reasons such as altruism, selfishness, morality, or avoiding mortality. Conceptually, motivation should not be confused with either volition or optimism. Motivation is related to, but distinct from, emotion.

### *INTRINSIC AND EXTRINSIC MOTIVATION*

Intrinsic motivation has been studied by social and educational psychologists since the early 1970s. Research has found that it is usually associated with high educational achievement and enjoyment by students. Intrinsic motivation has been explained by Fritz Heider's attribution theory, Bandura's work on self-efficacy, and Ryan and Deci's cognitive evaluation theory. Students are likely to be intrinsically motivated if they:

- attribute their educational results to internal factors that they can control (e.g. the amount of effort they put in),
- believe they can be effective agents in reaching desired goals (i.e. the results are not determined by luck),
- are interested in mastering a topic, rather than just rote-learning to achieve good grades.

Extrinsic motivation comes from outside of the performer. Money is the most obvious example, but coercion and threat of punishment are also common extrinsic motivations.

While competing, the crowd may cheer on the performer, which may motivate him or her to do well. Trophies are also extrinsic incentives. Competition is in general extrinsic because it encourages the performer to win and beat others, not to enjoy the intrinsic rewards of the activity.

Social psychological research has indicated that extrinsic rewards can lead to overjustification and a subsequent reduction in intrinsic motivation. In one study demonstrating this effect, children who expected to be (and were) rewarded with a ribbon and a gold star for drawing pictures spent less time playing with the drawing materials in subsequent observations than children who were assigned to an unexpected reward condition and to children who received no extrinsic reward.

The self-control of motivation is increasingly understood as a subset of emotional intelligence; a person may be highly intelligent according to a more conservative definition (as measured by many intelligence tests), yet unmotivated to dedicate this intelligence to certain tasks. Yale School of Management professor Victor Vroom's "expectancy theory" provides an account of when people will decide whether to exert self control to pursue a particular goal.

Drives and desires can be described as a deficiency or need that activates behaviour that is aimed at a goal or an incentive. These are thought to originate within the individual and may not require external stimuli to encourage the behaviour. Basic drives could be sparked by deficiencies such as hunger, which motivates a person to seek food; whereas more subtle drives might be the desire for praise and approval, which motivates a person to behave in a manner pleasing to others.

By contrast, the role of extrinsic rewards and stimuli can be seen in the example of training animals by giving them treats when they perform a trick correctly. The treat motivates the animals to perform the trick consistently, even later when the treat is removed from the process.

#### **4.16 THEORIES OF MOTIVATION**

Some of the most famous theories of motivation stem from the "Needs Theories" which are motivation theories that specify the kinds of needs people have and the condition in which they would want to exemplify these needs. The first Need Theory involves Maslow's Hierarchy of Needs Theory which uses five basic needs that are arranged in hierarchy beginning with basic needs and then moves further to more complicated and self-fulfilling needs. The needs include; Physiological needs: survival needs, Safety needs: security and stability, Belongingness needs: social interaction, Esteem Needs: competence/independence needs, Self-Actualization: aim to fulfill one's true potential as a person. The beginning needs relate more to Basic needs, and as you move further along the line of needs towards Self-actualization needs, you get away from basic needs to Higher Order Needs. Maslow's Theory basically concludes that the lowest-level need that is unsatisfied has the greatest motivating potential.

#### ***THE INCENTIVE THEORY OF MOTIVATION***

A reward, tangible or intangible, is presented after the occurrence of an action (*i.e.*, behaviour) with the intent to cause the behaviour to occur again. This is done by associating positive meaning to the behavior. Studies show that if the person receives the reward immediately, the effect would be greater, and decreases as duration lengthens. Repetitive action-reward combination can cause the action to become habit. Motivation comes from two sources: oneself, and other people.

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These two sources are called intrinsic motivation and extrinsic motivation, respectively. Applying proper motivational techniques can be much harder than it seems. Steven Kerr notes that when creating a reward system, it can be easy to reward A, while hoping for B, and in the process, reap harmful effects that can jeopardize your goals.

A reinforcer is different from reward, in that reinforcement is intended to create a measured increase in the rate of a desirable behavior following the addition of something to the environment.

### *DRIVE-REDUCTION THEORIES*

There are a number of drive theories. The Drive Reduction Theory grows out of the concept that we have certain biological drives, such as hunger. As time passes the strength of the drive increases if it is not satisfied (in this case by eating). Upon satisfying a drive the drive's strength is reduced. The theory is based on diverse ideas from the theories of Freud to the ideas of feedback control systems, such as a thermostat.

Drive theory has some intuitive or folk validity. For instance when preparing food, the drive model appears to be compatible with sensations of rising hunger as the food is prepared, and, after the food has been consumed, a decrease in subjective hunger. There are several problems, however, that leave the validity of drive reduction open for debate. The first problem is that it does not explain how secondary reinforcers reduce drive. For example, money satisfies no biological or psychological needs, but a pay check appears to reduce drive through second-order conditioning. Secondly, a drive, such as hunger, is viewed as having a "desire" to eat, making the drive a homuncular being - a feature criticized as simply moving the fundamental problem behind this "small man" and his desires.

In addition, it is clear that drive reduction theory cannot be a complete theory of behaviour, or a hungry human could not prepare a meal without eating the food before he finished cooking it. The ability of drive theory to cope with all kinds of behaviour, from not satisfying a drive (by adding on other traits such as restraint), or adding additional drives for "tasty" food, which combine with drives for "food" in order to explain cooking render it hard to test.

### *COGNITIVE DISSONANCE THEORY*

Suggested by Leon Festinger, this occurs when an individual experiences some degree of discomfort resulting from an incompatibility between two cognitions. For example, a consumer may seek to reassure himself regarding a purchase, feeling, in retrospect, that another decision may have been preferable.

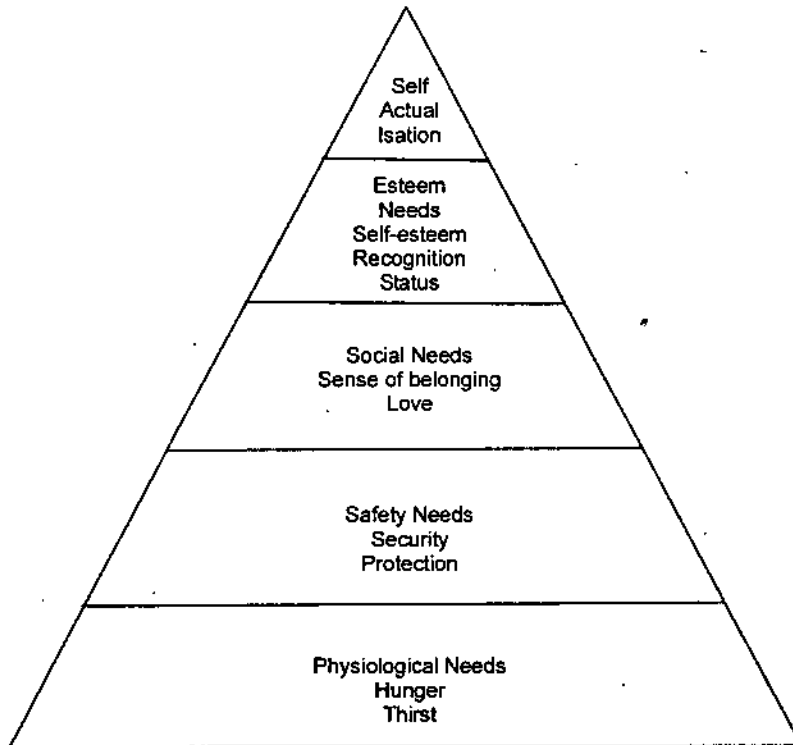
Another example of cognitive dissonance is when a belief and a behavior are in conflict. A person may wish to be healthy, believes smoking is bad for one's health, and yet continues to smoke.

**Need Hierarchy Theory**

Abraham Maslow's theory is one of the most widely discussed theories of motivation.

The theory can be summarized as follows:

- Human beings have wants and desires which influence their behavior. Only unsatisfied needs influence behaviour, satisfied needs do not.
- Since needs are many, they are arranged in order of importance, from the basic to the complex.
- The person advances to the next level of needs only after the lower level need is at least minimally satisfied.
- The further the progress up the hierarchy, the more individuality, humanness and psychological health a person will show.



**Fig. Maslows Hierarchy of Needs**

The needs, listed from basic (lowest-earliest) to most complex (highest-latest) are as follows:

- Physiology (hunger, thirst, sleep, etc.)
- Safety/Security/Shelter/Health
- Belongingness/Love/Friendship

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- Self-esteem/Recognition/Achievement
- Self actualization

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### **HERZBERG'S TWO-FACTOR THEORY**

Frederick Herzberg's two-factor theory, AKA intrinsic/extrinsic motivation, concludes that certain factors in the workplace result in job satisfaction, but if absent, they don't lead to dissatisfaction but no satisfaction.

The factors that motivate people can change over their lifetime, but "respect for me as a person" is one of the top motivating factors at any stage of life.

He distinguished between :

- **Motivators;** (e.g. challenging work, recognition, responsibility) which give positive satisfaction, and
- **Hygiene factors;** (e.g. status, job security, salary and fringe benefits) that do not motivate if present, but, if absent, result in demotivation.

The name Hygiene factors is used because, like hygiene, the presence will not make you healthier, but absence can cause health deterioration.

The theory is sometimes called the "Motivator-Hygiene Theory" and/or "The Dual Structure Theory."

Herzberg's theory has found application in such occupational fields as information systems and in studies of user satisfaction.

#### **Hygiene Factors**

Hygiene factors are based on the need to for a business to avoid unpleasantness at work. If these factors are considered inadequate by employees, then they can cause dissatisfaction with work. Hygiene factors include :

- Company policy and administration
- Wages, salaries and other financial remuneration
- Quality of supervision
- Quality of inter-personal relations
- Working conditions
- Feelings of job security

#### **Motivator Factors**

Motivator factors are based on an individual's need for personal growth. When they exist, motivator factors actively create job satisfaction. If they are effective, then they can motivate an individual to achieve above-average performance and effort. Motivator factors include :

- Status
- Opportunity for advancement

- Gaining recognition
- Responsibility
- Challenging/stimulating work
- Sense of personal achievement & personal growth in a job.

There is some similarity between Herzberg's and Maslow's models. They both suggest that needs have to be satisfied for the employee to be motivated. However, Herzberg argues that only the higher levels of the Maslow Hierarchy (e.g. self-actualisation, esteem needs) act as a motivator. The remaining needs can only cause dissatisfaction if not addressed.

### Applying Herzberg's model to de-motivated workers

What might the evidence of de-motivated employees be in a business?

- Low productivity
- Poor production or service quality
- Strikes/industrial disputes/breakdowns in employee communication and relationships
- Complaints about pay and working conditions.

According to Herzberg, management should focus on rearranging work so that motivator factors can take effect. He suggested three ways in which this could be done :

- Job enlargement
- Job rotation
- Job enrichment.

### ALDERFER'S ERG THEORY

Alderfer, expanding on Maslow's hierarchy of needs, created the ERG theory (existence, relatedness and growth). Physiological and safety, The lower order needs, are placed in the existence category, while love and self esteem needs are placed in the relatedness category. The growth category contains our self-actualization and self-esteem needs.

### SELF-DETERMINATION THEORY

Self-determination theory, developed by Edward Deci and Richard Ryan, focuses on the importance of intrinsic motivation in driving human behaviour. Like Maslow's hierarchical theory and others that built on it, SDT posits a natural tendency toward growth and development. Unlike these other theories, however, SDT does not include any sort of "autopilot" for achievement, but instead requires active encouragement from the environment. The primary factors that encourage motivation and development are autonomy, competence feedback, and relatedness.

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## **BROAD THEORY**

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The latest approach in Achievement Motivation is an integrative perspective as lined out in the "Onion-Ring-Model of Achievement Motivation" by Heinz Schuler, George C. Thornton III, Andreas Frintrup and Rose Mueller-Hanson. It is based on the premise that performance motivation results from the way broad components of personality are directed towards performance. As a result, it includes a range of dimensions that are relevant to success at work but which are not conventionally regarded as being part of performance motivation. Especially it integrates formerly separated approaches as Need for Achievement with e.g. social motives like Dominance. The Achievement Motivation Inventory (AMI) (Schuler, Thornton, Frintrup & Mueller-Hanson, 2003) is based on this theory and assesses three factors (17 separated scales) relevant to vocational and professional success.

## **COGNITIVE THEORIES**

### **Goal-Setting Theory**

Goal-setting theory is based on the notion that individuals sometimes have a drive to reach a clearly defined end state. Often, this end state is a reward in itself. A goal's efficiency is affected by three features: proximity, difficulty and specificity. An ideal goal should present a situation where the time between the initiation of behaviour and the end state is close. This explains why some children are more motivated to learn how to ride a bike than mastering algebra. A goal should be moderate, not too hard or too easy to complete. In both cases, most people are not optimally motivated, as many want a challenge (which assumes some kind of insecurity of success). At the same time people want to feel that there is a substantial probability that they will succeed. Specificity concerns the description of the goal in their class. The goal should be objectively defined and intelligible for the individual. A classic example of a poorly specified goal is to get the highest possible grade. Most children have no idea how much effort they need to reach that goal.

### **Models of Behaviour Change**

Social-cognitive models of behaviour change include the constructs of motivation and volition. Motivation is seen as a process that leads to the forming of behavioural intentions. Volition is seen as a process that leads from intention to actual behaviour. In other words, motivation and volition refer to goal setting and goal pursuit, respectively. Both processes require self-regulatory efforts. Several self-regulatory constructs are needed to operate in orchestration to attain goals. An example of such a motivational and volitional construct is perceived self-efficacy. Self-efficacy is supposed to facilitate the forming of behavioural intentions,

the development of action plans, and the initiation of action. It can support the translation of intentions into action.

### Unconscious Motivation

Some psychologists believe that a significant portion of human behaviour is energized and directed by unconscious motives. According to Maslow, "Psychoanalysis has often demonstrated that the relationship between a conscious desire and the ultimate unconscious aim that underlies it need not be at all direct. " In other words, stated motives do not always match those inferred by skilled observers. For example, it is possible that a person can be accident-prone because he has an unconscious desire to hurt himself and not because he is careless or ignorant of the safety rules. Similarly, some overweight people are not hungry at all for food but for fighting and kissing. Eating is merely a defensive reaction to lack of attention. Some workers damage more equipment than others do because they harbor unconscious feelings of aggression toward authority figures.

Psychotherapists point out that some behaviour is so automatic that the reasons for it are not available in the individual's conscious mind. Compulsive cigarette smoking is an example. Sometimes maintaining self-esteem is so important and the motive for an activity is so threatening that it is simply not recognized and, in fact, may be disguised or repressed. Rationalization, or "explaining away", is one such disguise, or defense mechanism, as it is called. Another is projecting or attributing one's own faults to others. "I feel I am to blame", becomes "It is her fault; she is selfish". Repression of powerful but socially unacceptable motives may result in outward behavior that is the opposite of the repressed tendencies. An example of this would be the employee who hates his boss but overworks himself on the job to show that he holds him in high regard.

Unconscious motives add to the hazards of interpreting human behaviour and, to the extent that they are present, complicate the life of the administrator. On the other hand, knowledge that unconscious motives exist can lead to a more careful assessment of behavioural problems. Although few contemporary psychologists deny the existence of unconscious factors, many do believe that these are activated only in times of anxiety and stress, and that in the ordinary course of events, human behaviour — from the subject's point of view — is rationally purposeful.

## 4.17 INTERRELATION BETWEEN MOTIVATION AND MORALE

Motivation is defined as an urge in an individual to perform goal directed behavior. Therefore, motivation cannot be inflicted from outside but it is an intrinsic desire in a man to achieve the target goal through performance or activity.

Motives are expression of person's need. Hence, they are personal and internal. Incentives on the other hand are external to the person. They are made

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part of work environment by management in order to encourage workers to accomplish task. The motivational model indicates that a sense of felt deprivation generates needs and such needs create tension in an individual. The individual perceives and makes cost benefit analysis on the ways and means of releasing such tension. Once such perception is cleared, individual pounces upon the activities and achieves some results. If it is success he feels rewarded and falls in the cycle of motivation again. If it is failure he feels punished and once again after due modification of ways and means pounces back on the cycle or feels frustrated. Therefore, motivation leads to a goal directed behaviour.

When people join an organization, they bring with them certain needs that affect on-the-job performance. Some of these needs are physiological ; others are related to psychological and social values. The later are much more difficult to determine and satisfy, and they vary greatly from one to another. Maslow has developed a hierarchy of needs as follows : physiological, security, social, esteem, and self-actualization needs. They interact with the environment to shape on-the-job wants that are the basis of motivation. In addition, motivation is affected by people's perceptions, including their feelings of equity or fairness in a situation.

According to a model developed by Herzberg, motivation is influenced by maintenance and motivational factors. Important motivational factors are the work itself, achievement, growth, responsibility, advancement and recognition. These are primarily intrinsic motivators rather than extrinsic ones. The Maslow and Herzberg models have many similarities because they both focus on needs, but they do so from somewhat different points of view.

Two different models of motivation are the expectancy model and behaviour modification. The expectancy model states that motivation is a product of how much one wants something and the probability that a certain action will lead to it. The formula is  $\text{valence} \times \text{expectancy} = \text{motivation}$ . Valence is the strength of a person's performance for one outcome in relation to others. Expectancy is the strength of belief that a given act will be followed by particular outcomes.

Behavior modification states that behavior depends on its consequences. It is achieved through operant condition. Its various approaches include positive and negative reinforcement, shaping, and extinction. Punishment normally is not used. Reinforcement can be continuous or partial. Criticism of behaviour modification are that it manipulates people and does not apply very well in complex work environments.

Cognitive models dominate thinking about motivation, but behaviour modification is finding increasing use. Most attention has been given to type A motivation (macromotivation); but in order to build a complete motivational environment, more emphasis must be given to type B motivation (micromotivation).

**NOTES**

Motivation therefore, though is a dominant intrinsic urge in an individual yet the leader of the team can guide the ways and means by which the followers can satisfy their needs. It is obviously difficult to motivate an individual since he is guided by expressed motivation or unconscious motivation and multiplicity of motivational sequences. It is easy to introduce a team motivation or group motivation where the individual idiosyncrasy loses importance and the group goal becomes the target. It is then not motivation per se but a group morale - an "esprit de corps" i.e. a sense of group activity with desire for high achievement of the group goal where an individual can comfortably ignore his personal goals or needs. Such morale is mostly psychological in nature and not physiological.

A leader's job is, therefore, to inculcate the extirpation of the group morale if he proposes to achieve the target through his followers where equal weight is given to performance of task and welfare of the followers, a stage of suspended pendulum or middle of the road method.

**4.18 SUMMARY**

- Leadership can have a formal aspect (as in most political or business leadership) or an informal one (as in most friendships). The abstract term "leadership" usually implies that the entities doing the leading possess some "leadership skills" or competencies; while the term "leading" suggests action of leading.
- Trait theory tries to describe the characteristics associated with effective leadership.
- Leadership style refers to a leader's behaviour. It is the result of the philosophy, personality and experience of the leader.
- Decision making is the study of identifying and choosing alternatives based on the values and preferences of the decision maker.
- Communication is the process of exchanging information and ideas. An active process, it involves encoding, transmitting, and decoding intended messages.
- In the development of an organizational structure, communication channels are an important consideration. The manager in a hierarchical system becomes a link in the communication chain.

**4.19 REVIEW QUESTIONS**

1. Define leadership and also state the important characteristics of it.
2. Discuss the trait theory of leadership.
3. What are the importance of decision-making in an organization?
4. Explain the factors influencing the decision-making.

5. State the importance of communication.
6. How is morale interrelated to motivation? Discuss.
7. Discuss the Herzberg's two-factor theory of motivation.

## NOTES

### 4.20 FURTHER READINGS

- Thomas-Hunt, M.C., and K.W. Phillips. "When What You Know is Not Enough: Expertise and Gender Dynamics in Task Groups." *Personality & Social Psychology, Bulletin* 30 (2004): 1585-1598.
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