

DIRECTORATE OF DISTANCE EDUCATION

UNIVERSITY OF NORTH BENGAL

MASTER OF ARTS - POLITICAL SCIENCE

SEMESTER –II

PUBLIC ADMINISTRATION

CORE 201

PAPER-I

BLOCK-1

UNIVERSITY OF NORTH BENGAL

Postal Address:

The Registrar,
University of North Bengal,
Raja Rammohunpur,
P.O.-N.B.U., Dist-Darjeeling,
West Bengal, Pin-734013,
India.

Phone: (O) +91 0353-2776331/2699008

Fax: (0353) 2776313, 2699001

Email: regnbu@sancharnet.in ; regnbu@nbu.ac.in

Website: www.nbu.ac.in

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FOREWORD

The Self Learning Material (SLM) is written with the aim of providing simple and organized study content to all the learners. The SLMs are prepared on the framework of being mutually cohesive, internally consistent and structured as per the university's syllabi. It is a humble attempt to give glimpses of the various approaches and dimensions to the topic of study and to kindle the learner's interest to the subject

We have tried to put together information from various sources into this book that has been written in an engaging style with interesting and relevant examples. It introduces you to the insights of subject concepts and theories and presents them in a way that is easy to understand and comprehend.

We always believe in continuous improvement and would periodically update the content in the very interest of the learners. It may be added that despite enormous efforts and coordination, there is every possibility for some omission or inadequacy in few areas or topics, which would definitely be rectified in future.

We hope you enjoy learning from this book and the experience truly enrich your learning and help you to advance in your career and future endeavors.



PUBLIC ADMINISTRATION

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BLOCK-1 PUBLIC ADMINISTRATION

In this block we will go through

UNIT - 1: STAGES AND GROWTH OF PUBLIC

ADMINISTRATION deals with the Public administration refers to the implementation of government policies and also as an academic discipline that studies this implementation and prepares civil servants for working in the public service.

UNIT- 2: ORGANIZATION THEORIES (GULLICK AND URWIK)

deals with Organizational theories by Gullick and Urwik.

UNIT- 3: SCIENTIFIC MANAGEMENT (TAYLOR) deals with the scientific management theory delivered by Taylor and its criticism.

UNIT- 4: HUMAN RELATION APPROACH (ELTON MAYO) deals with human relation approach in public administration designed by Elton Mayo.

UNIT – 5: SYSTEM APPROACH (CHESTER BARNARD) deals with the system approach by Chester and Barnard and its criticism.

UNIT- 6: BEHAVIORAL APPROACH, (SIMON AND LINDBLOM) deals with behavioural approach by Simon and Lindblom

UNIT 7: NEW PUBLIC ADMINISTRATION: MINNOWBROOK I, II AND III Deal With The New Public Administrative Conferences I.E. Minnowbrook I, II And III And Its Implications.

UNIT - 1: STAGES AND GROWTH OF PUBLIC ADMINISTRATION

STRUCTURE

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Public v/s Private Administration
- 1.3 Importance of Public Administration
- 1.4 Evolution and Growth of Public Administration
- 1.5 Perspectives: Politics Administration Dichotomy
- 1.6 Perspectives: Principles of Administration
- 1.7 Perspectives: Dichotomy
- 1.8 New Public Administration
- 1.9 Let us sum up
- 1.10 Key Words
- 1.11 Questions for Review
- 1.12 Suggested readings and references
- 1.13 Answers to check your Progress

1.0 OBJECTIVES

After studying this unit, you should be able to:

- Understand the meaning of Public Administration
- Differentiate Public and Private Administration
- Relate the Significance of Public Administration
- Envision the stages and growth perspectives of Public administration
- Highlight the characteristics of New age Public administration

1.1 INTRODUCTION

Public administration refers to the implementation of government policies and also as an academic discipline that studies this implementation and prepares civil servants for working in the public service. Public administration is vital for the efficient working of the government and deals essentially with the machinery and procedures of

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the government. It is both an institution of public service and a Centre of power, formulating the plan of action of the government. As an institution of public service, it provides services to the people and promotes public interest. As a centre of power, public bureaucracy tends to be concerned with its own privileges. In recent years, the discipline has been undergoing rapid changes and has vastly expanded its frontiers. It has evolved and is still evolving to respond to the challenges of changing times. The onset of Liberalisation, Privatisation and Globalisation (LPG) has led to significant changes in the roles of individuals and institutions, and public administration is no exception. It represents a paradigm shift from the traditional model of public administration to New Public Management (NPM) model, which favours a dominant presence of market forces over the State, for effective governance and efficient delivery of goods and services. Concepts like Competition State, managerial orientation, contracting out, debureaucratisation, downsizing etc., have started gaining prominence in many countries. The new perspective has emerged as a management tool for achieving developmental goals. It has brought in reforms, which have attempted to create a new entrepreneurial, user-oriented culture in public organisations, with focus on performance measurement and autonomy to the organisations and individuals in contrast to the traditional model. In fact, managerialism is a 'determined effort to implement the "3Es" of Economy, Efficiency and Effectiveness at all levels of governmental activities'. Public administration, in present times, has thus become complex and is gradually moving towards enlightened public governance. In this Unit, the terms 'Administration' and 'Public administration' are defined and will cover the importance, stages and growth of public administration. The Unit will also analyse the relationship between public and private administration and bring out the significance of public administration.

Definition

The word 'administer' is derived from the Latin word administer, which means to care for or to look after people, to manage affairs.

Administration may be defined as “group activity which involves cooperation and coordination for the purpose of achieving desired goals or objectives”. Broadly speaking, the term administration appears to bear at least four different meanings or different senses depending upon the context in which it is used:

(1) As a Discipline: The name of a branch of learning or intellectual discipline as taught and studied in colleges and universities.

(2) As a Vocation: Type of work/trade or profession/occupation, especially one that involves knowledge and training in a branch of advance learning.

(3) As a Process: The sum total of activities undertaken to implement Public Policy or policies to produce some services or goods.

(4) As a Synonym for 'word' Executive or Government: Such other body of persons in supreme charge of affairs, for example, Manmohan Singh Administration, Bush Administration, etc.

L.D. White defines Public Administration as all those operations having for their purpose the fulfillment or enforcement of public policy. E.N. Gladden defines, “Public Administration as that which is concerned with the administration of government.”

The terms administration and management are not synonym to each other. Some scholars of Public Administration are closely associated with the first view that is, administration is a determinative function. Management, on other hand is an executive function that is primarily concerned with carrying out the broad policies laid down by the administration. Organization is the machinery through which coordination is established between administration and management.

To put the above in simple terms, administration sets the goal and management strives to attain it and organization is the body of the

management for the attainment of the goals determined by the administration.

1.2 PUBLIC V/S PRIVATE ADMINISTRATION

Administration is commonly divided into two types:

1. Public Administration
2. Private Administration

The public administration differs from the private administration, in three important ways, i.e. the political character, accountability and scope of their activities. As an aspect of government activity it has existed since the emergence of political system(s). While public administration relates to the activities carried out by government, private administration refers to the management of private business enterprises.

POINT OF DIFFERENCE	PUBLIC ADMINISTRATION	PRIVATE ADMINISTRATION
Meaning	Public administration refers to orderly managing the resources, to achieve the purposes established by the government.	Private administration is the operation, management and organization of the affairs of the business enterprise.
Nature	It is a political process.	It is a business activity.
Applicable	In governmental set up	In non-governmental set up
Approach	Bureaucratic	Egalitarian

POINT OF DIFFERENCE	PUBLIC ADMINISTRATION	PRIVATE ADMINISTRATION
Decision making	Pluralistic	Monopolistic
Revenue	Taxes, fees, duties, etc.	Profits
Accountability	Accountable to general public	Accountable to the owners
Focus Orientation	Welfare oriented	Profit oriented

1.3 IMPORTANCE OF PUBLIC ADMINISTRATION

1. Science and technology development has led to "big governments" which implies vast increase in scope of the activities of public administration.
2. Industrial revolution has given rise to socio - economic problems forcing governments to take up new activities.
3. Emergence of a welfare or service state instead of a police state.
4. Adoption of economic planning by modern governments to achieve goals of welfare state has increased scope of public administration.
5. Population explosion has created socio - economic problems.
6. Natural calamities, increase in violence, reduction in social harmony has led to crisis management or rescue operations so increase in scope of public administration.
7. The above functions cause "Administrative lag" which is due to difference between aspirations and performance. This has to be met by Public administration.

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We will be discussing the importance of public administration as a specialized subject of study and later the role and importance of public administration in the modern society.

1. Importance of Public Administration as Specialized Subject of Study
2. Importance of Public Administration as an Activity.

1. Importance of Public Administration as Specialized Subject of Study

The importance of public administration as a specialised subject can be attributed to the following reasons:

One of the important reasons is the practical concern that the government today has to work towards the public interest. The first and foremost objective of public administration is to efficiently deliver public services. In this context, Wilsonian definition of the subject as efficiency promoting and pragmatic field was the first explicitly articulated statement on the importance of a separate discipline of public administration. During the first half of the preceding century, a number of countries have appointed committees to look into the problems of administration and recommended suitable administrative machinery to respond to diverse public needs.

The Haldane Committee Report (1919) in Britain; the President's Committee on Administrative Management (1937) in the United States; A.D. Gorwala Committee's and Paul H. Appleby's Reports in India are some of the examples of the efforts by various countries to make changes in public administration. During the last four decades also, a number of reports, produced by committees/commissions appointed by governments in various countries or multilateral agencies, and books published by scholars have enriched the discipline and provided new perspectives to public administration to tune to the changing needs of the times. They include: Report of the Committee on the Civil Services (Fulton Committee Report, U.K., 1968); various reports of the Administrative Reforms Commission (India, 1967-72); Reinventing

Government (U.S.A., look by David Osborne and Ted Gabler, 1992), Governance and sustainable Development (UNDP, 1997) and World Development Report: Building Institutions for Markets (The World Bank, 2002).

Administration is looked at from the social science perspective, as a cooperative and social activity. Hence the concern of academic inquiry would be to understand the impact of government policies and operations on society. What kind of society do the policies envisage? To what extent administrative action is non-discriminatory? How is public administration functioning and what are the immediate and long term effects of governmental action on the social structure, the economy and polity etc. are questions requiring careful analysis. From the social science perspective, public administration, as a discipline, has to draw on a variety of sister disciplines such as History, Sociology, Economics, Geography, Philosophy, Psychology, etc., with the objective to explain and not just to prescribe.

Public administration has a special impetus in the developing countries. Many of these countries, after independence from the colonial rule have stressed upon speedy socio – economic development. Obviously, these countries have to rely on government for speedy development. The latter requires a public administration to be organised and effectively operated for increasing productivity quickly. Likewise, social welfare activities have to be effectively executed. These aspects have given birth to the new sub-discipline of development administration. The emergence of development administration is indicative of a felt need for a body of knowledge about how to study the third world administration and at the same time to bring about speedy socio-economic development with government's intervention. Development administration has therefore, emerged as a sub-discipline to serve the cause of development.

Public administration, as witnessed holds a place of significance in the lives of people. It touches them at every step. For most of their needs, the citizens depend upon public administration. In view of the important role

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of public administration in the lives of people, the citizens of a country cannot ignore. Therefore, its teaching should become a part of the curriculum of educational institutions. People must get to know about the structure of government, the activities it undertakes and the manner in which these are actually performed. The study of public administration will contribute to the realization of the values of citizenship.

2. Importance of Public Administration as an Activity.

The contemporary age, which has witnessed the emergence of 'Administrative State', public administration has become an essential part of society and a dominant factor. The function it is called upon to perform has expanded in scope and nature, and it is continually increasing. Most of them found to be positive in nature because they care for the essential requirements of human life, be it health, education, recreation, sanitation, social security or others. These functions are over and above its regulatory functions. The view-points of eminent scholars, as referred to below, amply reflect the significance of public administration.

Woodrow Wilson: "Administration is the most obvious part of government; it is government in action, it is the executive, the operative and the most visible side of the government.

Brooke Adams: "Administration is an important human faculty because its chief function is to facilitate social change and to cushion the stock of social revolution".

W.B. Donham: 'If our civilization fails, it will be mainly because of breakdown of administration'.

Paul H. Appleby: 'Administration is the basis of government. No government can exist without administration. Without administration, government would be a discussion club, if indeed, it could exist at all'.

The role of public administration in various facets is noted below:

- **Basis of the Government:** A Government can exist without a legislature or an independent judiciary. But no Government can exist without administration.

- **An instrument for providing services:** Public administration is mainly concerned with the performance of various activities performed by government in the public interest. Felix A. Nigro aptly remarks, “The real core of administration is the basic service which is performed for the public”.

- **An instrument for implementing policies:** Modern governments go a long way in formulating and adopting sound policies laws and regulations. It should not be forgotten that such policies, laws, etc. are not merely printed papers. Such paper declarations of intent are translated into reality by public administration, thus converting words into action and form into substance.

- **A stabilizing force in society:** Public administration is a major force for bringing stability in society. It has been observed that though government often changes, but violent change is seldom experienced by administration. An element of continuity between the old and the new orders is provided by public administration. It does not hold true only of constitutional changes of government in democratic countries, but is also reflected when there are revolutionary changes in the form and character of government.

- **An instrument of social change and economic development:** Public administration’s role as a change agent is particularly crucial in developing nations. It is expected of the state at present to work for accelerating socio-economic change and not to be a passive agency to maintain the status quo.

- **Technical Character:** The present day government is expected to provide various services to its population. The increase in number of

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functions undertaken by the government requires highly specialized, professional and technical, services. Modern public administration usually represents a galaxy of all of a nation's occupations.

According to Gerald Caiden public administration has assumed the following crucial roles in contemporary modern society:

- Preservation of polity;
- Maintenance of stability and order;
- Institutionalization of Socio-Economic changes;
- Management of large scale commercial services;
- Ensuring growth and economic development;
- Protection of the weaker sections of society;
- Formation of public opinion; and
- Influencing Public policies.

Check your Progress 1:

Note: i) Write your answers in the space given below.

1. Differentiate Public and Private administration

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2. Importance of Public Administration as Specialized Subject of Study

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3. What is the importance of Public Administration as an Activity?

1.4 EVOLUTION & GROWTH OF PUBLIC ADMINISTRATION

Public Administration as an academic discipline has developed through a succession of paradigms, which are as follows:

1. Stage I: Politics- Administration Dichotomy (1887-1926)

The basic theme of this stage was the advocacy for the separation of politics from administration. It is regarded as the beginning of the evolution of Public Administration. The publication of Woodrow Wilson's essay entitled "The Study of Administration" in Political Studies Quarterly in 1887. This essay laid the foundation for a separate, independent and systematic study in Public Administration. So, Woodrow Wilson is regarded as the "Father of Public Administration." Wilson argued that politics is concerned with policy-making while public administration is the implementation of policy decisions. He called for a separate study of public administration. He explained it in this way that, "it is getting harder to run a constitution than to frame one." This line of thought further continued by Frank J. Goodnow in his book 'Politics and Administration' published in 1900. Goodnow expressed his views as "politics has to do with policies and administration has to do with the execution of it."

Wilson's essay was epochal in delineating conduct of government as a field of analytical study and generalization and beginning of public administration as a subject. Public administration was neglected in the 19th century as population was manageable and administration was simple.

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In 1926 L.D. White's 'Introduction to the Study of Public Administration' was published. It was the first textbook in Public Administration which dealt systematically with administration in government. With this book the study of Public Administration began as a subject of academic study.

2. Stage II: Principles of Administration (1928-1937)

During this stage, the scholars believed that there are certain principles of administration which could be discovered and applied to increase the efficiency and economy of Public Administration. As the principles of administration have a universal validity and relevance it was said that public administration is a science. The publication of W.F. Willoughby's "Principles of Public Administration" published in 1927 inaugurated the new principles approach. Willoughby believed that certain principles of administration can be derived through scientific research. This line of thought was taken further by Henri Fayol's "Industrial and General Management" and Luther Gullick and Lyndal Urwick's 'Papers on Science of Administration'. Gullick and Urwick coined the acronym 'POSDCoRB' [i.e., Planning, Organisation, Staffing, Direction, Co-ordination, Reporting and Budgeting] to promote seven principles of administration.

3. Stage III: Era of Challenge (1938-1947)

The principles of administration were challenged and criticized on the ground that they lack scientific validity and universal relevance. Hence they were dubbed as mere proverbs of administration. Moreover the principles approach was criticized as a mechanistic approach due to its emphasis on formal structure of organization and neglect of socio-psychological aspects of organizational behavior. Herbert Simon was the most critical of principles of administration and described them as proverbs of administration. He advocated the behavioral approach to Public Administration to make it a more scientific discipline. Simon

rejected the idea of Politics- Administration dichotomy and recommended an empirical approach to Public Administration.

Robert Dahl emphasized the environmental effects on administrative behavior. He believed that Public Administration cannot escape the effects of national psychology and social, political and cultural environment in which it develops. So, he suggested comparative studies in public administration.

4. Stage IV: Identity Crisis (1948-1970)

With the rejection of Politics-Administration dichotomy, public administration suffered from crisis of identity. As a result some scholars returned to political science i.e., the mother science. Some others moved towards administrative science. However in either case, public administration lost its separate identity.

Various developments took place like- - Rise of New Relations Approach - Growth of Comparative Public Administration - Emergence of New Public Administration - Advocacy of Public Choice Approach

5. Stage V: Public Policy Perspective (1971- continuing)

As governments seek to formulate and implement more and more welfare programmes, policy formulation and decision making have become the primary areas of study of Public Administration. Writers in Public Administration have shown interest in related areas like policy-science, political economy, the public policymaking process and its analysis. By adopting public policy analysis approach, Public Administration gained social relevance.

Since the 1990s Public Administration is facing some challenges as a consequence of changes in the global scenario i.e., disintegration of the USSR and communist states, which led to the rise of neo-liberalism and privatization. The advocates of public choice theory propose de-

bureaucratization thus posing a serious challenge to Public Administration.

This process of evolution shows that Public Administration has withstood a number of shocks. Today it has become interdisciplinary and heterodox.

1.5 PERSPECTIVES: ADMINISTRATION & POLITICS DICHOTOMY

The first proposition to separate the fields of politics and public administration was made during the late 1800s. Former US President Woodrow Wilson was one of the ardent proponents of making public administration a distinct academic discipline. In his essay entitled “**The Study of Administration**” (1887), President Wilson said that the administration as a field of business must be removed from the hurry and strife of politics. Despite several clarion calls from staunch advocates, the field of public administration remained to be a subfield of political science during the 1950s-1970s. But it was not long before public administration became recognized as administrative science, thus an independent field of study. While we can now say that the century-old epistemic debate is finally over, some questions still need to be answered: why is there a need to spark the debate in the first place? Better yet, how necessary is it to discuss the need for dichotomizing politics and administration? We will answer these questions in the latter part of our analysis.

Goals of public administration are:

1. Straighten paths of government i.e. advocacy for science of public administration.
2. Make its business more business like i.e. predilection for private administration.
3. Strengthen and purify the organization
4. Crown its duties with dutifulness i.e. initiative for Comparative public administration.

Politics versus administration

Before we delve further it is best to differentiate first politics from administration. For **President Wilson**, the field of politics aims to answer the question, “Who shall make law and what shall it be?” while administration attempts to address the question, “How should the law be administered?” Using the similar line of thought, legal scholar and Wilson’s contemporary **Frank Goodnow** stated that while politics has something to do with policies or expressions of the State’s will, administration has to do with the execution of such policies. Wilson and Goodnow made clear that politics is limited to crafting of policies and lawmaking, a function generally vested upon a State’s legislative body; and administration is focused on the implementation of laws, a function normally held by the State’s executive branch.

Although these definitions are valid, it would be somewhat problematic if we were to use this in our present (or any future) analysis. To illustrate, the legislative veto and oversight function of the Philippine Congress can be viewed as a manifestation of how it can act like and share the authority of administration with the executive branch. Also, the exclusive power of the President of the Philippines to introduce the budget proposal to the Congress shows how the President can play a preeminent role in policy agenda. Other than the overlapping (if not harmony) of functions of politics and administration, the problem which now remains is the obsolescence of this longstanding differentiation of these fields.

If we were to view politics as a field which concerns the allocation of public resources, a cursory definition which I believe is being employed by the scholars of our time, it would be resonant of what public administration essentially means. From the words of Professor **John Vieg**, public administration “embraces every area governed by public policy... including the formal processes through which the legislative exercises its power [and] the function of courts in the administration of justice.” In modern usage, public administration is not anymore a

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practice restricted to the domain of executive branch as, in the passage of time, it became more concerned with serving the public through formulation of necessary laws, proactive implementation of laws crafted, and efficient delivery of public services.

Why the debate continues?

If truth be told, the difference between politics and administration is really hard to put forward as the former heavily influences the latter, or vice versa. Nevertheless, the discussion has gone a long way. While some scholars post that Wilson called for a complete separation of politics and administration, he himself admitted that the dichotomy of the two is fictional. So if it is implausible in the first place, why call for dichotomy? This is now the part where we shall answer our first question we asked in introduction.

Wilson stated four reasons as to why there should be a science of administration?

- (1) Straighten the paths of government;
- (2) Makes its business businesslike;
- (3) Strengthen its organization; and
- (4) Crown its dutifulness.

Wilson knew that it is not possible to achieve absolute separation of politics and administration as what he really wanted was to keep public administration out of the ills of politics and institutionalize the practice of effective administration. As governments today serve several masters (the people), their functions became more complex which made Wilson underscore the need for great mastery in running the government. For this monumental task, the role of the study of administration is to produce competent administrators who will not just serve as passive instruments of power but vanguards of the public interest, and to promote a type of governance responsive to the needs of the public and reflective of the people's will.

In conclusion, we shall answer the last question we posed earlier: how necessary is it to discuss the need for dichotomizing politics and administration? It has never been this necessary, and relevant it has always been. As it appears, the need for dichotomy is more than an epistemic question and the birth of the public administration as a field of study more than an academic milestone. The root of the debate brings with it a nobler cause and a greater call. Now more than ever, the call for an administration which will always be all ears for the people's demands, for public administrators will serve as the voice of the marginalized, and for future administrators who will rise to the challenge of upholding good governance, will always remain loud and clear

Criticism

Standard definition is too constricted. If politics includes all of what we know as policy making, then the dichotomy would bar administrators, presumably including city managers, from participation. The dichotomy of policy and administration was a conceptual distinction underlying a theory of democratic accountability. It was not intended to guide behavior, it was intended as a behavioral prescription directed against contemporary practices of machine politics. The strict definition is the model. It is not conceptually possible to have a one way dichotomy that keeps elected official out of administration but allows administrators to be active in policy. The dichotomy model standing alone is an aberration.

Arguably the father of American political administration, Wilson, in his essay 'The Study of Administration', suggested that in order to have objectivity and progress, the administration must be separate from politics ... The political/administration dichotomy aimed to separate the power between political leaders and the merit-based appointment of professional permanent civil servants in the administrative state ... At the turn of the 20th century, the field focused on making the bureaucracy more effective. The field's basic premise was to take a business-like approach to government and its activities.

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By Wilson making the statement, "Government should be run like a business," he thereby opened up many loop holes for the capitalist society to exploit the government for things they didn't actually have. This statement ends in a very dangerous uncharted territory for people now. Based on the fact government could be run like a business. It creates a sense of working for your job when you are supposed to be working for the people whom you represent. So now, instead of implementing policy to help the people, administrators and politicians are more concerned about who is funding/appointing than they are worried about the common man. That isn't just the biggest problem for Politic administration. Dichotomy it is a huge problem for the sustainability of our government and the world.

Check your Progress 2:

Note: i) Write your answers in the space given below.

1. Compare Politics and administration.

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1.6 PERCEPTIVES: PRINCIPLES OF ADMINISTRATION

The improvement in Efficiency and in the economy due to public administration was attributed to profound principles of administration. Principles were independent of the nature of enterprise, personnel and creation theory.

Henri Fayol who was a mining engineer, is regarded as the Father of the Traditional Approach. His book 'General and Industrial Management' was published in 1916 in which he did not make any distinction between Public Administration and Private Administration. Administration according to Fayol encompasses the 'POCCC' that is, Planning, Organising, Commanding, Coordinating and Controlling.

Fayol specified fourteen principles of administration, but he agreed that these are not complete or exhaustive but are flexible and capable of adaptation.

- 1. Division of labor** - The division of work is the course of tasks assigned to, and completed by, a group of workers in order to increase efficiency. Division of work, which is also known as division of labor, is the breaking down of a job so as to have a number of different tasks that make up the whole. This means that for every one job, there can be any number of processes that must occur for the job to be complete.
- 2. Authority** - Managers must be able to give orders. Authority gives them this right. Note that responsibility arises wherever authority is exercised.
- 3. Discipline** - Employees must obey and respect the rules that govern the organization. Good discipline is the result of effective leadership.
- 4. Unity of command** - Every employee should receive orders from only one superior.
- 5. Unity of direction** - Each group of organizational activities that have the same objective should be directed by one manager using one plan for achievement of one common goal.
- 6. Subordination** - The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
- 7. Remuneration** - Workers must be paid a fair wage for their services.

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- 8. Centralization** - Centralization refers to the degree to which subordinates are involved in decision making.
- 9. Scalar chain** - The line of authority from top management to the lowest ranks represents the scalar chain. Communications should follow this chain.
- 10. Order** - this principle is concerned with systematic arrangement of men, machine, material etc. there should be a specific place for every employee in an organization
- 11. Equity** - Managers should be kind and fair to their subordinates.
- 12. Stability of tenure of personnel** - High employee turnover is inefficient. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
- 13. Initiative** - Employees who are allowed to originate and carry out plans will exert high levels of effort.
- 14. Esprit de corps** - Promoting team spirit will build harmony and unity within the organization.

The classical definition

A prominent principle of public administration has been economy and efficiency, that is, the provision of public services at the minimum cost. This has usually been the stated objective of administrative reform. Despite growing concern about other kinds of values, such as responsiveness to public needs, justice and equal treatment, and citizen involvement in government decisions, efficiency continues to be a major goal.

In its concern with efficiency and improvement, public administration has focused frequently on questions of formal organization. It is generally held that administrative ills can be at least partly corrected by reorganization. Many organizational principles originated with the military, a few from private business. They include, for example:

- (1) Organizing departments, ministries, and agencies on the basis of common or closely related purposes,
- (2) Grouping of activities in single units,
- (3) Equating responsibility with authority,
- (4) Ensuring unity of command (only one supervisor for each group of employees),
- (5) Limiting the number of subordinates reporting to a single supervisor,
- (6) Differentiating line (operating or end-purpose) activities from staff (advisory, consultative, or support) activities,
- (7) Employing the principle of management by exception (only the unusual problem or case is brought to the top), and
- (8) Having a clear-cut chain of command downward and of responsibility upward.

Some believe that organizational problems differ and that the applicability of rules to various situations also differ and carry relevance and force based on situation and relevance.

Public administration has also laid stress upon personnel. In most countries administrative reform has involved civil service reform. Historically, the direction has been toward “meritocracy”—the best individual for each job, competitive examinations for entry, and selection and promotion on the basis of merit. Attention has increasingly been given to factors other than intellectual merit, including personal attitudes, incentives, personality, personal relationships, and collective bargaining.

Check your Progress 3:

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Note: i) Write your answers in the space given below.

1. What are the Principles of administration propounded by Henry Fayol?

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1.7 PERSPECTIVES: DICHOTOMY

Dichotomy i.e. separation of politics from administration was rejected. Since administration has policy formulation, it can't be separated from politics.

Woodrow Wilson

He wanted public administration to understand the basis of administration in different states so as to learn weakness or virtues by comparison and learn more efficient administration methods of European autocracies to meet democratic challenges without force.

Europe had seen a growth in administration as governments in European countries had been independent of popular assent. The desire to keep government a monopoly made monopolists interested in the least irritating means of governing. European ideas of government were for compact, centralized states so their ideas, aim, thoughts; principles were needed to be changed.

Wilson wanted reforms in administration to extend to executive functions and methods of executive organization, actions.

However his drawback was the proponent of administration politics dichotomy. His theory was vague, ambivalent and didn't answer what study of administration entails proper relationship between

administration and politics and whether administrative science can be of natural science.

The argument about the dichotomy between politics and public administration has been around for so many years. Although many scholars have made efforts to state their thesis for why or why not politics and administration should be distinct from each other, there has not been a universal consensus on the topic. Looking critically at both sides of the argument, those who support that the two should be distinct, claim that it will ensure an efficient, effective and neutral bureaucracy. However, the extent of such distinction had not been clearly stated. The other group who argue that the two disciplines should not be separated rest their thesis on the interconnection between politics and administration. To them, politics and administration are complementary. One writer summarizes the two theories; first, those who think “politics and administration are (and should be) distinct but interconnected and second, those who think politics and administration are (and should be) interconnected but distinct” (Overeem, 2006, p5).

Let us look at some simple definitions. Politics itself lacks a clear-cut definition. The concept has been used synonymously with government. Thus politics refers to what governments do. In this regard Easton’s definition is most appropriate; “politics is the authoritative allocation of values in society” (Easton, 1953). Here politics refers to the formulation of policies as to who is to get what portion of societal resources, at what time and how. It is what political leaders are actually elected to do (making decisions that are binding on the people).

Simply defined, public administration refers to the activities of the administrative (bureaucratic) agencies of government that actually implement policies and programs. Notably, government policies become laws and these laws provide for the creation of administrative agencies with the primary mandate to implement these policy programs. This definition makes no attempt to provide a comprehensive description of public administration but is relevant for the purposes of this discussion.

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Moreover, it is obvious that the above definitions show a clear linkage between the two concepts.

The chapter is an exposition of the politics/administration dichotomy theory and how this affects the effective and efficient operation of federal agencies. It seeks to assess how relevant the concept is in today's agency operations by first establishing its origin and the prevailing school of thoughts.

Emergence of the Politics/Administration Dichotomy

To a large extent, the argument about politics and administration dichotomy could be traced to the founding fathers (Woodrow Wilson and Frank Goodnow) of public administration and more specifically to the reforms during the progressive era. "While not rejecting politics per se, the public administration reformers of this era sought better government by expanding administrative functions (planning, analyzing), keeping them distinct from political functions (deciding). The politics/administration dichotomy emerged as a conceptual origination whereby the world of government was to be divided into two functional areas "one administrative, one political" (Cox, Buck, Morgan, 1994 p6).

During this period, it was thought that the expansion of administrative practice was necessary to improve government operation. Thus the reforms in the Civil Service that sought to replace patronage appointment with appointment on the basis of merit, was a good example of how to manage the work of government effectively and efficiently. Moreover, as Cox, Buck, and Morgan recognized, "the use of independent regulatory agencies, such as the Interstate Commerce Commission, was to bring to bear the expertise and knowledge of civil servants to quickly, factually, and knowledgeably (neutrally) make decisions that would be beyond the ken of political bosses".

In his book, "Politics and Administration", Frank Goodnow was very much concerned about the negative effects of the spoil system on

government administration. He recognized that the spoil system impaired administrative efficiency and was a threat to democratic government. Goodnow rejected party (political) control over administration as the best way to harmonize the expression of the popular will. According to Goodnow, certain areas of administration should be isolated from politics. These include the administration of justice; technical, scientific information gathering; as well as purely administrative management issues. These functions should be performed by politically neutral, tenured and competent individuals who are to act in a semi-scientific, quasi-judicial, and quasi-businesslike fashion (Goodnow, 1967).

The central argument of Wilson and Goodnow was that politics and patronage threatened the efficiency of administration and that, in general, administrative and political questions were and should be distinct. The former should be addressed by technically competent civil servants insulated from politics. In 21st century, Overeem is recognized as one of the advocates of the dichotomy, which is most evident in his writings.

Dwight Waldo is usually cited as one of the writers who disputed the politics/administration dichotomy. His idea akin to scholars of his time was partly informed by the experience from a crisis decision-making atmosphere that characterized the federal government during the World War II period. Thus to the writers of that period the rigid delineation of a distinction between politics and administration was impractical.

In contemporary times, Svara has also attempted to point out the complexity in the political-administrative relations and the limits of the dichotomy concept. According to him, the dichotomy theory obscures more than it illuminates the relationship between politics and administration. For instance, he accuses Overeem for overstating the argument put forward by Goodnow, Wilson and Weber. Svara notes that the traditional arguments for a distinction between politics and administration upon which Overeem based his thesis do not match the restricted role implied by a dichotomy. To him Goodnow, Wilson and

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Weber also had in mind an interconnection and the need for harmony between the two (Svara, 2006).

Having assessed the two schools of thought, one could argue that both extremes should not be desirable. One is also tempted to question the usage of the word ‘dichotomy’ because in its rightful application the word implies a total separation of politics and administration which is actually unattainable. Politics and administration do overlap as our earlier definition makes it clear that administration begins where politics ends. The earlier reformers sought to put an end to the spoil system that undermined the core principles of managerial efficiency and effectiveness and this was achieved through the Civil Service Reform Act of 1883 (Pendleton Act), which established the merit system and also marked the beginning of today’s Civil Service Commission. They did not advocate for a total separation between politics and administration.

In conclusion, the point drawn is that politics and administration should be seen as very interconnected. It is worth reiterating that, public administration is as old as government itself and constitutes an integral part of government without which government cannot function properly. Just as the structure of governments has changed over the years, the structure and role of public administration have also changed dramatically. Moreover, it is important to state that public administration has grown from its traditional role of merely implementing policies adopted by the “political” branches of government to playing very significant role in the formation of public policies. This is more evident by the professional expertise bureaucratic officials provide during problem identification, agenda setting, policy formulation, and evaluation that shape the content of public policy.

1.8 NEW PUBLIC ADMINISTRATION

New Public Administration is concerned with phenomenological approach conceptually i.e. an organization cannot exist in independent forms in the minds of the perceivers groups. It also has a humanistic

oriented motivation. Thus there is no separation of value and facts in new public administration. New Public Administration is goal oriented as well as change oriented.

According to Golembewski there are five goals or features of New Public Administration:

1. The New Public Administration mankind as having the potentiality of becoming perfect rather than just regarding humans as 'factors of production'.
2. It stresses the central role of personal and organizational values or ethics.
3. Realization of social equity should be the purpose of public administration. Social equity means that public administration should become champions of the underprivileged sections of the society.
4. The New Public Administration is relational It wages a client centered approach with an emphasis not only on meeting client needs through goods and services but also on providing them a major voice in how and when, and what is to be provided. It wages attention to the consequences of administration action in terms of impact on the character and attitudes of the citizens.
5. The New Public Administration places a definite emphasis on innovation and change

The new Public Administration has the following innate characteristics:

- It is action and structure oriented.
- It is change- oriented
- It is status quo- oriented
- It is dynamic and flexible
- It is hierarchical and rigid
- It is concerned with new and with routine tasks It believes in decentralization and in centralization. It is creative and innovative. It opposes any change. It is time- oriented.

Check your Progress 4:

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Note: i) Write your answers in the space given below.

1. What are the salient features of new public administration?

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1.9 LET US SUM UP

The Politics-administration dichotomy is a theory that constructs the boundaries of public administration and asserts the normative relationship between elected officials and administrators in a democratic society. The phrase politics-administration dichotomy itself does not appear to have a known inventor, even after exhaustive research, the combination of words that make up the phrase was first found in public administration literature from the 1940s with no clear originator. The Evolution of Public Administration offered various perspectives and approaches to dealing with administration. From time to time they were used as solutions to problems, of administration the government. The discipline and practice of public administration have mutually contributed to each other's growth and evolution in the course of time. The new age of liberalization, globalization and Privatization has seen welfare oriented progressive and transparent Public administration through implementation of effective public policies.

1.10 KEY WORDS

Dichotomy: A division or contrast between two things that are or are represented as being opposed or entirely different.

Bureaucracy : A formal organizational arrangement characterized by division of labor, job specialization with no functional overlap, exercise of authority through a vertical hierarchy (chain of command) and a

system of internal rules, regulations, and record keeping; the administrative branch of government (national, state, local).

Relevance: Public administration focused on efficiency and economy. These had little significance to modern problems and so were insignificant. NPA wanted meaningful studies towards realities of social life.

Values: Reject value neutral stand of public administration. It wants openness about values being served through administration action.

Social equity: Administrators should be champions of underprivileged. They should use discretion to protect poor.

Change: Reject status quo and bring innovations in administrative machinery for bringing about social change.

1.11 QUESTIONS FOR REVIEW

1. Write about Importance of Public Administration
2. Describe Stage I: Politics Administration Dichotomy
3. Describe the Stage II: Principles of Administration
4. What is Stage III: Dichotomy?
5. What do you mean by new age public administration?

1.12 SUGGESTED READINGS AND REFERENCES

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1.13 ANSWERS TO CHECK YOUR PROGRESS

1. Check your Progress 1

Check your answer with unit 1.2

2. Check your Progress 2

Check your answer with unit 1.3

3. Check your Progress 3

Check your answer with unit 1.4

UNIT- 2: ORGANIZATION THEORIES (GULLICK AND URWIK)

STRUCTURE

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Importance of Structure
- 2.3 From Fayol's Elements to POSDCORB
- 2.4 Principles of Organisation
 - 2.4.1 Work Division
 - 2.4.2 Coordination
 - 2.4.3 Unity of Command
 - 2.4.4 Line and Staff,
 - 2.4.5 The Span of Control
- 2.5 Practical Value of Classical Theory
- 2.6 Criticism of Classical Theory
- 2.7 Let Us Sum Up
- 2.8 Key Words
- 2.9 Questions for Review
- 2.10 Suggested Readings and References
- 2.11 Answers to Check Your Progress Exercises

2.0 OBJECTIVES

In this Unit we shall discuss the contribution of Luther Gulick and Lyndall Urwick to the study of classical theory of administration. The study of this unit would enable you to: describe the classical approach to administration and organisation, given by Gulick and Urwick point out the short-comings of the universal principal, formulated by Gulick and Urwick; and evaluate the importance of classical theory and administrative theory.

2.1 INTRODUCTION

Notes

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 organization, Based on his experiments,

Definition of management:

Management takes place within a structured organisational setting with prescribed roles. It is directed towards the achievement of aims and objectives through influencing the efforts of others.

Classical management theory

- Emphasis on structure
- Prescriptive about 'what is good for the firm'
- Practical manager (except Weber, sociologist)

Henri Fayol (1841 - 1925), France

1.Division of work

Reduces the span of attention or effort for any one person or group.
Develops practice and familiarity

2. Authority

The right to give an order should not be considered without reference to responsibility

3. Discipline

Outward marks of respect in accordance with formal or informal agreements between firm and its employees

4. Unity of command

One man superior

5. Unity of direction

One head and one plan for a group of activities with the same objective

6. Subordination of individual interests to the general interest

The interests of one individual or one group should not prevail over the general good. This is a difficult area of management

7. Remuneration

Pay should be fair to both the employee and the firm

8. Centralisation

Is always present to a greater or less extent, depending on the size of the company and quality of its managers

9. Scalar chain

The line of authority from top to bottom of the organisation

10. Order

A place for everything and everything in its place; the right man in the right place

11. Equity

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A combination of kindness and justice towards the employees

12. Stability of tenure of personnel

Employees need to be given time to settle into their jobs, even though this may be a lengthy period in the case of the managers

13. Initiative

Within the limits of authority and discipline, all levels of staff should be encouraged to show initiative

14. Esprit de corps

Harmony is a great strength to an organisation; teamwork should be encouraged

Advantages

- Fayol was the first person to actually give a definition of management which is generally familiar today namely 'forecast and plan, to organise, to command, to co-ordinate and to control'.
- Fayol also gave much of the basic terminology and concepts, which would be elaborated upon by future researchers, such as division of labour, scalar chain, unity of command and centralisation.

Disadvantages

- Fayol was describing the structure of formal organisations.
- Absence of attention to issues such as individual versus general interest, remuneration and equity suggest that Fayol saw the

employer as paternalistic and by definition working in the employee's interest.

- Fayol does mention the issues relating to the sensitivity of a patient's needs, such as initiative and 'esprit de corps', he saw them as issues in the context of rational organisational structure and not in terms of adapting structures and changing people's behaviour to achieve the best fit between the organisation and its customers.
- Many of these principles have been absorbed into modern day organisations, but they were not designed to cope with conditions of rapid change. The language used by Fayol may appear dictatorial, however if we examine Fayol's work and concepts, it is clear that Fayol's 'command' is similar to a description of what we would call empowering manager today.

F W Taylor - (1856 - 1915), USA- The Scientific Management School

Taylorism involved breaking down the components of manual tasks in manufacturing environments, timing each movement ('time and motion' studies) so that there could be a proven best way to perform each task. Thus employees could be trained to be 'first class' within their job.

This was a scientific system where every task became discrete and specialised. Specialised services are provided in the NHS, and these management techniques could prove useful in these areas, to review productivity.

Key points about Taylor, who is credited with what we now call 'Taylorism':

- he was in the scientific management school
- his emphases were on efficiency and productivity
- but he ignored many of the human aspects of employment

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For the managers, scientific management required them to:

- develop a science for each operation to replace opinion and ‘rule of thumb’
- determine accurately from the science the correct time and methods for each job (time and motion studies)
- set up a suitable organisation to take all responsibility from the workers except that of the actual job performance
- select and train the workers
- accept that management itself be governed by the science deployed for each operation and surrender its arbitrary powers over the workers, i.e. cooperate with them.

For the workers, scientific management required them to:

- share in the prosperity of the firm by working in the correct way and receiving wage increases
- give up their idea of time wasting and co-operate with the management in developing the science
- accept that management would be responsible for determining what was done and how
- agree to be trained in new methods where applicable.

The benefits arising from scientific management can be summarized as follows:

- improving work methods brought enormous increases in productivity
- its rational approach to the organisational work enables tasks and procedures to be measured with a considerable degree of accuracy
- measurement of paths and processes provide useful information on which to base improvements in working methods, plant design, etc

- it enabled employees to be paid by results and to take advantage of incentive payments
- it stimulated management into adopting a more positive role in leadership at shop floor level
- it contributed to major improvements in physical working conditions for employees
- it provided the formation for modern work studies.

The drawbacks were mainly for the workers:

- it reduced the worker's role to that of a rigid adherence to methods and procedures over which he/she had little discretion
- it led to increased fragmentation of work due to its emphasis on divisional labour
- it generated an economically based approach to the motivation of employees by linking pay to geared outputs
- it put the planning and control of workplace activities exclusively in the hands of the managers
- it ruled out any realistic bargaining about wage rates since every job was measured and rated 'scientifically'.

Therefore, in summary, while the scientific management technique has been employed to increase productivity and efficiency both in private and public services, it has also had the disadvantages of discounting many of the human aspects of employment. Taylor's ideas on management and workers demonstrate justice for both parties (employer and employee). Taylorism prevailed in the '30s through to the early '60s - and in many organisations considerably later than this. Peters and Waterman in the 70s/80 and Senge late '80s/early '90s led us towards what we now call 'systems thinking' where the rights and potential wider contributions of employees received considerably greater emphasis.

Max Weber (1864 - 1924), Germany

Weber described bureaucracy as the most efficient way of working.

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Bureaucracy in this context is the organisational form of certain dominant characteristics such as a hierarchy of authority and a system of rules.

Bureaucracy in a sense of red tape or officialdom should not be used as these meanings are value-ridden and only emphasize very negative aspects of the original Max Weber model.

Authority is distinguished from power by Weber. Power is a unilateral thing - it enables a person to force another to behave in a certain way, whether by means of strength or by rewards. Authority, on the other hand, implies acceptance of the rules by those over whom it is to be exercised within limits agreeable to the subordinates that Weber refers to in discussing legitimate authority.

Weber presented three types of legitimate authority (also discussed in Section 5a):

Traditional authority: where acceptance of those in authority arose from tradition and custom.

Charismatic authority: where acceptance arises from loyalty to, and confidence in, the personal qualities of the ruler.

Rational-legal authority: where acceptance arises out of the office, or position, of the person in authority as bounded by the rules and procedures of the organisation.

It is the rational-legal authority form that exists in most organisations today and this is the form to which Weber ascribed the term 'bureaucracy'.

The main features of bureaucracy according to Weber were:

- a continuous organisation or functions bounded by rules
- that individuals functioned within the limits of the specialisation of the work, the degree of authority allocated and the rules governing the exercise of authority
- a hierarchical structure of offices
- appointment to offices made on the grounds of technical competence only
- the separation of officials from the ownership of the organisation
- the authority was vested in the official positions and not in the personalities that held these posts. Rules, decisions and actions were formulated and recorded in writing.

It is no coincidence that Weber's writings were at a time of the major industrial revolutions and the growth of large complex organisations out of the cottage industries and/or entrepreneurial businesses.

The efficiency of this rational and logistical organisation shares a considerable amount of common ground with the thinking of Fayol. In particular, features such as scalar chain, specialisation, authority and the definition of jobs which were so essential to successful management as described by Fayol, are typical of bureaucracy. There is also little doubt that Weber's ideas concerning specific spheres of competence and employment based on technical competence would have considerable appeal for Taylor's scientific managers.

Advantages

Appointment, promotion and authority were dependent on technical competence and reinforced by written rules and procedures of promoting those most able to manage rather than those favoured to manage. We take a lot of this for granted in the UK today. Anything else is regarded as nepotism and corruption.

The adoption of bureaucratic type of management systems allow organisations to grow into large complex organised systems that are focused towards formalised explicit goals.

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It cannot be stated strongly enough that the Weber theory has the advantage of being used as a 'gold standard' on which to compare and develop other modern theories.

Disadvantages

- Subsequent analysis by other researchers have identified many disadvantages:
- Tendency for organisations to become procedure dominated rather than goal dominated.
- Tendency for heavily formalized organisational roles to suppress initiative and flexibility of the job holders.
- Rigid behaviour by senior managers can lead to standardised services that do not meet the needs of the client.
- Rigid procedures and rules are demotivating for the subordinates that work in the organisations.
- Exercise of control based on knowledge as advocated by Weber has led to the growth of 'experts' whose opinions and attitudes may frequently clash with those of the more generalised managers and supervisors.

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 Urwiqk based on their own experience and studies and that of others contributed extensively towards formulating general of administration and organisation.

POSDCORB is an acronym widely used in the field of management and public administration that reflects the classic view

of organizational theory. It appeared most prominently in a 1937 paper by Luther Gulick (in a set edited by himself and Lyndall Urwick). However, he first presented the concept in 1935. Initially, POSDCORB was envisioned in an effort to develop public service professionals. In Gulick's own words, the elements are as follows: Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting.

2.2 IMPORTANCE OF STRUCTURE

Although Gulick and Urwick were interested in dealing with administration as a whole, they dealt mostly with the technical aspects of formal organization. Urwick was heavily oriented to formalism in organization theory. Gulick and Urwick formulated 'universal' principles of organisation. These formulations are popularly called 'classical theory' of organisation. They are also called 'administrative in management' theory, 'mechanistic' Theory etc. The classical theory is so called because it is one of the earliest formulations based on systematic analysis of organizations; 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 organizations as social groups, Urwick says "the correct analogy must be analogy with the living organism - the biological parallel. For this reason the mechanism in parallel can be very helpful in discussing organization. Another name for it is the engineering approach".

It is significant to note that Gulick and Urwick, along with other classical theorists, attract more importance to the structure of organization than the role of the people in the organization. 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 organizations Urwick stressed the importance of design in organisation. Fix pointed out that it is impossible for humanity to

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advance the knowledge of organizations unless this factor is isolated. He further considered lack of design as “irrational, cruel, wasteful and inefficient”. Urick 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.

Luther Gulick, one of the Brownlow Committee authors, states that his statement of work of a chief executive is adapted from the functional analysis elaborated by Henri Fayol in his "Industrial and General Administration". Indeed, Fayol's work includes fourteen principles and five elements of management that lay the foundations of Gulick's POSDCORB.

Fayol's fourteen principles of management are as follows:

- *Division of Work:* The division of work principle declares that staffs function better when assigned tasks according to their specialties.
- *Authority and Responsibility:* This principle proposes the requirement for managers or manager like authority in order to effectively direct subordinates to perform their jobs while still being held accountable for their conduct.
- *Discipline:* The discipline principle supports strict and clearly defined rules and regulations in the workplace to ensure professional employee behavior and order.
- *Unity of Command:* The unity of command doctrine proclaims that employees should only receive command and report to one administrator or boss-like authority figure.
- *Unity of Direction:* The unity of direction principle states that there should only be one plan, one objective and one director head for each specific plan.

- *Subordination of Individual Interest to General Interest:* The subordination of Individual interest to general interest principle declares that the interests and objectives of the organization override the interests of any employee, management staff, or any group.
- *Remuneration of Personnel:* The remuneration of personnel principle deems that both staff and management salary should be fairly earned, justifiable and no party should be deceived.
- *Centralization:* The centralization principle advocates that managerial decision making should be centralized with orders being delivered from top tier management to the middle management, where the orders are arranged and then clarified for the line staff to execute.
- *Scalar Chain (line of authority with peer level communication):* The scalar chain principle contends that communication within the organization should only be one uninterrupted vertical flow of communication and any other type of communication should only occur in times of emergencies and when approved by a manager.
- *Order:* The order principle can be interpreted in either of the two ways; some believe this principle refers to giving every material in the organization its right position while other believe it means delegating the right job to the right employee.
- *Equity:* The equity principle proclaims that managers should be fair and impartial to their staff but the relationship should still be in compliance with the principle of subordination of individual interest to general.
- *Stability of Tenure of Personnel:* The stability of tenure of personnel principle states that management should employ the right staff and properly train them in hopes of retaining their employment for a long time and benefiting the organization through experience and expertise.
- *Initiative:* The initiative principle refers to the management and their creativity and their ability to implement them within the organization to ensure growth and success in the organization.

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- *Esprit de Corps*: The Esprit de Corps principle believes that organizations should promote high morale and unity to retain the best employees for lengthy periods of time.

2.3 FROM FAYOL'S ELEMENTS TO POSDCORB

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, are 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 (K): 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. 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.

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

- i) The "principle of Objective"-that all organization should be an expression of a purpose;
- 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 organization;
- v) The "principle of span of Control";
- vi) The "principle of Specialization"-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 the process and identifying the functions of the executive in Items of POSDCORB, Gulick and Urwick concentrated their efforts on the discovery of principles of organization based on which the structure may be

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

- i) Division of work or Specialization;
- ii) Bases of departmental organizations;

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- iii) Coordination through Hierarchy;
- iv) Deliberate Coordination;
- v) Coordination through Committees; '
- vi) Decentralization;
- vii) Unity of Command;
- viii) Staff and Line;
- ix) Delegation and
- x) Span of control.

Principal Values of Classical Theory

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

- The first was the identification of organization or administration as a 'distinct function to be studied and practiced. The practical achievement was to make people think and apply themselves to the problem of management and organization.
- 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 rationalizing and stimulating production in the industrial organization, to some extent.
- Finally, the very limitations of the theory instigated further investigations in organizational behaviour. Thus, classical theory despite its shortcomings made significant contribution to the development of the organization theories.

POSDCORB and its retiring starts in the Brownlow Committee literature are still profoundly referenced in today's public administration and politics. Many public administrators even believe the Brownlow documents initiated "the Reorganization Act of 1939, a train of measures that the act set in motion can reasonably be attributed to it".

POSDCORB management theories that are also responsible for the administrative reorganization that occurred around 1937, which utilizes Gulick's organizing and coordinating steps in the POSDCORB administrative process providing for more concise departments and even room for new agencies within the government making for a more efficient government.

POSDCORB generally fits into the classical management movement, being classified as an element of social scientific management, which was popular in the late 19th and early 20th century. Gulick's POSDCORB patterns were instrumental in highlighting the theory of span of control, or limits on the number of people one manager could supervise, as well as unity of command to the fields of management and public administration.

According to notable Public Administration scholars such as Nicholas Henry, POSDCORB, the principles it represents, and subsequent expansions upon the POSDCORB concept form the height of Public Administration in an era when it was seen as just another aspect of the field of management as a whole.

Gulick's work has been heavily cited and expanded upon by scholars and practitioners in the fields of management and public administration since the publication of *Papers on the Science of Administration* in 1937.

In his 1987 piece "Deja Vu: French Antecedents of American Public Administration," French public administrator, Daniel Martin notes that virtually all of the principles in American Public Administration up to 1937 and the coining of the POSDCORB acronym, including the POSDCORB principles, were present in the French literature on the subject by 1859, but that this literature had largely been forgotten by the theorists of that era, thus the "re-invention" of these principles in the later French and American literature.

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Essentially, "The highest goals of the American Administrative State are the same today as they were in 1937 and in 1787: Public administration is first and foremost concerned with upholding the democratic values embedded within our constitutional heritage.

Check Your Progress 1

Note: i) Write your answers in the space given below.

ii) Check your answers with those given at the end of the unit.

i) Explain the significance of structure in organisations.

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What does the acronym 'POSDCORB' stand for?

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2.4 PRINCIPLES OF ORGANISATION

POSDCORB generally fits into the Classical Management movement, being classified as an element of scientific management. Gulick POSDCORB principles were instrumental in highlighting the theory of span of control, or limits on the number of people one manager could supervise, as well as the unity of command to the fields of management and public administration.

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

- i) The "principle of Objective"-that all organization should be an expression of a purpose;
- 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 organization;
- v) The "principle of span of Control";
- vi) The "principle of special stratification 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 or structure as a designing the process and identifying the functions of the executive in Items 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 principals Gulick was very much influenced by Henry Fayol's basic elements of administration.

The principles of Gulick are:

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

You would now examine some of these important principles briefly.

2.4.1 Work Division

According to Gulick "work division is the foundation of organization, indeed, the reason for organization". 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 specialization". 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). I, '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 departmentalization. However, in subdividing the work or establishing the units of work, a choke must be made as to which of ' these principles -purpose, process, person(s) or place are relevant. Realizing the limitations' of the division of Gork, Gulick observed that "division of work and integrated organization' are -the bootstraps, by which mankind lifts itself in the process of civilization ".

2.5.2 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 organization, that is inter -relating the sub-division of work by allotting them with the 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 organization. In the dominance of an idea the development of intelligent singleness is the purpose in the, minds of those who are working together so that each worker will voluntarily fit his task into thug while with skill and enthusiasm. ~these two principles of coordination, he observes, are not totally 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. It must be approached with different emphasis in small and in large organizations, in simple and complex situations, in stable and in new or changing organizations. Thus, Gulick maintains that "coordination is not something that develops by accident. It must be won by bell agent, vigorous, persistent and organized effort ".

2.4.3 Unity of Command

Gulick and Urwick believed that "well -managed administrative units in the Government are. Almost without exception it headed by single administrators ". They were against boards or commonalities. Leadership is vested in one than against a plural body. They reiterated Fayol's maximum of unity of command, knowing that rigid adherence to this principle may lead to the absurdities. They were emphatic that "A man cannot serve twp masters ".

A workman subjected re-order from more than one supervisor will be "confused, inefficient; Classical Approach-Lut her and irresponsible", a workman subjected to order from but one superior may be "methodical, Gulick and Urwick efficient, and responsible".

2.4.4 Line and Staff

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 everyday work do not have time to read, think and meet

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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.

2.4.5 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 rises 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 Galbraith 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.

Check Your Progress 2

Note. i) Write your answers in the space given below.

- i) Explain the Principles of organisation as discussed by Urwick and Gulick.

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ii) Explain Gulicks 4 'P' based of departmentalize.

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iii) Discuss any two principles of organisation.

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2.5 PRACTICAL VALUE OF CLASSICAL THEORY

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

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.

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- Fourthly it played a significant role in rationalizing 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.

2.6 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 - "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 criticized 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.

As early as 1938, literature began appearing in the field of public administration challenging the validity of POSDCORB and the concept that there could even be a rigid set of principles in administration. In 1946 and 1947, prominent Public Administration scholars such as Robert Dahl, Dwight Waldo, and Herbert A. Simon released articles and books criticising POSDCORB and the principles notion. Simon's article *Proverbs of Administration* challenges the POSDCORB principles by stating "For almost every principle one can find an equally plausible and acceptable contradictory principle." Among other criticisms, Simon states that the POSDCORB principles are an oversimplification of administration. Simon's criticisms largely center on the span of control and unity of command, stating that sometimes it is necessary for a subordinate to receive guidance or directives from more than one source, as well as Gulick's division of labor concepts. Other criticisms of Simon involved that there was a lack of evidence for the POSDCORB. Yet others argue that organizations are full of variety and are challenging to control.

Check Your Progress 3

1 Note: i) Write your answers in the space given below.

i) Explain the significance of structure in organisations.

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ii) What does the acronym 'POSDCORB'?

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2.7 LET US SUM UP

Though the classical ideas were expounded in the first two decades of this century, the classical management thinking is still dominant among many practicing administrators today. The most distinguishing feature of classical theory is its concern with the formulation of principles of organisation. The classical theorists attempted to discover the true bases on which division of work in organisations can be carried on and find effective methods of coordinating the work for the sake of efficiency. They placed emphasis on the precise definition of various activities and their inter-relationship and suggested the use of authority through a system of checks and control over the people working in the organisations to get things done. Accordingly, classical theory of organisation is a formal structure of design and plan. The theory advocates a body of principles of organisation in accordance with which organisation plans are made out to fit into the requirements of selected purpose or function and then capable men are selected to get the things done as per the preconceived plan. This approach "bears the stamp of the engineer seeking scientific precision, logical structure, and the one best way of performing each step, and of relating the parts to a unified whole", Thus, the theory clearly manifests, four features-Division of work, hierarchy, impersonality and efficiency.

2.8 KEY WORDS

Formal organization: Organisation in which emphasis is placed on design and structure

Proverbs Of Administration: Herbert Simon ridiculing the 'Principles of Administration

Staff and Line: Planners and operators

2.9 QUESTIONS FOR REVIEW

1. What is the importance of Structure?
2. Write on the Fayol's Elements to POSDCORB.

3. What are the Principles of Organisation?
4. What is the Practical Value of Classical Theory?
5. What is the Criticism of Classical Theory?

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2.11 ANSWERS TO CHECK YOUR PROGRESS

1. Check Your Progress 1

Check your answers with unit 2.4

2. Check Your Progress

Check your answers with unit 2.5

3. Check Your Progress

Check your answers with unit 2.7

UNIT 3 - SCIENTIFIC MANAGEMENT (TAYLOR)

STRUCTURE

3.0 Objectives

- 3.1 Introduction
- 3.2 Early Works
 - 3.2.1 A Piece-Rate System
 - 3.2.2 Shop Management
 - 3.2.3 Art of Cutting Metals
 - 3.2.4 Defects of Management
 - 3.2.5 Time and Motion Study
- 3.3 Taylor's Concept of management
- 3.4 Principals of Scientific Management
 - 3.4.1 Development of a True Science of Work
 - 3.4.2 Scientific Selection and Progressive Development of the Workmen
 - 3.4.3 Bringing together the Science of Work and Scientifically Selected and Trained men
 - 3.4.4 Division of Work and Responsibility
- 3.5 Functional Foremanship
- 3.6 Mechanisms of Scientific Management
- 3.7 Mental Revolution
- 3.8 Criticism
- 3.9 An Evaluation of Taylor's Contribution
- 3.10 Let Us Sum Up
- 3.11 Key Words
- 3.12 Questions for review
- 3.13 Suggested readings and references
- 3.14 Answers to Check Your Progress Exercises

3.0 OBJECTIVES

In the previous unit the classical approach you have studied the contributions of Luther Gulick and Lyndall Urwick in synthesizing): the propositions of the classicists. In this unit we shall discuss the

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contributions of Taylor, another classical of scientific management, After studying this unit you should be able to: explain how the scientific methods and approaches were introduced in the management of organizations state Taylor's concept of management and explain his principles of scientific management - describe the mechanisms to serve the principals of scientific management; and critically evaluate Taylor's contributions to scientific management.

3.1 INTRODUCTION

At the turn of the twentieth century, Frederick Winslow Taylor undertook researches in management of industry in the USA. Although it was not the pioneer in the study of management in a scientific way, none of his predecessors were engaged directly in the analysis of the work methods. Taylor believed that the principle "best management is a true science," is applicable to all kinds of human activities. Taylor attempted to bring the precision of science to the analysis and measurement of work; it wanted it to be universally applicable to improve productivity by establishing a rationale for organising work. Taylor influence on management has been so profound that his methods are used in most countries. Therefore, he is generally regarded as the father of scientific management. The fundamental contribution of scientific management movement was the application of scientific method to discover new knowledge. It is the method of controlled experimentation, with well defined, steps in proper sequence, under controlled situation. During the latter pan, of the 19th century a new industrial climate began to descend upon American business giving rise to the growth of a managerial class, the practices of management began to change from a day -to -day problem solving approach to a more, comprehensive, long-run approach to encounter multiple managerial problems which were not faced previously. Prominent leaders like Henry Towne, Henry Metcalf and Frederick Taylor tried to develop a unified system of management and Towne called this new philosophy of management as the science of management. Taylor's contribution to the development of scientific management was recorded in his papers, 'A Piece -Rate System' (1845), 'Shop Management' (1903), 'The Art of Cutting Metals' (1906) and 'The

Principles of Scientific Management' (1911). In this unit we shall examine the principles of management developed by Taylor and evaluate his contributions to the development of a science of management.

3.2 EARLY WORKS

Taylor's contribution to the development of scientific management was recorded in his papers. Of these early ones are A Piece -Rate System, Shop Management, and The Art of Cutting Metals. Among his early works, Taylor also discussed defects of management and Time and Motion Study.

3.2.1 A Piece

Rate System Taylor's first paper on Piece-Rate system was considered at an outstanding contribution to the principles of wage payment. He proposed a new system consisting of three parts:

- (a) Observation and analysis of work through time study to set the 'rate' or standard,
- (b) A 'differential rate' system of piece work, and
- (c) 'Paying and not positions'.

3.2.2 Shop Management

In his second paper on Shop Management he discussed at length workshop organisation and management. He focused attention, in this paper, on his philosophy of management as given below: The objective of management must be to pay high wages and have low unit production costs to achieve the increased industrial efficiency. Management has to apply scientific methods of research and experiment to the management problems. Standardization of working conditions and practices is required for the workers on the basis of scientific criteria. Management must give normal training to workers and specific instructions to perform the prescribed motions with standardized tools and materials. Friendly cooperation is there between workers and management on the basis of

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scientific system of labour organisation. Taylor developed a new and total concept of management. He advocated that, the ' traditional managers should develop a new approach and change to a more comprehensive 'arid broader view of their jobs incorporating the elements of planning, organising and controlling.

3.2.3 Arts of Cutting Metal

Taylor experienced better labour management conflict particularly between foreman and workers over the quantity of output. He failed to resolve the problems by persuasion and Curce. Realizing that a new industrial scheme was essential to prevent encounters, he began searching for a science of work. In the process he conducted a series of experiments for more than two decades. He experimented with machine tools, speed, metals, materials, etc. His experiments at the Midvale and Bethlehem Steel Company led to the discovery of high speed Patel and revolutionized the of cutting metals on "The of cutting Metals" presented to he has considered as the most remarkable piece of research paper presented at a conference. The paper was based on the longest and most exhaustive series of about 30:900 experiments conducted over a period of 26 years at a cost of about \$2,00,000. The achievements of metal cutting experiments were organized more important than. Taylor's other contribution, because they initiated a major breakthrough in the development of American industry.

3.2.4 Defects of Management

Scientific Management F.W. Taylor While at Midvale Steel Company, Taylor made serious observations and study of operations of many factories, and identified the following major defects in management:

- Management had no clear understanding of worker-management responsibilities;
- lack of effective standards of work;
- restricted out because of 'natural soldering' and 'systematic soldering' of work by the workers;

- failure of management to design jobs properly and to offer proper incentives to workers to overcome the soldering;
- Most decisions of the management. were unscientific as they were based on hunch, intuition, past experience, and rule-of-thumb; lack of proper studies about the division of work also & departments; and
- Placement of workers without consideration of their ability, aptitude and interests.

3.2.5 Time and Motion Study

In his other experiments he studied through motion and time study and analyzed how the workers handled materials, machines and tools, and developed a coordinated system of shop management. Taylor set out to determine scientifically the ability of workers in dealing with equipment and materials and this approach led to the true beginning of scientific management. In the development of his shop system Taylor wished to know that under conditions, how long a span or a machine would or should take to perform it given fits, in a specified process, using specified materials and methods. It used scientific fact-finding methods to determine empirically the right ways to perform tasks with the help of stop watch. Taylor also recognized the need for scientific method of selecting the right men for the right jobs considering their initial qualifications and potential for further learning, Me wagtail effective supervision of a worker and his working conditions after placing the worker in the right place: Taylor wanted to lay down the foundation for sound personnel management i.e. to match the worker's abilities to the job.

Check your Progress 1

Note: i) Write your answers in the space given below

i) What is Piece-Rate System'?

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ii) What defects were identified by Taylor in traditional management?

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3.3 TAYLOR’S CONCEPT OF MANAGEMENT

Before we discuss to Taylor’s great principles of management, it is describe to know his views on the concept of management. Taylor pointed out that management is a true science resting upon fixed laws, rules and principles. He argued that management comprised a number of principles which are applicable to all organisations -both private and government. The main object of management, according to him is to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee. His philosophy of scientific management is that there is no inherent conflict in the interest of the employers, workers and consumers. The primary concern of Taylor was that the results of higher productivity should equally benefit all people i.e. workers, employers, and consumers in the shape of higher wages to the workers, greater profits to the management and payment of lower prices for the products by the consumers. Taylor observed that management neglected its functions and shifted its burden to the labour while keeping for itself minor responsibilities. He advised that management should take the responsibility of determining standards, planning work, organising, controlling and devising incentive schemes.

How did current management theories develop?

People have been managing work for hundreds of years, and we can trace formal management ideas to the 1700s. But the most significant

developments in management theory emerged in the 20th century. We owe much of our understanding of managerial practices to the many theorists of this period, who tried to understand how best to conduct business.

Historical Perspective

One of the earliest of these theorists was Frederick Winslow Taylor. He started the Scientific Management movement, and he and his associates were the first people to study the work process scientifically. They studied how work was performed, and they looked at how this affected worker productivity. Taylor's philosophy focused on the belief that making people work as hard as they could was not as efficient as optimizing the way the work was done.

In 1909, Taylor published "**The Principles of Scientific Management.**" In this, he proposed that by optimizing and simplifying jobs, productivity would increase. He also advanced the idea that workers and managers needed to cooperate with one another. This was very different from the way work was typically done in businesses beforehand. A factory manager at that time had very little contact with the workers, and he left them on their own to produce the necessary product. There was no standardization, and a worker's main motivation was often continued employment, so there was no incentive to work as quickly or as efficiently as possible.

Taylor believed that all workers were motivated by money, so he promoted the idea of "a fair day's pay for a fair day's work." In other words, if a worker didn't achieve enough in a day, he didn't deserve to be paid as much as another worker who was highly productive.

With a background in mechanical engineering, Taylor was very interested in efficiency. While advancing his career at a U.S. steel manufacturer, he designed workplace experiments to determine optimal performance levels. In one, he experimented with shovel design until he

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had a design that would allow workers to shovel for several hours straight. With bricklayers, he experimented with the various motions required and developed an efficient way to lay bricks. And he applied the scientific method to study the optimal way to do any type of workplace task. As such, he found that by calculating the time needed for the various elements of a task, he could develop the "best" way to complete that task.

These "time and motion" studies also led Taylor to conclude that certain people could work more efficiently than others. These were the people whom managers should seek to hire where possible. Therefore, selecting the right people for the job was another important part of workplace efficiency. Taking what he learned from these workplace experiments, Taylor developed four principles of scientific management. These principles are also known simply as "Taylorism".

Taylor's four principles are as follows:

1. Replace working by "rule of thumb," or simple habit and common sense, and instead use the scientific method to study work and determine the most efficient way to perform specific tasks.
2. Rather than simply assign workers to just any job, match workers to their jobs based on capability and motivation, and train them to work at maximum efficiency.
3. Monitor worker performance, and provide instructions and supervision to ensure that they're using the most efficient ways of working.
4. Allocate the work between managers and workers so that the managers spend their time planning and training, allowing the workers to perform their tasks efficiently.

3.4 PRINCIPLES OF SCIENTIFIC MANAGEMENT

Taylor started this paper by quoting then President of the United States, Theodore Roosevelt: "The conservation of our national resources is only preliminary to the larger question of national efficiency". Taylor pointed out that while a large movement had started to conserve material resources, the less visible and less tangible effects of the wasted human effort was only vaguely appreciated. He argues the necessity of focusing on training rather than finding the "right man", stating "In the past the man has been first; in the future the system must be first", and the first goal of all good systems should be developing first-class men. He listed three goals for the work:

First. To point out, through a series of simple illustrations, the great loss which the whole country is suffering through inefficiency in almost all of our daily acts.

Second. To try to convince the reader that the remedy for this inefficiency lies in systematic management, rather than in searching for some unusual or extraordinary man.

Third. To prove that the best management is a true science, resting upon clearly defined laws, rules, and principles, as a foundation. And further to show that the fundamental principles of scientific management are applicable to all kinds of human activities, from our simplest individual acts to the work of our great corporations, which call for the most elaborate cooperation. And, briefly, through a series of illustrations, to convince the reader that whenever these principles are correctly applied, results must follow which are truly astounding.

Lastly, Taylor noted that while the examples were chosen to appeal to engineers and managers, his principles could be applied to the management of any social enterprise, such as homes, farms, small businesses, churches, philanthropic institutions, universities, and government.

Taylor advocated, in the interest of societal prosperity, close collaboration and deliberate cooperation between the workmen and the

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management. His philosophy of management was based on mutual interests and on four basic principles of scientific management:

- 3.4.1 the development of true science;
- 3.4.2 the scientific selection of the Workmen;
- 3.4.3 the scientific education and Development of workmen; and
- 3.4.4 Intimate and friendly cooperation between the management and the men.

We shall now examine these four principles in detail-

3.4.1 Development of a True Science of Work

When science is viewed as an 'organised knowledge' every act of a workman can be reduced to a science in the interests of the worker and management, it is necessary to know as to what constitutes a fair day's work. It saves the worker from the unnecessary criticism, of the boss, and enables the management to get the maximum work from worker. This needs a scientific investigation of a 'large daily task' to be done by qualified workers under optimum conditions. The investigation can take the form of collecting information about worker's past and present working methods. The results of investigation have to be classified, tabulated, and reduced into rules and laws to find out the ideal working methods or what is called 'one best way of doing the job'. Such development of science of work enables the organisation to produce more; enables the worker to receive higher wages and a much larger profit to the company.

3.4.2 Scientific Selection and Progressive Development of the Workmen

To ensure effective performance of the work which is developed through scientific investigation, there is also a need to select only those workers who possess the necessary physical and intellectual qualities. This needs a deliberate study of the aptitude, nature and performance of the worker

and finding out what possibilities and limitations one has for, future development. Taylor believed that every worker has potentialities for development. He insisted that every worker must be systematically and thoroughly trained. Taylor felt that it is the responsibility of the management to develop the worker offering him opportunities for advancement to do the job to the fullest realisation of his natural capacities. It is necessary to ensure that the employees accept the new methods, tools and conditions willingly and enthusiastically. ,

3.4.3 Bringing together the Science of Work and Scientifically

Selected and Trained men ' To enable the worker to do his job and to ensure that he may not slip back to the earlier methods of doing work, there must be somebody to inspire the workers. This Taylor felt is the exclusive responsibility of the management. He believed that workers are always willing 16 to compare with the magnificent, but there is more opposition from the side of management. Taylor maintained that this process of bringing together causes the mental revolution.

3.4.4 Division of Work and Responsibilities

In the traditional management theory, the worker bore the entire responsibility for work while management had lesser responsibilities. But Taylor's scientific management assumes equal responsibility between management and worker. The manager unlike in the past is equally busy as the worker. This division of work creates understanding and mutual dependence between them. There will also be constant and intimate cooperation between them. All of this results in elimination of conflicts and strikes. However, none of these four principles could be isolated and called scientific management. It is a combination of all elements described above. We can summarize the philosophy of these principles as under:

a) Science, not rule of thumb;

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- b) Harmony, not discord;
- c) Cooperation, not individualism;
- d) Maximum output, in place of restricted output; and
- e) Development of efficiency and prosperity.

3.5 FUNCTIONAL FOREMANSHIP

Taylor doubted the efficacy of the 'linear' system or the military type of organisation in which each worker is subordinate to only one boss. He replaced this system with what is called 'functional foremanship in which the worker receives orders from eight narrowly specialized supervisors. He divided the work not only among workers, but also at the supervisory level. Of the eight functional bosses, four will be responsible for planning and the remaining four for execution: 'The gang-boss, the repair-boss, the speed-boss and the inspector are the four bosses for execution. The order la work and route clerk, the instruction card clerk, the time and cost clerk, and the shop disciplinarian are the four planning bosses. Taylor believed that in this functional type of organisation, the foreman can be trained quickly and specialisation becomes very easy. The concept of division of work between planning and execution was incorporated in line and staff concept, with the line being the executing agency and staff being the planning agency. Taylor also specified nine qualities which will make a good 'foreman'. They are: education, special or technical knowledge, manual dexterity and strength, tact, energy, grit, honesty, judgement and good health.

3.6 MECHANISMS OF SCIENTIFIC MANAGEMENT

Apart from functional foremanship, Taylor also developed some more mechanisms to serve his principles of scientific management. They are:

- Time study;

- Standardization of all tools and implements used in the trade and also of the acts or movements of workmen for each class of work;
- The desirability of a planning room or department;
- The 'exception principle' in management;
- The use of slide-rules and similar time saving implement;
- Instruction cards for the workman;
- The task idea in management, accompanied by a large bonus for the successful performance of the task;
- The 'differential rate';
- The demonic systems for classifying manufactured products as well as implements used in manufacturing;
- A routing system; and
- Modern cost system.

Taylor defined scientific management negatively:

- i) It is not an efficiency device;
- ii) It is not a new scheme of paying men;
- iii) it is not a new system of figuring cost;
- iv) It is not a time study or motion study; and
- v) It is not divided foremanship or functional foremanship.

Check Your Progress 2

Note: i) Write your answers in the space given below.

- i) What is Taylor's concept of management?

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- ii) Discuss the principles of scientific management.

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iii) Explain functional foremanship

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iv) What management were identified by Taylor to serve his principles of scientific management?

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3.7 MENTAL REVOLUTION

Scientific management, in its essence, according to Taylor, primarily involves a complete mental revolution on the part of workers and management regarding their duties, towards their work, towards their fellow workers, and towards all of their daily problems. It demands the realization of the fact that their mutual interest is not antagonistic; and mutual prosperity is possible only through mutual cooperation. According to Taylor, in every organisation a conflict exists between workers and management due to improper division of output, to avoid this, it is essential to change the mental attitude of both sides. Thus Taylor propagated the concept of 'mental revolution'. Taylor was of the view that in an organisation both workers and employers should cooperate with each other and work together towards increasing the productivity. The workers and management should concentrate only on increasing output and nothing else; they should continue to do so until the output increases to such an extent that it becomes unnecessary to quarrel over its division. Increased output would give better wages to

worker and high profit to management and this atmosphere of conflict will be replaced by peace and harmony.

3.8 CRITICISM

Scientific management became something of a 'movement' and offered the hope of resolving industrial problems. But there were many criticisms on Taylor's concept. The criticisms primarily came from:

- Trade Unions And Organised Labour
- Managers
- Human. Relations Theorists and Behaviouralist.

The trade unions were against the modern methods of increasing output by the introduction of the premium bonus system. The labour leaders considered Taylorism as not only destroying trade unionism but also destroying the principle of collective bargaining. They thought that the system was a menace to the community at large as it causes continuous increase in unemployment. Trade unions felt that Taylor was more interested in the mechanical aspects of work and not much concerned about the total work situation. A number of agitations by the labour organisations and their representation to the American Congress led the House in 1912 to appoint a Special Committee of the House of Representatives to investigate into Taylorism. Although the report of the committee favored neither the labour nor Taylor, the trade unions in 1915 succeeded in getting an amendment to Army Appropriation Act, forbidding the use of stop watches or the payment of premiums or bonuses in Army Arsenals. Trade Union's opposition to Taylorism also led to an investigation conducted by Robert Hoxie for the United States Commission on Industrial Relations. Professor Hoxie in his report criticized Taylor's scientific management and Taylor's approaches as they were concerned only with mechanical aspects and not with the human aspects of production. The report also stated that the basic ideals of scientific management and labour unionism were incompatible.

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Taylorism was also attacked by the managers. Those who wanted quick promotions to the high managerial positions opposed Taylor's stand, which advocated training by experts. The managers "did not appreciate his scornful comments on rule of thumb method. Those who had fought their way to high managerial positions without the benefit of higher education were sensitive to Taylor's stand that unless assisted by highly trained experts they were unqualified to manage". It is very interesting to note that Taylor had to resign from both Midvale Steel Works and Bethlehem Steel because of the friction with the company managers. Among others who criticized Taylor include Oliver Sheldon, a British Management thinker, Mary Parker Pollett, an American business philosopher, Sam Lewisohn, Elton Mayo, Peter Drucker and others. They created that Taylor's scientific management was impersonal and under emphasized the human factor. This criticism led to a series of experiment in industrial sociology and social psychology. The classic Hawthorne Experiments of Elton Mayo and other research studies on human relations and group dynamics in industry rejected Taylorism. Elton Mayo through his classic Hawthorne investigations conclusively proved that it is not the structural arrangements which are important for increasing productivity and efficiency in the organisation, but it is the emotional attitude of the worker towards his work and his colleagues. The Taylor's philosophy that men were general lazy and try to avoid work has also been disputed. It is evident from Brown's analysis that "work is an essential part of man's life, since it is that aspect of life which gives him status and binds him to the society. When they do not like it, the fault lies in the psychological and social conditions of the job rather than the worker". Another criticism of Taylor is that he did not properly understand the anatomy of the work. His emphasis on the minute division of work and specialization was severely criticized on several grounds. Firstly, the work gets depersonalized and the worker becomes a mere cog in the machine. Relations between the worker and manager become remote as a result the worker loses the sense of participation in the work. More than anything, the worker finds no outlet to exhibit his abilities and potentialities. Secondly, it may even lead to automation of the workers which may have physiological and logical consequences. As

it has aptly been put by Peter Drucker the organisation becomes a piece of poor engineering judged by the standard of human relations, its well as by those of productive efficiency and output. Thirdly, Taylor's division of work into planning and executive divisions has severely been criticized. It is argued that in such situations it is difficult to develop proper team spirit, and if planning is totally divorced from executor it is difficult to secure the participation of the workers in the progress of-the firm. It has also been argued that Taylor: overlooked the fact that the principals of division and sub-division of work into minutest parts is subject to the law of diminishing returns. Thus Taylor's philosophy was summarized in the following words: "First, he confuses the principle of analysis with the principle of action. Second, planning anti doing are separate parts of the same job; they cannot be totaly divorced". Behaviouralists charged that Taylor's methods of scientific management sacrifice the initiative of the worker, his individualist freedom and-the use of his intelligence and responsibility. Herbert Simon and March have described the scientific management as the 'physiological organisation theory'. Braverman characterized Taylorism:

(a) As abstracting the craft skill from the worker and housing it in a system of control, and

(b) Using this knowledge so gained to legitimist control of life worker. The second point about legislative the managerial control of the worker has been expanded by Whiteaker. He asserted that it is an effort by capitalist philosophy to resolve the contrast between representative political democracy and the appointed non-responsible authority in business and industry in modern industrial societies.

The idea here is that workers are given as much autonomy as practically possible, so that they can use the most appropriate approaches for the situation at hand. (Reflect here on your own experience – are you happier and more motivated when you're following tightly controlled procedures, or when you're working using your own judgment?) What's more, front line workers need to show this sort of flexibility in a rapidly-changing

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environment. Rigid, rules-driven organizations really struggle to adapt in these situations.

Teamwork is another area where pure Taylorism is in opposition to current practice. Essentially, Taylorism breaks tasks down into tiny steps, and focuses on how each person can do his or her specific series of steps best. Modern methodologies prefer to examine work systems more holistically in order to evaluate efficiency and maximize productivity. The extreme specialization that Taylorism promotes is contrary to modern ideals of how to provide a motivating and satisfying workplace.

Where Taylorism separates manual from mental work, modern productivity enhancement practices seek to incorporate worker's ideas, experience and knowledge into best practice. Scientific management in its pure form focuses too much on the mechanics, and fails to value the people side of work, whereby motivation and workplace satisfaction are key elements in an efficient and productive organization.

Check Your Progress 3

Note: i) Write your answers in the space given below.

ii) Check your answers with those given at the end of the unit.

i) What is Taylor's concept of management?

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ii) Discuss the principles of scientific management.

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iii) What is Human Relation Approach (Elton mayo)

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iv) What is System approach (Chester Bernard)

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3.9 AN EVALUATION OF TAYLOR'S CONTRIBUTION

Despite the limitations concerning an adequate understanding of human psychology, sociology and the anatomy of work - Taylor's work remains super important. By all accounts Taylor must be regarded as a pioneer in the study of human, beings at work. Hewas is the first person to initiate the quest for better performance at work. We were also the first to apply quantitative techniques to this study of industrial management. Modern scientific management, operations research, method study, time study, systems is analysis, management by exceptions, etc., are all n part of Taylor's heritage. Taylor's scientific management became something of movement. In an age of growing achievement in the physical sciences it offered the hope of resolving industrial problems through the use of objective principles. For young and imaginative engineers, it provided an, ethos and a mission in life. After the initial period of resistance it conquered the citadels of old fashioned industrial management in the United States and had a tremendous effect on industrial practice. It spread to Germany. England, France, USSR, and other European countries along with Japanese Industry have used the techniques of scientific management extensively during the entire period of its growth

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to improve its unit cost production. Many of the developing countries have been trying to use scientific management with varying effect. Scientific management was supported in Russia and Taylor's principles were included in the curriculum of education and training of the engineers. Ruthlessly exposing the essence of the; system as "the last word in reckless capital exploitation" Lenin explained "we must introduce the Taylor systems and scientific efficiency of labour throughout Russia by combining the system with reduction in working time, with the application of the new methods of production and work organization undetermined to the labour power in the working population".

1. Fundamentals of Scientific Management

Taylor argued that the principle of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee. He argued that the most important object of both the employee and the management should be the training and development of each individual in the establishment, so that he can do the highest class of work for which his natural abilities fit him. Taylor demonstrated that maximum prosperity can exist only as the result of maximum productivity, both for the shop and individual, and rebuked the idea that the fundamental interests of employees and employers are necessarily antagonistic.

Taylor described how workers deliberately work slowly, or "soldier", to protect their interests. According to Taylor, there were three reasons for the inefficiency:

First. The fallacy, which has from time immemorial been almost universal among workmen that a material increase in the output of each man or each machine in the trade would result in the end in throwing a large number of men out of work.

Second. The defective systems of management which are in common

use, and which make it necessary for each workman to soldier, or work slowly, in order that he may protect his own best interests.

Third. The inefficient rule-of-thumb methods, which are still almost universal in all trades and in practicing which our workmen, waste a large part of their effort.

Taylor argued that the cheapening of any article in common use almost immediately results in a largely increased demand for that article, creating additional work and contradicting the first belief.

As to the second cause, Taylor pointed to quotes from 'Shop Management' to help explain how current management styles caused workers to soldier. He explained the natural tendency of men to take it easy as distinct from "systematic soldiering" due to thought and reasoning, and how bringing men together at a standard rate of pay exacerbated this problem. He described how under standard day, piece, or contract work it was in the workers' interest to work slowly and hide how fast work can actually be done, and the antagonism between workers and management must change.

For the third cause, Taylor noted the enormous saving of time and increase in output that could be obtained by eliminating unnecessary movements and substituting faster movements, which can only be realized after a motion and time study by a competent man. While there are perhaps "forty, fifty, or a hundred ways of doing each act in each trade", "there is always one method and one implement which are quicker and better than any of the rest".

2. The Principles of Scientific Management

In this section, Taylor explained his principles of scientific management. He starts by describing what he considered the best system of management then in use, the system of "initiative and incentive". In this system, management gives incentives for better work, and workers give their best effort. The form of payment is practically the whole system, in

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contrast to scientific management. Taylor's scientific management consisted of four principles:

First. They develop a science for each element of a man's work, which replaces the old rule-of-thumb method.

Second. They scientifically select and then train, teach, and develop the workman, whereas in the past he chose his own work and trained himself as best he could.

Third. They heartily cooperate with the men so as to ensure all of the work being done is in accordance with the principles of the science which has been developed.

Fourth. There is an almost equal division of the work and the responsibility between the management and the workmen. The management take over all work for which they are better fitted than the workmen, while in the past almost all of the work and the greater part of the responsibility were thrown upon the men.

Under the management of "initiative and incentive", the first three elements often exist in some form, but their importance is minor. However, under scientific management, they "form the very essence of the whole system". Taylor's summary of the fourth point is *under the management of "initiative and incentive" practically the whole problem is "up to the workman", while under scientific management fully one-half of the problem is "up to the management"*. It is up to the management to determine the best method to complete each task through a time and motion study, to train the worker in this method, and keep individual records for incentive based pay.

Taylor devotes most of the remainder of the work to providing case studies to support his case, including:

- Moving pig iron at the Bethlehem Steel Company, with the famous story of the "ox"-like worker "Schmidt".
- Taylor's work at the Midvale Steel Company
- Shoveling at Bethlehem Steel
- Bricklaying, as studied by Frank B. Gilbreth
- The inspection of small polished steel balls for bicycle bearing machine shop.

Taylor warned about attempting to implement parts of scientific management without accepting the whole philosophy, stating that too fast of a change was often met with trouble, strikes, and failure.

Check Your Progress 4

Note: i) Write your answers in the space given below.

i) What are the major criticisms against Taylor's Scientific Management?

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ii) Estimate the place of Taylor in administrative literature.

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3.10 LET US SUM UP

Though the classical ideas were expounded in the first two decades of this century, the classical management thinking is still dominant among many practicing administrators today. The contribution of: Taylor to the philosophy and principles of Scientific Management have been

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highlighted in this unit. We have discussed the four principles of scientific management propounded by Taylor.

The Principles of Taylor's Scientific Management Theory became widely practiced, and the resulting cooperation between workers and managers eventually developed into the teamwork we enjoy today. While Taylorism in a pure sense isn't practiced much today, scientific management did provide many significant contributions to the advancement of management practice. It introduced systematic selection and training procedures, it provided a way to study workplace efficiency, and it encouraged the idea of systematic organizational design.

3.11 KEY WORDS

Formal organization: Organization in which emphasis is placed on design and structure

Proverbs of Administration: Herbert Simon ridiculing the 'Principles of Administration' Staff and Line: Planners and operators.

Functional Foreman: Specialist supervisor

Hawthorne Experiments: Elton Mayo's research studies which rejected Taylorism

3.12 QUESTIONS FOR REVIEW

1. Discuss the Taylor's Concept of management.
2. What are the Principles of Scientific Management?
3. Analyse the criticism of Taylor's concept.

3.13 SUGGESTED READINGS AND REFERENCES

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3.14 ANSWERS TO CHECK YOUR PROGRESS

1. Check Your Progress 1

Check your answer with unit 3.2

2. Check Your Progress 2

Check your answer with unit 3.6

3. Check Your Progress 3

Check your answer with unit 3.8

4. Check Your Progress 4

Check your answer with unit 3.9

UNIT- 4: HUMAN RELATION APPROACH (ELTON MAYO)

STRUCTURE

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Meaning and Emergence
 - 4.2.1 Economic depression
 - 4.2.2 Capital intensive industry
 - 4.2.3 Technological progress
 - 4.2.4 Reaction to Taylorism
 - 4.2.5 Class antagonisms
- 4.3 Early Experiments of Mayo
- 4.4 Hawthorne Studies
 - 4.4.1 The Great Illumination 1924-27
 - 4.4.2 Human Attitudes and Sentiments
 - 4.4.3 Social Organisation
- 4.5 Absenteeism in industries
- 4.6 Criticism
- 4.7 Let us sum up
- 4.8 Key Words
- 4.9 Questions for Review
- 4.10 Suggested readings and references
- 4.11 Answers to Check Your Progress

4.0 OBJECTIVES

After reading this unit, you should be able to:

- To explain the meaning and content of human relations approach;
- To discuss the significance of Hawthorne Studies;
- To describe the features of human relations approach; and
- To critically evaluate the human relations approach.

4.1 INTRODUCTION

In the earlier we have examined the approaches to organisation mainly from the structural point of view. The limitations of this approach led to a search for alternative approaches to fully understand the working of organisations. The emergence of human relations approach is the result of such a search. In this unit we will examine various developments. With this effectiveness and values it trials in this field. Since the contribution of Eltol Mayol is very important, we kill focus our attention on him and his studies in detail. Finally, we shall evaluate the theory and the contribution of Elton Mayo.

The human relations theory of management began development in the early 1920's during the industrial revolution.

The human relations theory of management began development in the early 1920's during the industrial revolution. At that time, productivity was the focus of business. Professor Elton Mayo began his experiments (the Hawthorne Studies), to prove the importance of people for productivity - not machines.

The human relations management theory is a researched belief that people desire to be part of a supportive team that facilitates development and growth. Therefore, if employees receive special attention and are encouraged to participate, they perceive their work has significance, and they are motivated to be more productive, resulting in high quality work.

The following human relations management theory basics became evident during human relation studies:

1. Individual attention and recognition aligns with the human relations theory.
2. Many theorists supported the motivational theory.
3. Studies supported the importance of human relations in business.

Understand the human relations theory of management

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The results of Professor Elton Mayo's Hawthorne studies proved that the factor most influencing productivity are relationships. The researchers realized productivity increased due to relationships and being part of a supportive group where each employee's work had a significant effect on the team output. As a side result, the researchers noticed that the increased attention the workers received by the researchers increased motivation and productivity, which resulted in what is the Hawthorne Effect.

After the Hawthorne experiments, Abraham Maslow and Douglas McGregor revealed how the motivational theory ties in with theories of human relations. Maslow suggested five basic needs (physiological, safety, love, esteem and self-actualization) were motivating factors when viewing an employee's work values, because the employee is motivated to ensure the most important of these individual needs are met. McGregor supported motivation beliefs by realizing that employees contribute more to the organization if they feel responsible and valued.

Use the bottom line results of human relations management theories

The result of the studies regarding human relations in the workplace show that people want to have a sense of belonging and significance while being treated with value and respect. Treat an employee with respect and value, and their individual productivity and quality increases to support the organizational team.

Remember, human relations falls under the umbrella of human resources; therefore, the human resources theory is different from the human relations management theory.

4.2 MEANING AND EMERGENCE

Human Relation Approach (Elton mayo)

Human relations approach lays emphasis on people and their motivation; unlike classical theorists who emphasized on structure and principles. It believes in analyzing the multi-dimensional nature of human beings and their interactions, to understand the working of organizations. It also emphasizes on the study of informal organizations to understand the working of formal organizations. Several socio-economic factors influenced the emergence of the theory and practice of human relations. The most important of them are:

Let us briefly discuss each of the five factors.

- 4.2.1 Economic depression
- 4.2.2 Capital intensive industry
- 4.2.3 Technological progress
- 4.2.4 Reaction to Taylorism
- 4.2.5 Class antagonisms

4.2.1 Economic depression

The theory looks shape in the twenties and thirties of this century when there was a general crisis in the capitalist countries. The United States of America may be mentioned as the most suitable example since it was hit by -the unprecedented economic crisis of 1929-32. The problem became acute due to increased production as a result of mechanization. Mechanisation reduced physical stress considerably but it had increased mental strain. Employers found themselves compelled to focus their attention on the psychological or human factor in industry. The interest of the employees in their work began to determine the productivity levels to an increasing degree. Growing concentration and specialization of production demanded better coordination in the work of all sections of an enterprise. Researchers and executives established that the relations between members of production teams were important with regard to the attainment of this end.

4.2.2 Capital Intensive Industry

During this period, industry was becoming more capital intensive. A breakdown of equipment, strikes and high labour turnover used to cause the monopolies enormous losses. It is thus not surprising that the giants of monopoly capital started showing much more insisting in ensuring that the workers showed a 'dedicated' attitude to their work and the interests of the company.

4.2.3 Technological Progress

Technological progress produced major changes in the workers as well. Their level of education and professional skills rose considerably. Consequently the worker's sense of personal dignity had asserted itself and their material and cultural aspirations had changed beyond recognition. Thus the workers started demanding more and more resolutely and insistently that they be treated as human beings.

4.2.4 Reaction to Taylorism

The human relation approach was also purely a reaction to the one sided nature of the Taylor system. You are aware that Taylorism dominated the scene in the twenties and thirties. It was criticized as design to intensify exploitation by raising productivity levels through improved organization of production and the maximum utilization of the worker's physical capacities. Taylor openly stated that "each shop exists for the purpose of paying dividends to its owners". He regarded the worker as an appendage to tackle machine blindly carrying out a specific set of mechanical operations. Although the Taylor system did result in a certain rise in productivity of labour, eventually, the system found itself at a dead end. In the thirties, apathy among the workers, depression heightened irritability and a complete loss of interest in work etc. became widespread. These phenomena could not but arouse uneasiness among employers since they led to a drop in labour productivity, to absenteeism and high labour turnover. In addition, it led to deterioration in

relationship between the workers on the one hand and the owners and the management on the other.

4.2.5 Class antagonisms

The worsening of class antagonisms and the resolute character of the Trade Union movement in the United States accelerated the introduction of the human relation approach. A few critics stated that the interest of the monopolists can be explained largely by the growth of the labour movement and the expansion of the trade unions. The emergence and evolution of the human relations approach must be viewed in the light of the correlation of the class forces in an international context. Here mention must be made of the influence of the October Revolution of the Soviet Union on the world. In order to retain their dominant position capitalists have found it more and more essential to evolve their own pleasure in answer to the challenge of socialism.

Emergence of Human Relation Theory

Human Relations Theory came as a reaction to the classical approach, which stressed on formal structure. The classical school neglected the human side and under emphasized on the socio-psychological aspect of organization. George Elton Mayo was in charge of certain experiments on human behavior carried out at the Hawthorne Works of the General Electric Company in Chicago between 1924 and 1927. His research findings have contributed to organization development in terms of human relations and motivation theory. What he found however was that work satisfaction depended to a large extent on the informal social pattern of the work group. Where norms of cooperation and higher output were established because of a feeling of importance, physical conditions or financial incentives had little motivational value. People will form work groups and this can be used by management to benefit the organization.

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The human relations approach says; a happy worker is an efficient worker; that means if an organization can keep its workforce happy, it would bring more productivity and more profit because if a worker is happy with the emoluments and all the benefits that he deserves and the organization provides, he will have a sense of belongingness towards the organization and would do utmost efforts to lift the organization up in the market.

According to Human Relations Approach, management is the Study of behaviour of people at work. This approach had its origin in a series of experiments conducted by Professor Elton Mayo and his associates at the Harvard School of Business at the Western Electric Company's Hawthorne Works, near Chicago.

These studies brought out for the first time the important relationships between social factors and productivity. Before it, productivity of the employees was considered to be a function only of physical conditions of work and money wages paid to them. For the first time, it was realized that productivity depended largely upon the satisfaction of the employees in work situations.

Check Your Progress 1

Note: i) Write your answers in the space given below

i) What is Human Relation Approach (Elton mayo)

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Describe the factors which led to the emergence of human relations theory.

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4.3 EARLY EXPERIMENTS OF MAYO

The basic tenets of human relations doctrine were formulated by the American Sociologist, Elton Mayo, in the late twenties and early thirties. His studies on Industrial Sociology and Industrial Psychology are so profound that he has been considered one of the pioneers of the human relations approach to the organization. Mayo concentrated his attention on the behaviour of the workers and their productive capacity. He called this approach a clinical method. He published a few scholarly articles and a few books on the basis of his research.

4.3.1 The First Enquiry

As we have discussed earlier, at the time of Mayo's research work, the industry in America was undergoing a crisis. Therefore like his contemporaries Mayo focused his attention on fatigue, accidents, production levels, rest periods, working conditions etc., of the industrial worker in the factories. He started his first experiment in a textile mill near Philadelphia in 1923. In the circumstances prevailing at that time, the mill provided all the facilities to the labour, was well organized, and was considered to be a model organization, The company president who had been a colonel in the US army gained respect from the employees since several of them were under his command before and during the First World War in France. The management was progressive and human but at the same time it faced some serious problems in a particular section of the mill. The general turnover of the employees was estimated at 5 per cent per year in all the branches except in mule-spinning section where the turnover was nearly 250 per cent. None was able to find out the reason for this large turn over. All incentives were introduced to minimize this large turn over but did not yield any good result. As a last resort the matter was referred to Harvard University. This was the first

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major research study undertaken by Elton Mayo after joining Harvard and he named it "The First Equality" He studied the problems of the mule-spinning department intensely from various angles and with the help of management started experiments. To begin with, he introduced rest periods with every team of pieces. The results were encouraging. The scheme was extended to all the workers to eliminate the problems of fatigue. The workers evinced interest in the scheme and were pleased with the results. The symptoms of uneasiness disappeared, the labour turnover almost came to an end, and production rose and the morale generally improve.

This was the beginning for Mayo to proceed further. He suggested a number of new schemes whereby the workers had to earn their rest periods and bonus by producing more than a certain percentage. Some more new schemes like stopping the spinning section completely for ten minutes brought a new change in the outlook of supervisors and employees and all of them were satisfied with this new work culture. The management had placed the control of rest periods squarely in the hands of workers which led to consultations among the workers. A new awakening began whereby the assumptions of rabble hypothesis which assumes "mankind as a hard of unorganized individuals by self-interest" has gradually given place to group interest etc.

GEORGE ELTON MAYO'S EXPERIMENTS

1. ILLUMINATION EXPERIMENT: In this experiment mayo changed the physiological aspects related to work, but the productivity showed no direct relationship. This experiment proofed that productivity is not only the function of physiological aspects but is also influenced by the social and psychological factors too.

2. RELAY ASSEMBLY TEST ROOM EXPERIMENT: – in this experiment mayo tried to analyze the relationship between working condition and morale. In this experiment mayo made changes with respect to the incentive, rest periods, work conditions etc., but such changes caused no improvement in productivity.

3. MASS INTERVIEWING PROGRAMME: - A large number of workers were interviewed to know their perceptions and orientation on the working life. The results again confirmed the importance of informal relation, social and psychological needs and their impact on the behaviour of the workers.

4. BANK WIRING EXPERIMENT: - this experiment highlighted the social cohesion among the employees. Findings with respect to human relation school are highlighted in “management and worker” of Roethlisberger and Dickson.

4.4 HAWTHORNE STUDIES

Let us go to the next phase of the experiments conducted by Elton Mayo. The Hawthorne plant of the Western Electric company which employed 25,000 workers at the time became centre of intense research activity. Beginning from 1924 it was conducted in different places. At that time it was felt that there was a clear-cut cause and effect relationship between the physical work, environment, and the well, being on the one hand and the productivity of worker on the other. Therefore, the management assumed that given proper ventilation, room temperature, lighting and other physical working conditions, and wage incentives the worker could produce more. The National Research Council of the National Academy of Sciences decided to examine the exact relationship between illumination and the efficiency of the worker. The research began in 1924.

ii. The Great Illumination 1924-27

Two groups of female workers each consisting of six, were selected and located in two separate rooms, performing the same task. The rooms were equally illuminated to execute the level of production on the basis of varying levels of illumination. In the beginning the working

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conditions were stabilized. Then slowly the conditions of work were changed to mark the effect of this change on the output. This research established that regardless of level of illumination, production in both the control and experimental group increased. This made them to give up the illumination theory. Mayo established that the test room girl became a social unit and because of the increased attention of research team in them they developed a sense of participation in the project. From 1924 to 1927, various experiments were conducted in the Hawthorne plural.

In theory Mayo was involved in the experiments after some initial probing by a research filled come to any definite conclusions. On the basis of the results derived by the team, Mayo felt that mental attitude of the workers was perhaps responsible in the behaviour of workers. Ceizain hypotheses were proposed to explain the failure of the original illumination project. But mall the hypotheses were rejected. Mayo felt that work satisfaction depends to a large extent on the in front social pattern of the working group. He thought that the supervisor could be trained to play a different role which would help him to take personal interest in the subordinates and discharge his, duties better than earlier. Mayo also noted that the worker should be made to come openly with their needs, interact freely and without fear with company officials. It is improving morale which to be closely as wired with the style of supervision. This link between supervision, morale and productivity became the foundation stone of the human relations movement: This network of experiments had been hailed as the "Great Illumination" because it had thrown light on the new areas of industrial relations.

iii. Human Attitudes and Sentiments

In 1928, the Harvard study team conducted an in depth study in the same plan on human attitudes and sentiments. The workers were asked to expiry freely and frankly their likes and dislikes on the program and policies of the management, working conditions, treatment by the management etc. After some initial differential, it was realized at there was a change in the mental attitude of the workers although no reforms

were introduced. It appeared as if the workers were involved in the management and also felt that there was an opportunity to "let off them" which made them feel better even though there was no material change in the environment.

Where the data was analyzed, it was found out that there was no correlation between the nature of complaints and the facts. The research team realized that there were two types of complaints. They were material complaints and psychological complaints. The team felt that the preoccupation of the worker with personal problem, many a time inhibited his performance in the industry. The study identified the following three aspects: First, the workers appreciated the method of collecting information on the problems of the company from them. They thought they had valuable comments to offer and felt happy because they were allowed to express freely. Second, there was a change or; the supervisors because their work was closely observed by the research team and subordinates were allowed to talk freely. Third, the research team also realized that they had acquired new skills in understanding and dealing with their fellow beings.

iv. Social Organization

In 1931-32 Mayo and his team conducted the final phase of the research programme at Western Electric Company. It was conducted mainly to observe a group of workers performing a task in a natural setting. Formal methods were discarded. Observation method was followed by analysis of group behaviour. A number of employees' consisting of three groups of worker whose work was inter-related were selected for this study. Their job was to solder, fix the terminals and finish the wiring. Wages were paid on the basis of a group incentive plan and each member got his share on the basis of the total output of the group. It was found that the workers had a clear cut standard of output which was lower than the target fixed by the management. The workers according to their standard plan did allow its members to increase or decrease the output. Although they were capable of producing more, the output was held down to

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maintain uniform rate of output. They were highly integrated with their social structure and informal pressure was used to set right the earning members. A code of conduct was also maintained by the group. Mayo and his team find out that the behaviour of the group had nothing to do with the management or general economic condition of the plant. The workers resented the interference of the supervisors and technologists who were supposed to increase efficiency, as disturbance.

The workers thought that the experts follow logic of efficiency with the constraint on their group activity. Further, the supervisor as a separate category represented authority to discipline the workers. The logic of efficiency did not go well with the logic of sentiments which had become the cornerstone of the social system. Thus, the study concluded that one should not ignore the human aspect of organization. Instead of overemphasizing technical and economic aspects of the organization; the management should also concentrate on human situations, motivation, and communication with the workers. The concept of authority, Mayo felt, should be based on social skills in securing cooperation rather than expertise.

4.5 ABSENTEEISM IN INDUSTRIES

The study undertaken by Mayo in 1943 may be considered as the final one. Mayo came across a typical problem faced by an industrialist during the Second World War. The war situation created an all-round dislocation in all walks of life. Industry was no exception. In this particular situation the turnover of the labour with more than 70 per cent and absenteeism was chronic. The management was perplexed at the situation and approached Mayo to find out the reason and suggest remedies. Mayo began his work in 1943. On the basis of the previous experience, Mayo and his team found out that in the industry with alarming turn over absenteeism, there were neither informal group's to the leaders to knit the workers into a team. They were unable to form a team because of certain personal eccentricities, as they were not given an opportunity to form an informal term. Hence, there, was heavy turnover

and absenteeism of the labour. Mayo suggested that to the extent possible the management should encourage formation of informal groups and treat the proverbs of the workers with the understanding. He stated that the worker should be treated as human beings but not as cogs in the machine. The labour should not develop a feeling that they were subject to exploitation by the management. Thus, Mayo suggested the formation of informal groups so that the cooperation of the employees could be developed in organizations. His studies also led to an increased understanding of the human factor in work situations and a greater degree of communication system between employers and employees. After analyzing the various studies of Mayo, we have reached the final stage in which we have to look at his studies critically.

Absenteeism is the term generally used to refer to unscheduled employee absences from the workplace. Many causes of absenteeism are legitimate for example personal illness or family issues, but absenteeism also can often be traced to other factors such as a poor work environment or workers who are not committed to their jobs. If such absences become excessive, they can have a serious adverse impact on a business operations and ultimately, its profitability. The effects of absenteeism not only affect the industry but also the employees, absenteeism adversely affects the effectiveness of the industries. The labour department in India defined the absenteeism rate as the total man-shifts lost because as a percentage of the total number of man-shifts. The formula for calculating the rate of the absenteeism is $\frac{\text{Number of person \& scheduled the work} - \text{Number actually present}}{\text{Number of person \& scheduled the work}} \times 100$. High rate of absenteeism is not good for the employers and employees. The levels of absenteeism and causes of absenteeism are dependent on many variables in the organizational environment. The research highlights the point how to reduce the absenteeism in industries. The first victim of absenteeism is employees. In spite of the fact that employees want to avoid absenteeism but they can't due to monotonous work in organization, illness, family circumstances etc.

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The data is collected from secondary sources like books, journals magazines and websites and newspapers. Absenteeism is an employee's intentional or habitual absence from work while employees expect workers to miss a certain number of workdays each year excessive absences can equate to decreed productivity and have a major effect on industry morale and other factors.

Causes of absenteeism

People miss work for a variety of reason's many of which our legitimate and others less so some of the common causes of absenteeism are:- Bullying and harassment Employee who are bullied or harassed by coworkers and/or bosses are more likely to call in sick to droid the situation.

Personal Factors

- Burnout, stress and low morale: Hearing workloads, stressful meetings/presentations and feeling of being unappreciated can cause employees to avoid going to work.
- Children and eldercare: Employees may be forced to miss work in order to stay home and take care of a child elder when normal arrangements have fallen through or if. Child/elder is sick.
- Depression: According to the national institute of mental Health, the leading course of absenteeism in the United States is depressions.
- Disengagement: Employees who are not committed to their jobs. More likely to miss work simply because they have no motivation to go.

Work Place Factor

- Illness and widens
- Lack of job satisfaction
- Boredom on the job
- Poor working environment
- Poor supervision and inadequate leadership
- Low level of staff motivation
- Personal problems such as financial, children etc.
- Workload and stress Effect of absenteeism
- Increased staff supervision because the new replacement staff will lack of knowledge and experience therefore a need for constant supervision and the need to cross check their work regularly.
- Absenteeism lead to loss of productivity even the replacement staff will require training.
- In some cases, absent staff are not immediately replaced, this will tend to create work overload for other staff who will be asked to take extra work to cover up for absent staff.

Employee absenteeism in Indian Industries

Absenteeism in states State-wise absenteeism rate amongst the directly employed regular workers during the year 2002 is presented. It is observed that the rate of absenteeism in sample sector at all India level during the year 2002 has increase to 9.15% as against of 8.64% during the year 2001. During 2002, among states, the highest rate of absenteeism was witnessed in Delhi (13.37%) followed of Chandigarh (13.13%) and Kerala (12.87%) out of 26 states, 13 states reported higher absenteeism rates than that at all India level during year 2002. A total of 9 states recorded absenteeism rate of more than 10%.

Labour Turnover

Labour Turnover is an important parameter which indicates the overall health of an industry or an establishment in terms of wages, industrial relations, working conditions and other welfare facilities provided to the

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workers labour turnover, which refers to the movement of employees in and out of a business, measures the extent of change in the work force due to accession (total number of workers added to employment) and separation (Severance of employment at the instance of workers of employees) during a particular period of time. High labour turnover causes problems for a business it is costly, lower productivity and morale and tends to get worse if not dealt with labour turnover does not just create costs, but some level of labour turnover is important to bring new ideas, skills and enthusiasm to the labour force. At all India level, 60.08% of the features reported labour turnover in their establishment. At all India level the rate of accession during the 2002 was recorded as 19.20% as against 19.27% during previous year.

The overall separation rate was reported as 18.24% as against 19.18% in 2001. This indicates a net accession or increase of around 0.96% in the employment of directly employed regular workers in sample sector during the year 2002. It is, however observed that the increase in employment of directly employed regular workers was mainly due to increase in such employment in private sector (1.07%). Both public sector and joint sectors witnessed a net decrease in employment of such workers by 1.97% and 2.79% respectively.

- Emphasis should be given on the rehabilitation of chronic absentees and their follow up by the supervisors. Build a better channel to control employee absentees and supervisor is also responsible for it.
- Once in 3 years to 5 years' salary has to be increased in the specific time period increase the employee salary and incentives.
- Create healthy relationship among employer and employee. Play the better relationship between top to lower management.
- Provide good environment to the employees. Provide a better organizational environment to the employee.

Absenteeism is an avoidable menace which most of the organizations have to bear with and it has to be managed no one can prepare fool proof formula to fully solve the problem of absenteeism. The problem of absenteeism occurs in every industry. In most of the industries monotonous job is the reason of absenteeism in the work place. To reduce the absenteeism rate industry should boost the morale value of employees through job rotation and multi-tasking strategies and give them handsome salary or wages. So that it can motivate them to certain levels.

4.6 CRITICISM

Mayo and his research findings were subject to bitter criticism. First of all, they were criticized on the ground that the theory tried to substitute human relations-oriented supervisors for union representation. He was criticized for not understanding the role of unions in a free society. It was argued that Mayo never tried to integrate unions into his thinking. Hence, Loren Baritz and others criticized 'Mayoists' as anti-union and pro management. In fact in 1944, United Auto Workers in America lashed out at the Mayoism with bitter criticism and branded the Hawthorne researchers as 'cow sociologists'. Some critics pointed out that sweeping conclusions were drawn from a relatively few studies which were, full of pitfalls.

Critics like Carey pointed out that the Hawthorne group selected in their first experiment 'cooperative' girls who were willing to participate in the research programme and this type of research was "worthless", since a sample of five or six could not be taken as a reliable sample to make generalizations. Carey also observed that the evidence obtained from the experiments does not support any of the conclusions derived by the Hawthorne investigators. There exists a vast discrepancy between the evidence and the conclusions. On the other hand, the data only supports, according to Carey, the old view of monetary incentives, leadership and discipline as motivating factors for better performance. He also criticised Hawthorne investigations for their lack of scientific base. Peter F. Drucker, the well-known management expert, criticised human

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relationist for their lack of awareness of economic dimension. He felt that the Harvard group neglected the nature of work and instead focused on interpersonal relations. Mayo was criticised for his sentimental concentration on the members of an organisation to the neglect of its work and purposes, and a general softness and lack of direction.

Mayo also has been criticized as encouraging a paternalistic domination of the private lives and even the private thoughts of individuals by their employers. The critics argue that there was no place in Mayo's philosophy for conflict, and he sought to achieve organisational harmony by subordinating individual and group interests to the administrative elite. Bendicks and Fisher have argued that Mayo's failure as a social scientist arises in large measure from his failure to define sharply the ethical presuppositions of his scientific work. Without these presuppositions made clear, the knowledge and skill which Mayo finds so undervalued in democratic society's deserve no higher rating than they get. Daniel Sell was one of the bitter critics of the human relations theory propounded by Mayo and his colleagues. He said the methodology adopted by the Harvard group was defective. Others pointed out that to think that a conflict-free state and worker-contentment would lead to success of the company was not tenable because some tensions and conflicts were inevitable in every human situation. The goal should be to provide healthy outlets instead of indulging in utopian ideals of conflict-free society. Therefore, the critics stated that the team displayed a lack of total awareness of larger social and technological systems.

1. It lacks scientific rationality.
2. Behavior of the workers during the experiments was not natural. It was actually the Hawthorne effect which gives their best when observed.
3. It is pro-management and anti-union.
4. It gave little attention the formal relation while putting greater emphasis on the informal relations.
5. This theory is not aware of the economic dimension and neglected the nature of work.

- 6. It could not explore the multi-dimensional phenomenon of human motivation.
- 7. Marxists says that it is a new technique to exploit workers as it de-emphasized economic factors.
- 8. It is over-concerned with happiness.
- 9. It does not recognize the conflict as a creative force.
- 10. It ignored the environmental factors of workers approaches.

Check Your Progress 2

Note: i) Write your answers in the space given below.

- 1. Explain the First Enquiry.

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- 2. Discuss the experiment conducted at the Western Electric Company.

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- 3. What are the major criticisms on the Human Relation Theory?

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4.7 LET US SUM UP

The contribution of Mayo to administrative organisation has been a great innovation of the modern times. For the first time, he made an attempt to

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understand the problems of the industrial labour from an angle different from the traditional approach of scientific management era. In addition to human relations in the organisation, Mayo critically examined the employee-employer relations in a capitalist society, stability of the labour, supervision, etc., of the industrial workers. Although the detailed analysis of work was conducted by his associates in the Hawthorne Plant and elsewhere, he was the moving spirit behind all these attempts at various stages.

The Hawthorne studies soon became a historic landmark in administrative thought. The studies as Drucker has put it are still the best, the most advanced and the most complete works in the field of human relations. Indeed, it is debatable, whether the many refinements added since by the labour of countless people in industry, labour unions and academic life have clarified or observed the original insight".

The contribution of Mayo is immensely useful not only in the industrial sector but also in the administrative system of a state, particularly in the case of bureaucracy. His work also paved the way for adequate communication system between the lower rungs of the, organization and the higher levels. His main emphasis was on the individual wellbeing with the help of social skills in any organisation. Mayo is regarded as one of the founding fathers of human relations concept in the administrative thought. He was a behavioural scientist long before the term became popular. Taken as a whole, the significance of Hawthorne investigation was in discovering the informal organisation which it is now realised exists in all organizations. The importance of group affecting the behaviour of workers at work was brilliantly analysed through these experiments.

In conclusion, those who subscribe to the Human Relations School of Thought are of the view that the effectiveness of any organization depends on the quality of relationships among the people working in the organization. So, according to them, the managers must concern themselves with an analysis of organizational behaviour, that is,

interaction of people with the organization. The basic assumption of this school still remains that the goals of the organization are achieved through and with the people.

4.8 KEY WORDS

Clinical Method: The method which focuses one's attention on the behaviour of the workers and their productive capacity.

Great Illumination: Elton Mayo's network on experiments which had thrown light on the new areas of industrial relation.

Industrial Blues: Depression, irritability, compares loss of interest among the workers in highly mechanized factories.

Let-off Steam: Express one's complaints

Material Complaints: Complaints relating to monetary matters

Psychological Complaints: Complaints regarding mental stress and strain

Owen: Early Socialist who believed that social lift.

4.9 QUESTIONS FOR REVIEW

- Explain the First Enquiry
- What is Human Relation Approach (Elton Mayo)?
- Explain the criticism of Human Relation theory.

4.10 SUGGESTED READINGS AND REFERENCES

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- Gvishiani, G. 1972. *Organization & Management*: Progress Publisher: MOSCOW.
- Prasad, Ravindra, D. (ed.). 1989. *Administrative Thinkers*; Sterling Publishers: New Delhi
- Brainykey August 22, 2013. Access through: - (<http://www.brainykey.com/wp-content/uploads/2013/08/Elton-Mayo>).

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- Management Theory & Workplace Application (/management-theory/)
- Human Relations Management Theory Basics (/management-theory/humanrelations-management-theory-basics/)
- Human Relations Movement in Management: Theory & Timeline

4.11 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

Check your answer with Unit 4.2

Check Your Progress 2

Check your answer with Unit 4.7

UNIT – 5: SYSTEM APPROACH (CHESTER BARNARD)

STRUCTURE

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Systems Approach
- 5.3 Organisation as a Cooperative System
- 5.4 Formal Organisation
- 5.5 Concept of Authority
- 5.6 Zone of Indifference
- 5.7 The Functions of the Executive
- 5.8 A Critical Evaluation
- 5.9 Let us sum up
- 5.10 Key Words
- 5.11 Questions for Review
- 5.12 Suggested readings and references
- 5.13 Answers to Check Your Progress

5.0 OBJECTIVES

After studying this unit you should be able to:

- To define a system
- To describe the features of a cooperative system
- To explain the theory of authority
- To identify the zone of indifference
- To explain the function of the executive; and
- To assess the contribution of Barnard to administrative theory.

5.1 INTRODUCTION

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So far, in this Block you have studied the scientific management, classical and human relations approaches. In particular you have studied the ideas of thinkers whose contributions have strengthened the discipline of Public administration. In this unit you will study the systems approach; particularly the contributions of Chester Barnard. Barnard is primarily considered as a behaviouralist as he laid emphasis on the psychological aspects of management. At the same time he is considered as a systems, theorist. He viewed organization as a social system. Barnard, who had spent his life-time as a practitioner managing business 'systems', wrote two books "The Functions of the Executive" (1938) and "Organization and, Management" (1948). In these books Barnard presented convincingly, his views on organization as a cooperative system.

Chester Barnard's Social Systems Approach and Contribution to management!

Chester Barnard was the President of new Jerray Bell Telephone Company. He served in various other organizations too. His important writings include: The Functions of Executive (1938) Organization and Management (1948) and Elementary Conditions of Business Morals.

His writings had important impact on human organization. In his organization theory he adopted a sociological approach and in dealing with the functions of executives, he stressed the importance of leadership and communication. Barnard divided organization into formal and informal. He said that informal organization is an important part of formal organization.

5.2 SYSTEM APPROACH

A system is defined as a set of arrangement of things so related or connected as to form a unity or organic whole. A system is composed of elements that are related and dependent upon one another but that when in interaction, form a unitary whole'. By definition any phenomenon can be analyzed from a systems viewpoint. Systems approach is based on the thesis that all part of an organization are inter-related, inter-connected

and inter-dependent. Systems approach by itself is not new. This approach was first developed in natural and physical science. Even in administrative and management literature, systems concept was used by Taylor and others during the early part of this century. What is relatively new is the emphasis given to this approach in social science literature where knowledge integration is keenly felt. For example, Talcott Parsons applied open systems approach to the study of social structures. Similarly psychologists, economists, political scientists and administrative analysts have been using the systems approach in the analysis of phenomenon. In administrative analysis the systems approach is being widely used in recent years. In this unit you would study Barnard's conceptualization of organizations as cooperative systems. The contribution of Barnard to the understanding of organization phenomenon is one of the important landmarks in the evolution of administrative theory. The theory which was developed and published in the late thirties continues to be debated and discussed. This indicates both relevance of the theory and its intellectual and conceptual potential. Barnard's theory comes as both converging and culminating points of the theory of rationality on the one hand and the synthesis of formal and informal theory on the other. The purpose of his, theory, as stated by Barnard himself, is to provide a comprehensive theory of cooperative behaviour in formal organizations. This theory was attempted not based on pure academic or theoretical exercise but on rich and varied experience Barnard had gained in various important administrative positions he occupied. It is this combination that makes Barnard's contribution quite important.

5.3 ORGANIZATION AS A COOPERATIVE SYSTEM

Barnard seeks to develop his theory around one central question viz., under what conditions cooperative behaviour of man is possible? For him organization is a cooperative system. It maintains that 'cooperation originates in the need of an individual to accomplish purposes which he individually cannot achieve'. With the result organization becomes an enlistment of other individuals' cooperation. As many individuals are engaged in cooperative behaviour it constantly changes and the complex

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biological, psychological and social factors are in (constant interaction. The cooperative organization for its survival must be "effective" in the sense of achieving organization purpose and "efficient" in satisfying individual motives. Thus the individual and organization become important. The executive should adopt the organization to the needs of individual and the general environment. It is these concerns of "effectiveness" and "efficiency" that form the running thread of his theory of cooperative behaviour. Cooperative system needs to be understood in terms of relationship between individual and organization. To start with Barnard seeks to understand the properties that an individual possesses: these are (a) activities or behaviour arising from (b) psychological factors to which one added (c) the limited power of choice, which results in (d) purpose. It is these four premises that determine Barnard's analysis. He advances an argument that there is a tendency to exaggerate the power of personal choice. Further, action is also based on the belief that individual has a choice: Barnard maintains that such a free choice does not exist. The individuals' failure to conform is mistakenly believed as opposition to the organization. In fact, it is not the opposition but a structural limitation where free choice of the individual cannot be either accommodated or reconciled to the organizational goals. It is this process which gives rise to training and other incentives which are intended to facilitate the reconciliation of individual behaviour and the organizational requirements.

Barnard seeks to understand human beings at two levels: One from inside the organization and two from outside the organization. From inside they are treated as 'participants in specific cooperative system'. Here they are regarded in their purely functional aspects. Their efforts are depersonalized and they have to fit into the formalized roles. From the second angle a person outside any specific organization has his own? Distinct qualities these two aspects, according to Barnard, are not alternative in time but are simultaneously present. These two aspects are always present in cooperative systems. It is from such a position a situation arises where the activities of the person are nearly a part of non-personal systems of activities from one angle and from the second angle

the individual is outside and opposed to the cooperative system. These opposing and conflicting could aspect that requires a serious 'examination to understand the organization phenomenon as a system of cooperation. An examination of behaviour of the individuals should start with an enquiry as to how individual join a cooperative system or an organization. The individual makes a choice on the basis of

(1) Purposes, desires, impulses of the moment, and

(2) The alternatives external to the individual organized effort results from the modification of the action of the individual through control of or influence upon one of these categories. The desires, impulses, wants etc. are popularly characterized as 'motives'. They form an important dimension of human behaviour. It is in the process of expressing his motives that man comes to know of them.

The concepts of 'effectiveness' and 'efficiency' are rooted in the motivational processes. 'Barnard observes that when a specific desired end is attained through an action, that action is said to be 'effective', when the action leads to unexpected or unanticipated consequences then the action is described as 'inefficient'. However, if the unexpected consequences satisfy desires or motives of individuals not necessarily and directly presented by the action, the action becomes 'efficient' but not 'effective'. Thus the unanticipated consequences may provide the criterion in judging the action as 'effective' or 'efficient' or both. In other words an action is effective if it accomplishes its specific aim. It becomes efficient when it satisfies the motives of that aim, and without helping in attainment of the goal towards which the activity is directed. From the above debate it is evident that there are two philosophical propositions about the human nature:

(a) there are philosophies that explain human conduct as a presentation of universal forces that regard the individual as merely responsive, that deny freedom of choice or that make of organization and socialism the basic position,

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(b) there are that grant freedom of choice and of will, that make of individual as an independent entity, that depress the physical and social environment, to secondary and additional condition. Barnard seeks not a re-conciliation of these two opposite position but wants to understand and explain how these two positions get manifest in the 'cooperative systems'.

From the experience that the cooperative systems throw up, one can understand how these two philosophies influence human being is depending upon the context in which the cooperative systems operate. Examining the phenomenon of cooperation, Barnard traces the causes for cooperation in physical and physiological factors. Individuals enter cooperative actions because as individuals they are not capable of realizing their goals. It is their physiological limitation that drives them into cooperative action. The other way to look at cooperative phenomenon is that the nature puts such a constraint on a single individual that he cannot overcome it except through cooperative action. For instance, there is a stone and man wish to lift it. But he cannot do so. His inability can be looked from two points; one, he is too small to lift it with two; the stone is too big to be lifted. From one angle the limitation, is physiological and from the other angle it is physical. Either way cooperation becomes necessary once a man sets its purpose of lifting the stone. Limitations always are related to the purpose or goal that one aims at. In the situations of the above kind the individual characteristics require to be understood. But the individual faculties by themselves may not mean anything in a cooperative situation where the faculties of individuals are pooled together. Therefore in all cooperative activity the objective of action is removed from the individual and replaced by the collective objectives. Since the ends of cooperative action can be of different kind, each type of action becomes a limiting condition for cooperation. Added to it the objectives that men seek of are never stable as the environment changes resulting in alteration of purposes calling for new types of cooperative action. Thus the limitations in a cooperative action arise not only because of the limitations of individuals but also

due to the very structure of cooperative action. His effectiveness of cooperative action depends upon its capacity to cope with changing environment and purposes of cooperative action. The above discussion indicates that cooperation depends upon two inter-related and interdependent classes of processes:

(a) Those which relate to the system of cooperation as a whole in relation to the environment; and

(b) Those which relate to the creation or distribution of satisfaction among the individuals. The instability and failure of organizations or cooperative processes arise from defects in each of these classes of processes separately and from defects in their combinations.

5.4 FORMAL ORGANIZATION

It is the cooperative systems that give rise to formal organizations. Barnard defines organization as a "system of consciously coordinated personal activities or forces". The organizations come into existence when

- (1) There are persons able to communicate with each other
- (2) Who are willing to contribute action?
- (3) To accomplish a common purpose.

The elements of an organization are

- (1) Communication;
- (2) Willingness;
- (3) Common purpose.

Elaborating this point Barnard points out that vitality of organization depends on the willingness of the individuals to contribute forces to the cooperative system: this willingness requires the belief that the purpose can be carried out. However willingness to contribute disappears when effectiveness ceases. The continuance of willingness also depends upon

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the satisfactions that are secured by individual contributors in the process of caving out the purpose. If the satisfactions do not exceed the sacrifices required, willingness disappeared and the condition is one of organization inefficiency. If the satisfactions exceed the sacrifices, willingness persists, and the condition is one of efficiency of organization. Based on the above assumption Barnard observes that initial existence of an organization depends upon a combination of communication, willingness and purpose which are suitable to the external environment. Its survival depends upon the maintenance of equilibrium of the system. The equilibrium has both internal and external dimension. The internal equilibrium depends upon the proportion between these three elements. The external equilibrium has two terms in it; first, the effectiveness of the organization which comprises the relevance of its purpose to the environmental situation; and second, its efficiency, which comprises the interchange between the organization and individuals. It is in maintaining the equilibrium at two levels that a formal organization persists and thrives. For a deeper understanding of the cooperative systems and the processes, it is necessary to understand the relationship between formal and informal organization.

Barnard maintains that it is a part of human nature and a social process that men develop a network of relationships on systematized interactions. This gives rise to the growth of conventions, customs and institutions. They have tremendous influence on cooperative systems. Infact Barnard emphasis that every informal organizational result of social interactions-gives rise to formal organization and every formal organization because of network of interpersonal relationships gives rise to informal organization. The informal organization becomes necessary to the operation of formal organizations as a means of communication, or cohesion, and of protecting the integrity of the individuals: The formal organizations, however, have certain distinct elements which are crucial to the understanding of the cooperative systems and their capacity to make use of the structural needs and individual aspirations. In the formal systems of organization, division of labour which is described as specialization or functionalization is integral to the organization. These

two terms, when subject to further analysis, indicate that men specialize but work is functionalized. In either event, there is division of labour which results in corresponding division of work.

The bases of specialization of organization are five:

- (a) The place where work is done;
- (b) The time at which work is done;
- (c) The persons with whom work is done;
- (d) The things upon which work is done; and
- (e) The method or process by which work is done.

The process of cooperation requires all the five requirements. The efficiency of organization largely rests on how these requirements are met. For the purpose of cooperative effort in a formal organization the question of incentives is also important. The net satisfaction which induces a man to contribute his efforts to an organization results from the positive advantages as against the disadvantages. The incentives are of two kinds; material and non-material. The material incentives include the conditions of chances of promotion etc. There are also the nonmaterial incentives which include the hierarchy of positions, with gradation of honor and privileges and maintenance or pride of organization, community sense and so on. Both the types of incentives, Barnard maintains that are essential. He further emphasizes that no organization can exist without a combination of these two types of incentives.

Barnard gave a theory of formal organization. He defined it as “a system of consciously coordinated activities of forces of two or more persons.” According to him, organization consisted of human beings whose activities were coordinated and therefore becomes a system : According to Barnard initial existence of organization depends upon three elements :

- (i) The willingness of persons to contribute efforts to the co-operative system
- (ii) There should be an objective of co-operation and

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- (iii) Proper communication system is necessary.

Organizational Equilibrium:

Barnard suggested an equilibrium model to describe the balance achieved between the contributions of the members of an organization and return contribution made by the organization to the fulfillment of private goals of the members. Barnard treated organization as separate from the environment where it works.

The persons working in the organization have two roles—a personal role and an organizational role. There should be a balance between what employees get out of the organization (money, status, recognition, etc.) and what they contribute in form of time, knowledge, discomfort, production, etc.

Acceptance Theory of Authority:

Barnard did not agree with the classical concept of authority where it comes from top to bottom. He said that authority comes from bottom. In his opinion authority is confirmed only when it is accepted by a person to whom it has been addressed. Disobedience of such a communication is a denial of authority.

According, to Barnard the decision as to whether an order has authority or not lies with the person to whom it is addressed, and does not reside in persons of authority or those who issue these orders. Thus in Barnard's view, if a subordinate does not accept his manager's authority, it does not exist.

- (a) He can and does understand the communication;
- (b) At the time of his decision he believes that it is not inconsistent with the purpose of the organization.
- (c) At the time of his decision, he believes it to be compatible with his personal interest as a whole; and

(d) He is able (mentally and physically) to comply with it.

Functions of the Executive:

Barnard postulated three types of functions for the executives in formal

Organizational set up. These functions are:

- (a) Maintaining proper communication in the organization
- (b) Obtaining essential services from individuals for achieving organizational goals
- (c) Formulating purposes and objectives at all levels.

Informal Organization:

Barnard was of the opinion that both formal and informal organizations co-exist in every enterprise. Informal organization refers to those social interactions which do not have consciously coordinated joint purpose.

This organization exists to overcome the problems of formal organization. Barnard suggested that executives should encourage the development of informal organization to bring cohesiveness in the organization and also to serve as a means of communication.

Check your Progress 1

Note: i) Write your answers in the space given below.

i) Define a system.
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ii) Why do individuals enter into cooperative action?
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- iii) Describe the elements of formal organization.

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- iv) Explain the bases of specialization in formal organizations.

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5.5 CONCEPT OF AUTHORITY

Authority is that form of power which is legalized and legitimized. Authority is a form of power e.g. a statute giving power to a minister. If a person has power due to a special office, he occupies, this is known as authority. Example- Police Commissioner has authority to issue order and get them obeyed by virtue of authority he occupies.

It means

Power + legitimacy = Authority

Authority consists of two important components: power and legitimacy. Authority means legitimate power which has been approved by the people or power in accordance with the constitution or the law of the state. A government officer is competent to use authority- his authority is clearly defined. In English, the word 'Authority' can be used to mean the power given by the state. According to Michael in the Encyclopedia of social sciences, authority is the capacity, innate or acquired for exercising ascendancy over a group. Weber defined domination (Authority) on the chance of commands being obeyed by a specific group of people. The word 'Authority' is derived from the Latin word

'austoritus' meaning 'invention', 'advice', 'opinion', 'influence' or 'command' in English.

Authority means power given by the state in the form of government, judges, police officers etc. The word 'Authority' is used in the name of an organization; the name usually refers to the governing body upon which such authority is vested. In government the term 'authority' is often used interchangeably with the term 'power'. Here authority refers to a claim of legitimacy, the justification and might to exercise that power.

Difference between power & Authority Sr. No Power Authority

1. Power is not always legal Authority is always legal
2. It acquires not through peaceful means but these are elements of force, control, coercion It is phenomenon of peaceful times;
3. Power is essence of politics Legitimacy is the basis of Authority;
4. Force is the brutal manifestation of power Authority is the legitimate use of power. Authority is the institutional use of power;
5. It is political polarization of the desire interest of the people. Authority is rooted in the rules and regulations of the government.

Weber has noted that legal domination is the most advanced, and that societies evolve from having mostly traditional and charismatic authorities to mostly rational and legal ones, because the instability of charismatic authority automatically forces it to "routinize" into a more structured form of authority. Similarly, he notes that in a pure type of traditional rule, sufficient resistance to a master can lead to a "traditional revolution". Thus, he indicates towards an inevitable move towards a rational-legal structure of authority, utilizing a bureaucratic structure. This tie to his broader concept of rationalization by suggesting the inevitability of a move in this direction. In traditional authority, the

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legitimacy of the authority comes from tradition, in charismatic authority from the personality and leadership qualities of the individual (charisma), and in legal (or rational-legal) authority from powers that are bureaucratically and legally attached to certain positions.

Usually, power is compared to an authority in the real world. But when you look closely both terms are absolutely different from each other. Power is something that is referred to as the ability to influence the attitude or behavior of any individual. While authority is generally a representation of someone's position. It is derived from multiple sources like seniority, technical competence, etc. The power of a manager is considered as their ability to ask the subordinates whatever they wish them to do. In simpler terms, when you broaden the concept of authority you get power.

Power and Authority

The manager's power can be measured in his ability to-

- Punish the individuals
- Withdraw the rewards
- Provide rewards, etc.

Thus, the main sources of power can be considered as the dominating personality, expertise, rewards, etc. While authority is described as an institutionalized power which is bestowed by the organization formally. We have learned the difference between authority and power. Now we will broaden the concept of authority to understand it further.

In management, authority is summarized as a right to guide and direct the activities of others.

Furthermore, to secure them from their responses those are also in tandem with the organizational goals.

Thus, it is a right that utilizes the resources of the organization in order to make the decisions. For this, the authority has the right to direct the others so that individuals perform their duties.

This also helps in achieving organizational goals. Also, it refers to the right to make the decisions and to carry out these decisions.

In alternative terms, it can also be said as a right to act. Barnard says that authority is a communication character in a formal organization due to which a contributor accepts it.

Also, the authority can be the power required to take the decisions which can guide the action of others.

Characteristics of Authority

There are certain characteristics that the concept of power follows. These are:

Authority is considered as a relationship between the two people – the subordinates and their superior. The person with superiority frames the decision and transmits it. They think that the subordinates will accept these decisions and executes them.

The person who is given a position of authority is legitimate and legal. This position is supported by law, tradition, and standards of authenticity. Thus, authority is also considered as formal.

Authority is necessary for achieving the organizational goals. Thus, the basic use of authority is to influence the attitude and behavior of the subordinates in terms of doing the right things at the correct time.

So, the organizational goals are achieved by the subordinates. The person who has authority influences the behavior of individuals who otherwise might do the thing.

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The person who has a position of authority does not enjoy it unlimitedly. There are limits and extents to which the position of authority can be attained. It is predefined. The person with the authority is expected to use it within the rules, policies, and regulations.

Authority also gives the person a right to make a decision. Furthermore, a manager can only decide his orders about what his subordinate should or should not do. Thus, authority is exercised using the decision and looking when they are carried out.

Another element for cooperative effort in a general organization, which is believed to be the most crucial, is the element of "authority". Barnard defines authority as "the character of-a communication (order) in the formal organization by virtue of which it is accepted by a contributor or 'member' of the hesitation as governing the action he contributes". This, indicates that for Barnard authority consists of two aspects; first, the subjective aspect, the personal aspect, the accepting of communication as authoritative and second, the objective aspect-the character in the communication by virtue of which it is accepted. Barnard further' argues that if a directive communication is accepted by one to whom it is addressed; its authority for him is confined or established. If is admitted as the basis of action.

Disobedience of such a communication is a denial of its authority for him. Therefore under the definition the decision as to whether an order has authority or not lies with the persons to whom it is addressed and does not reside in "persons of authority", or those who has these orders? He adds that organizations fail because the authority fails which means they cannot secure sufficient contribution of personal efforts to be effective or cannot induce them on terms that are efficient. Further authority fails because the individuals in sufficient numbers regard the burden involved in accepting necessary orders as changing the balance of advantage against their interest and they withdraw or withhold the indispensable contributions. It is for this reason Barnard emphasizes ""he necessity of the assent of the individual to establish-authority for is

inescapable". A person can and will accept communications" authoritative only when four conditions simultaneously obtain:

(a) He does understand the communication;

(b) At the time of his decision he believes that it is not inconsistent with the purpose of the organization;

(c) At the time of his decision, he The Paradigms believes it to be compatible with his personal interest as a whole; and

(d) He is mentally and physically able to comply with it. The above description leads to an important question as to how be it possible to secure such an important and enduring cooperation as we observe if in principle and in fact the determination of authority lies with the subordinate individuals.

It is possible because the decision of individuals occur under the following conditions:

(a) Orders that are deliberately issued in enduring organizations usually comply with the four conditions mentioned above;

(b) There exists a "zone of indifference" in each individual within which orders are acceptable without conscious questioning of their authority;

(c) The interests of the persons who contribute to an organization as a group result in the exercise of an influence on the subject, or on the attitude of the individual, that maintains a certain stability of this "zone of indifference".

I. The nature of authority existing in a simple organizational unit is also inherent in all complex organizations

A. All complex organizations consist of aggregations of unit organizations

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- B. The essentials of authority in simple organizations should be the same for complex ones

The definition of authority involves two aspects – subjective and objective

- I. The subjective aspect is personal, the acceptance of a communication as authoritative

- A. A person will accept an order as authoritative only when four conditions are met

1. The communication is understood
2. The receiver believes the instruction is consistent with the organization's purposes
3. The receiver believes it is compatible with his or her personal interest
4. The receiver is both mentally and physically able to comply

- B. There is a Zone of Indifference in each individual within which orders are acceptable without questioning.

- II. The objective characteristic of a communication of authority is that aspect which induces acceptance.

1. The character of authority in organizational communications lies in the potentiality of assent of those to whom they are sent.

2. The system of communication is a primary continuing problem of a formal organization.

3. There are controlling factors in the character of the communication system as a system of objective authority.

- Kets de Vries & Insead (1999)
- Listening with the third ear
- The psychic theater of change
- Prerequisites of personal change
- The phases of change
- Driving the wheels of change
- Organizational resistance to change
- Fomenting dissatisfaction
- Engendering hope
- Carrying out the transformation
- Staging a focal event
- Facilitating change

III. Chester Barnard believed that formal organizations are made up of informal groups. These informal groups evolve to become the informal organization. The group's beliefs and values establish the organizational culture and determine, to a large extent, formal acceptance of authority.

Acceptance Theory to Authority

Management theorist Chester Barnard believed organizations need to be both effective and efficient. Effective means meeting organizational goals in a timely way. Efficient, in his opinion, means the degree to which the organization can satisfy the motives of its employees. In other

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words, the organizational goals will be accomplished and authority will be accepted when workers feel satisfied that their individual needs are being met. This is known as the acceptance theory of authority.

Acceptance theory of authority states that a manager's authority rests on workers' acceptance of his right to give orders and to expect compliance. Workers have to believe that the manager can legitimately give orders and there is a legitimate expectation that the orders will be carried out. There are a few reasons for this expectation:

- Workers will be rewarded for compliance
- There will be discipline for non-compliance
- Workers respect the manager for his experience

5.6 ZONE OF INDIFFERENCE

We have discussed in the previous section that the acceptance of authority in organizations depends upon the zone of indifference. What then is the Zone of Indifference? If all the orders for action reasonably practicable are arranged in the order of their acceptability to the person affected, the range may consist of a number of orders which are clearly unacceptable, that is, which certainly will not be obeyed. Another group may be somewhat neutral, that is, either barely acceptable or barely unacceptable. A third group may be unquestionably acceptable. This last group, Barnard says, lies within the "zone of indifference". The person affected will accept orders lying within this zone and is relatively indifferent as to what the order is so far as the question of authority is concerned. The zone of indifference will be wider or narrower depending upon the degree to which the motives exceed the burdens and sacrifices which determine the individual's adherence to the organization. If the inducements are not adequate, the range of orders that are likely to be accepted by the members of the organizations would be limited. In other words, you may say that the zone would be short. The executive, therefore, should be conscious of the zone. He should issue only those orders which would prevail within the zone and are acceptable if the

executive is not conscious of this. Barnard says, that the executive either does not know how to use his 'I' authority or he is abusing the authority.

5.7 THE FUNCTIONS OF EXECUTIVE

From the above processes and considerations, the functions of the executive arise, The essential executive functions, as stated by Barnard, are first to provide the system of communication; second, to promote the securing of essential efforts, and third, to formulate and define the purposes. The first function of maintenance of organizational communication has two phases. The first is definition of organizational positions and the second is maintaining a personal system. This for the requires organizational charts, specification of duties, division of work, etc. The latter includes recruiting men who live appropriate qualifications, offering incentives, etc. These two phases-are complementary and depend on each other. The second function of securing essential services from individuals also has two main aspects. The first is bringing personal into cooperative relationship with the organization and the second is eliciting services and contributions from such people. These can be achieved, according to Barnard, by maintaining morale, education and training, incentives, and supervision and control. The third executive, function is the formulation of organizational objectives and purposes. These purposes must be widely accepted by all the members of the organization. The above three functions arise basically from the need for cooperation among various human beings as every organization is basically a cooperative system, the cooperative effort requires to be consciously coordinated, It is in this area of organizational process the executive has to perform the role in realizing the goals and purposes of a cooperative system.

Barnard's classic 1938 book, *The 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:

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- Establishing and maintaining a system of communication;
- Securing essential services from other members;
- Formulating organizational purposes and objectives.
- To manage people and make sure they do their jobs

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. Barnard 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.

The general incentives were:

- a. Associated attractiveness (based upon compatibility with associates)
- b. Adaptation of working conditions to habitual methods and attitudes
- c. The opportunity for the feeling of enlarged participation in the course of events
- d. The condition of communing with others (personal comfort with social relations, opportunity for comradeship etc.,)

5.8 A CRITICAL EVALUATION

Kenneth Andrew who wrote introduction to the book 'Functions of Executive' observes that Barnard was on his subjective experience. While it makes his analysis insightful, it also works as a constraint. The theory does not provide a clue as for how this theory can be extended to the various facets of organizations of different types. He further observes that Barnard has not dealt about the institution of top management. Barnard emphasizes on purpose as a central question but pays no attention to the choice of the purpose in a changing world or to the processes of formulating goals and objectives for the organization. The fact what is important is the participation of individual in the conflict and the way he seeks to integrate it. Also he had not paid adequate attention to the day-to day problems that arise in the organization of human beings. The lack of attention to the goals could be on account of the fact that the organizations that he held charge of had constant goals; with the result he did not give full descriptive or prescriptive attention to the processes of calculation. Barnard's theory while focuses its attention on cooperative effort, it does not adequately ' deal with the creative

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development of our individual. Nor does it deal with the question as to a under what conditions individuals develop commitment to the organization and how such commitment gets strengthened. The definition of authority underestimates the objective conditions and deals with the details of subjective factors as acceptance of the individuals and not on the persons of authority who exercise it. Authority, in fact has an economic dimension. Economically the subjective dependence depends on the market structure. In a society range of alternatives is large there individuals may enjoy relative freedom. But where the opportunities are restricted, the individual has no freedom to reject authority. In other words in a capitalist society while his interpretation is valid, in feudal or underdeveloped societies such freedom does not exist. The socialization process, the family structure, the educational processes determine individuals attitude towards authority. Infact it is these processes which shape the value system. Barnard has not taken the larger context into account, to that extent his theory suffers.

Check Your Progress 2

Note: in) Write your answers in the space given below.

ii) Check your answers with those given at the end of the unit.

- i) "Authority lies with the persons to whom it is addressed and not with those who issue order explain"

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- ii) "Authority lies with the persons to whom it is addressed and not with those who issue order explain"

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iii) What according to Barnard are the functions of the executive?

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5.9 LET US SUM UP

In this unit you have studied the contribution of Chester Barnard. He laid emphasis on organizations as cooperative systems. This conveys the very essence of group effort. He expounded the nature of formal (structure) and informal organization (relationships) and their mutual inter-dependencies in a coherent way. Barnard emphasized on the acceptance of authority by others. Barnard has also explained the existence of a zone of indifference. If the orders fall within this zone they are unquestionably accepted. All these penetrating insights into the complex nature of organization and its working would enable you to understand organizations better.

5.10 KEY WORDS

Authority: Legitimate exercise of power

Communication: Inter-change of information between different levels of organization

Converge: To approach from different directions onwards the same point

Prescriptive: Laying down rules

5.11 QUESTIONS FOR REVIEW

- Define authority and explain its subjective and objective concept.
- Describe the concept of 'Zone of Indifference'.
- What according to Barnard are the functions of the executive?

5.12 SUGGESTED READINGS AND REFERENCES

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5.13 ANSWERS TO CHECK YOUR PROGRESS

Check your Progress 1

Check your answer with unit 5.4.

Check your Progress 2

Check your answer with unit 5.8.

UNIT 6- BEHAVIORAL APPROACH, (SIMON AND LINDBLOM)

STRUCTURE

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Classical Theory : Simon's Criticism
- 6.3 Place of Decision-making in Administration
- 6.4 Choice and Behaviour
- 6.5 Value and Fact in Decision-making
- 6.6 Hierarchy of Decisions
- 6.7 Rationality
- 6.8 Programmed and Non-Programmed Decision
- 6.9 Decision-making and Administrative Process
 - 6.9.1 Specialization
 - 6.9.2 Coordination
 - 6.9.3 Expertise
 - 6.9.4 Responsibility
- 6.10 Modes of Organizational Influence
 - 6.10.1 Authority
 - 6.10.2 Organizational Loyalties
 - 6.10.3 Criterion of Efficiency
 - 6.10.4 Advice and Information
 - 6.10.5 Training
- 6.11 Critical Evaluation
- 6.12 Let us sum up
- 6.13 Key Words
- 6.14 Questions for Review
- 6.15 Suggested readings and references
- 6.16 Answers to Check Your Progress

6.0 OBJECTIVES

After studying this unit you should be able to:

- explain the importance of behaviouralism in Public Administration
- explain Simon's criticism of classical theory describe Simon's views on decision-making
- discuss the meaning of rationality and its relation to behaviouralism; and
- Critically evaluate the behavioural approach.

6.1 INTRODUCTION

We have discussed in unit 2 that the classical approach to the study of administration emphasized the importance of the structure-the formal dimension of organization. The human relations approach, on the other hand emphasizes the informal dimension of the organization. While the formal and informal dimensions of organization form an important component of organization phenomenon, the human behaviour-the value disposition of the functionaries-determine their attitudes and working style of the organization. The human relations and behavioural approaches broadly deal with the man in the organization. While the former deals with the relationships among the people working in an organization, the latter deals with the 'inside' human being with a focus on the place of his values and rationality in the working of an organization. An understanding of 'inside' the man is as important as 'inside' the organization. In this unit we shall focus mainly on the views of Herben Simon on behavioural approach in Public Administration. Herben Simon analyzed the human behaviour in terms of its value preferences in decision- making process. It is this central concern that is significant to the understanding of organization and its working, human

behaviour being complex and dynamic, as a student of Public Administration you should understand and appreciate: these facets of organization. This would help you to widen the horizons and depend your understanding of the discipline.

6.2 CLASSICAL THEORY: SIMON'S CRITICISM

You have studied how Simon waged a frontal attack on the structural approach. He criticized the principles of organization and reached them as mere proverbs. He has shown that the principles are contradictory totally inconsistent. He also noted, that they are not scientifically valid and do not have universal relevance. It is on these grounds Simon questioned their theoretical basis is to analyze or explain the organizational phenomenon. Any theoretical construct should possess a frame of reference which should have universal validity. It is this investigation that led to the growth of the study of administrative behaviour with a focus on authority and decision-making. Unlike the principles which have a contextual relevance, the decision-making, according to Simon, is a universal process and can form the base for wider organizational analysis?

6.3 PLACE OF DECISION MAKING IN ADMINISTRATION

To Simon, administration is the art of "getting the things done". He himself emphasizes on the processes and methods that ensure action. He says that in administrative analysis not sufficient attention is paid to the choice which precedes action. Determination of 'what to do' rather than 'doing actually' did not receive proper attention. Decision-making deals with the process of choice which leads to action. Simon points out without an adequate understanding of this dimension, which is rooted in the behaviour of man in the organization; the study of administration would remain largely injected. In the behavioural approach, the question that is to be understood is the process that precedes action. This is popularly known as decision-making process. The need for taking decisions arises when there are several alternatives or courses of action

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open to an individual. But one has to choose only one alternative by a process of elimination. Therefore, decision-making is defined as a process of reducing the alternatives to one. Rationality of human being lies in selecting such an alternative which can produce maximum positive results and minimize the negative results. The efficiency of any group effort does not depend only on organization that ensures effective thing of; it also depends on the existence of principles which would ensure correct decision-making which in turn determines the effectiveness of doing the job. In an organization people above the operative level are considered important as they are entrusted with more crucial functions of decision-making. They have a very important role to play in realizing the organizational goals. They have greater role in influencing the behaviour of the operative staff. For example, in a war the soldiers fight in the battle field. They take many decisions at their own levels. But the overall strategy that is formulated by the Generals, who are not engaged in the actual battle, would determine the outcome of the battle. Similarly in an automobile industry, the car is produced by the mechanics on the assembly line and neither by the engineer nor the executive. Yet the latter occupied a crucial place. Again, the fire is extinguished by a team of firemen and not by the fire chief. In administration operative staffs are important. The success of organization depends on them. The men above the operative level are equally important. They have an essential role to play in achieving the organizational goals. The supervising staffs have greater influence upon the outcome of an organizational effort, than the lower levels. This supervisory staffs have greater influence on the operative staff. They decide, plan and direct the operative staff. 'In smaller organizations, the influence of the supervisory staff is direct, while the influence is indirect in the big and complex organizations. Simon, therefore, says that effective organization involves setting up of operative staff and above it, a super imposing staff capable of influencing the operative staff toward a coordinated and effective behaviour. He also says that the working of organizations depends on the manner in which decisions and behaviour of employees are influenced. It is for these reasons that the behavioural approach emphasis that "insight into the structure and function of an

organization can best be gained by analyzing the manner in which the decision and the behaviour of such employees are influenced within and by the organization".

Check Your Progress 1

Note: Write your answers in the space given below

i) What is the focus of Simon's behavioural approach?

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i) On what grounds Simon criticized classical theory?

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6.4 CHOICE AND BEHAVIOUR

Human behaviour involves conscious or unconscious selection of particular alternative which is physically possible and organizationally effective. The selection of a choice refers to preference of its course of action over other courses of action. In any mechanical action, the choice and the action are directly related. You would notice this in case of a typist. He hits a particular key with a finger because a reflex has been established between the latter on printed page and the particular key. Here the action is rational but no element of consciousness is involved. It is, therefore, a conditioned reflex action. In other cases, the selection will have to be a product of a complex chain of activities called planning or design activities. This can be noticed in the construction of a bridge where an engineer designs and the rest of the activities will have to be tailored to the design. Decision-making process involves three important phases as activities: They are intelligence activity, design activity and

choice activity. Intelligence activity revolves finding occasions to take decisions. For this the executive has to analyse and understand the organizational environment. He has also to identify the conditions that need decision. The second phase is design activity. This involves development of alternatives to do a particular job. The executive should also identify the merits and advantages as well as problems involved in each of the alternatives. The final phase is the choice activity. In this the decision maker should choose or select one of the alternatives or course of action, keeping in view the organizational goals.

6.5 VALUE AND FACT IN DECISION MAKING

The effectiveness of a course of action depends upon the capacity of that decision to attain the goals that are set. The choosing of a correct choice is related to the individual's performance this deals with the question of values. The effectiveness depends upon the information available at a given point of time. This is related to the question of facts. Value is expression of a preference. It can only be subjectively asserted as valid. Fact, on the other hand is a statement of reality. It can be proved by observable means. Choice or decision involves both facts and values. They clarify the criteria in analyzing the ethical and factual elements involved in a decision. Simon argues that the behaviour of members of an organization is partly determined by the purpose of the organization. It is the purposiveness which brings integration in the pattern of the behaviour. Absence of purpose renders an organization meaningless. The purpose provides the direction and a frame of reference and determines the things that are to be done and the things that should not be done. In the process, even a minute decision governing specific action is necessarily an application of broader decisions related to purpose and to method. Simon gives the example of a man walking. He describes the process as follows: "A walk contracts his leg muscles in order to make a step; he takes a step in order to proceed towards his destination; he is going to the destination, a small box, in order to mail a letter, he is sending a letter in order to transmit certain information to another person and so forth". Each decision involves the selection of a goal and

behaviour relevant to it; his goal is not an end in itself. It may lead to a distant goal and so on, until a relatively final aim is reached. Simon maintains that in so far as decisions lead toward the selection of final goals, they are called "value judgement". And if they involve the implementation of such goals they are called "factual judgement". For instance in the budgeting of a local body the council has to decide on what items the amount should be allocated. This depends on the priorities. The decisions whether to allocate more amount to roads or parks, education or health are inter-linked with the 'value judgement'. Once the priorities are decided, then the implementation mostly depends on 'factual judgement'. For instance, the length of the road, the connecting points, the type of road, etc., is the decisions related to factual judgement. There do not exist value decisions and factual decisions. Values and facts are only the premises and components which are inter-wined. Problems do not come to us as value decisions or factual decisions.

6.6 HIERARCHY OF DECISIONS

The concept of purposiveness involves the notion of a hierarchy of decisions--each step downward in the hierarchy consisting in the implementation of the goals set forth in the step immediately above. Behaviour is purposive in so far as it is guided by general goals or objectives of the organization. It is rational in so far as it selects alternatives which are conducive to the achievement of the previously selected goals. Although, theoretically this looks as a neat arrangement, operationally this is fraught with a number of difficulties. The difficulties arise because no organization pursues a single goal. The governmental agency seeks to achieve many goals. It is the complexity that makes perfect integration extremely difficult. However, certain amount of integration will have to be achieved in reality, without which no purpose can be achieved. The above discussion, you would notice, unfolds two important dimensions of behavioural approach:

(1) The policy making and the implementation;

(2) The involvement of facts and values in the decision-making. It highlights that the decisions at the lower levels involves more of factual judgement. In the decision-making process, choosing of ends and involves selection of an alternative based on value judgement and in selection of means to achieve the end, it is the factual judgement that are involved. Rationality in the decision-making process largely depends upon the correct choice of 'value judgement' and 'factual judgement'.

6.7 RATIONALITY

As you know decision-making is a very complex process involving a chain of unending decisions. In the simpler situations analyzing the sequence is easier and, therefore, a better and rational decision-making is possible. In complex situations which involve a large network of decisions at different phases, the rationality in the decision-making is bound to suffer. But Simon emphasizes that all decision-making should be based on rational choices. He defines rationality as one 'concerned with the relation of a preferred behaviour alternatives in terms of some system of values whereby the consequences of behaviour can be evaluated'. This requires that the decision maker should have; knowledge about all available alternatives. The decision maker should also be able to anticipate the consequences of each of the alternatives. Herbert Simon explains that there are six different types of rationality viz., objective, subjective, conscious, deliberate, organizational and personal. Simon rejects the concept of total rationality as it is based on totally unrealistic assumptions. Total rationality is based on the belief that decision makers are omniscient and they have knowledge about all available as well as their consequences. Secondly, the assumption is that the decision maker has unlimited computational ability. Finally, it believes that the decision maker has the capacity to put in order all the possible consequences. These assumptions, Simon says, are fundamentally wrong. There are several limitations in the decision makers in terms of skills, habits, values and conception of purpose as well as the extent of knowledge relevant to his job. Therefore Simon says that organizations should not start with the concept of total rationality.

Instead, they should work on the basis of 'bounded rationality'. It is in this concept of 'bounded rationality', Simon develops the concept of 'satisficing'. The term satisficing is derived from the words satisfaction and sufficing. As total, rationality is inconceivable, the executive 'satisfices' with a good enough choice. The decision maker tries to arrive at either optional or fairly good solutions. Such solutions or decisions may or may not lead to maximization of organizational goals.

Check your progress 2

Note:

i) Write your answers in the space given below

i) What is meant by the notion of hierarchy of decision?

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ii) Explain the concept of rationality.

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iii) What is bounded rationality'?

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6.8 PROGRAMMED AND NON-PROGRAMMED DECISION

Simon makes a clear distinction between programmed and non-programmed decisions. The former are those which are repetitive and

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routine in nature. For such decisions definite procedures can be worked out. Each decision need not be dealt with separately. In programmed decisions, habits, skills and knowledge about the problem is important. In such decisions, mathematical models and computer can help the decision makers to arrive at rational decisions. Non-programmed decisions, in contrast, are new, novel and unstructured. No cut-and-dried methods would be available and each question or issue has to be dealt with separately. Training in skills relevant to the job and innovative ability become relevant and important to develop capacity to take proper and relevant decisions.

6.9 DECISION MAKING AND ADMINISTRATIVE PROCESS

Behavioural approach has certain unique characteristics will require to be appreciated. Administrative activity is a group activity. In organizations, decision-making is more systematic unlike in tile case of an individual clear a family. Administrative process as you know is a decisional process. This process, according to Simon involves three important steps.

They are segregating tile elements in .the decision-making process, establishing procedures to select and determine these elements and communication of these clarinets to the members of the organization. The organization talks away from the individual a part of his decisional autonomy and substitutes it with organizational decision-making process. Organizational decision-making process specifies the functions of individuals; allocate authority in also set limits to his choice. The following are some of the practices that emerge from the structuring of behavioural choice.

- 6.9.1 Specialization
- 6.9.2 Coordination
- 6.9.3 Expertise
- 6.9.4 Responsibility

6.9.1 Specialization

Specialization is a characteristic of organizations. In this particular practice tasks are allotted to different levels in the organization. The specialization may take a form of vertical or horizontal division of labour. Simon emphasizes on vertical specialization.

6.9.2 Coordination

Group behaviour requires not only the adoption of correct decision, but also adoption of the decision by all members of the group. In the decision to construct a house, several individuals are involved. If each has his own plan and they do not communicate their plans, chances of a good house construction are very weak. They would be able to achieve better results if they adopt a decision to execute it.

6.9.3 Expertise

There is a need for specialized skill at the Operative level. The work in the organization must be sub-divided so that all the processes requiring of particular skill can be performed by persons possessing those skills. Likewise, to gain the advantage of expertise in decision-making, the responsibility for decision must be located that all decisions requiring a particular skill can be made by persons possessing that skill.

6.9.4 Responsibility

The administrative organization seeks to enforce conformity of the individual to norms laid down by the group. The discretion given to the subordinate person is limited by policies determined by top administrative hierarchy. Thus, autonomy in the decision-making is restricted at various levels.

6.10 MODES OF ORGANIZATIONAL INFLUENCE

An administrative organization devises its own models and methods to influence the decision-making process. In other words the organization seeks to the behavioural choice and reduces decision-making autonomy. This is done partly through structure and partly through a systematic influence on individual's behaviour. The modes that are used to influence the behaviour are authority, organizational loyalties, criterion of efficiency, advice and information, and training.

- 6.10.1 Authority
- 6.10.2 Organizational Loyalties
- 6.10.3 Criterion of Efficiency
- 6.10.4 Advice and Information
- 6.10.5 Training

6.10.1 Authority

Chester Barnard devoted considerable attention to the concept of authority. It is the organizational culture. As pointed out earlier, builds the myth of authority in such a way that subordinates carry out the order coming from above without questioning them. The superior does not seek to convince the subordinate but expects acceptance of the orders readily. Barnard, however, maintains that authority lies with the subordinate who is accepting it and not with the superior who is exercising it. The myth of authority is able to influence to a large extent, the behaviour.

6.10.2 Organizational Loyalties

In any organization its members tend to identify themselves with that group. This is an important characteristic of human behaviour. They take decisions keeping in view the interests of the organizations with which they have identification. The organization good always dominates the

consciousness of the member. It is this conception of good that makes him loyal and enable him to take decisions which would be in conformity with the good of the organization. Thus, the behavioural choice is narrowed down by the organizational loyalties and facilitates homogeneity of behaviour rendering group work possible. Each member of the organization would also have a limited range of values which is essential to ensure accountability. But the problem in organizational loyalty is that each individual takes a narrow view of the organization ignores the broader organizational interests. Simon opines that as one move higher in the organization, greater would be the non-outlook.

6.10.3 Criterion of Emergency

The exercise of authority and the development of organizational loyalties are the important means through which the individual's value-premises are influenced by the organization. But in every decision-making there is also factual judgement. They are influenced by the criticism of efficiency. The concept of efficiency involves shortest path, the cheapest means in the attainment of the desired goals. The efficiency criterion is largely neutral as to what goals are to be attained. The order "be efficient" is a major organizational influence over the decisions of members of any administrative agency.

6.10.4 Advice and Information

The communication flow in an organization is also important in shaping the decision-making process. Advice and information available to an individual is an important input in making factual judgement. The organization which is capable of facilitating effective communication can not only condition the behavioural choice but ensure uniformity of judgement and action.

6.10.5 Training

Training is a device which prepares members of an organization to take satisfactory decisions. It equips an individual in methods of using his discretion in conformity with the design and the goals of the organization. This is also a device through which the information and the necessary goals are transmitted to an individual so as to enable him to make right type of choices in the organization.

6.10.6 Organizational Behavior

Our inherent power of generalization helps us to predict the behavior of other people, however sometimes our generalizations and predictions fail. This happens as we fail to analyze and go into the depth of the patterns that are affecting the behavior of people at that particular time or period. This calls for understanding and following the systematic approach to the study of the organizational behavior. The study helps in increasing our predictive ability to understand the behavior of the people particularly in the group or an organization, and how their behavior impacts the performance of an organization.

Almost all organizations develop the models on the basis of which behavior of the people is determined. This model depends on the assumption that organizational behavior management carries about its people and mission and goals. It is noted that most of the organizations make the assumptions on the basis that people are not to be trusted even in the slightest matter. For instance McGregor theories X and Y is based on quite contradictory assumptions; Argyrols focuses on the immaturity and maturity level of the people providing two opposing views. The Organizational Behavior models formulated would show many different variations and kind of continuum between the two opposite poles.

The organizational behavior revolves around three main theoretical approaches: cognitive, behaviorist and social learning frameworks. These frameworks became the basis on which the organizational behavior

model operates. The cognitive theory was developed by Edward and depends on the expectancy and incentive concepts while behaviorist framework created by Ivan Pavlov and John Watson relies on observation power. While, the social theory depends on how the connection is created between the stimulus and response.

Organizational Behavior Model

In management, the focus is on the study of the five organizational behavior models:

1. Autocratic Model
2. Custodial Model
3. Supportive Model
4. Collegial Model
5. System Model

1. Autocratic model

This model has its roots in the historical past, and definitely became a most prominent model of the industrial revolution of 1800 and 1900s. It gives the owners and manager's power to dictate and form decisions while making employees obey their orders. The model asserts that employees need to be instructed and motivated to perform while managers do all the thinking. The whole process is formalized with the managers and authority power has the right to give command to the people, "You do this or else..." is a general dictatorship command. As Newsroom suggests, "the psychological result of the employees is dependence on their boss, whose power to "hire, fire and perspire" is almost absolute. Employers receive less wages as they are less skilled and their performance is also minimum, which they do it rather reluctantly as they have to satisfy the needs of their families and themselves. But there are some exceptions as many employees do give higher performance because either they would like to achieve or have a close association with their boss, or either they have been promised a good reward, but overall their performance is minimum.

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The theory of X assumption of McGregor states employers do not take responsibility and managers have to supervise over their work to obtain desired results. This model can also be compared to the Likert system in which use of punishment, force, fear or threats sometimes are used as means to get the results from the employees.

Now as the values are changing the model is giving place to the modernized thinking, but we cannot say that this model has been discarded. In many organizational setups, it is still proving a useful way to get the things done, especially when the employees are being motivated to fulfill physiological needs or whenever there are any organizational crises. However with the increase in the knowledge, changing the societal values better ways to manage organizational behavior systems is emerging. Yet another step was required and it emerged.

2. Custodial Model

Now the time came when managers began to think the security of the employees is imperative- it could be either social as well economic security. Now managers have begun to study about their employee's needs, they found out that though in the autocratic setup employees does not talk back yet they have many things to say but incapability to speak result in frustrations, insecurity, and aggressive behavior towards their boss. Since they are not able to display their feelings, they would vent these feelings on their family and neighbors. This causes suffering to the entire community and relationships and this often results in bad performance. Newsroom gave the example of a wood processing plant where the employees were treated very cruelly even to the extent of physical abuse. Since workers were not able to strike back directly they show their aggression by destroying the good sheets of veneer destroying the supervisor's credibility.

Employers now had begun to think of the ways to develop better relations with the employees and to keep them satisfied and motivated. In 1890 and 1900 many companies started the welfare programs for the employees which began later to be known as paternalism. In the 1930s, these welfare programs evolved in many fringe benefits to provide security to the employees which resulted in the development of the Custodial model of organizational behavior.

A successful custodial approach depends on providing economic security which many companies are now offering as high pay scale, remunerations in the form of health benefits, corporate cars, financial packaging and many other forms of incentives. These incentives increase the employees' satisfaction level and help them to achieve competitive advantage. To avoid layoffs employers also tries to "retain employees, reduce overtime, freeze hiring, encourage both the job transfers and relocations, provide early retirement incentives, and reduce subcontracting to adjust to slowdowns especially in the information technology"(Newsroom, p.32).

The custodial approach induces employees now to show their dependency and loyalty towards the company and not to the boss or managers or supervisors. The employees in this environment are more psychologically contended and preoccupied with their rewards but it is not necessary they would be strongly motivated to give the performance. The studies show that though it has been the best way to make them happy employee but not productive employee, so the question still remains what should be the better way? But overall this step had been a stepping stone for the creation and development of the next step.

3. Supportive Model

Unlike the two previous approaches, the supportive model emphasis on motivated and aspiring leader. There is no space for any control or authoritative power in this model or on the incentives or reward schemes but it is simply based on motivating staff through the establishment of

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the manager and employee relationship and the treatment that is given to employees on daily basis.

Quite contrarily to the autocratic mode, it states that employees are self-motivated and can generate value that goes beyond their day to day role or activity. But how the employees get self –motivated? That's through creating a positive workplace where they are encouraged to give their ideas and there is some kind of “buy -in” in the organizational behavior setup and the direction that it takes.

One of the key aspects of the supportive model has been studies conducted at the Hawthorne Plant of Electric in the 1920s and 1930s. The study was led by Elton Mayo and F.J Roethlisberger to implore on the human behavior at work by implementing and placing keen insight on the sociological, psychological perspective in the industrial setup. They came up to a conclusion that a single organization is a social system and a worker is an important component in the system. They found that worker is not a tool that can be used in any way but has its own behavior and personality and needs to be understood. They suggested that understanding of group dynamism including the application of supportive supervision is imperative to make workers contribute and be supportive.

Through the leadership organizations give the space and climate for the employees to develop, form their own thinking and take an initiative. They would take responsibility and improve themselves. Managers are oriented towards supporting the employees to give performances and not just support them through employee benefits as done in custodial approach.

The supportive model is being widely accepted chiefly in the developed nations where the needs of the employees are different as it fulfills many of the employees emerging needs. This approach is less successful in the developing nations where the social and economic need of the working class is different. In short, in the supportive model money is not which

retain the satisfaction of the employees but it is a part of the organization's life that has been put to the use and makes other people feel wanted.

4. The Collegial Model

In this scheme, the structure of an organization is developed in a way that there is no boss nor subordinates, but all are colleagues who have to work as a team. Each one of the employees has to participate and work in coordination with each other to achieve the target rate. No one is worried about his status or a job title. Manager's role is here like a coach whose function is to guide the team to perform and generate positive and motivating work environment, instead of focusing on his own personal growth. The team requires adopting new approaches, research and development and new technologies to better their performance.

We can also say collegial model is an extension of the supportive model. The success of the collegial model depends on the management's ability to foster the feeling of partnership between the employees. This makes the employees feel important and needed. They also feel that managers are not just mere supervisors but are also giving their equal contribution to the team.

To make the collegial model success many organizations have abolished the use of bosses and subordinates during working, as these terms create the distance between the managers and subordinates. While some of the organizations have abolished the system of allotting reserved space for executives. Now any employee can park their vehicle in the common parking space, which increases their convenience and makes them more comfortable.

The manager is oriented towards the team performance while each employee is responsible for his task and towards each other. They are more disciplined and work as per the standards set by the team. In this

setup employees feel fulfilled as their contribution is accepted and well received.

5. The System Model

The most emerging model of the today's corporate era is the system model. This model emerged from the rigorous research to attain the higher level of meaning at work. Today's employees need more than salary and security from their job, they need the hours they are putting towards the organization is giving them some value and meaning. To add to it, they need the work that is ethical, respectful, integrated with trust and integrity and gives a space to develop a community feeling among the co-workers.

In the system model, the expectations of the managers are much more than getting the work done by the employees. The managers have to show their emotional side, be more compassionate and caring towards their team and they must be sensitive towards the needs of the diverse workforce. They have to devote their attention to creating the feeling of optimism, hope, trustworthiness, courage, self-determination, and through this, they try to develop the positive work culture where the employees feel more at ease and work as if they are working for their family. This ultimately results in the long time commitment and loyalty of the employees and the success of the company. Managers also try to foster two main concepts; authenticity and transparency and social intelligence. Managers always try to make the employees feel the part of the project and the organization and give them all the support so that they can increase their efficiency and output. In turn, the employees feel more emotionally and psychologically part of the organization and become more responsible for their actions. Employees feel more inspired, motivated, and important and feel that what they are doing and what they think would be good for the organization which goes beyond their personal achievements.

The models have been originated perceiving the changing employee needs with each model have been the stepping stone for the more productive and useful model. To assume that any one of the models has been the best model is wrong as no model is hundred percent perfect but have been evolving all through the years with the changes in our perception, study and social conditions that have been affecting the human behavior. Any of the above models can be modified, applied and extended in many different ways. As there has been advancement in the collective understanding of the human behavior, the new social condition emerged and with it there has been an evolution of the new model.

6.11 CRITICAL EVALUATION

In the foregoing discussion you have studied how behaviour influences administrative organization; it has its unique characteristics. The discussion indicates that for the purpose of organizational analysis. It is neither the structure nor the human relation but it is the decision-making that should be the frame of reference. The discussion highlights how some of the principles such as hierarchy, coordination, division of work, specialization are associated with the decision-making process. The discussion also shows what efforts go into making of an organization structure. The determinant of the structure such as authority, loyalty, efficiency and training are mainly intended to restrict the behavioural choice and facilitates group effort. If every individual in the organization is permitted to behave the way he wants to, then no group efforts would be possible. It is for this reason that the organizational structure is built. Thus human behaviour and its inter-connection with the structure and group effort form the substance of behavioural approach to the study of organization. In spite of its valuable contributions, the behavioural approach has come under considerable attack. It is criticized mainly on the following grounds:

i) The conceptual framework is not adequate. While the behavioural approach criticizes the classical approach as inconsistent and internally contradictory, the behavioural approach itself has not offered an adequate framework or explains the organization phenomenon. It confined its

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analysis to only "inside" the man in an organization. It has not taken tackle social setting in which an organization operates, Ignoring the social, historical, political. Economical, geographical and cultural factors are virtually delinking the organization functions. This puts a major constraint on the explanation of organization phenomenon.

ii) It is apolitical. Administrative system is a sub-system of a political system. It is the politics and the political power that set the goals of an administrative organization. It is largely influenced by the political process. The behavioural approach, like classical approach, took a political view giving an impression that organizations are autonomous from the political environment. An approach which led to emphasis on 'value judgement should not have ignored the political process which also determines the value premises of the public organizations.

iii) 'Value free and neutral approach is not helpful. While the approach sought to analyses the value judgement, the concept of, rationality did not touch any ethical questions. For the approach maintains that rationality lies in picking up appropriate means to achieve the goals. A theory which ignored the larger questions of what is the desirable and what is undesirable in the larger interests of the society, would not be able to set pace to right types of development, nor can it provide a correct perspective. A thief committing theft by signing up appropriate neatly would be within the rationalist frame, although what he does may not fit into a socially desirable ethical framework. Such danger, involved in; he value free and neutral approach is not realized by the behavioural approach.

iv)The approach is general arid not of practical relevance. Another criticism against the behavioural approach has than that it offered with the general explanation to the understanding of organization at an abstract level. It hardly helps a practitioner as to how the working of an organization can he improved. It tends to be highly general in explanation. Therefore It has no concrete suggestions to offer for either better working of the organization or to improve the decision-making

process in an organization. The concepts of authority and rationality seek to explain human behaviour from an idealistic point of view. The material conditions and concrete historical situation which govern human behaviour have not been taken into account. Organization is compared with economic man. The contrast between these two viewpoints is very wide and striking. The entire discourse on the economic man with his material behaviour. This factor does not figure in the discussions on administrative man at all. The productive processes and the general human relations that determine the value judgement to the choice of behaviour is totally ignored in this approach.

Check your progress 3

Note: i) List out the space below for your answers

i) Distinguish between programmed and non-programmed decision

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ii) Administrative process is a decision-making process. Explain.

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iii) Discuss how authority and training are rods of organizational influence.

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6.12 LET US SUM UP

The behavioural approach marks a significant break-through in the growth and evolution of organization theory. Its contribution to the study of organization is quite substantial. Behavioural approach has taken the organization study beyond the principles and structures which are of technical nature. It provided a new angle to look at organizations and offered a new frame of reference, viz., the decision-making. It also brought in concepts of value and facts and rationality into administrative discussions. The principles enunciated by the classical thinkers are presented in a new light. The lengthy discussion on time determinants of organization-both the structural and behavioural-and the modes of organization influences add to the rich understanding of the administration. In fact, Simon's subsequent devotion to the study of economic organization is considered as a loss to the discipline of public administrative organization. Critics think that had he pursued the same line of enquiry, the study of administration would have gained enormously. Finally, behavioural approach, widened the conceptual framework and contributed rightly to the lively debate on I organization in general and organization behaviour in particular.

6.13 KEY WORDS

Bounded rationality: According to Simon, human behaviour is neither totally rational nor totally non-rational. It has its limits

Horizontal division of labour: Where there is the division of labour at the same level

Vertical division of labour: When there is hierarchical division of labour based on skill and knowledge required at different levels.

6.14 QUESTIONS FOR REVIEW

- Distinguish between programmed and non-programmed decision
- Administrative process is a decision-making process. Explain.
- Discuss how authority and training are rods of organizational influence.

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6.16 ANSWERS TO CHECK YOUR PROGRESS

1. Check Your Progress 1

Check your answers with unit 6.3

2. Check Your Progress 2

Check your answers with unit 6.7

Notes

3. Check Your Progress 3

Check your answers with unit 6.12

UNIT 7: NEW PUBLIC ADMINISTRATION: MINNOWBROOK I, II AND III

STRUCTURE

7.0 Objectives

7.1 Introduction

7.2 Minnowbrook I, II and III

7.3 New Public Management Perspective: Genesis

7.3.1 Increase in Government Expenditure

7.3.2 Influence of neo-liberalism

7.3.3 Impact of New Right Philosophy

7.3.4 Public Choice Approach

7.3.5 Washington Consensus

7.4 New Public Management Perspective: Salient Features

7.5 Impact of New Public Management Perspective

7.6 New Public Management Reforms: An Appraisal

7.6.1 Clash of Values between Traditional Public Administration and New Public Management

7.6.2 Managerial Predominance over Policy Capacity

7.6.3 Lack of Clarity of Relationship between Citizens and Political Representatives

7.6.4 Absence of a Clear Cut Concept of Accountability

7.6.5 Promotion of Individualistic Ideas in Place of Collective Interests

7.6.6 Citizen vs. Customer Orientation

7.7 Let us sum up

7.8 Key Words

7.9 Questions for Review

7.10 Suggested readings and references

7.11 Answers to Check Your Progress

7.0 OBJECTIVES

After going through this unit, you should be able to:

- To trace the genesis of New Public Management perspective;
- To highlight its salient features;
- To examine the impact of New Public Management perspective;
and
- To appraise the New Public Management response.

7.1 INTRODUCTION

Globalization, which is multi-faceted, is having a tremendous impact on various facets of life in the twenty first century. It has also influence on various disciplines. While an economist looks at globalization as removal of trade barriers, promotion of foreign direct investment, entry of multinational enterprises, a sociologist examines it from political, cultural and social perspectives. The onset of globalization is leading to significant changes in the roles of individuals and institutions across the world. Markets have come to occupy a key place. The nature of state is also undergoing some transformation. Globalization has ushered in other changes such as interdependencies among the states, reduction of trade barriers, increasing use of information technology, communication revolution, blurring of boundaries and realignment of public and private sectors. These developments have a profound influence on public administration. The transformation of economies, in the past few years, from command to market-oriented, all over the world has raised various concerns about the failure of the ‘traditional’ state model to implement appropriate policies and deliver effective services. A need for developing an alternative model of administration was being felt. During 1980s, debates and discussions centered around making a deliberate conscious choice between the ‘old’ public administration which relied on bureaucratic efficiency and the present day new perspective of public administration with a significant management orientation which is labeled ‘New Public Management’ (NPM). This perspective led to introduction of a series of managerial concepts and techniques in the

governmental systems, with a view to making public organizations efficient, economical and effective. NPM attempts to prescribe ways for renewed governmental functioning in the globalization scenario. An attempt is made in this unit to trace the emergence of New Public Management Perspective and highlight its salient features. The reforms initiated in several countries are highlighted and an appraisal of this perspective is done.

7.2 MINNOWBROOK I, II AND III

The twenty-yearly milestone conferences in 1968, 1988 and 2008 were organized to reflect on the future of PA from an USA perspective. The 'Minnowbrook'- process, initially, was dialectic, based on small groups, within a specific (USA) context. The ambition was "through the demonstration of a compelling manifest expertise, assert an authority of legitimacy and thereby influence the course of the future inquiry and endeavour in Public Administration" (Marini, 1971:7). Apart from a national and international political context, there were other elements that were significant. First, several disciplines had 'revolts' and were about to shift too. There was 'new' sociology, 'new' history, 'new' political science. A combination of young intellectual revolts and confrontational politics, also at universities, added to 'turbulent times' (Waldo, 1968).

A. Minnowbrook I (1968):

The Minnowbrook I Perspective reflected and helped to catalyze a 'new' Public Administration. It also helped to set new agendas for new topics and focused on adaptation, capacity and organizational development, normative and empirical theories, comparative Public Administration, policy-making, and rationality. The major concern was relevance. These debates were embedded in the specific context of the Vietnam War and the student revolts. The prominent term was "New Public Management".

1. It was organized in the backdrop of anger and unrest against the Government.

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2. It was organized in opposition to Philadelphia Conference.
3. It had participants from department of Political Science. Hence its approach was narrow and limited.
4. Its focus was Change, Relevance, Social Equity and Value.
5. It gave rise to the concept of Public Administration.
6. New Public Administration failed in practice.
7. Its theme, tenure, tone and temperament was more radical and anti-Government.
8. Its proceedings were combined in a report by Frank Marini in 1971 named "Toward a New Public Administration: The Minnow Brook Perspective".
9. It was held under the chairmanship of Dwight Waldo.

The 1960s in the USA was marked by an optimistic view about public administration's ability to solve the country's technological as well as social problems. The social atmosphere was characterized by a steady decline in the commitment of Americans to institutions such as family, church, media, profession and government. This was due to cynicism amongst the younger people towards the institutions. Also the Black Americans were denied a share in the growing prosperity of the country in the 1950's and 1960s. It was against this backdrop that in 1968 Dwight Waldo of Syracuse University had taken the initiative of examining certain key concerns. The idea was to analyze the changing perspectives in the field of public administration, amongst those who experienced the Great Depression, New Deal, World War II and those who entered the field in the 1960s. It was intended to examine the

enduring effect of varying perspectives on public administration and government.

This conference was held at Minnowbrook by the young scholars of Public Administration under the guidance of Dwight Waldo. The basic objective of this was to examine the ways of making public administration responsive to social concerns and assume the role of a change agent in reforming the society. The New Public Administration emerged out the discourses of this conference. The Minnowbrook Conference focused on certain important concerns of public administration. These included:

1. The public policy approach to public administration, which has become important as it has a significant effect on the quality of government.
2. In addition to efficiency and economy, in implementation of policies social equity was considered a key objective.
3. The earlier notion of public administrators being mere implementers of fixed decisions, it was felt, is no longer valid. In addition, values such as ethics, honesty and responsibility in the provision of public service holds good in the practice of public administration.
4. The Minnowbrook perspective argued that, as public needs change, government agencies often outlive their purposes. Hence whenever needed, cut back of government agencies needs to be resorted to.
5. Responsive government has to manage change, not just growth.
6. Active and participative citizenry, it has been considered, needs to be a part of public administration.
7. The efficacy and usefulness of the concept of hierarchy have been challenged.

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8. Implementation has come to occupy a significant place in the decision-making process.

9. Though pluralism is accepted as a useful device for explaining the exercise of public power, it is felt, that it has ceased to be the standard for the practice of public administration.

The young academicians who participated in the conference were sensitive to the problems in the functioning of American democracy. Hence, they attempted to provide a new focus to public administration.

- **New Public Administration:**

Goals- The scholars emphasized on five major goals that public administration needs to take cognizance of, namely relevance, values, social equity, and change and client orientation. Relevance: Traditionally, efficiency and economy have been the key concerns of public administration. The discipline, the conference felt, needs to be relevant to the contemporary issues and problems. The excessive management orientation in the discipline needs to be done away with and public administration has to deal with political and administrative implications of administrative action. The scholars desired radical changes in the curriculum of the discipline to make it more relevant to the realities of public life. Values: The earlier view regarding the value-neutral orientation of public administration has been vehemently criticized and rejected. The conference made a plea for a greater concern with values, issues of justice, freedom, equality and human ethics. It was held that commitment to values would enable the discipline to promote the cause of the disadvantaged sections in society. According to Nicholas Henry (1975) “The focus was disinclined to examine such traditional phenomena as efficiency, effectiveness, budgeting and administrative techniques, conversely the NPA was very much aware of normative theory, philosophy and activism. The question it raised dealt with values,

ethics if there was an overriding tone to the NPA, and it was a moral tone”.

- **Social Equity:**

The then prevailing social unrest in the society, strengthened the belief that social equity needs to be the primary aspect of administration. The conference made a plea for distributive justice and equity to be the basic concerns of Public Administration. George Frederickson (1971) considered that public administration which fails to work for changes to redress the deprivation of minorities is likely to be eventually used to repress the minorities. The NPA protagonists were in favour of making the discipline proactive towards major social issues. Change: Public Administration is generally considered to be status-quo oriented. The conference attempted to make the discipline more relevant and social equity oriented through change and innovation. The administrator was considered a change agent. Hence, the discipline needs to be receptive to change. Participation: The conference advocated greater participation by all employees in an organization in matters of public policy formulation, implementation and revision. In addition, participation from individuals and groups from outside the organization was sought to make public administration more responsive and client-oriented. Client Orientation: It was the first Minnowbrook conference that had taken the lead in identifying client orientation as a key goal of public administration. This called for a change in the attitudes of bureaucrats to be people-oriented. The Minnowbrook conference made a significant contribution in changing the complexion of public administration by advocating client orientation, social sensitivity and normative concerns. The normative approach called on the government to adopt the objective of reducing the economic and social disparities and enhance the life opportunities for everyone in the society.

- **New Public Administration:**

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Anti-Goals Robert Golembiewski identified three anti-goals or situations that the NPA needs to abandon. These are:

1. Anti-Positivism: Positivism implies absolute uncertainty about facts which are not certain. This makes administration more rigid. The NPA movement intended to reduce the rigidities in administration to make it more adaptable, receptive and problem-solving.

2. Anti-Technology: This implies human beings are not to be treated as cogs in the machine, to foster the traditional goals of economy and efficiency.

3. Anti-Hierarchy: Hierarchy as an organizational principle promotes bureaucracy, brings in rigidities, kills creativity, innovation and isolates the administrator from the surrounding environment. Hence, the NPA scholars condemned hierarchical structures as traditionally been propagated by Public Administration.

- **New Public Administration:**

Features George Frederickson has referred to certain key features of New Public Administration. These are:

1. Change and Responsiveness: There is change all over in the social, political, economic and technological environments. This calls for administration to bring about necessary and appropriate changes internally as well as externally to the environment. Necessary flexibility and adaptability also need to be introduced in the functioning of administration.

2. Rationality: This calls for judging the efficacy of administrators' actions not only from their point of view of the government, but also from the citizens' perspective.

3. Structural Changes: New Public Administration calls for experimenting with different organizational structures in tune with the relevant situation and needs of environment. There is need for small, decentralized, flexible hierarchies to facilitate citizen interaction.

4. Emphasis on Multi-disciplinary Perspective: Public Administration is influenced not just by one single thought, but several knowledge streams. Hence, an understanding of various approaches including political, management, human relations, is essential to contribute to its growth. The dominant themes deliberated in the conference included relevance and anti-positivism, dissatisfaction with the state of the discipline, and a concern for ethics, motivation, improved human relations, client-centered responsiveness and social equity.

B. Minnowbrook II (1988):

Minnowbrook II was again driven by an awareness of a changed world with a PA which was not fit for that purpose. There was a new awareness of the prominence of interdependence and interconnectedness of policy issues, private-public organizations, and nation-states, combined with a cultural diversity in a variety of forms (workforce, public, and world). This pushed the participants to conclude that problems ultimately cannot be solved but only can be ameliorated. One of the new topics was the focus on feminist views on and in Public Administration. Even if Minnowbrook II built upon its previous version and for some could be considered as a further development of New Public Administration, there were significant differences and concerns. The 1988 version of Minnowbrook was influenced by post-modern thoughts.

1. It was organized when the economy of USA was upbeat and a sense of euphoria was present among the masses.

2. It was organized for the support and expansion of US Public Administration.

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3. Its participants were from field of Public Administration, Political Science, law, management, administration etc. Hence it was more broad-based and liberal.
4. Its focus was LPG - Liberalization, Privatization and Globalization.
5. It gave rise to the concept of New Public Management.
6. New Public Management proved to be successful.
7. It was highly encouraging and supportive.
8. All its proceedings were published in the essays in the Minnow Brook tradition edited by Richard T. Mayor and published by Timmy Bailey - "Public Management in the Inter-Connected World:Essays in the Minnow Brook Tradition." (1990)
9. It was held under the chairmanship of H George Fredrickson.

The Second Minnowbrook Conference was held after a gap of twenty years. The conference, held on September 4, 1988, was attended by sixty-eight scholars and practitioners of public administration and other disciplines such as history, economics, political science, psychology and so on. The conference was held against the backdrop of the changing role of state and government, more privatization, contracting out, and increasing role for non-state actors in the governance process. The first Minnowbrook Conference held in the 1960s, was a period, which was characterized by influence of public purpose, the Vietnam War, urban riots, and campus unrest, accompanied by growing cynicism towards all institutions, especially the government. But the scenario in the 1980s was entirely different, with domination of the philosophy of privatization and a concern for private interest. The Minnowbrook II aimed to compare and correct the changing epochs of public administration. This was attempted through a comparison of theoretical and research perspectives of the 1960s with that of the 1980s and their respective influences on the

conduct of governmental and other public affairs. Since 1968 there has been a sea change in the context of American Public Administration. Due to change in the nature of state, emphasis on governance, privatization, contracting out, a general preference amongst the American public has been towards lesser government. New methods of improved responsiveness of government have not been devised. Added to this have been increased levels of poverty and unemployment, especially amongst urban areas.

The discipline of public administration underwent significant changes. Its field expanded since 1960s, with many universities in USA offering program in public administration. Also it became more interdisciplinary in nature compared to the 1960s when it was a part of Political Science. The conference, which drew participants from diverse areas such as policy sciences, economics, planning, urban studies, attempted to deliberate upon wider themes such as ethics, social equity, human relations and so on, thereby ensuring continuity in intellectual interests. Due to changing scenario, some new thrust areas such as leadership, technology policy, and legal and economic perspectives also found place in the deliberations. The conference reiterated the necessity of government as a tool for strengthening society. Public administration, in the changing scenario, was to renew its capacity to cope with the problems of emerging future. The need to strengthen and establish linkages between the theory and practice of public administration on the one hand, and between scholars and administrators on the other officials was emphasized. We will be discussing in detail about the major thrust areas of this conference.

Major Thrust Areas

Eleven themes emerged out of the deliberations of Minnowbrook II. The first five themes provided a historical perspective, which aimed at comparing the discussion at Minnowbrook II with the legacy of Minnowbrook I. The last six themes focus on the current and future visions of the theme. These are discussed below:

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1. Though social equity was a predominant theme at Minnowbrook I, it was felt that in the present times it is much closer to reality than it was in 1968.
2. Strong concerns were expressed about democratic values and the centrality of public administration in promoting them. The concern was manifest in the focus on ethics, accountability and leadership in public administration.
3. The debate between the normative and behaviorist perspectives has not diminished.
4. Diversity in society and in the work force was accepted as a basic value among the participants. Diversity was identified in three main contexts: the issue of generalists vs. specialists; racial, ethnic and sexual diversity; and gender diversity. But not much attention was given towards the reality that heterogeneity brings, and on the conflict resolution strategies, arbitration skills and values clarification.
5. The radical reforms that emerged from the discussions in the conference were considered to be in the nature of short-term goals. It was felt that the environment in which public administration must perform is so complex that a meaningful long-term vision is neither reasonable nor perhaps even possible.
6. The discussions, gave an impression of the prevalence of “a professional ethnocentricity” or parochialism indicating that public administration as a field, is not much concerned with examining interdisciplinary issues.
7. There was a strong negative attitude towards business as an enterprise. The deliberations exhibited a disdainful acceptance of

capitalism and business. One of the challenges to public administration it was felt is to manage the “seams” of society, than building on the best that business as well as public sector offer.

8. Impatience with the constraints of public personnel systems was evident. A need was felt for innovative personnel practices, to bring out the best in the employees and reinforce high productivity.
9. Unwillingness to address technological issues was evident, though some areas such as artificial intelligence, design science, expert systems, etc. formed part of some of the themes.
10. Unwillingness to look at the specifics of what government should do was evident. In spite of the discussions focusing on the inevitability of administrators exerting control over policy agendas, the politicsadministration dichotomy was still alive (Guy, 1989).

According to Mohit Bhattacharya, (2001) the distinctive character of the Second Conference is evident from its emphasis on the following thrust areas:

1. It set its visions to the near future, without trying to be radical. There was a tacit acceptance of the fact that the environment of public administration is exceedingly complex and the problems are of huge proportions. Hence, a meaningful long-term vision is neither reasonable nor feasible.
2. The scholars in the discipline, while aware of their indebtedness to other disciplines, exhibited a strong sense of intellectual parochialism. The general model was not to lose disciplinary identity. Rather, there was keenness to rebuild the discipline.
3. Even if ‘privatization’ was accepted tacitly, there was a strong negative attitude toward business. The Minnow brook-II world view was expressed in terms of a curious tension between capitalism and democracy that resulted in “an unusual form of a truncated capitalist economy operating within a truncated democracy”. Against this backdrop, public administration has to

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rely on the best that business offers as well as the best that the non-profit public sector offers.

4. Public personnel practices came in for closer scrutiny, and the discussions underlined the need for innovative personnel practices in order to move away from public managers' current inability to hire employees on a timely basis, promote the best employees, and reinforce high productivity.
5. The participants had been generally unwilling to deal with the technological issues. "Technology was faulted more than vaunted" it was said. There was general reluctance to idolize technology as a necessary tool for improving public policy.
6. The specifics of what government should do were avoided. The Second Minnowbook Conference made an attempt to examine the theory and practice of public administration in the changing scenario. It tried to project a future vision for public administration by balancing the business and public sector. The effort has been on rebuilding the discipline and not to lose its identity.

C. Minnowbrook III (2008):

Minnowbrook III combined critique with a historical perspective and new topics. A whole range of emerging questions included 'black public administration', PA in Asia, Global PA, the role of networks, and the impacts of markets. But the main topic that surfaced was the impact of globalization on the field of Public Administration. This included "increased studies in comparative public administration, more public policy research across international boundaries and the increased role of international organizations in governance" (O'Leary et.al, 2010: 282). A second focus was on collaborative governance. The third major topic was the role of information technology. Again, the most crucial topic was relevance.

1. It was organized when American economy was downgrading and global terrorism had shown its first effect.
2. It was organized for global concerns like global terrorism, economy and ecological imbalances etc.
3. This invited participants from other countries as well hence it was global in approach focusing upon global challenges and problems of Public Administration.
4. Its focus was upon structural and functional reforms or second generation reforms.
5. It gave rise to the concept of 3 E's - Economy, Efficiency and Effectiveness.
6. Its consequences are yet to be realized.
7. It was more mild, mellow and sober.
8. Its proceedings are published in "The Future of Public Administration around the World: The Minnowbrook Perspective" by Rosemary O'Leary, David M. Van Slyke, Soonhee Kim.
9. It was held under the chairmanship of Rosemary O'Leary.

Check your Progress 1:

Note: i) List out the space below for your answers.

- a. Write about Minnowbrook I (1968)?

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b. Write about Minnowbrook II?

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c. Write about Minnowbrook III?

7.3 NEW PUBLIC MANAGEMENT PERSPECTIVE: GENESIS

Public administration, as we have discussed in the previous units of this Course since its inception in 1987, advocated a conceptual distinction between policy and administration. It emphasized on the state discharging the political, economic and social functions and assigned importance to bureaucracy as an instrument of state of the implementation of policies and programs. The emphasis of public administration all along has always been promotion of public interest, assuring equity, responsiveness, and representativeness to the citizens. The impact of globalization on public administration has been significant, emphasizing change, reinventing public administration with a management orientation. From the early 1980s, serious challenges have been posed to administration to reduce reliance on bureaucracy, curtail growth of expenditure and seek new ways of delivering public services. New Public Management Perspective prescribes a set of reform measures of organizing and offering of services, with market mechanisms, to the citizens. Beginning 1980s, there has been a widespread attack on public sector and bureaucracy as the governments all over began to consume scarce resources. The expansion of government has been into too many areas, which could as well be in the domain of private sector.

Bureaucracy was considered to be too unwieldy, unresponsive, inefficient, ineffective, and unable to withstand the competition. A culmination of several factors has given too rise to NPM perspective. These include:

7.3.1 Increase in Government Expenditure

During the 1970s and 1980s, the excessive increase in government expenditure, in many counties brought to light the wastage, mismanagement, increasing debts coupled with corruption and inefficiencies in governmental operations. The rise in government expenditure along with poor economic performance led to the questioning of the need for large bureaucracies. Hence, attempts were initiated to slow down and reverse government growth in terms of increasing public spending as well as staffing. This paved the way for a shift towards privatization, quasi-privatization of certain activities, and moving away from core government institutions.

7.3.2 Influence of neo-liberalism

There has been a powerful influence of neo-liberal political ideology during the 1980s and 1990s. You have already discussed about this in detail in Course 1. Neo-liberalism favored dominant presence of market forces than the state. Concepts such as efficiency, markets, competition, consumer choice, etc. had gained predominance. Neo liberalism favored cutting back of welfare state, maximizing individual liberty and freedom, and encouraging market mechanisms leading to equitable outcomes. Free markets unrestrained by government, removal of barriers to facilitate the free flow of goods and money and privatization were considered significant measures for economic growth. The then prevailing scenario favored roll back by the state and the space created by it to be filled with the private sector. The state was expected to promote the efficient functioning of markets.

7.3.3 Impact of New Right Philosophy

The New Right Philosophy propagated in the 1970s in UK as well as USA, favored markets as more efficient for allocation of resources. Excessive reliance on state was not considered appropriate and it propagated lesser role for it and opted for self-reliance. The new right denounced the role of bureaucracy, and proposed minimal role for state in provision of social assistance. This perspective had a global impact in generating a consensus about the efficiency of market forces. Markets were considered to play a key role in the creation of economic wealth and employment.

7.3.4 Public Choice Approach

The public choice approach had a major impact on the evolution of the new public management perspective. Economists such as Tullock, Niskanen, Buchanan propounded it and the central tenet of their approach is that all human behaviour is dominated by 'self-interest'. The human being is considered to be a utility maximiser, who intends to increase net benefits from any action or decision. The voters, politicians and bureaucrats are considered to be motivated by self-interest. The vote maximizing behaviour of politician and self-aggrandizement bureaucrats tend to affect the collective interests of the society. There are very few incentives to control costs. Such behaviours and attitudes, according to the public choice theorists, lead to an increase in size and costs of government and inflated departmental budgets. Bureaucracy, being the core of public administration, is held responsible for the declining quality of public services. This thinking led to the new paradigm of government sensitive to market forces, which meant remodeling of government according to concepts of competition and efficiency. The efficiency of institutions and processes such as market and decentralized service delivery has become attractive as a consequence of this approach.

7.3.5 Washington Consensus

The 1980s and 1990s have been characterized by questioning of the role of state in economic development. It was increasingly felt that the poverty and economic stagnation, especially in the developing countries, was the result of the state undermining the operation of market forces. The need for bringing about adjustments in the economy on various fronts such as financial and banking sectors, and reduced role for the state in economic development have been considered indispensable. This led to the emergence of Washington consensus. It basically comprises the reform measures promoted by Brettonwoods institutions (International Monetary Fund and World Bank), the US Congress and Treasury, and several think tanks, which aimed to address the economic crisis, especially by Latin American countries during the 1980s. This is also termed as structural adjustment cum stabilization program which emphasized the need for sound micro economic and financial policies, trade and financial liberalization, privatization and deregulation of domestic markets. This strategy, gradually adopted in many developing countries, promoted minimal state that refrains from economic intervention, which focuses on sound monetary policy, provision of education, health and infrastructure. This has also been responsible for giving a push to market forces. The emergence of NPM perspective has been one of the recent striking trends in the discipline of public administration. Its focus basically is on the following:

1. Restructuring government operations along market lines;
2. Distinguishing strategic policy formulation from implementation;
3. Emphasizing performance evaluation and quality improvement; and
4. Stressing upon effective services provision and value for money for the customer.

Check your Progress 2:

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Note: i) List out the space below for your answers.

i) Write about new public management genesis?

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7.4 NEW PUBLIC MANAGEMENT PERSPECTIVE: SALIENT FEATURES

New Public Management Perspective has subjected to critical questioning the size, role and structure of public sector. Concepts such as efficiency of state vs. market, managerial orientation in governmental activities, contracting out and privatization started gaining prominence in many countries. NPM intendeds to promote a new thinking that:

- The present changing scenario requires government reforms;
- There is a need for change in the mindset of government from mere execution of tasks to performance orientation; and
- Public organizations need to be risk-taking, mission-oriented and service-oriented.

The core characteristics of NPM perspective include:

- Productivity: gaining more services from lesser revenues
- Marketization: replacing traditional bureaucratic structures, mechanisms and processes with market strategies
- Service orientation: keeping the needs of customers as a priority

- Decentralization: transferring service delivery responsibilities to lower levels
- Policy-administration dichotomy making a distinction between policy and execution

In addition, it has certain distinct characteristics as follows:

1. An emphasis on managerial skills to complement policy-making skills
2. Disaggregation of large public organizations into separate self-contained units having their own goals, plans and requisite autonomy.
3. Adoption of private sector managerial practices by public sector
4. Setting explicit measurable performance standards for public organizations
5. Controlling the performance of public organization by pre-determined output measures
6. Preference for private ownership, contracting out and competition in public service provision.
7. Promoting competition both among public sector organizations as well as public and private sectors.
8. Strengthening of strategic capacities at the center.
9. Making services more responsive to the needs of the customer and ensuring value for money.
10. Steering role of government rather than a direct provider of goods and services

10. Use of information technology to facilitate better service delivery.

7.5 IMPACT OF NEW PUBLIC MANAGEMENT PERSPECTIVE

The New Public Management Perspective had a major impact on administrative systems of western democracies by the mid-1980s. The economic recession arising out of oil crisis of the 1970s, public sector cutbacks, limiting public expenditure, striving towards productivity, efficiency, and economy provided impetus to the reforms. A host of initiatives were ushered in the form of creation of new agencies, restructuring, privatization, contracting out, etc. These attempted to address certain key concerns that include productivity, marketization, service orientation, decentralization, and accountability for performance. In the United Kingdom, the public administrative systems underwent a major transformation since 1979 wherein the Thatcher government initiated key reforms. The measures favored rolling back the state, free markets and limited government. With a view to bringing in economy in the public sector, a series of reviews into various aspects of the work of departments, to examine specific policies, activities and functions to bring about savings, were carried out.

An Office for Public Service was created in the cabinet office, entrusted with the responsibility of overseeing the reorganization of government. The various activities of the different ministries were examined by adopting a procedure known as 'prior options review'. This attempted to analyze the functions of government, whether the work being done was necessary, or can be done away with, or privatized or decentralized. This effort yielded significant results. Financial devolution has been a major initiative in Britain at the central government level, introduced in 1982. Under Financial Management Initiative (FMI), measures were directed towards improved financial delegation, financial control focusing on clear-cut objectives, measuring performance against them and assessing the costs involved in achieving them. The basic tenet of NPM is decentralization with multiple agencies performing the activities instead

of a single agency. 'Next steps' or executive agencies were created for discharge of a specific set of activities. These comprise civil servants and chief executives responsible to the concerned Ministry. Each agency has to set out objectives and responsibilities in the form of an agreement. The key financial, service and quality targets are to be indicated in a business plan. New Public Management attempts to give an explicit place and status to the user of public services. The government of John Major, intended in 1991 to bring market closer to the state through citizens' charters. The citizens' charter program insisted on public organizations to draw, publish and work towards a clear set of service standards.

A charter indicates:

- Clear standards of performance for the services used by individuals and other organizations

- Accurate information about services and their cost

- Courteous and helpful service

- Access to redressal mechanisms

The basic principles of citizen's charters are openness, information, transparency, accessibility and redressal. A citizen's charter Unit was set up in the cabinet office and several charters were formulated. Contracting out of public services was introduced in UK during 1992, covering a variety of services such as street cleaning, garbage collection, etc. Gradually it was extended to other areas such as health and social care services. Privatization of public-owned enterprises was initiated in areas of gas, electricity, water supply, etc. To monitor the activities of private entities, set service standards, prices of privatized utilities, regulatory organizations have also been set up. Public private partnerships in financing of new public facilities, including transport projects, roads, hospitals, museums, etc. were initiated. In USA, the concept of entrepreneurial government enunciated by David Osborne and Ted

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Gaebler (1992) made an elaborate case for transforming the bureaucratic government into an enterprising government that is responsible to citizens needs in a market-oriented manner.

There has been a general feeling amongst the citizens of many democratic countries, especially USA, that public administration is inept, wasteful and this was indicated by the public opinion polls conducted in USA in 1993. The latter necessitated a critical investigation of the functioning of the American government structure. In the U.S.A., in 1993 under the influence of Osborne and Gaebler's views of entrepreneurial government, the then Vice-President Al Gore, had initiated National Performance Review (NPR). This report was entitled 'From Red Tape Results: Creating a Government that Works Better and Costs Less'. The basic objective of this has been to transform the culture of federal organisations by making them performance-based and customer-oriented and to prescribe a new type of government that functions cheaply and efficiently. It identified adherence to certain steps which include among others: putting customers first, making service organizations compete, empowering employees to get results, and decentralizing decision making power. The NPR promoted certain measures in achieving the above-mentioned objectives. Cutting Red Tape: The goal was to cut unnecessary red tape and to achieve this certain steps were proposed.

They included:

- a) Streamlining of budgeting processes;
- b) Decentralization of personnel policy to promote effective appointment, promotion, reward, resignation policies; and
- c) Abolition of insignificant rules.

Putting Customers First: This gave importance to citizens as users of public services and proposed to:

- a) Provide scope to customers to voice their problems;

- b) Dismantle government monopolies; and
- c) Utilize market mechanisms to solve certain problems.

Empowering Employees to Get Results: This aimed to stimulate employees in the provision of high quality results through:

- a) Decentralized ways of functioning;
- b) Emplacing responsibility for results;
- c) Education and training; and
- d) Improvement in work environment.

Cutting back to basics: This meant return to the core activity of government through:

- a) Investing in effectiveness of government institutions;
- b) Reformulating the programs to save costs; and
- c) Eliminating unnecessary tasks and activities.

The reinventing government initiative attempted to create a government that works better costs less and gets better results. The Western countries, many state and local governments adopted these measures. For example, Oregon in the U.S. initiated a Benchmark Programme for establishing clear, quantified goals for improving health, education, housing, public safety and so on. This enabled the government agencies and service institutions to assure citizens, on the achievement of results or progress. Research studies indicate that there has been significant savings in the costs of government, reduction in the number of positions and field offices.

The reforms continued under George Bush in the President's Management Agenda. The agenda focused on strategic management of human capital, competitive out sourcing, improved financial performance, expanded electronic government and budget and performance integration. In the Australian government, the adoption of NPM measures aimed at slimming the state and use of market

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mechanisms in provision of services. Certain activities were outsourced. Partial user-pay charges for health and education services were introduced. Privatization of government business enterprises was also undertaken. Service charters were introduced in all government departments and business enterprises. Public service reforms were also ushered in to make the system more efficient, flexible, responsive, performance-oriented, accountable through performance-based pay system, and decentralization, etc. In New Zealand, corporatization of government commercial enterprises, contractual relationships between government and civil servants to ensure accountability, performance orientation and customer service were initiated. A Senior Executive Service (SES) was created comprising the Chief Executives of government departments and a new group of senior officials. They were appointed on Five-year renewable contracts. To examine the social consequences of corporatization, a Specialist Social Impact Unit (SIU) was set up.

The SIU was entrusted with the responsibilities of identification of mechanisms by which central government could work constructively with regions, communities and employer organizations during transition, policy areas where the government might need to consider alternative means of meeting social objectives, issues which might be treated as non-commercial objectives and funded on a contractual basis. Contracting out certain services to the outside agencies by local government bodies was also resorted to; for example, though education and health services are publicly funded, the delivery of these services has been contracted out. Charters are formulated, between the minister and boards of trustees in case of management of schools, incorporating broad guidelines in the form of locally negotiated goals and requirements.

7.6 NEW PUBLIC MANAGEMENT REFORMS: AN APPRAISAL

Public administration is a key component of all human endeavours towards betterment of lives. In the present day globalization scenario, alternative approaches have emerged in the arena of provision of public

services. The New Public Management (NPM) perspective has brought in reforms, which attempted to create a new entrepreneurial, user-oriented culture in the public organizations with focus on performance measurement and autonomy to the organizations and individuals in contrast to the traditional model. But the basic question is can private sector interests and initiatives replace the pursuance of public service motives. Market philosophy cannot be an adequate substitute for the 'public interest', which is the core of the governmental operations. The entry of economic and managerial principles into the public sector affects not only the organization concerned, but also the nature of the state as a whole. This has raised certain critical issues within the state, between state and market as well as state and society. The ongoing reforms focus on privatization, marketization, contracting out, de-bureaucratization, downsizing, etc. Doubts arise regarding the efficacy of this management framework to the developing countries especially, due to divergence between market economy's interests and pursuance of social concerns.

7.6.1 Clash of Values between Traditional Public Administration and New Public Management

The New Public Management (NPM), perspective does not propagate just implementation of new techniques, but also makes a case for propagation of a new set of values derived from the private sector. Public service as distinct from the private sector is characterized by certain basic norms such as impartiality, equality, justice and accountability. These seem to be overridden by market values such as competitiveness, profitability, efficiency and productivity. Some apprehend that this could lead to weakening of public interest, challenging the legitimacy of public service.

7.6.2 Managerial Predominance over Policy Capacity

New Public Management gives significance to managerial principles and practices and does not assign importance to policy making. Policy is the

most important component of the administrative system. Some of the NPM reforms are likely to have effect on the policy rendering function of the bureaucrats. For example, the practice of contractual employment for civil servants might undermine their capacity to render effective policy advice to political representatives. Also the practice in vogue in some countries of recruiting personnel from private sector or using consultants to render advice on policy matters, according to some, is said to undermine the significance of policy-making capacity in government.

7.6.3 Lack of Clarity of Relationship between Citizens and Political Representatives

NPM fails to establish a clear-cut relationship between citizens and politicians. In any democracy people have a key role having direct relationship between their elected representatives. The politicians also are expected to be responsive to their needs and demands through varied ways. This way, the state is able to control the society on the basis of a democratic mandate from the people. But for NPM model, market mechanisms play a dominant role and fail to indicate the ways through which people in a market system can contribute towards creating a suitable democratic system.

7.6.4 Absence of a Clear Cut Concept of Accountability

Public administration, as we all know, places emphasis on democratic accountability. This provides the citizens a direct and effective means of ensuring accountability as they could vote the elected representatives out of office whenever they feel like. The processes, laws and hierarchical controls are intended to make administration efficient and accountable to public. NPM envisages enhanced accountability, as one of its goals, but the focus is more on results or outputs. With the market forces playing a key role, there is a fear of dilution of the concept of hierarchical accountability. NPM is more managerial in nature than political, which

emphasizes on the strategic role of public managers. Yet, it lacks clarity in defining the roles of politicians and bureaucrats.

7.6.5 Promotion of Individualistic Ideas in Place of Collective Interests

Promotion of collective interests affecting the majority is a distinct feature of democracy, but New Public Management is considered to be an individualistic philosophy that fails to take cognizance of the collective demands of the society. The market-oriented restructuring, especially, in a developing country is bound to affect certain categories of society particularly the poor, peasants and labourers due to its repercussions such as withdrawal of subsidies, reduction in the work force, and cutbacks in welfare programs.

7.6.6 Citizen vs. Customer Orientation

New Public Management (NPM) provides customer orientation to government. It calls for empowerment of customers, increased citizen choices, strengthening the government in providing public choices in meeting the needs of the customer. This is in contrast with the conventional public administration, which emphasizes on effective and equitable public service. The increasing emphasis on customer orientation is the fallout of the public choice theory and application of market economics to the government that promotes provision of choices by the market forces. George Frederickson (1996) in bringing out the differences between the New Public Administration and Reinventing Movement propounded by Osborne and Gaebler in USA, points out that the latter focuses on empowerment of individual customers to make their own choices. The value of individual satisfaction is judged more than the value of achieving collective democratic consensus. NPM initiatives intend to empower consumers thereby diluting the citizens' rights. It gives prominence to those who can pay for services thereby claiming efficient services. Many, as negating the values of social justice and

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equity, consider new Public Management's emphasis on efficiency. The anti-state ideology it pursues leads to decline in basic social services provision, creating a bunch of inequities. The NPM reforms' reigning themes are achievement of objectives of economy and efficiency. But the issues of social equity, justice, accountability, responsiveness, transparency and participation are equally important to be taken cognizance of by any system. New Public Management reforms are not generalized prescriptions solutions that can hold good and yield positive results for all the countries. It cannot be a single dominant administrative reform strategy for developing countries. Any reform initiative has to be in conformity with the local conditions.

Public administration has to be set and looked at from its own environmental context. NPM reforms basically originated in the west and hence its impact is bound to vary. As Caiden (1991) remarks, "unless reconciled with local ecology, universal formulas of administrative reform based on western concepts were unlikely to work". There has been lack of research studies to examine the impact of NPM reforms on developing countries. Also there have been no proper indicators of measurement of NPM reforms. There are methodological problems in assessing the costs and benefits of the reforms. For instance, it is not feasible to assess the effect of performance-related pay, short-term contracts on the morale and motivation of staff and the productivity of public sector.

Check your Progress 3:

Note: i) List out the space below for your answers.

i) Write about new public management reforms?

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ii) What about Absence of a Clear Cut Concept of Accountability?

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7.7 LET US SUM UP

New Public Management (NPM) has emerged as a management tool for achieving developmental goals. Despite its focus on roll back of state, there persists a growing concern about the government’s crucial role in creating a sound environment for its citizens. Public administration, no doubt is slow moving, cautious as compared to management. But the ‘public ness’ aspect in it should not be sidelined. Managerial orientation as applicable to the public domain has to support government and citizens. What are needed public service orientation, decentralization and networking of public agencies. No doubt, there is clear evidence of greater exchanges between public and private sectors and a desire to bring reforms in the structure, functions and work culture of government organizations.

In the Commonwealth Association for Public Administration and Management (CAPAM) Conference held in Canada in 1994, the need for strengthening the civil society, especially in the developing countries was emphasized. ‘Empowering’ the citizens also assumes crucial significance. The focus, it was reiterated, is at the grassroots where people are striving hard to create democratic space for themselves. Any reforms under the influence of NPM need to be introduced in any country keeping in view its political and socio-economic set up. The advocates of NPM focused on benefits of managerial autonomy, exposed the over-protected bureaucracy to managerial models, which if carefully adopted, can bring about improvement in traditional public administration. Public administration, in the present times, is becoming complex and in this scenario, it is moving towards enlightened public

governance. It is the co-existence of government, market and civil society organizations working towards enhancing opportunities for the well-being of its citizens. As Denhardt and Denhardt suggest, NPM needs to evolve along the lines of New Public Service (NPS) which propagates public interest, acting democratically and ensuring the accountability of public servants not only to market, but also to community values, citizen interests, valuing people, citizenship, and public service above entrepreneurship. This calls for different kinds of collaborative partnerships, networking, thereby striving towards combining economic management with social values. A balance needs to be maintained between managerial reforms and governance challenges.

7.8 KEY WORDS

Contracting Out: It is the process of purchasing of services from an outside organization or the obtaining of services from the private sector. Through the instrument of contract, the relation between the parties are managed and regulated.

New Public Service: This indicates the values derived from the money spent on public services be it education, health etc. in terms of outcome, efficiency and productivity. For instance the expenditure incurred on reduction of crime is assessed in terms of several parameters such as number of offenders dealt with, total recorded crimes, responses to crime that were reported etc.

Value for Money: This concept propounded by Janet V. Denhardt and Robert B. Denhardt focuses on public servants adhered to law community values, professional standards and citizens' interest. It gives importance to democratic norms, citizens, and communitarian values.

7.9 QUESTIONS FOR REVIEW

- Write about Minnowbrook I, II and III
- What is the New Public Management Perspective?
- Write about Increase in Government Expenditure

- Write on Influence of neo-liberalism.
- What is the Impact of New Right Philosophy?
- What is the Public Choice Approach?
- What is New Public Management Perspective: Salient Features?
- What is the Impact of New Public Management Perspective?
- What is the New Public Management Reforms?

7.10 SUGGESTED READINGS AND REFERENCES

- Bailey, M. T. and R. T. Mayer (ed.) 1992. *Public Management in an Interconnected World, Essays in the Minnowbrook Tradition*. New York: Greenwood Press.
- Marini, F. (ed.). 1971. *Toward a New Public Administration, The Minnowbrook Perspective*. Scranton: Chandler Publishing.
- O'Leary, R., D. M. Van Slyke and S. Kim (ed.). 2010. *The Future of Public Administration around the World, The Minnowbrook Perspective*. Washington, D.C.: Georgetown University Press.

7.11 ANSWERS TO CHECK YOUR PROGRESS

1. Check Your Progress 1

Check your answers with unit 7.2

2. 1. Check Your Progress 2

Check your answers with unit 7.3

3. Check Your Progress 3

Check your answers with unit 7.6