ASPECTS OF ADMINISTRATIVE

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PREFACE

This monograph explores three principal schools of thought in administrative theory, namely, the classical school, the neo-classical school, and Herbert Simon's notion of choice behaviour.

The research was sponsored by the Indian Institute of Public Administration, New Delhi during a period when I was on the Institute's faculty. "Aspects of Administrative Theory" was how the project, for which the Institute had sanctioned a grant, was named. The monograph, accordingly, bears the same title.

I thank Shri M.C. Gupta, the then Director of IIPA, during whose tenure the grant which made it possible for me to pursue the present research was sanctioned. I also wish to acknowledge my thanks to Dr. P.L. Sanjeev Reddy, the Institute's present Director, for the interest he evinced in the project.

It is the generally enlivening and esteemable atmosphere at IIPA that one would attribute one's curiosity for exploration to. To this, the various segments of the Institute's corporate life — the faculty, the trainee-officers, the governance structures, the backup-support-organs — contribute in their unique ways. To them all, I say a sincere 'thank-you'.

This monograph is based entirely on desk-research. Rich and ungrudging help came from the Institute's library by way of providing access to the relevant literature. I thank everyone connected with the IIPA library for this ; I must particularly acknowledge the contribution of Shri B.K. Suri, Librarian, Shri S. Majumdar, Deputy Librarian and Smt. Sunita Gulati, Assistant Librarian in facilitating my search for the relevant texts.

In writing this monograph, I have drawn from the works of different scholars. To them, I owe a deep intellectual debt. These scholars are acknowledged at appropriate places in the seven chapters of which this essay comprises.

Dated, the 15th April, 2003

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CHAPTER –1

CLASSICAL THEORY : THE ORIGINS AND THE ORIENTING BELIEFS

Highlights

CHAPTER-1

CLASSICAL THEORY : THE ORIGINS AND THE ORIENTING BELIEFS

I

Introduction

This chapter and the following four examine the classical administrative theory. What does the prefix classical, in this phrase, denote? The original tradition in any domain would be styled as classical. The term classical has, therefore, been used in diverse realms to refer to their primeval traditions. Illustratively, one would speak of the classical literary style, which developed in Greece and Rome, and of classical music, or classical dance. In academic field, the first ever explanation of a phenomenon, which commanded acceptance over a considerable length of time, would be termed as classical. One, therefore, talks of the classical school of economics and of the classical tradition in administrative theory. Briefly, an explanation would need to satisfy two conditions in order for it to justify that exalted label. One, it originates an intellectual enquiry around which a body of knowledge builds over the years. Two, the explanation around which the discipline originates and evolves is commonly accepted by others in the field; it demonstrates an uncommon staying power.

The present chapter specifically dwells on the orienting beliefs of the classical tradition in administrative theory and explores the contributory factors which shaped it. The next three chapters are devoted to a consideration of the discrete doctrines, which together supply its intellectual substance. Chapter 5 outlines the general framework of classical theory, and examines criticisms against it.

II

THE ORIENTING BELIEFS

The Classical theory represents the earliest academic tradition in the study of the administrative phenomenon, emphasising that formal structure holds the key to the understanding of administrative organisations. This paradigmatic emphasis proclaims the supremacy of the technical over the human and of the professional over the political, and suffuses the Formal theory ---- an alternative characterisation of Classical theory ---- with much impersonal emphasis. This intellectual orientation maintains an uncompromising emphasis on form; it is, in fact, from this that the label Formal Organisation theory in referring to this academic tradition has been derived.

Three Schools Under the Classical Canopy

Three schools of thought have thrived within the framework of the Classical theory: (a) the ideal-type bureaucracy construct of Max Weber; (b) the scientific management school, also called Taylorism, which characterisation has been derived from the name of the intellectual progenitor of the scientific management doctrine, Frederick Winslow Taylor; and (c) the administrative management or the generic management school.

Division of labour forms the central tenet of the Classical edifice. And, of the significance of division of labour, a most classic illustration is contained in Adam Smith's The Wealth of Nations; specifically in Smith's description of modern manufacturing of pins. Smith notes that a worker, all by himself, produced no more than 2(

when the job of pin making was broken down into many simple operations (of which there were 18: straightening the wire, cutting it, polishing it, and so on), Smith states he had seen 10 workers produce 48,000 pins a day, which gives an average of 4,800 pins per worker or 240 times of what he produced alone.

Division of labour which Smith noted in industry in 1776, was to become the cornerstone of the Classical theory more than a century later. Division of labour is about specialisation, ultimately; the work is divided into its simplest components and workers enabled to specialise in carrying out the duties attached to specific components. But once specialisation develops, it creates its own logic in terms of the need for supervision and coordination: the efforts of each unit — that emerges with developing specialisation — would need to be supervised and, equally, the contributions of various specialisations would need to be coordinated. Since each supervisor can oversee only a limited number of subordinates, a number of first-line supervisors will need to be appointed. And, following that, a second line of supervision — to supervise the supervisors — and so on. In other words, when upon recourse to division of labour the process of specialisation progresses, a pyramidal structure — and its concomitant features, viz., levels of authority, a formal chain of command, the notion of unity of command — must arise to facilitate coordination and control. In the resulting structural design, the pattern of interaction would be vertical, and style of interaction directed towards command and obedience. That in the nutshell is the Classical scheme — extremely formal in tone.

The principal conceptual emphases of the Classicists — embodied in hierarchical gradation of authority, the supremacy of the manual, the inviolability of unity of command, the sanctity of chain of command, the paramountcy of specialisation — were

inspired by and derived from autocratic prototypes. These included the military, the Roman Catholic church, and the industrial corporation, with their attendant emphasis on the omniscience and infallibility of leaders, the importance of the doctrine, and the role of indoctrination in the running of organisations. This has lent the Classical theory a discernible authoritarian flavour, evidenced in the basic idiom in which it is couched : authority, command, control, obedience.

The Classical theory has been referred to as the machine theory, because it views humans within organisations as automatons, viz., persons whose actions are involuntary or without active intelligence. The basic unit of the organisational edifice is position, defined as a cluster of tasks, to whose requirements the worker must adjust. In establishing organisations, the orientating point is the job; job-holders per se are unimportant. Those who are unable to meet the requirements of job must go; workers are easily replaceable cogs. They relate to their superiors as passive takers and executors of orders. They do not talk back. Workers are machines.

The Classical theory paints human actors within organisations as rational maximisers analogous to the economic man of Classical economics. A tenacious pursuit of economic rewards propels them to a maximising performance. Because they work in a piece-rate regime, they produce at their fastest in order to maximise their earnings. Fear of job loss keeps them from drifting into indifferent performance. This ethos induces a mental proclivity to closely conform to the stipulated patterns of behaviour.

There is little scope, under a system driven in this way, for deviating from the prescribed patterns of behaviour; the organizational norms prevail. Departures from the prescribed patterns are presumed not to arise, because automatons don't talk back and

exercise no minds of their own; their actions are involuntary. The Classical theory is normative and prescriptive in this sense. The Classicists were disinterested in empirically verifying their own pronouncements. They prescribed the normative patterns. They did not describe the actual behaviours of individuals who would compose the organization. This made it possible for them to speak in terms of an ideal-type and a 'one best way', or to believe that certain immutable principles of administration existed. And to assert the possibility of evolving universally applicable organizational designs. Max Weber called it the ideal-type of bureaucracy. Frederick Taylor's emphasis on scientism led him to coin the one-best-way phrase. Through the application of scientific method, it would be possible for the organisation's top-brass to uncover that one best way of performing tasks. The Administrative Management theorists clothed the possibility of locating this one best way in the celebrated phrase, the "principles of administration." The principles were in essence an exhortation, to the practitioner, to take recourse to the one best way. For Max Weber, bureaucratic behaviour anchored in the recommended ideal-type would deliver a standard organizational modus-operandi. He uses the term bureaucracy to refer to this mode of administering organizations. The bureaucratic organizations would be rule-based, as distinguished from their pre-bureaucratic counterparts which, functioning under charismatic or traditional leaders, would not be able to forge impersonal intra-organisational relationships.

The import of the statement in the preceding paragraph shall dawn upon the reader clearly as she or he perseveres further with this account; each school is separately dealt with later.

The Convergence

The protagonists of the three schools of thought were in search of an organizational blueprint which would permit maximal returns from given inputs; efficiency and economy were their watch-words. This, as Max Weber would tell us, is best secured through the vehicle of bureaucracy, because it was apolitical and vocational, because it was merit-based and rule-driven and, therefore, impersonal, viz., entirely liberated from all variety of extraneous considerations. This, as Weber would assert, was not the case with the pre-bureaucratic organizations of the charismatic and traditional varieties, in the running of which personal, not professional, factors would dominate. Simply because one was run by a magnetic individual who rules by virtue of his intensely personal qualities and the other would institute a patrimonial or feudalistic dispensation.

Frederick Taylor was, similarly, endeavoring to substitute the pernicious rule-of-the-thumb method with scientific management, subsumed in the expression one-best-way. This was, the reader must appreciate, Taylor's brand of bureaucracy! He never used the term, but, at least, the rudiments of bureaucracy were transparently present in his advocacy of specialization, merit-based recruitment, training of workers and, in a more embracing way, in his abhorrence of and an unconcealed contempt for the non-scientific. Taylor was, ultimately, searching for a rational solution to the organizational problem; and precisely similar was the philosophical underpinning of Weber's bureaucracy. Undoubtedly, Taylor's functional foremanship scheme involves a clear violation of the unity of command principle, which is an element central to the Weberian conceptualization of bureaucracy; this, nonetheless, would not seem to warrant any

dilution of the general argument we are trying to presently build. Namely, that in consciously distancing himself from a primitive rule-of-the-thumb shop-management and in stridently advocating measurement, precision, and scientism, Taylor's scientific management displays a clear predilection for a rule-driven (read bureaucratic) organization.

The same applies to the Administrative Management theorists, whose recipe for efficiency and economy lay in what they termed as the "principles of administration." Without, once again, using the term bureaucracy, what they were, in essence, seeking was a bureaucratic organization which would be pyramidal in shape, which would take recourse to division of labour, and so on. Weber's search for an ideal-type has a parallel in the Administrative Management theorists' focus on the normatives, viz., their insistence on the prescribed and a concomitant disinterest in exploring the actual. Like Weber, in other words, the protagonists of this school of thought were in the search of a rule-centric organization; a bureaucratic organization is quintessentially a rule-driven, impersonal entity.

The point which we are underlining is that in the context of those times (the second half of the Nineteenth century), the term bureaucracy had no pejorative connotations, as is typically the case today. On the other hand, it signified and stood for attributes (merit-based, trained, professional, apolitical career-service) which the governments of the day entirely lacked and were stridently seeking to cultivate. It is in this sense and for these reasons that the Classicists focused their academic endeavour upon bureaucracy. Their aim was not to seek knowledge for its own sake; instead their's

was a utilitarian enterprise. Their intellectual exploration was motivated by the desire to prescribe for the practitioner. This prescribing happened under different labels; but only the nomenclatures differed (ideal-type, one-best-way, principles), not the substance. Substantively, all the three intellectual orientations under the canopy of Classical school prescribed an impersonal bureaucracy, built around the scalar and functional principles, as the sole route to efficiency and economy. A non-bureaucratic organization, they asserted, cannot cope with the complexities of the post-feudal society.

It is in designing a blueprint for an impersonal, rule-driven organization that the most enduring contribution of the Classical school lay. Under this, personal predilections, preferences, whims and quirks of individuals had no role. In sum, the Classical prescriptions collectively underpin an entirely impersonal dispensation; this vision was inspired by the paramountcy of insulating the administrative organization against what the Classicists regarded as the pernicious influence of individuals motivated by subjective, extraneous considerations.

III

THE CONTRIBUTORY FACTORS

Several factors account for the formal, impersonal bias in Classical theory. Presently, we shall dwell on these factors. The immediately ensuing description captures the situation as it unfolded in the United States over a period of one hundred years and

more. Thereafter, we shall switch over to Europe in an endeavour to recount the circumstances which underscored the need for a bureaucratic administration. It was the developments in the Nineteenth century Europe, as we know, which inspired and shaped Max Weber's enunciation of bureaucracy. The examination of developments in the USA, on the other hand, will equip the reader to better appreciate and comprehend the substance and submission of the scientific management and the generic management schools.

DIVORCING ADMINISTRATION FROM POLITICS : THE DOMINANT THEME IN THE UNITED STATES' CIVIL SERVICE REFORM MOVEMENT

Countering the Affliction of Pay Favouritism

A very important contributory influence was connected with the blatant political interference, in the contemporary United States (the reference is to the spoils period (1829-1883) whose discussion follows), in the matters which were patently administrative; a situation which led the likes of Woodrow Wilson and Frank Goodnow to advocate a complete separation between politics and administration. Illustratively, one may refer to the abuses connected with pay favouritism under politically dominated administrations of the time. This meant that even when individuals might perform identical or similar tasks in particular jobs, they will, depending upon how many votes each controlled and who was a better campaign worker, draw different salaries. Such political interference in administrative matters was the order of the day, and this situation

served to provide the building blocks of the advocacy of separation of politics from administration.

This translated in the adoption, by American civil service, of the system of position classification. The aim was to enforce the principle of equal pay for equal work. The method used was to group positions, having similar duties and responsibilities, under job categories with identical descriptions. The doctrinal emphasis was that the job was important, not the job-holder, in the sense that determinations shall not be influenced by persons occupying particular positions. These will rather be based strictly on the nature of the job, i.e., the tasks, duties and responsibilities of which a job was composed. What was, therefore, involved was the analysis of work with a view to standardise the job (define its contents, and so on). What this, briefly, meant was that status attached to the job, not the individual holding it; therefore, it was the analysis of work, not of the one who performed it, which was important. Once in job, the incumbent must carry out the tasks and responsibilities of that job. The aim was to rationalise the salary administration on the basis of objective technical criteria and ensure that extraneous considerations did not interfere with that process.

The development recounted above demonstrates with a dramatic effect the compulsions from which the emphasis on being impersonal arose as a defining feature of the Classical conceptualisation of bureaucracy. The move towards the system of position classification (which was eventually established in 1923) was, as a matter of fact, part of a larger civil service reform movement that arose in the United States during the 1883-1906 period. The reform movement itself was a reaction against the pervasive political interference in civil service appointments that was characterisitic of what has

been identified as the spoils era (1829 - 1883) in the history of public administration of that country.[1]

The Spoils System : What it did?

The inauguration of Andrew Jackson's presidency, in 1829, is where the beginning of the spoils period has been historically traced. Spurred by an egalitarian motive, what began, under Jackson, as a drive to reduce the influence of the gentry and democratise public service by induction into the public offices of the common people, eventually degenerated into the practice of "making gifts of government jobs to political supporters."[2] Labelled as the spoils system, the Concise Oxford Dictionary defines it as the practice of giving public offices to adherents of successful party. Howard McCurdy defines spoils system as "the practice of choosing public officials on the basis of their partisan loyalties."[3]

Jackson's advocacy of rotation in office — to counteract the practice of the previous era (1789 - 1829) when men from gentry appointed to public office virtually enjoyed tenure for life — and patronage appointments was rooted in his view of the public office as being a central ingredient of the egalitarian ideology that had begun to surface in the United States during the period of his presidency.[4] However, because the pool of qualified potential appointees was still limited, political loyalty effectively became the sole criterion for making these appointments. In this context, Nicholas Henry's assessment looks insightful:

> Though Jackson symbolises the ascension of the spoils system in the public bureaucracy, a more accurate assessment is that Jackson simply fostered the democratisation of public service.... Nevertheless, Jackson likely started the process of making public service system redolent of bribes and graft.[5]

Among the sorry consequences of the spoils system were the periodic chaos that attended changes in administration; political interference in appointments and other personnel actions; the popular association of public administration with politics and incompetence; and the almost unbelievable demands upon presidents — and upon executives of state and local governments — by office-seekers, particularly following elections.[6]

Immunising the Civil Service From Political Raids : Establishment of the Civil Service Commission

This was the background in which the civil service reform movement arose. Two major developments in the year 1881 precipitated the establishment of Civil Service Commission in the country (which came in 1883) which was the first notable success of the leaders of the reform movement and a milestone in their efforts to insulate civil service from political pressures. The first of these was the formation of the National Civil Service Reform League which was, so to say, a culmination of the efforts of "intellectual idealists"[7] who had been since 1865 agitating for a thoroughgoing reform of the public personnel system. The second was the assassination of President James Garfield by a dissatisfied office seeker. In 1883, Congress passed the Civil Service Act (popularly known as the Pendleton Act) which created a bipartisan Civil Service Commission.

This phase produced three results of an enduring value. One, with the establishment of the Civil Service Commission, an organisational device that would immunise appointments and in-service activity against political pressure had been invented. Two, and relatedly, the conceptualisation of what in essence was the idea of a non-partisan (i.e., politically neutral) civil service took roots. Three, intellectual legitimacy of politics-administration dichotomy as an academic focus developed during this period; this was, in fact, propped up by the developments noted above. It was in the writings of Woodrow Wilson and Frank Goodnow that most persuasive early expressions of the doctrine of the separation of politics from administration appeared.

The statutorily backed Civil Service Commission was a multi-member body, with a bipartisan composition. This was a perfect organisational model which helped the central personnel agency, by virtue of its legal status, to assert its independence vis-a-vis the President and the Congress. And, the fact that both political parties were represented on it, served to ensure that its political neutrity was protected. In the context of that time, these were gains of no mean significance. The Commission, as Mosher has noted, was able to assume "a much more independent posture" in relation to the country's chief executive "although the Congressional debates which preceded the passage of the Pendleton Act show that some of its proponents viewed the Civil Service Commission as a staff aid to the President..."[8] On the enduring contribution of the Commission in consolidating the gains of the reform period, Mosher further observes, "It became an offsetting power unto itself, against political pressures from the parties, the Congress, the President .... It became not alone an instrument for the orderly administration of a merit system, but a watchdog against possible transgressions against that system."[9] Viewed in a

historical perspective, the Commission came to represent an organisational prototype which would act as a buffer against politics. It was used as a model by the state and local governments across the United States in the following years as they took to the setting up of their own CSCs.

Two points need to be taken a special note of at the present juncture. One, the reform which was initially was confined to the federal civil service grew in the course of years to become a pan-American phenomenon. Two, in making a reform of this scale and magnitude, and of this significance, possible — where the insulation of administration from politics was the issue at stake — an entirely indigenous organisational innovation (the Civil Service Commission) had played a key role, and eminently successfully, too. Let us, however, remember one simple fact. And it is this. When you invent organisational devices that would insulate administration from political interference, you must nonetheless provide for popular control of these technical jurisdictions. Bureaucracies (the emerging technical juridictions) cannot be permitted to be their own masters. In a democracy, they must act under political direction (overall policy control) of the elected representatives. Politics-administration dichotomy as an academic focus in the discipline of Public Administration received much of its initial legitimacy from the dilemma which the situation described above threw up. The growing number of civil service acts and the development of the civil service idea over many years both depended upon and contributed to the notion that politics and policy were separate from administration. The claims of Public Administration to an independent disciplinary status depended heavily upon the notion of dichotomy. The Classical scholars who both recognised and encouraged dichotomy focused on the question `how to' and disclaimed

the `what' and `why' dimensions. In other words, the policy and ethical aspects (represented by `what' and `why' dimensions) were regarded as belonging to the political realm. The discipline as it shaped in the Classical writings addressed the narrow question of an efficient execution of (politically determined) policy : how best to translate the legislative will into administrative action. As Mosher says in commenting on the significance of dichotomy for the discipline of Public Administration, "most students in this field for many years hung their hats on the rack of efficiency and economy and disclaimed involvement in policy matters."[10]

Woodrow Wilson, an ardent reformer and later a president of the National Civil Service Reform League, in his seminal essay of 1887 ("The Study of Administration"[11]), made the most vigorous statement on the subject to that date. "Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices. The field of administration is a field of business. It is removed from hurry and strife of politics.... It is a part of political life... only as machinery is a part of manufactured product." Frank Goodnow's Politics and Administration[12] both reflected as well as reinforced the prevalent intellectual view on the subject thirteen years later, in 1900.

Bureaus of Municipal Research : A Conduit for the Application of Scientific Management's Efficiency Devices in Government

The dichotomy notion received further fillip with the founding, in 1906, of New York Bureau of Municipal research. This was actually the first one, and the most well known, in a series of bureaus of municipal research that sprang up later; and for the

municipal bureaus that came up later, New York Bureau of Municipal research served as a prototype. Municipal research bureaus were quintessentially citizen associations which were established to reform the management of American government. (And the impetus for the formation of these voluntary associations, funded by philanthropic agencies, was provided by Wilson's influential essay of 1887.) This reform, the bureaus sought through the application of scientific management principles in the public domain. Scientific management began in the United States in the later part of the Nineteenth century and, during this period, it was identified with the application of certain efficiency devices to industry. Its application in the governmental realm developed later; it began with the establishment of the said New York Bureau of Municipal Research, in 1906.

The application of scientific management principles in government started at the local level. This was because most American government at the beginning of the Twentieth century was local government. In 1902, aside from the national defence budget, nearly three-fourths of public expenditure was made at the local level. Besides, a large part of the services that local governments of the time provided were of a routine, repetitive nature: street maintenance and cleaning, water supply, refuse disposal, fire protection, and so on. For this reason, the local domain was eminently suitable for application of F.W. Taylor's efficiency devices.

The values of civil service (merit, neutrality, morality) blended well with the core beliefs of scientific management : science and efficiency. In concrete terms, in transporting the techniques of scientific management (job descriptions, examinations geared to job-related abilities, efficiency ratings, training programmes) into the public domain it was the bureaus of municipal research which served as a conduit. These

techniques were developed by the municipal bureaus' own staff, and so these (the bureaus) became the medium that linked scientific management with civil service.

The scientific management period (1906-1937) produced lasting effects, both at the practical as well as intellectual planes. The practical effects were two fold: (a) the scope of merit system in the federal government widened, and (b) the city manager profession witnessed expansion. Because of the considerable effort expended by municipal bureaus on development of job descriptions,[13] personnel specifications,[14] examinations, efficiency ratings, etc., the information base for installing the system of position classification had broadened. Once the position classification was in place, it became possible to expand the application of civil service regulations within the system. Civil service regulations applied to about 45 percent of the total federal government work force in 1900. By 1930, 80 percent of the federal employees had been brought under its auspices.

The Council-Manager Plan : Its Role

The council-manager plan[15] ---- advocating complete noninterference by the policy making organ (the city council) into the administrative domain, where the fiat of a professional CEO (the city manager) will run ---- was the product of the politics-administration dichotomy-ethos as well as its reflection. The cardinal feature of the council-manager form of local government is that it juxtaposes a strong executive (in the person of city manager) with a weak legislature. The rise of the council-manager plan, in 1912, was the local manifestation of a nationwide movement towards the creation of a strong executive. An enhanced executive branch, which may be the centre of governmental power, was the thrust of the movement, which since the early 1880s had

been powered by a general disillusionment with the working of the legislatures that were corrupt and subserved the interests of corporate and other powerful lobbies. The council manager plan embodied the idea of politics-administration separation almost to perfection. This it achieves by installing a pattern of administration in which the policy decisions would be taken by an elected council which a professional bureaucrat (the city manager) will be concerned with efficiently executing.

The notion of separation, at intellectual plane, which had already taken roots, was further strengthened in the scientific management period. A healthy dose of Taylorism which public administration picked up during the early 1900s went to make public personnel administration of the time scientific. Efficiency quantification, measurement — and not merely administering a merit system — emerged as the new concerns. This gave the public personnel function a new identity, and a clout. Having emerged as a near-science, the civil service administration (the personnel function) zealously protected its autonomy so that its objectivity, its standards, its evolving professionalism were not compromised. Civil service commission came to personify the pride of an emergent profession, unwilling to yield to any pressure from political or other quarters. This ethos further fuelled the separation sentiment, which the principles movement of the 1930s captured and expressed with such elegance.

The foregoing gives us the necessary background to comprehend the range of factors that contributed to the impersonal emphasis of the classical theory. The foremost of these, and negatively, was the concern to protect the merit principle from political raids of the spoilsman. On the positive side was the natural concern to conserve, preserve and foster the gains of the civil service reform movement, expand the scope of the merit

principle and, very importantly, secure vigorous application in civi
Taylorian efficiency devices to consolidate the process of depersonalisi
decisions. As Howard McCurdy has put it, "A personnel system based o
be synonymous with sound public administration."[16]

MAX WEBER'S EUROPE : THE IMMINENT RISE OF THE BUREAUCRATIC ORGANISATION

Social and economic climate in the Europe of Max Weber's time had, similarly, ripened to force, as it were, the emergence of impersonal bureaucracies. In his "Essay on Bureaucracy", which Weber wrote in 1911, he presents a graphic description of the bureaucratic organisation as he saw it shaping in Europe during the second half of the Nineteenth Century. What Weber presented in this essay — which pertained to the European governments of the period ---- have since become the defining features of the bureaucratic form of organisation. But the rapid ascendency of public bureaucracies during this period, according to Weber, was not attributable to the technical superiority of the bureaucratic form alone. Of a far greater consequence instead was the larger European ethos to which the following factors had contributed.

Rise of Money Economy

The emergence of money economy, according to Max Weber, constituted the single most important condition in facilitating the rise of bureaucracy. That is to say, a developed money economy which was capable of producing enough surplus. This surplus the state would draw away in the form of taxes to finance its burgeoning apparatus and a permanent civil service. Roman empire, and several others of that and later periods, in contrast, maintained patrimonial systems of administration for the simple reason that

these had, what in today's parlance would be described as subsistence e
were simply not in a position to produce enough surplus to maintain a p
bureaucracy.

Peter Blau invokes another angle in considering the role of money economy in promoting bureaucratic organisation. The burden of Blau's argument is that payment of money for the service rendered creates proper degree of commitment in the organisational members. "The economic dependence of the salaried employee on his job and his freedom to advance himself in his career engender the orientation toward work required for disciplined and responsible conduct."[17] A slave economy or volunteer economy, contrarily, is unequipped to foster bureaucratic development. In a slave economy, the slave is too dependent on master to assume personal responsibility and exercise personal initiative; and such an ethos is unfertile for bureaucratic development. Unpaid volunteers, on the other hand, produce the opposite effect. They are too independent, and will not submit before the bureaucratic regimentation.

Emergence of Mass democracy

Weber regards, mass democracy ---- by which he meant the emerging egalitarian ethos with an increasingly growing emphasis on social and economic equality rather than the more recent ideal of extended suffrage ---- as the second important factor that contributed to bureaucratic development. In a post-subsistence economy, there emerges a substantial middle class, lacking in status which the tradition bestows but faced with rulers who in distributing services continue to be influenced by the consideration of traditional status. In other words, rulers in newly emerging states continue to use privilege (associated with traditional status) as a policy of administration in distributing

services which would hurt the interests of the neorich lacking that stat
reason, for the newly emerging middle class, bureaucracy, with its stre
enforcement of written rules, personifies fair play; it is a lever to counter
whims of rulers.

Money economy and mass democracy provided a fertile soil for the seed of bureaucracy to germinate; however, the more decisive forces for a rapid ascendency of bureaucratic government lay elsewhere. Weber traces them to the human motivations unleashed by "the protestant ethic and the spirit of capitalism."

Advent of Capitalism

The advent of capitalism pronounced the demise of the family firm; the era of giant industrial corporations had arrived. To curb corporate malpractices and preserve competition, governmental operations on scale much larger than before were becoming a necessity. To counter the power of big business and big government organised unions grew. In other words, organisations in different spheres of life experienced an increasing compulsion to bureaucratise (specialise, professionalise) as they added accretion.

In order to survive, and maintain a degree of efficiency in accomplishing their goals, large organisations - regardless of the nature of their substantive operations: public health, education, politics, governance, business, military - must depend on hierarchy and impersonal rules.

This received further reinforcement from the increasingly fierce competition that was developing. If the competitors were to be overcome, there was no escape from taking recourse to a highly efficient form of organisation, which bureaucracy provided to perfection. Moreover, from the standpoint of the leaders of industry, quality of

governance and an expanded range of services (mints, credit, law and order, fiscal management) constituted vital prerequisites to maintain the momentum of progress. And a bureaucratic government, meaning the one which was manned by a professional career civil service, alone was capable of delivering this.

The Protestant Ethic

In his book The Protestant Ethic and the Spirit of Capitalism, Weber, in examining the impact of religion on Western culture, has argued that the values enshrined in the religious doctrine of the protestants strengthened both capitalism as well as bureaucracy. Protestant ethic in essence emphasised, as Peter Blau puts it, "a disciplined devotion to hard work in the pursuit of one's vocation."[18] In this, Protestantism provided a social rationale that became the basis for accepting values which were central to the advancement of bureaucratic organisation: this-worldly asceticism, personal discipline, hard work, rationalism, and so on.

Conclusion

In sum, with the advent of industrial revolution and the rise of nation-state, the societal landscape became dotted with big organizations. Artisans and tradesmen became replaced with factories. Mercenaries of feudal times were replaced by professional military organizations. Unincorporated enterprises (proprietorships, partnerships) were substituted by joint-stock companies which, in return, triggered the growth of big governments and big trade unions. It is not simply that organizations grew in volume and in number. Of even greater importance is the fact that concentration of large resources in

these organizations made them powerful and complex. Consequently, these could no longer be entrusted to the care of retainers and personal servants. Hangers-on and dilettantes needed to be substituted by professionals. A merit-based career civil service, which would man the burgeoning and growingly complex state apparatus, needed to replace the government of temporaries. Government had turned into a vocation, just as trade, business and politics in their turn had evolved into professions.

Under the emerging scenario, as the society grew more complex, the claims of traditional authority as a possible basis for creating and running organizations weakened. The search for an alternative basis ended with bureaucracy, which institutionalized the legal-rational authority. The next chapter examines Max Weber's ideal-type bureaucracy.

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11. Woodrow Wilson, "The Study of Administration," Political Science Quarterly, June 1887, pp. 197-222.

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13. Job Descriptions : Statement detailing tasks and duties of a job.

14. Personnel Specifications : Statement detailing knowledge and skills required to perform a job.

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CHAPTER-2

CLASSICAL THEORY : THE IDEAL-TYPE BUREAUCRACY CONSTRUCT

Highlights

CHAPTER-2

CLASSICAL SCHOOL : THE IDEAL TYPE BUREAUCRACY CONSTRUCT

Max Weber's intellectual forays into bureaucracy might be best regarded as an effort to produce a conceptual yardstick that would serve to lend the term a standard meaning. This he attempts in the form of an elaborate annotated checklist of organizational features that the bureaucracies should ideally possess.

> Weber operated with what is known as a definition based on a "pure type." Briefly, a pure type is the abstract, distilled, summary word picture of a category for social analysis (e.g., nation state, political machine, bureaucracy). It states the clearest imaginable example of institutional arrangement that the category is intended to cover. The pure type is the best representative of the ideas that go into the meaning of that category. It is the conceptual "perfect example," the purest case one could imagine of the idea the defining category represents (here, "bureaucracy") .... It focuses not on the common denominator in practice but the exemplary case in ideal terms. Indeed, pure types as models of a category like "bureaucracy" are often called "ideal types."[1]

Types of Authority

Max Weber's curiousity as a sociologist lay in uncovering the sources of power in society. He identifies three possible sources — charisma, tradition, and law — to arrive at his by-now-familiar typology of authority : charismatic authority, traditional authority, and legal-rational authority. The officials of the government bureaus who would interpret the rules and implement the bureau-policies will, he believed, find themselves presented with vast opportunities to exercise domination over others. His interest in the phenomenon of power, thus, drove Weber into the study of bureaucracy. Bureaucracy

was a potential source of power in society dominated by large organizations, since these would be incapable of being run by non-bureaucratic administrations.

In the present context, the conceptual content of bureaucratic, as distinct from non-bureaucratic, administration is critical to grasp; the two are qualitatively distinct phenomena. A bureaucratic administration is identified with virtues — a merit-based, rule-centred, permanent civil service — that its non-bureaucratic counterpart is totally innocent of. Whereas the profession of public administration has behind it a history of nine thousand years, the rise of bureaucratic administration is in contrast a more recent phenomenon. Weber traces the origin of bureaucratic governments — which were not avocational, which were not governments of the temporaries, hangers-on and dilettantes — to the Europe of the second half of the Nineteenth century. Bureaucratic administration, as Weber saw it arising in Europe of this period, was vocational; it offered a career to those manning the administrative machine; entry into it was regulated by rules that pronounced merit as being the sole criterion for gaining access to the government jobs. Administration under the courts of the feudal era was, contrastingly, run by the retainers, the personal servants and dependents of the king. The relationship between the kings, lords, and vassals was contractual in nature. Obligations between them were strictly personal, based on a pledge of loyalty; the bond would last only so long as they lived or may choose to uphold the contract. This situation, naturally, offered little scope for specialization (division of duties of administration into well-delineated offices) to grow. The idea of official authority as distinct from personal loyalty was totally alien to the administrative dispensations under the courts. Administration under courts was of a feudalistic, not bureaucratic, variety.

This theme is further pursued in the ensuing discussion focused on the Weberian typology of authority.

Charismatic Authority

Charisma literally means 'gift of Grace'[2] or divinely conferred power or talent; those epical, exceptional, intensely personal qualities that galvanise followers, rouse them to action, and electrify them.

The charismatic leader, whether a prophet, a hero, or a demagogue, achieves domination by his extraordinary capacities and deeds. He does not rely on law or tradition. Jesus Christ, prophet Mohammed and Mahatma Gandhi's examples may be cited to illustrate personal (non-traditional, non-legal) qualities of a charismatic leader. Adolf Hitler would be another example to illustrate the notion of charisma or charismatic authority; he was a demagogue or political agitator who gained influence by appealing to the prejudices of masses.

Under such type of domination, the administrative apparatus will tend to be loose and flexible. It is the most faithful devotees, disciples and followers who will constitute this apparatus and take on the role of an intermediary between the leader and the masses.

Charisma, or the charismatic leader's aura, cannot be transferred; these intensely personal leadership qualities are incapable of being replicated. The charismatic leader is often at the head of a fundamental social transformation that would change the course of history. He directs followers away from old paths and plunges them headlong into an uncharted terrain. Stability, therefore, is of essence in the post-charismatic phase. The charismatic leader's successors, unable to reproduce his aura, would nevertheless want to

consolidate their power. To achieve this, "according to Weber, they establish a system of "rational, impersonal rules or a traditional type of organization." In the process, the new rulers become hostile to new forms of charisma."[3]

Traditional Authority

Legitimation of power, under this typology, comes from belief in the eternal past.Time, precedent and authority of tradition give rulers their legitimacy in the eyes of the ruled. The right to rule is hereditary; the traditional leader commands by virtue of his inherited status. His orders are personal and arbitrary, but within the bounds defined by custom.

This type of domination would arise, typically, in the patriarchal household. When it is extended over a wide territory, the resulting administrative apparatus could assume either of the two forms: patrimonial or feudal.

The Patrimonial Administrative Apparatus: This (the patrimonial administrative apparatus) is so called because, under this, administration is run as a private patrimony (i.e. inherited property) of the ruler. The ruler could be a tribal chief, a king, a tzar, an emperor, or an absolute monarch. And the officials of the administrative apparatus are personal retainers of the ruler. They would be the servants, relatives and favourites of the king, dependent on their master for remuneration.

The Feudal Form of Administrative System: Authority under the feudal administrative setup is dispersed. The retainers rule domains of their own. They have a degree of autonomy vis-à-vis the ruler, with whom they relate more as allies than subjects or personal dependents. The retainers pledge loyalty to the monarch, but the mutual

relationship between the two is in the nature of a contract, since the retainers exercise independent jurisdiction in their respective domains. The Magna Charta, in fact, arose in this kind of feudal setting. The retainers were sufficiently independent to force or engineer a formal acknowledgement of their rights by King John in 1215.

Legal-Rational Authority

The source of this authority is law. Laws, which command obedience of people not because these were issued by a charismatic or traditional leader but because these have been enacted through legitimate channels and by invoking due procedures. The ruler rules by rules and legally sanctioned procedures. The typical administrative apparatus corresponding to the legal type of domination is bureaucracy. Bureaucracy institutionalizes legal-rational authority.

What distinguishes and marks the bureaucratic mode of administration from the pre-bureaucratic forms is the preeminence and paramountcy of rules in guiding and circumscribing the conduct of the rulers. The rulers assume power, exercise power and are removed from power in accordance with rules. The charismatic leaders make rules as they go along. The traditional leaders dispense with rules through the exercise of regal prerogatives. Quite unlike this, legal-rational authority ---- of which bureaucracy is the institutional form ---- operates under rules. Which is why bureaucratic organizations and rules are often considered indistinguishable. A bureaucracy is in essence a rule-centred dispensation; and the two have come to be regarded as synonyms. The supremacy which rules achieve under legal-rational authority, bureaucratizes the administration. Rules also impersonalise the administration. The employer-employee relations, the modes of vertical

and horizontal interaction within the organization, and the organization-client relations are strictly defined by impersonal rules, under the bureaucratic administration.This would not be the case under the non-bureaucratic or pre-bureaucratic administrations.

The second fundamental distinction that marks a bureaucratic administrative setup from patrimonial and feudal apparatuses pertains to the means of administration, i.e., the resources necessary for the accomplishment of administrative tasks. These resources do not belong to the bureaucrat; they are concentrated at the top. Therefore, position of the official cannot be sold or inherited, or otherwise appropriated and integrated in his private patrimony. Moreover, the bureaucratic administration observes strict separation between private and official incomes and assets; under patrimonial and feudal type of administrations the private household and the executive office would be indistinguishable.

Summary

Now, to briefly summarise this discussion, Weber identifies three sources of authority. First, one simply "had it" : Charisma illustrates this. The source of a charismatic leader's authority is not tradition or law. Instead, it lies in his personal magnetism or appeal, and it is this almost mystic quality which draws people to him. Second, one was "born with power" : the son of the king will some day be king. Here, tradition is the source of power. Third, one "earned power" : the person would be required to satisfy certain legal stipulations to earn a leadership role, as when an aspirant submits himself to the requirements of a competitive examination to win a civil service job. Max Weber called it legal-rational authority.

Features of Bureaucratic Organisation

A bureaucratic organization displays specific features, which are unique to it and which are entirely unshared by the non-bureaucratic organizations. Max Weber distils these features from his observation of the European governments as they were shaping in the second half of the Nineteenth century. The discerning features of the emerging European governments of the time which were becoming increasingly bureaucratized – i.e, specialization-centred, rule-driven, impersonal — were as follows.

(1) The Idea of Public Office

The public office is a creation of law, with its mandate (responsibilities and powers) defined by regulations. It is not a personal privilege held by the incumbent on extralegal considerations (viz., personal qualities or force of tradition); entry into the public office is based on merit and the method of judging merit is based on the rules in force. The incumbent of a public office performs duties and exercises authority which law vests into it. To use Weber's own idiom, the notion of bureaucracy is based on legal-rational authority, not traditional or charismatic authority. Contrastingly, official authority under courts stemmed from personal loyalty, which notion is entirely repugnant to a bureaucratic organization. There was, under courts, no notion of official authority as distinct from personal loyalty.

(2) Authority vests in position, not person

Powers, jurisdiction and duties of public office emanate from and are elaborately defined by written laws, so as to insulate the functioning of organizations from effects of personalities. As such, it was of no consequence as to who occupied a particular position.

Positions were permanent. Persons occupying them were not. They could walk out of the system without making any difference to it. Contrastingly, in the pre-bureaucratic organizations, authority vested in tradition or charisma; in other words, it emanated from traditional status or personal magnetism of individuals. A bureaucratic organization displaces this notion completely. Here, authority is positional, it does not vest in person.

> In the case of rational-legal authority, the obedience of subordinates was owed to the legally established hierarchy .... It was obedience to the authority of an established position or rank. In traditional authority, obedience was due to the person who occupied the traditionally sanctioned position of authority. In charismatic authority .... the leader was obeyed by virtue of the follower's personal trust and belief in his powers or revelations.[5]

(3) Hierarchy of Offices

While all forms of organization provide for some system of hierarchy (economic, social, or based on other considerations), the bureaucratic organization is unique in establishing a hierarchy of offices in which positions are graded according to a scale of authority. The official commands power to oversee the lower in rank by virtue of his position in the hierarchy. What is important to emphasise, presently, is that this (the power to oversee, supervise, and control) has nothing to do with his personal attributes or qualities. In a bureaucratic organization, the rule of chain of command regulates relationships between persons. In a non-bureaucratic organization relationships are person-centric, not rule driven.

(4) Impersonality

In bureaucracy, office holding is a vocation to which the incumbent is appointed on the consideration of merit and in which service is rendered in return for previously specified conditions (salary, perks, etc.). This is to stress that employer-employee

relationship is impersonal, unlike the medieval courts in which public administrators were regarded as personal servants of the king.

Case disposal is strictly based on impersonal rules; rule application vis-à-vis the clients is not influenced by the consideration of client's status. Rules are tenaciously applied, and there is little scope for individual preferences or whims or any other extraneous considerations to interfere with the process of rule application. Norms of conduct of public transactions are universalistic, not particularistic.

Impersonal functioning of bureaucracy has yet another dimension which distinguishes it from pre-bureaucratic forms of organization. "In principle, the executive office is separated from the household, business from private correspondence, and business assets from private fortunes." [6] The practice in the medieval courts was different. Vassals used to administer local government as part of their personal farming operations,. Accordingly, the distinction between official and personal pursuits or between public and private assets was difficult to maintain.

(5) Specialisation and listing of job-duties

Incumbents are appointed on the basis of merit and ability to perform specialized tasks which become the basis of the horizontal expansion of the pyramid. Duties and tasks of each position are elaborately listed so as to ensure that relationships between various specializations are explicit, and understood by incumbents. This practice, in course of time, has evolved into and is identified by the name of job descriptions.

(6) Public Office as Career

Historically, most governments have been run by temporaries. In a bureaucracy, on the other hand, "office holding becomes a vocation, requiring professional training, (and) special knowledge."[7] The holder of the office undistractedly devotes to it all his energies in return for specified conditions: salary, promotion, pension, security of tenure. Pre-bureaucratic organizations did not permit this neatness. In the medieval system of administration, "Obligations between kings, lords, and vassals were strictly personal, based on a pledge of loyalty, binding between the people involved only so long as they lived and upheld the contract. There was no conception of official authority as distinct from personal loyalty and little motivation to divide up the duties of administration into permanent, well-delineated offices."[8]

Relatedly, and following from the above, the notion of master-slave relationship is entirely alien to a bureaucratic organization. For Weber, large agglomerations of slaves that existed historically did not constitute bureaucracy. Bureaucrats relate to the ruler in an official capacity, as employees; and they work on specified terms and conditions.

One further point needs to be made in regard to the matter concerning public office as a career. We have, in the previous chapter, dilated upon the circumstances which militated against the notion of developing a permanent civil service; historically, the state, until the rise of the capitalist system, simply did not have the financial resources to support a permanent civil service, it was pointed out. The pre-bureaucratic administrations were, therefore, a vocational, characterized by the preponderance of retainers, personal servants, relatives, the king's following in the army, and so on. These were governments of temporaries, as was said above. Max Weber, on the contrary,

advocated a tenure for life for the bureau-officials, and a fixed salary, besides. The advocacy rested on the grounds of promoting professionalism. The officials should be able to tender advice to the political superiors without fear or favour. In achieving this aim, the officials will be assisted if they were protected against the possibility of an arbitrary action (i.e., dismissal, demotion) by employer. Under the bureaucratic organizations, therefore, there are in place elaborate safeguards designed to protect an upright civil servant and uphold an ethos of professionalism.

(7) Professionalism

The professionalism of a bureaucratic organization has another dimension, viz., policy-administration separation. The distinction between policy and administration is tenaciously maintained. A bureaucracy's decision making is dominated by professional and technical criteria. Besides, Weber "was concerned that the predictable, decision-making processes of the bureaucracy not be subverted by a non-professional. Thus the bureaucratic hierarchy should be peopled entirely by professionals."[9] The king, who ruled by divine right, or the elected politician, did not form part of this framework.

(8) Importance of Records and Training

Rules alone are not emphasized; their proper recording also is. A bureaucratic organization preserves its memory in files. It keeps detailed records of the application of rules in specific instances as a means to ensure consistency and predictability of performance. Moreover, the expert knowledge needed to run bureaus necessitates specialized training in the use of rules.

With this, we conclude this brief account of Max Weber's ideal-type bureaucracy and move, in the following chapter, to a consideration of the Scientific Management school.

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CHAPTER-3

CLASSICAL THEORY : THE SCIENTIFIC MANAGEMENT SCHOOL

Highlights

CHAPTER-3

CLASSICAL THEORY : THE SCIENTIFIC MANAGEMENT SCHOOL

Introduction

Scientific Management, the reader will recall, constitutes the second stream of thought under the canopy of Classical school. Via the business administration route, this influential doctrine dominated the theory and practice of public administration in America during the first four decades of the Twentieth century. "Taylorism," as we have noted previously, is the other popular label employed to refer to the body of thought embodied in scientific management. Taylorism takes its name from Frederick Winslow Taylor (1856-1915), to whom scientific management thought owes its paternity. Taylor presented his pioneering research in Principles of Scientific Management, published in 1911.[1]

Taylor's research, which was carried out at Midvale Steel Works in Philadelphia, where he was a mechanical engineer, was focused on discovering the most scientific, cost-effective route to accomplish the task at hand. It was by virtue of this fact ---- i.e. the primacy which this doctrine accords to efficiency maximization ---- that scientific management, although its techniques originated in industry, went on to assume the character of a more generic efficiency movement that found enthusiastic supporters in Luther Gulick and Lyndall Urwick. Gulick and Urwick's own works, along with those of their cohorts, were directed at improving efficiency in government.

The One-Best-Way Notion

The proverbial "scientific" route to task-accomplishment was labelled by Taylor as the "one best way". His tool for discovering the one-best-way was the stopwatch. His methodology was simple. Taylor would stand behind every worker in the machine shop and record the time it took him to perform the most elementary motions: locating a steel rod, setting it on a lathe, and so on. By studying a large number of workers, Taylor was able to determine the shortest possible time for performing each individual motion. Through this exercise, it became possible to identify the best performance, which, because it was bereft of unnecessary movements, would be efficiency-maximising, least time consuming and for worker least tiring. This performance represented the one best way, scientifically determined on the basis of time and motion studies. Once the most efficient way to perform specific operations was known, workers were given training in standardized procedures. Designing relevant training capsules for individual jobs was not difficult, since the methodology for determining the one best way will disclose the detailed contents of those jobs. This in turn also facilitated scientific recruitment and placement. Since the duties of each job were known, it became possible to base selection on scientific criteria (knowledge and skills needed to perform the job). Selections were based on elaborate tests to ensure that right individuals were selected and placed in jobs for which they had the relevant knowledge. In the Taylorian scheme of things, wage-determination was also scientific, and not regulated by negotiations between management and labour. The piecework method prevailed.

Since payment to workers was productivity-linked, Taylor believed the objectives of workers and those of the management were the same : more production. With every addition to production, not only was the management better off, but also the worker, whose wage would expand correspondingly.

The development of scientific management doctrine paralled the rise of large business and public organizations in America and Europe. The established industrial criterion of optimal mechanical functioning found it way into the human realm as well. Thus, once the one-best-way was codified, the workers would be expected to achieve the centrally established standards in the fastest possible way. Training and incentives in Taylorism feature as devices to achieve forced standardization. In this world of work, worker became another machine that must respond to manipulations of the boss. Such a philosophy of human control has, doubtlessly, a distasteful aura, and potential for tyranny.

Taylor's doctrine has been roundly criticised by humanists as being incomplete in its motivational assumptions (for instance, are humans guided solely by the economic motive?); also, in failing to afford consideration to the human element in production, and in ignoring the importance of informal organization. Herbert Simon contested the universalistic pretensions of the Classical theory to which Taylor's one-best-way notion extended support and of which the idea was a classic example. Scientific management's doctrine of efficiency and amorality, similarly, reinforced the contemporary notions of politics-administration separation and an apolitical public administration, which also Herbert Simon challenged, and demolished.

Taylor's stance on efficiency, it may be stressed, needs to be [illegible] reference to the context of his time. The standard industrial practice of the [illegible] to pay workers on the piecework basis. The implication was that worker who produced more also earned more, for himself as well as his employer. Whether, therefore, Taylor might be faulted for this is not uncontestable. Nicholas Henry, in drawing attention to another dimension of the mater, makes a perceptive observation. "Men ... do not have an array of buttons on their backs that merely need pressing for them to be machines." The point which Henry underscores is actually the following. "This distaste with the man-as-machine conception, however, has often been extended by some critics to include a distaste for the notion of efficiency.... Outside the realms of theory, few are against efficiency in government, least of all the governed."[2] In essence, therefore, what needs to be recognized is that efficiency may serve humanism as much as any other value.

Taylorism exercised a profound and pervasive influence on the practice of public administration in contemporary America. The ongoing civil service reform movement that unfolded in the previous two decades in that country was, in this respect, a factor of singular importance; it helped in creating a mindset receptive to progressive, innovative measures with which scientific management was identified. As Mosher[3] puts it

> ... the civil service system provided a compatible base for the development during the first third of this century of technology and specialization. Its emphasis upon objectivity, upon relating qualifications with job requirements, and upon eliminating as far as possible considerations of personality and individual belief from personnel decisions was consistent with the ethos of scientific management. Further, the organizational separation and semi-independence of civil service administration provided encouragement to the development of scientific techniques in the personnel field itself. And the

doctrine of separation of policy from administration, which lent support to the ideal of a politically neutral civil service, could equally rationalize the development of a highly specialized, technically competent administration.

Applications in the Public Domain

Applications in public personnel administration, of the Taylorian methods, arose in several ways, and these added greatly to the substance of administration of civil service. Most importantly, civil service positions could now be approached from the job-descriptions and personnel-specifications standpoints. This permitted standardization of jobs in terms of their duties and qualifications and skills required to perform them; this in turn made it possible to lump into classes jobs having similar profiles. These procedures became the basis of erecting a system of position classification. Secondly, it became possible to design examinations to measure stipulated qualifications. Merit acquired a substance beyond honesty and political neutrality. Aptitude tests were introduced. Thirdly, training, to impart knowledge and skills necessary for specific categories of positions, became an accepted personnel function. Fourthly, a system of efficiency ratings was developed to provide an objective basis for supervision and promotions. In this way, by 1930, a scientific public personnel administration, with these activities forming its core, had developed in the United States civil service. Position classification, among them, was, however, the hub because, according to the Taylor's scheme, it was the content and requirements of the job, or class of comparable jobs, that controlled other elements of the personnel process.

Impact on the Discipline

The development of the discipline of Public Administration during this period "may be regarded either as an offshoot of scientific management in the public sphere or as a similar, parallel movement. In much of their philosophy, approach, and content, the two were very nearly identical."[4] Both were grounded in a society dedicated to progress, rationality, science and scientific method, efficiency, and merit. The public administrationists of the time ---- who sought to make government more and more businesslike ---- saw no escape from recommending healthy doses of Taylorism in civil service .

The "principles of administration" movement of the 1930s, emphatic about the universalistic character of its prescriptions, was inspired by the scientific management movement of the previous generation. The notion that certain universally applicable principles could be laid down was propped up by the doctrinal emphasis which pronounced the supremacy of the prescribed over the actual and of the technical over the human. This was, in fact, Taylorism at its pristine best. Taylor downplayed the organisation's larger cultural context; this by disregarding the complex psychological drives of the human beings within. This explains why scholars of the principles genre defined Public Administration narrowly, and confined its scope and substance to "the details of execution." The pursuit of the notion of businesslike government blended perfectly with the general emphases embedded in Taylorism; and encouraged this generation of scholars to regard bureaucratic structure and efficiency as the main concerns of the field. A Public Administration bereft of its political context had thus been born.

Briefly, the values of efficiency and economy, emphasized by the scientific management scholars, reinforced Wilson and Goodnow's doctrine of politics-administration separation. Administration, which was a technical realm, admitted of no extraneous (read political) considerations. Politics was regarded as a polluting influence on administration, which must be run according to the principles laid down by experts.

Among the public administrationists who were greatly influenced by F.W. Taylor's work; and used it to launch new theories of their own, were Henri Fayol, Luther Gulick, and Lyndall Urwick. The first two textbooks on the subject [L.D. White's Introduction to the Study of Public Administration (1926)[5] and W.F. Willoughby's Principles of Public Administration (1927)[6] also owed their inspiration, at least in part, to the scientific management tradition.

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CHAPTER-4

CLASSICAL THEORY : THE ADMINISTRATIVE MANAGEMENT SCHOOL

Highlights

CHAPTER-4

CLASSICAL THEORY : THE ADMINISTRATIVE MANAGEMENT SCHOOL

Introduction

The scholars most closely identified with administrative management school (called by that name because upper levels of hierarchy formed its focus) are Henri Fayol, Luther H. Gulick, Lyndall F. Urwick, James D. Mooney and Alan C. Reiley. They had varied professional backgrounds and belonged to two different continents, yet they converged on a common platform pulled by the intellectual commitment they shared of erecting a science of administration. Of the five, Henri Fayol's was without doubt the most pioneering contribution in supplying the building blocks of this grand vision.[1] Fayol was a French mechanical engineer, whose ideas became the centre-piece of the administrative management school's theoretical edifice, and found their most pervasive application in the American public administration. This happened via a path breaking book, Papers on the Science of Administration, which was a collection of articles published in the United States, in 1937, under the joint editorship of Luther Gulick and his British collaborator, Lyndall Urwick.[2] James Mooney and Alan Reiley were General Motors executives, whose Onward Industry attracted much attention in the United States upon its publication in the early 1930s. In this book which was subsequently (in 1939) published under the title The Principles of Organisation,[3] is outlined the contribution of the American duo to the body of administrative management theory.

The exponents of this tradition regarded administration as a generic management process which would be found to exist in organisations of all descriptions. The process was viewed in terms of performances or activities ---- division of work, coordination, supervision, and so on ---- which must be accomplished in order to achieve the goal an organisation had set before itself. It was of no consequence whether one was administering a government bureau or a corporate enterprise, an army unit or a coal mine, a university or a hospital; irrespective of the purpose for which an organisation was created, it would be necessary to undertake the performance of those core management functions. In other words, administration was administration wherever it was found (hence, the school's other name the `generic management' school), and, therefore, it should be possible to formulate principles of universal application, in the administrative domain, as happens in the natural sciences.

Henri Fayol

The generic management approach is most commonly identified with Luther Gulick's name although it was, in fact, Henri Fayol -- and this fact does not appear to be as well known -- who first expounded it. The process approach, advocated by Fayol, was contrary to the contemporarily prevailing practice according to which an individual trained in mine engineering will manage a mine, and the one trained in military strategy would manage an army. The extant tradition, therefore, was to place administration of specific jurisdictions under the control of specialists. As against this, Fayol asserted that the core functions involved in administering different organisations could be reduced to certain common elements.

> The meaning that I have given to the word administration embraces enterprises of every size and description, of every form and purpose. All

> undertakings require planning, organisation, command, coordination, and control, and in order to function properly, all must observe the same general principles.[4]

The general principles to which Fayol referred include : (a) unity of command, (b) the scalar principle, (c) span of control, (d) centralisation, and (e) responsibility.

The scholar most responsible for integrating Fayol's contribution into the body of Classical doctrine, as has been previously indicated, was Luther Gulick. Papers on the Science of Administration presented, for the first time in English, Fayol's influential essay titled "The Administrative Theory in the State" which was originally written in French.

Luther H. Gulick

Luther Gulick, an American administrative reformer, who at the time of his maximum influence, in the late 1930s, was Eaton Professor of Municipal Science and Administration at Columbia University, was himself a pioneering process theorist. "Notes on the Theory of Organisation," which was the lead article in the Papers, has been Gulick's most influential writing.[5] In this article, Gulick condenses the duties of an administrator into the acronym POSDCORB. Where each letter stands for one of the critical functions performed by administrators: planning, organising, staffing, directing, coordinating, reporting and budgeting.

Like Fayol, Gulick argued that administration was a generic process insofar as there was, in running an enterprise, no escape from establishing fundamental conditions represented by hierarchy, specialisation and coordination. "Work division is the foundation of organisation; indeed it is the reason for organisation." Without

specialisation, there would be little need for coordination and, hence, little need for administrators.

Very importantly, both Gulick as well as Fayol believed that these elements could be deciphered by the administrative scientists, and certain principles of administration derived from these and formally taught like those of physics and chemistry. The experts' job was to discover those principles. And the practitioners' obligation was to yoke this knowledge to the profession's benefit. The Classical school's was, after all, not a disinterested pursuit of knowledge; their motives were utilitarian. The science of administration they sought to develop was not meant to be simply an academic exercise; it was instead designed to promote civil service reform and efficiency.

The publication of Gulick and Urwick's Papers on the Science of Administration has been aptly characterised as the "high noon of orthodoxy" of Public Administration. The Papers formed a high water mark in the development of the American administrative science. Apart from its intellectual contribution ----POSDCORB made the Classical tradition practical, and it gave an easy-to-understand advice to administrators---- the Gulick-Urwick study (the Papers) drew much practical mileage from the fact that the volume had been edited for President Franklin D. Roosevelt's Committee on Government Reorganisation (called the Brownlow Committee) of which Gulick himself was a member. The two editors of the collection were, moreover, confidants of President Roosevelt and advised him on a variety of managerial matters.

Lyndall F. Urwick

Lyndall Urwick, best known as Gulick's collaborator in editing the Papers, was a populariser and synthesiser in the best sense of the terms. His own article in that collection, titled "The Functions of Administration,"[6] is, for instance, largely an exposition of the work of Henri Fayol. Urwick, similarly, drew heavily from Taylor's work as well as Mooney and Reiley's Onward Industry. The Classical writing, till the time Urwick came on the scene, was highly fragmented and stood badly in need of being integrated. Urwick responded to this need magnificiently.

Lyndall Urwick was a consulting industrial engineer (twenty-nine years as founder and chairman of Urwick, Orr and Partners, Ltd.) but also had had a seven-year stint as a British military officer.

In "The Functions of Administration" and the other essay ("Organisation as a Technical Problem"[7]), which Urwick contributed to the 1937 collection, he elaborated what Dwight Waldo believes to be "probably the most pervasive and important model in the American administrative study in the twentieth century – the machine model."[8] Urwick's writing is held together by the central theme of efficiency, and achieving efficiency in administration, to him, is analogous to achieving efficiency in machine performance. Operationally this was reflected in the sanctity Urwick accorded to the organisational design. Individuals, he asserted, must fit the organisation, organisation must not be altered to fit the people; the structure was sacrosanct.

In his The Elements of Administration (1943),[9] Urwick identified twenty-five principles that should govern the administrative process. Of these, the four most representative of the Classical tradition are: (a) unity of command, (b) coequality of

authority and responsibility, (c) limited span of control, and (d) delegation of routine matters.

As was the case with other scholars of the Classical genre, Urwick's statement on the universal application of the principles is emphatic. "There are principles," he proclaimed, "which can be arrived at inductively from the study of human organisations which should govern arrangements for human association of any kind. These principles can be studied as a technical question, irrespective of the purpose of the enterprise, the personnel comprising it, or any constitutional, political or social theory underlying its creation."[10]

James D. Mooney and Alan C. Reiley

Like the influence of military is reflected in the formulations of Urwick, it is, similarly, in evidence in the work of James D. Mooney and Alan C. Reiley, titled The Principles of Organisation. In this, the authors have stressed the significance of doctrine and indoctrination as unifying forces within the organisational settings. The emphasis in essence is to the effect that coordination is not a function of the hierarchical structure alone, instead much reinforcement of the formal coordination-inducing mechanisms comes from the force of doctrine (which underscores, for instance, the leader's infallibility) or the indoctrination embodied in an intensive training effort. While this emphasis is implicit in all Classical writings, it is probably more obvious in Mooney and Reiley's work, which, apart from military, is equally influenced by the ethos of the ecllesiatical and industrial organisations. The two authors were, in fact, practising managers; they were, as was previously stated, executives at the General Motors and had been deeply influenced by

their experience in that company. Mooney, moreover, had had a stint in the US navy during the course of World war II, which accounts for the fact that much of the new material Mooney added to the 1947 edition of The Principles of Organisation pertained to the realm of military.

In the general sweep of its coverage, the work of Mooney and Reiley is rich and inclusive. It does not simply propose "principles" in the typical Classical tradition, it also elaborately documents "the principles of organisation revealed in history," particularly in their application "to institutions of state, church, army, and industry. The church and the military are regarded as the most efficient and the state the least."[11]

Substantively, Mooney and Reiley enunciate four principles: (a) the coordinative principle, (b) the scalar principle, (c) the functional principle, and (d) the staff dimension of functionalism.

The overarching coordinative principle emphasises the need for leadership to promote unified action for accomplishing the pre-determined goal. Coordination in their scheme of things, it would bear repetition, is enforced as much through indoctination as by invoking the hierarchy. The scalar principle refers to the vertical gradation of authority leading to the formation of the hierarchy. As against this, the functional principle involves the idea of horizontally directed specialisation. Illustratively, the difference between secretary and joint secretary in a government bureau "is one of gradations in authority and is, therefore, scalar." As against this, the distinction between home secretary and finance secretary "is functional, because here we have a distinct difference in the nature of these duties."[12] Finally, the staff and the line: the line represents authority, embodied in the idea of chain of command; the staff represents the advice function.

Notes & References

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3. James D. Mooney and Alan C. Reiley, The Principles of Organisation, New York, Harper and Brothers, 1939. (Subsequently revised, under Mooney's sole authorship, in 1947.) (The book had originally appeared under the title of Onward Industry in the early 1930s.)

4. Henri Fayol, "The Administrative Theory in the State," in Gulick and Urwick, op.cit., p.101.

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CHAPTER-5

CLASSICAL THEORY : THE GENERAL FRAMEWORK

Highlights

CHAPTER-5

CLASSICAL THEORY : THE GENERAL FRAMEWORK

I

Salience of the Notions of Disaggregation and Integration

In this chapter, we shall sum up the dominant themes or doctrinal emphases of Classical theory. The effort is to identify the common elements which characterise the three schools of thought under its umbrella.

The entire Classical edifice, it might be said, rests on the two principal processes that operate parallely, namely, (a) splitting up the organizational mission vertically and horizontally, to press to the fullest advantage, the benefits of delegation and specialization; and (b) pressing into motion the integrative mechanisms to synchronise the voluminous behaviours of the different specialities.

Disaggregation is matched by integration, specialization by coordination, and delegation by supervision. Division of labour in the enunciations of Classical school, as Etzioni puts it, is balanced by a unity of control. Concepts central to Classical theory, as the reader will discover from the ensuing discussion, arise from and are merely an extension of the core ideas of disaggregation and integration. If you disaggregate, you must equally set into motion the integrative processes. Disaggregation is sought to drive home the advantages of division of labour

(specialization, efficiency, speed). But if you divide, split, or disaggregate, you must parallely invoke the unifying forces (coordination, supervision) so that different specializations within the organization do not work at cross purposes. Analysis will readily reveal that the ingredients of hierarchy, a pivotal Classical concept, germinate as division of labour unfolds and the concommittant coordination commences.

II

General Framework : A Resume of the Core Ideas

Hierarchy Viewed as Vertical and Horizontal Expansion

Classical Theory focuses on the anatomy or formal structure of administrative organisation. The division of labour concept forms its cornerstone. Horizontally, division of labour assumes the form of functional specialisation. Vertically, division of labour is effected through a pyramid or hierarchy of authority. Conceptually, hierarchy embodies two ideas: (a) vertical of expansion of the pyramid, and (b) the notion of horizontal expansion.

Vertical Expansion of the pyramid: This involves the idea of layers or levels of authority. The emergence of levels entails division of work according to a scale of authority and responsibility, where more authority is postulated to exist at successively higher levels. This is also referred to as the scalar process, the process of scaling or grading authority.

Horizontal Expansion : This involves horizontal division of work, or splitting of the organisation's mission into functional specialisations according to knowledge, skills and abilities required to perform particular functions. This is referred to as

functional process. At the level of actual practice, it takes the form of grouping tasks into jobs and jobs into functional units or boxes which are depicted in organisation charts.

Three Constituents of Hierarchy

The idea of hierarchy is in essence made up of three constituents.

The first and foremost is what might be referred to as the notion of "delegation." Delegation entails the process of pushing authority down the line. Unless this happened, the pyramidal structure cannot be erected, and all authority would remain concentrated in a single point. In other words, the process of management cannot be commenced unless delegation of authority was effected. Delegation is defined as the task of assigning duties to others. Concomitantly it involves bestowal of authority to carry out the assigned duties, and acceptance of responsibility for performance by the delegate or the deputy.

"Chain of command" is the second constituent of the scalar process. This postutates the existence of a conduit, through which commands travel downward and reports of accomplishment upward. It also stipulates that there shall be no skipping of levels ---- an idea encapsulated in the useful expression "through proper channel".

Finally, there is the idea of "unity of command." This postutates (a) that lines of authority run from boxes on a subordinate level to the next higher level and so on until they all converge at a single point at the top of the pyramid; and (b) that individuals at each level will formally report only to one superior.

Hierarchy-Induced Disaggregation

We have above referred to the twin ideas of division of labour according to gradations of authority, which leads to vertical expansion of hierarchy, and division of labour according to functional specialisation, which brings about a horizontal expansion of the structure. Philosophically, the former process is concerned with organising authority whereas the latter (i.e.horizontal expansion) is geared to the task of organising knowhow. The former involves delegation, the latter entails the notion of specialization.

To translate this vision into a concrete plan of action, steps must be initiated to achieve the following: a clear definition of the mission of organisation; an analysis of the work involved (a task which Taylor attempted through work study method); breakup of complex work into component parts; and, finally, a yet further breakup of parts into individual operations.

Division of labour, which is the principal process leading to the formation of structure, has the effect of making organisation look like a mosaic various parts of which will need to be dovetailed. Disaggregation, in other words, must at an appropriate stage be matched by an integrative processes, because actions of diverse specialisations will need to be integrated into one synchronised whole.

The coordination concept, therefore, occupies a central place in the overall scheme of Classical theory. Coordination is directed towards ensuring that various parts of the organisation mesh effectively.

Hierarchy as an Integrative Process

The formal organisation theorists' insistence, under the chain of command concept, that orders (downwards) and progress reports (upwards) must go through channels (that these must not skip levels) is designed to ensure that all units situated in diverse locations on the pyramid can be effectively controlled from a single point on the top where all lines of authority ultimately converge. This pattern strengthens the position of the subordinate levels, assuring them that their own subordinates will not receive orders directly from someone on a different level. The requirement that orders and reports must go through channels makes for coordination because every one in the chain of command will have seen these and, thus, be in the know of things.

Other Coordination Devices

Other devices for control, supervision and coordination are also conceived in mechanical terms:

How many subordinates can a superior efficiently supervise?

When is the point reached that these supervisory responsibilities involve too many contacts for a single person to handle?

When this point is reached, is there a way to extend the executive's capacity for control?

Thus viewed, effective coordination is a function of the number of subordinates who would directly report to a superior. Secondly, in the Classical scheme, coordination is seen to depend upon the possibility of devising means to

extend the personality of the executive. This has caused two concepts to dominate much of the Classical Theory: (i) the span of control concept, and (ii) the 'staff' concept.

Span of Control: This refers to the number of subordinates an executive can effectively supervise. Implicit in this is the notion that coordination rests on the executive's direct relationship with his subordinates; and that these should not be so numerous as to handicap his control potentialities. That, a narrow span conduces towards better supervision and more effective coordination.

The 'Staff' Concept : This is essence espouses the idea that the executive may be given more eyes and ears, i.e., that he may be equipped with a band of aides and advisers. The advocacy of the proposal rests on the logic that supervision of a large organisation be a single individual is an impossible task to carry out; that, all coordinating at the top must not be left to him alone. That, the executive must be, therefore, equipped with a contingent of advisers, trouble-shooters, and catalyts. That, these `helpers' should, however, not interfere with basic line of command. This, in the Classical model, constitutes the concept of staff agency, which only aids and advises, as contrasted with the line agency which is part of an organisation's order-giving chain and is concerned with its substantive work.

III

General Framework : Further Discussion

The emphasis on anatomy of organization was rooted in the conviction that all action is conditioned by formal structure. Formal structure, characteristically, takes the shape of task specialities, which are arranged in levels of authority with

clearly defined lines of communication from one level to the next. The pattern of interaction is vertical; the style of interaction is directed towards command and obedience. This represents the prescribed pattern of interaction.

Under the Classical schema, deviations from the prescribed pattern are ruled out by virtue of the fact that tenacious rules shape behaviour in the different domains. Illustratively, the jurisdictional competence of each position-holder is closely defined; no one performs duties not germane to his position. Vertically, each position-holder relates to the other through proper channel; there is no skipping of the levels. This, and similar prescriptions in the other realms, went to make divergence between the prescribed and the actual patterns a concept totally alien to the Classical doctrine. It was possible to envision a regime of tenacious rule application because the protagonists of the doctrine only prescribed the norms, they did not study and describe the actual behaviour patterns.

In any case, the humans had been wished away or, more accurately, the propensity of the members of organization to interfere with or disturb the prevailing norms had been assumed away through convenient assumptions. For instance, the economic man assumption enabled the Classicists to assert a complete identity of interests between the organization and its employees. The pursuit of self-interest propels employees to ever more work. The economic man tenaciously pursues monetary reward. Fear, or the fear of job-loss to be precise, is the other motivational assumption of the Classical theorists. And it produces, once again, the same result; recalcitrance will provoke disciplinary action : dismissal. Here, a negative motivator induces compliance with the organizational norms.

The humans in organization are, thus, painted as cogs or inert objects whose actions are involuntary. Automatons don't talk back. They commit no transgressions of the organizational norms. The economic motive keeps them from under performing. If, however, they do not under-perform, the employees, equally, bring to bear upon work no creativity of their own. The normative economic man, definitionally, does not possess the properties of the empirical social man, a notion which the Mayoites were to later evolve to demonstrate the emergence of a parallel informal organization. Which conceptualization acknowledges the propensity of the incumbents to expand or contract the scope of performance in given jobs, because one was more creative than the other. Since, however, it is normatively oriented, the Classical theory views the incumbent as programmed to do no more than discharge the prescribed duties of the job. In this way, the primacy of the position is asserted. And, in this very sense, hierarchy is regarded as populated with positions and organization is regarded as populated with roles, not people.

A clear distinction is maintained between the position (the office or the job) and the person who occupies it. The emphasis is that the responsibilities of different positions and the relationships among them can be defined and delineated independently of the persons who will assume those positions.

To conclude, Classical theory focuses on the formal anatomy of organization. Meaning that stress is not on the organization's behavioral and motivational aspects, its political-economy (power) and cultural dimensions, or the phenomenon of individual feelings, quirks, whims and private goals which would inevitably affect the

formal arrangements, the prescribed patterns; instead, it mainly emphasises the organizational design and the rules of the game.[1]

The organizational structure is viewed, principally, in terms of patterns of responsibilities and prescribed relationships among them. Vertically, the structure is conceived as a hierarchy or pyramid of authority; horizontally, it comprises a range of functions and the corresponding knowhows. The main concepts used in the analysis of organizational structure are those of authority and function. Vertical expansion arises from delegation of authority; horizontally, the differentiation is analysed in terms of functions. Based on this analysis, the protagonists of Classical school distil certain principles. Chain of command, unity of command, specialization, span of control constitute the typical principles relating to structure.

Apart from structure of organization, administrative process forms a major preoccupation of the universal design theorists. Invocation of the process dimension invites reference to activities revolving around the tasks of planning, coordination, supervision, and control. The Classicists' intellectual concern extends beyond merely furnishing a blueprint for designing a structure to actually devising a modus-operandi for delivery. Gulick identifies the basic components of the administrative process in the celebrated acronym POSDCORB. And asserts that the seven discrete activities subsumed under it form the common elements in administering any organization, irrespective of whether it operated in the public or private domain, or whether it was concerned with delivering social services, running an army establishment, or managing a coalmine. An administrator will need to ensure that the activities connected with planning, organizing, directing, and the rest were performed,

if he wished to deliver the goods; he has no escape from this. What distinguishes an organized group from crowd on street is that the former is an administered entity; the specific activities which are invoked for administering define the substance of the administrative process, revolves around the tasks of planning, organizing, staffing, and so forth.

IV

Criticism

The Classical school's endeavour connected with "principles" failed singularly and, parallely, its hope of being able to erect a science of administration based on discoverable, universally applicable laws (principles) of administration remained unrealized. The intellectual enterprise connected with "science of administration" rested on the assertion that administration and politics were distinct and separable realms. The politics-administration dichotomy was used to claim that administration which was concerned with "doing" – as distinguished from "deciding" which fell in the domain of politics – had certain qualities of "hardness" about it. Because administration was free from polemics characteristic of politics and because it was a tangible physical process, precise principles which regulated it, or should regulate it, were capable of being discovered. And that it was the task of the administrative scientists to do this, very much like the laws of nature were discovered by the physical scientist. The politics-administration dichotomy notion, however, came effectively under challenge by the mid-Forties, and its eventual abandonment had the effect of obliterating the distinction which was sought to be made between doing and deciding. Were the routine personnel changes (say, substitution of one secretary by another)

impersonal and apolitical? Did a particular budgetary emphasis not involve a value judgement? The argument was that the seemingly technical decisions were, actually, highly preferential, not at all devoid of an ethical content. Judgement as to good or bad had to be exercised even by those in the administrative domain. With the dichotomy thesis thus rejected, the "principles" project was deprived of an epistemological base.

The principles per se also attracted criticism on various counts. Herbert A. Simon, for instance, argued that what the Classical school had held to be principles, were actually no more than proverbs : a popular saying embodying some familiar truth based on common sense. That, like proverbs, the principles of administration appear in pairs and that for every principle one could find an equally plausible contradictory principle : look before your leap! – but he who hesitates is lost. To take another example, one cannot in the same breath advocate both, say, unity of command and specialization. Recourse to specialization will actually breach the principle of unity of command. Simon's assault on the Classical school is dealt with in greater detail in a subsequent chapter.[2]

Following the Simon's 1946 piece ("The Proverbs of Administration"[3]), Robert Dahl, in 1947, emerged with further considerations that, he argued, would effectively block the realization of the Classical school's "science of administration' vision.

In "The Science of Public Administration : Three Problems,"[4] Dahl outlined the potential factors which will hinder the development of universally applicable principles of administration. The hindrances were three-fold : (a) values contending the preeminence in organizations, (b) differences in individual personalities, and (c)

social frameworks that varied from culture to culture. In 1948, Dwight Waldo, in his The Administrative State,[5] similarly, attacked the notion of immutable principles as well as the inconsistencies of methodology used in arriving at those principles.

Dwight Waldo was particularly fierce in his assault on the Classical school's narrow, myopic approach to the notion of efficiency. Gulick had declared efficiency to be the first and foremost axiom "in the value scale of administration ..., the fundamental value upon which the science of administration may be erected."[6]

Waldo rejects that position. For efficiency, Waldo asserted, was not a neutral or scientific value that Gulick made it out to be. "Things are not simply 'efficient' or 'inefficient'," he declared. "They are efficient or inefficient for given purposes, and efficiency for one purpose may mean inefficiency for another."[7] Narrow span of control might conduce towards efficiency in a regulatory setup but would be totally misplaced, and inefficient, in an R&D organization. Consider another situation. It's no use doing things efficiently that no longer need be done at all. Wheel need not be invented a second time merely to prove that the exercise can be accomplished efficiently. Thirdly, competition would be an efficient prescription for those who want, and can afford, cars but more government, and not less, would be a more efficient solution to protect the interest of the society's oppressed. In the former case, a public monopoly is an inefficient device, whereas the problem of social justice can be addressed only through more government. Efficiency is, thus, a slippery concept; according to Dwight Waldo, too amorphous to be treated as ultimate value. Employment of child labour, who would get paid less than the adults, would be more efficient. But the practice has no advocates even when it would promote economy. For

all these reasons, Waldo unequivocally rejects the Classical school's espousal of efficiency as being a fundamental value for erecting a science of administration.

Notes and References

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CHAPTER – 6
NEO-CLASSICAL SCHOOL

Highlights

CHAPTER – 6
NEO-CLASSICAL SCHOOL

I

The Doctrinal Emphasis

So long as the industrial engineers and industrial engineering-inspired approaches dominated the development of administrative doctrine, administration was viewed and presented as a technical process. This was the traditionalists' viewpoint, who maintained that there were certain universals in the administrative process, reducible to what were perceived as immutable principles. Thus, administrative codes were specified in terms of chain of command, unity of command, specialisation, span of control, line and staff, and so on. The insistence that administration was a technical process concomitantly entailed the assertion that administrators, armed with professional know-how, would be neutral instruments of policy. That, the administrators were merely "doers" as distinguished from the "deciders", who were the political masters. And that the doers made no value judgements ; that the administrative realm was bereft of any element of choice or even scope for exercising judgement.

The situation changed as political philosophers, social scientists and behavioural scientists assumed academic leadership in deciphering the administrative phenomenon. With this, the focus of academic enquiry began to shift to the organisation's human dimension. The Hawthorne experiments, by demonstrating that employees do not respond in any predictable fashion to physical conditions or monetary incentives, challenged the engineering approach to motivation. These, similarly, challenged the traditional notion of unidirectional flow of authority by demonstrating how the influence of supervisory hierarchy was thwarted by the extent to which the subordinates would

accept the commands of their superiors. Specifically, that an intangible, invisible informal organisation — in the form of natural groupings of people in the work situation — operating parallely with formal organisation, interfered with the prescribed patterns of relationship.

The phenomena of relational power and interpersonal relations within organisations became the focus of attention, as this genre of administrative thinkers emerged on the scene. The concept of relational power is identified with the Neo-classical school of organization theory. Unlike the classical theorists — who see power as a unidirectional (top-down) authority relationship — the exponents of the Neo-classical school "see power as a human relational concept." [1]

The Problem of Semantics : Neo-classical school or Human Relations school

At this stage, one would do well to pause to dwell on the semantics. This in order to unravel a cluttered intellectual landscape, when, after the Hawthorne experiments, employee-centric orientations came to dominate the organisation theory. In seeking to explain and amplify the nuances of the proverbial human factor, overlapping doctrinal emphases and corresponding classificatory labels have, characteristically, crowded the scene. For instance, at one plane, the Neo-classical school, by virtue of its inextricable linkage with the phenomenon of power, may be thought to have a distinct intellectual identity of its own. However, insofar as the power dimension stems from a more general development in the evolution of the administrative doctrine, viz, the invocation of human factor in the study of administrative organisations, it would appear to be equally plausible to lump the Neo-classical school with the Human Relations school.[2] The latter situation would press the case for interchangeability ; the two phrases turn into synonyms.

The two schools use identical conceptual tools — mainly the notions of informal organization and inter-personal relations — to demonstrate how the key formulations of Classical theory (e.g., division of labour, scalar and functional processes, and so forth) are affected by the impact of human actions within organisations. However, to draw a finer distinction, whereas the Human Relations school projects informal organisation and inter-personal relations as a satisfaction-inducing device,[3] the Neo-classical orientation uses the two concepts to underscore the idea of relational power.[4] Likewise, the two schools have divergent views on hierarchy. The Neo-classical theory never questioned the existence of hierarchy ; instead, it emphasizes hierarchy's per-eminent role as a coordination device.[5] In the Human Relations theory's scheme of things, contrarily, there is no place for hierarchy ; this organizational-feature is regarded as blocking self-actualisation.[6]

In the Human Relations school's idiom, "Satisfaction was rooted in interpersonal relations in the small face-to-face group of fellow workers and their immediate supervisor."[7] The theoretical emphasis was three-fold : (a) that job satisfaction was unrelated to monetary rewards; (b) that it was, instead, mainly attributable to happy inter-personal relations ; and (c) that happy (read "satisfied") workers were productive workers.

In 1950s and 1960s, Human Relations movement assumed a more radical form under the label of Organisational Humanism. Organisational Humanism had a normative commitment to the individual's opportunity for self-actualisation. It maintained that satisfaction-generating and productive atmosphere was not a bureaucratic one ; instead it was one which fostered democratic participation by workers. Large formal organisation with its hierarchical authority structure was pronounced as being repressive. Organisational Humanism has survived and prospered in the form of organisational

development. Its emphasis continues to be authentic inter-personal relations within the organisation.[8]

The Neo-classical school covers more or less the same intellectual terrain, with the difference that it explores relational power as an aspect of inter-personal relations and informal organization. Its proponents maintain that, within the organization, the positional authority of the boss contends with the power of the subordinate. That within the formal organization is embedded an informal organisation and that this informal organisation takes the form of power relationships among the organisational members. An extended discussion of some of these ideas is pursued later in this chapter. In the meanwhile, the exponents of the idea of relational power must be identified ; these, principally, include Mary Parker Follett (The New State : 1920), Elton Mayo (The Human Problems of an Industrial Civilisation, 1933), and Chester Bernard (Functions of the Executive : 1938). Collectively, they constitute the Neo-classical school of administrative theory.

In conclusion, one might say that, even when in some matters of detail, the two schools have divergent perspectives, the core elements of their ideology and approach — intellectual focus on the human element and on the parallel organization — are identical. For this reason, as William Scott puts it, "The neoclassical school is commonly identified with the human relations movement."[9] The Public Administration Dictionary presents an alternative, but closely parallel, perspective ; it characterises the Human Relations movement as an offshoot of the Neo-classical school.[10] In this chapter, the two terms, Neo-classical school and the Human Relations movement, have been used interchangeably.

II

Contribution

The Neo-classical school takes the postulates of the Classical school — regarding division of labour, scalar and functional processes, structure, and so forth — as givens. But these are considered modified by people acting independently or within the context of informal groups. To put it differently, the Human Relationists explored the social environment of the job. They regarded the organization as a social system consisting of individuals and informal groups, involving inter-personal and inter-group relaltionships. Contrastingly, the traditionalists focused on the physical (read "formal") environment of the job. The physical environment of the job is seen in terms of the visible, the tangible, the material, and the formal. Whether it may be the supervisor in the chain of command, whose directions influence the worker behaviour on the job, or the organisational pyramid which bestows upon the superordinate official the authority to issue those directions and upon the subordinate the obligation to comply. Whether it might be the job-chart which defines the duties of the worker, or the supervisory instructions on how those duties shall be carried out. Or whether it may be the layout of and physical conditions in the work place, or the prescribed reward-and-punishment system.

The contribution of the Neo-classical school to administrative theory was two-fold.[11] One, introduction of behavioural sciences in this realm. It extensively uses the insights from sociology, psychology, and so forth to demonstrate how the key concepts of Classical theory are affected by the impact of human actions. Two, the Neo-classical doctrine incorporates an extensive treatment of the phenomenon of informal orgnisation. Formal-informal interaction occupies a considerable space in their academic writing.

These aspects are in turn examined below. First to be considered are the modifications of the key formulations which the Classicists had proposed. Thereafter, we shall dwell on the concept of informal organization.

Approach to the key formulations of Classical School

Division of Labour : The Classicists preeminently focused on division of labour as an efficiency-maximising device. This would be thought to be in line with the emphasis on technical correctness which characterises the Classical doctrine. However, once the focus shifted to the organisation's human dimension, the assumption of linearity — designed to ascertain if there was indeed a direct correlation between specialization and efficiency — attracted a closer scrutiny. The Neo-classical writings extensively explored the phenomena of fatigue and monotony which division of labour induces. Other consequences of division of labour were also identified. Elton Mayo, for instance, in his "The Human Problems of an Industrial Civilisation" produced a painstaking analysis of the problems of worker isolation and anonymity, which arise in the wake of increased reliance on specialisation.

Specialisation equally influences the manager's job profile. The Neo-classical writing prominently focused on the leadership and motivational dimensions of the manager's role. The Classical school's idiom was different. Under the Classical framework, chain of command was the principal compliance-inducing lever.

Scalar and Functional Processes : Because the Classicists were normatively inclined, they attributed perfection to the scalar and functional processes. The operational details did not claim their attention. The Neo-classical school, on the other hand, pays a detailed attention to what would happen to the theoretically valid principles

at the level of practice. For example, what would be the consequences of too much delegation ? Or, conversely, of insufficient delegation ? What will happen if responsibility was delegated without a corresponding delegation of authority ? Obviously, these standpoints must be invoked and their implications examined, if the intended benefits of the scalar principle are to be realised in practice. Yet again, how will the gaps in or overlapping of functional jurisdictions affect the quality of performance at the organizational and individual levels ? By focusing on aspects such as these, the Human Relationists were able to lend much empirical richness to the debate on scalar and functional processes.

Structure : The Neo-classical school focuses on how frictions appear between the different units performing specific functions. How this would thwart the neatness of the logical relationships embedded in the formal design ? The school's critique particularly centers on the difficulties which arise from disharmony between line and staff agencies. Their prescriptions for eliminating conflict include participation, bottom-up management, and enhanced communication.

Span of Control : The Neo-classical school focuses on the human determinants of span of control. These would typically include differences in the managerial abilities, competence level of the subordinates, the nature of work to be supervised, extent of communication effectiveness within the organisation, and so on. And these will, of course, cause the span to vary from organisation to organisation and from situation to situation. In other words, the Human Relationists completely reject the Classical school's proposition that span could be reduced to a precise, universally applicable ratio.

The Neo-classicists probe the implications of narrow and wide span. Narrow span of control, leading to the formation of a tall structure or wide span of control, which gives rise to a flat hierarchy : which between the two might be a preferred alternative ? According to the Neo-classicists, the answer will depend upon whether it is a tight or loose supervision which will deliver the goods in a given situation. Tall hierarchies conduce towards tight supervision, whereas flat organisations will build employee autonomy. The Human Relationists favour flat structures for reasons of employee motivation and morale, and because these necessitate and encourage enhanced delegations.

Informal Organisation

Insofar as it focuses on the actual, as distinguished from the prescribed, patterns of behaviour, the Neo-classical approach is informal organisation-centric. Informal organization is a term used, in the organization theory literature, to refer to a doctrinal focus on the actual behaviour patterns. William Scott defines informal organization as the "natural groupings of people in the work situation"[12] which, by virtue of being outside the prescribed design, would not be reflected in the organizational chart. John Pfiffner and Frank Sherwood refer to the social processes within organisations as overlay patterns. Meaning, a layer or a covering laid over a surface. The authors conceptualise social processes as overlays superimposed upon the formal organisation.[13] Box-1 sketches certain definitional features of informal organization.

Box – 1

Informal Organisation : What it is ?

- Informal organization may be viewed as the latent aspect of organization, viz, that which is not expressed, not manifest.
- Its presence can be discerned within an organization in a variety of ways. For instance, emergence of informal groups ; of informal leaders; of extra-legal power centers; of distortions, leakages and blockages in formal communication channels, and so on.
- There is an element of inevitability about the phenomenon, insofar as it relates to patterns of behaving and relating which arise from spontaneous human interactions within the given situations.
- Unlike the formal organisation, which has official legitimacy, informal organization is rooted in the constituents' social need : the need to relate with others. Informal organization has the legitimacy of social sanction, it is not officially approved.
- A classical formulation on the subject is as follows : "...organisations contain two types of structure, the formal and the informal. Actually there is no such easy distinction ; organizations are a great deal more complicated than that. Nevertheless, thinking of those aspects of organisation which are official as the formal hierarchy and those which are legitimised by social sanction as the informal hierarchy does provide us with a useful means of conceptualising some important aspects of organisation theory." (Pfinner & Sherwood, Administrative Organisation, pp. 71-72.)

Determinants

What factors account for the rise of informal organisation ? In a general way, the need of people to associate with others forms the basis of informal organisation. More specific determinants are as follows.

Location : The opportunity of frequent face-to-face contact among the co-workers, obviously, facilitates the formation of groups in a work-place. Physical proximity promoted by a common work-place establishes the most fundamental condition for the rise of informal organization.

Occupation : People performing similar jobs tend to group together. Occupation determines the compositional characteristics and nature of social processes within groups.

Common Interests : This is an extremely important factor which pulls people together. It explains why in a single work-place there may exist several informal groups. Unless people share common interests, they will not associate, even though they might be in the same location and performing similar jobs.

Specific Issues : These constitute yet one more basis for the formation of informal groups ; people rally around specific issues. But this factor operates differently. People who do not necessarily have similar locations, occupations or interests may come together to promote a common cause. Here informal associations arise in response to special issues. Once the issue is resolved, the tendency would be to revert to the more natural groupings. Cliques which get formed on this basis would be less lasting.

Constituents

Informal organisation posseses properties which lend it the aroma of a parallel system. These appear in the form of what we have above identified as overlay patterns, which would mould the functioning of pyramid. Hawthorne experiments were the single

most important event which revealed the presence of the invisible informal organisation (read "social processes") that would, depending upon the specifics of particular situations, interfere with or bring about a reinforcement of the prescribed patterns.

The principal findings of the Hawthorne experiments, which throw light on the nature of the informal organisation phenomenon, are as follows.

The level of production within organisations is set by social norms which informal groups evolve; it is not determined by the physiological capacities of individuals. In this sense, informal organisation is an agency of social control; it regulates the behaviour of its constituents by the norms and standards it sets.

Concomitantly, the behaviour of individuals at work-place is determined by the behaviour of the informal groups. Group norms and group culture are powerful moulders of individual behaviour. We shall, later in this chapter, dwell at a greater length on this aspect.

Thirdly, non-economic rewards and sanctions affect the worker behaviour significantly. Together, these deliver, to the shadow system, a clout in and an aura of power over the affairs of the officially sanctioned system. Two elements, both symbolic rather than material in nature, are particularly important : one, affection and respect of the co-workers; two, the way individuals perceive and define situations. Non-economic rewards form an important constituent of the parallel system (read "informal organization"). The capacity to deliver rewards which the formal system denies is what makes the informal system relevant and wanted.

Inter-personal relations form a significant aspect of informal organization. Much intellectual effort has been expended in determining the nature of this phenomenon. Sociometric analysis was devised as a method to study the complex structure of inter-personal relations in informal organisation. Inter-personal relations, in this setting, are based on premises which are fundamentally different from the logic which shapes them in formal organisation.

Another theme of importance in discussing informal organisation is the idea of leadership. Particularly, the role of leader in setting and enforcing group-norms. Equally, the idea that two parallel leaderships, formal and informal, prevail. Worthy of a special note is the emphasis on worker-centric leadership, communication, and participation.

Thus, informal organization may be best regarded as a syndrome. It is not any one thing, say, natural group formations or informal leaders within organisations. It is instead concurrent appearance of a cluster of symptoms. Box-2 identifies some of these, even if admittedly it oversimplifies the idea.

Formal – Informal Interaction

How may one understand the formal-informal interaction ? How do the two relate with each other ?

Conventionally, the live-and-let-live angle prevailed in deciphering the nuances of interaction between formal and informal organization. This emphasizes that the two are inseparable, and must live in mutual coexistence. What may the formal organization do by way of evolving a coexistence strategy ? This could include measures such as the following :

Box – 2

Informal Organisation : The Ways in which it may manifest itself
(Forms of Informal Organisation or Social Processes)

- Emergence of informal groups in work-place
- Private goals (or unannounced agenda) of constituents
- The phenomenon of informal leaders
- Abridgement of procedures
- Informal role elaboration
- Extra-systemic power centres
- Distortions, leakages, and blockages in formal channels of communications
- Relational (sociometric) overlays

- Not threatening its existence ;
- Listening to the group's opinions by cultivating with the leader ;
- Encouraging group participation in decision-making situations as well as at a more general plane ; and
- Controlling the grapevine by release of accurate information.

A different angle which could be invoked in viewing interface between the two would be to conceive situations under which informal norms and standards influence the formal organizational policy. Here, the two interact at a different plane ; the relationship is reciprocal in that one allows the other's point of view a space. The two are locked in a deferential relationship.

A third interactional perspective is discernible in the Neo-classical writing. It views the formal and informal aspects as distinct and, at times, irreconciliable. This would be akin to the interaction between the organization and its labour Union, or a public agency or another organization.

The concept of Social System represents yet another standpoint in deciphering the nuances of the interactional climate. While the social system concept can be properly classified as Neo-classical, in its epistemological emphasis it borders on the systems theory. "The phrase "social system" means that an organization is a complex of mutually interdependent, but variable, factors."[14]

These factors include individuals and their attitudes and motives, the pyramid and the patterns of relationship it prescribes, the social processes, the physical setting of work-place, and so on. These diverse components are woven into an overall

pattern of interdependency. Viewed in this way " the formal and informal organizations lose their distinctiveness, but find their real meaning, in terms of human behavior, in the operation of the system as a whole. Thus, the study of organization turns away from descriptions of its component parts, and is refocused on the system of interrelationships among the parts."[15]

One aspect which may be briefly touched, in concluding the discussion on formal-informal interface, pertains to the conditions under which informal organization will enhance the formal organization. Under what circumstances will the constituents be induced to invent their own methods to beat the procedural encumbrances to organizational success ? Clearly, this would happen only under conditions of high motivation. What those conditions might be ? The answer would be somewhat as follows.

- When members of the organization find their work challenging and absorbing.
- When they spontaneously take to and identify with the organizational objectives.
- When the constituents have a high degree of professional accomplishment.

These conditions spur motivation. Each individual, under these, is motivated to succeed in making her/his own contribution towards the organizational goal attainment. And each devises her/his own methods to circumvent procedures, if these are perceived to block success. (See Box-3.)

Box-3

CONDITIONS WHICH CONDUCE TOWARDS FORMAL – INFORMAL CO EXISTENCE [16]

The Issue: ***When will one circumvent "formal organisational encumbrances" to organisational success ? Under what circumstances may the employees display an inclination to grope for their own de-facto modification of bureaucratic routines ?***

This will happen under the following conditions.

When Work is Challenging

The more the work is complex, challenging, gratifying, subtle, multi-faceted, personally absorbing, esteemable, conducive to interaction with others, and generally enlivening in the broadest sense, the more the emotional needs will be expressed and nourished, and harmoniously integrated with the process of task accomplishment.

Here co-workers develop a task-focused bond. And they would be anxious not to fail in making their own contribution towards organizational goal attainment.

When formal requirements are at odds with human social needs, they pressure people to act contrary to their normal "social instincts." Frequently, under such circumstances, people unofficially interpret their job requirements, informally modify work procedures, and adjust organisational rules to fit the human realities. This illustrates the rise of informal organisation to satisfy the emotional, personal and social needs that formal organisation frustrates.

When there is High Degree of Employee Acceptance of Organisational Goals : This Generates Motivation to Succeed

When employees are basically socialised to the legitimacy of the organisation's major goals, they would be motivated to devise ways of succeeding in their contribution to such goals. Here, recourse to informal practices is seen, by the concerned, as a way of avoiding personal failure.

When Level of Skills of the Constituents is High

When workers are skilled enough, and have enough of a grasp of the larger organisational purpose, to know how organisation is structured and what the technology of work requires.

In groping for their own modification of organisational routines, the employees are essentially likely to grope "wisely", viz., they make modifications in organisational practices that the leadership would formally introduce itself, had it the wisdom to understand what organising for success would truly require.

III

The Pfiffner–Sherwood Approach to Informal Organization

Operating simultaneously with formal organization (the pyramid of authority) are a number of intangible processes which leave a mark on the working of an organization. This, briefly, is the message emanating from the preceding discussion on informal organization. Pfiffner and Sherwood, in their painstakingly researched book, titled "Administrative Organisation," provide unique insights into a range of factors that would open up infinite possibilities of a divergence between the prescribed and the actual patterns of behaviour. In order that the reader is assisted in developing a fuller comprehension of the concept of informal organization, which is the corner-stone of the Neo-classical theoretical edifice, it is proposed, in this section, to briefly outline the principal strands in the Pfiffner–Sherwood argument.[17] Let the thesis advanced by the duo be, however, preceded by the following preface.

Preface

If the Classical theory emphasized formal structure as the key to understanding organizations, the Human Relations theory focuses on processes which modify the officially sanctioned design. The Formal theory was shaped by influences that imparted to it an impersonal flavour, leading its advocates to proclaim the supremacy of the formal over the informal and of the technical over the human. The Human Relations theory, was, in contrast, shaped by the events of a period, in the mid-thirties, under whose impact the human problems of organizations were projected into prominence which sent the message home that production could no longer be the sole responsibility of the management.

Perhaps, the most powerful contributory influence that diluted the impersonal emphasis of administrative theory, as it had developed in the writings of the Universal Design school, and underscored the salience of the human element in organizations, was the Hawthorne experiments. These, with a telling effect, projected the latent aspect of organizations (human feelings; human loyalties and commitments at multiple levels; social, as contrasted with the economic, side of man) which the protagonists of the Formal doctrine had so conveniently ignored.

Humans, unless they are assumed away as inert objects — as the Classical theory in fact did — will, in practice, behave in ways which diverge from the organisation's formal design. It is not simply that they are possessed of a will of their own, but it is also that case that their actual behaviour will not respond to the image of the economic man which the Classicists had so assiduously constructed to assert that the workers' tenacious pursuit of economic rewards will induce a ready (and meak) compliance with the commands of their superiors.

Because the Human Relations school invokes the human factor, the focus of its enquiry shifts from the "prescribed" to the "actual". The burden of its argument is that the actual patterns of behaviour within organizations diverge from those officially prescribed. And that two sets of factors account for this divergence : (a) those concerned with the social processes, and (b) those connected with the goal systems.

III (a)

The Social Processes

The term "social processes" refers to the patterns of relating and behaving that arise from spontaneous human interactions in given situations. Pfiffner and Sherwood conceptualise these social processes as overlay patterns. The idea of overlays is

important since it holds the key to understanding the difference between the formal organization (the prescribed patterns of behaviour) and the informal organization (the actual patterns of behaviour). When we superimpose upon any surface a coating (of say paint), or cover a surface with a sheet of cloth, such a coating or covering forms an "overlay." The word "overlay" conveys the idea of a thing laid over another, say, a layer of dust over a table-surface. The modifying social processes may be, likewise, understood to form overlay patterns superimposed on the prescribed or the formal organizational patterns. Some social processes from which a divergence between the prescribed and the actual patterns arises may be identified in terms of relational overlay, power overlay, communication overlay, and so on. A brief description of the different overlay patterns follows.

Relational overlay : This refers to the pattern of person-to-person relationship, purely social in nature, which arises from a net feeling of attraction and rejection. This pattern of relationships has been styled as socio-metric relations because it was revealed in the kind of group testing which was given that name by its originator, J.L. Moreno. The significance of the phenomenon lies in its potential to subvert the chain of command.

Power overlay : This manifested in the emergence of extra-legal or latent centres of power in organizations. As when a functionary commands a degree of influence which is entirely unmatched by the position he may hold in the hierarchy; a personal assistant to boss might be an apt example. Extra-systemic centres of power in organizations often run parallel to the formal centres of authority. Power is not synonymous with authority; it needs to be viewed in personal terms. Mapping of the power centres will reveal existence of a grid of personal power centres not coinciding with the formal structure of authority.

Communication overlay : This refers to the rise of informal co channels in organizations. Their presence can be gauged from the blockages which arise in the formal communication channels. Existence ar the grapevine is also revealed in the distortions which often occur in the official communications. Informal communication short-circuits the formal channel.

Functional overlay : This refers to the subversion of clear cut superior-subordinate relationships in matters calling for specialized information. In a case like this, the expert (i.e., the functional specialist) exerts influence without bearing direct responsibility for work.

Decision overlay : Decision overlay implies that the decision pattern does not necessarily follow the structure of formal authority because of the presence of power and functional networks that cut across the hierarchy.

III (b)

The Goal Systems

The subject of goal systems as a modifying influence is somewhat complicated. Before we delve into its intricacies, let the ball be set rolling by inviting the reader's attention to a straight-forward, relatively uncomplicated proposition concerning the matter.

Individual Goals : Individual in Relation to Himself

And it is very simply that individuals do not divorce themselves from their own personality needs just because they may choose to join organizations. This, need fulfillment, forms a strong drive in all humans. Therefore, every human arrives on the scene, i.e., joins organization with an (undeclared) agenda, which translate

goals. Illustratively, winning the approbation of boss, peers and subordinates; desire for a prestigious deputation or posting/transfer at a destination of one's choice; ambition for nomination on a reputed training programme; need for a good performance rating; lure of promotion; and so on. These private goals may or may not coincide with the organizational goals. A clash between the prescribed and the actual behaviour pattern is thus inherent in the situation insofar as there might be a divergence between the formal goals of the organization and the private goals of the individuals.

Groups Goals : Individual Behaviour is Anchored in Group Behaviour

A second proposition may now be introduced, and this involves the idea of the individual's involvement in social groups. The concept of social groups pictures the individual in the process of dealing with others, engaged in face to face contacts which he cannot avoid. In the final analysis, the individual is a social animal who depends on people around him for his psychic sustenance and physiological support. This meets his deeply-felt social needs, viz., friendship, love and affection needs. That is why, during most part of his life, the individual acts in groups. Social groups might, in fact, be viewed as the ground on which the individual stands.

Therefore, just as the individual does not divorce himself from his own personality needs, likewise he does not, upon joining organization, discard his need to associate with others in small, compact, homogenous groups.

A social group exists when people share common values about something and when their social roles closely interlock. A developed system of relationships and expectations welds members of the group together.

The reader may recall the working of the Bank Wiring Observation Group : the individual behaviour was anchored in the group behaviour; informal group norm for

production, based on a conscious decision of its members, favoured restriction of output and, thus, involved a violation of the official norm. The group had its own logic for restricting output, based on a variety of considerations; including the protection of the interest of the slow workers who might be thrown out of job if fast workers worked at their normal pace. Even when the incentive system dictated that the more an individual produced the more money he earned and even when it was known that the best producers (i.e. workers who produced most) would be laid off last, and thus they could be more secure by producing more, almost all workers restricted the output. Social pressures — in the form of social ostracism, ridicule, and name-calling — were used to gain compliance with the group norm, which was to enforce output restriction. Physical pressure, in the form of a game called "binging" or hitting, was also applied. In the game, a worker would be hit as hard as possible, with the privilege of returning one "bing" or hit. Forcing the rate-bursters to play the game became an effective sanction.

Force of group pressure, loyalty of the members to what the group stood for, and subordination of the individual self-interest to the larger group interest stand out as the more notable features of the Bank Wiring Observation Group study at Hawthorne. Social ostracism, it may be recalled, was more effective in gaining compliance with the informal group norm than was the lure of money and security in inducing members to attain the formal, management-set norm.

Thus, the need to associate with others drives human to form small groups. These, in important ways, mould the behaviour of individuals. The important thing to note in regard to the individual's involvement in groups is that this process of interaction gives rise to new loyalties viz. group loyalties. And from this arises a corresponding set of goals. Thus, actual behaviour of the individual may not coincide with the prescribed behaviour not only because there may be a divergence between the organizational goals

and the individual's (private) goals but, additionally, also because — as was demonstrated by the Bank Wiring Observation Group Study — the group norms may be at variance with the formal norms. This message flows unequivocally when the second level of individual involvement, in social groups, is considered.

Now, let us consider a yet another dimension of the matter.

The Third Level of Involvement : The Pan Organizational Dimension

Social groups, of which individuals are members, are themselves the part of a larger pattern : the pan organizational entity. This unfolds newer possibilities. First, in terms of a yet further level of interface that gives rise to a corresponding need pattern and set of goals. Secondly, by suggesting that the implications of human values must be considered, which, in fact, transform a static structure — a mere technical edifice — into a social institution.

A structure is simply a rational instrument. An institution, contrastingly, since it is a product of social needs and pressures, is infused with values. An institution is an organism which adapts and grows. Institutions, therefore, endure, while structures, because these are only technical instruments, survive only until more efficient devices are found. When value infusion takes place, emotions and aspirations surface and a concern for a continuation of the institution arises. In thus taking on of values — which are ways of acting and believing that are deemed important for their own sake — organizations develop a strong sense of self-preservation.

Conclusion

What we have attempted above is to sketch the possible dimensions of the individual's interface within the organization. There exist, as the foregoing shows, three

levels of involvement for the individual: (a) interface with his own personality; (b) interaction within the social groups; and (c) involvement at the pan organizational level.

This has enormous implications.

First, each level of involvement generates its own unique need pattern and a corresponding set of goals to gratify those needs. This presents infinite opportunities for divergence both at the level of needs as well as goals.

Second, multiple perceptions arise based on goal orientations, and factors such as individual access to information and his expectations, experience and environment.

Finally, whereas joint decision making in organizations is unavoidable, the locus of decision presents a convergence of irreconcilable need-patterns, goals, and perceptions. Multiple participation in decisions becomes critical by virtue of the fact that (a) there is mutual dependence on limited resources, which everyone must share, and (b) there is interdependence in the timing of activities.

As a result of these modifying influences, viz. social processes and goal systems, the actual behaviour pattern does not coincide with the prescribed behaviour pattern. And a divergence inevitably develops between the formal and the informal organization.

We can picture this more elaborately if the organizational phenomenon may be conceptualized at three levels :

(a) the operating organization,

(b) the job-task pyramid or the blue-printed hierarchical structure, and

(c) the system of sociological, psychological and ideological networks.

The (b) above refers to the formal organization or the prescribed behaviour pattern which is typically understood in terms of concepts such as levels of authority, functional process, positions, chain of command, unity of command, line and staff

structures, organizational goals, and so on. The other two [(a) and (c)] refer to the behaviour patterns identified as informal organization; these represent the actual as against prescribed behaviour patterns.

With reference to the above, the operating organization may be thought to consist of the job-task pyramid as modified by overlays and multiple goal patterns.

Notes and References

1. Ralph C. Chandler and Jack C. Plano, The Public Administration Dictionary, New York, John Wiley & Sons, 1982, p.210.

2. William G. Scott uses the two terms interchangeably. See "Organisation Theory : An Overview and An Appraisal," Journal of the Academy of Management, Vol.4, No,1 (April, 1961), pp.7-26. (Reprinted in Richards & Nielander (eds.), Readings in Management : see specially pp. 668-674, in the reprint, for interchangeable use of terms.)

3. Ralph Chandler and Jack Plano, op.cit., p.208.

4. ibid., pp.210-211.

5. ibid., p.209.

6. ibid., p.208.

7. ibid., p.208.

8. ibid., pp. 208-209.

9. William G. Scott, op.cit., p.668 (in reprint).

10. Chandler & Plano, op.cit., p.211.

11. In developing discussion on the contribution of Neo-classical school, we have drawn heavily from William Scott, op.cit., pp. 669-674 (in reprint).

12. ibid., p.668 (in reprint).

13. John M. Pfiffner and Frank P. Sherwood, Administrative Organisation, Englewood Cliffs, NJ, Prentice-Hall, Inc., 1960, pp. 16-27.

14. William G. Scott., op.cit, p.674 (in reprint).

15. ibid., p. 674 (in reprint).

16. Based on a discussion in Lerner and Wanat, Public Administration : A Realistic Interpretation of Contemporary Public Management, pp. 69-71.

17. This is presented in chapters 2 and 3 of John Pfiffner and Frank Sherwood's "Administrative Organisation," op.cit., pp. 16-51.

CHAPTER-7

HERBERT A. SIMON : THE NOTION OF CHOICE BEHAVIOUR

Highlights

CHAPTER-7

HERBERT A. SIMON : THE NOTION OF CHOICE BEHAVIOUR

Herbert Simon's Response to Institutionalism

If institutionalism was the hallmark of the Classical School, Herbert A. Simon stresses the centrality of choice behaviour in understanding organisations. Whatever the bureau of officials do – Whether conceiving, designing or implementing policies, or in terms of monitoring and evaluating policies – they accomplish this through the generic administrative process of decision making. The assertion is that all behaviour involves selection of a course of action from out of the available alternative courses of action.

The Classical theorists were not empirically oriented. By virtue of this fact, the actual properties of the members of organization ---- marked for their potential to interfere with the rationally laid out designs ---- did not find a place in their analysis. The institutional emphasis, underscoring the primacy of the formal over the actual, was erected on the logic supplied by the politics-administration dichotomy paradigm. From this academic orientation was derived the conceptualisation of "deciding" and "doing" as two distinct, separable activities. This was manifested in the emphasis that policy formulation was all about deciding and policy execution was all about doing or performing; that the former belonged to the realm of politics and the latter formed the domain of administration. Which was to say that choice behaviour was exclusively confined to the political arena and that administration per se involved no choice. That, doing altogether precluded

deciding; that it was all about performance. This encouraged an orientation in favour of evolving general and, what were thought to be, universally applicable principles of administration. (Reader may recall the name of an early textbook of the field: W.F. Willoughby's "Principles of Public Administration," 1927.) To administering were attributed certain quantities of "hardness" (which politics and policy making lacked)[1] that made it possible for the protagonists to harbour the visions of constructing a science of administration. Without doubt, Max Weber's projection of the ideal type bureaucracy and F.W. Taylor's insistence on "one best way" of doing things were inspired by this very intellectual ethos. This orientation stemmed from a logic which one might further elaborate as under.

The executive structures of diverse organisations are concerned with rational execution of set tasks. This executive role involves no judgement or discretion. People in executive roles, therefore, make no decisions; they only act: carry out orders, implement commands, or complete the assigned tasks. This explains why the earlier public administrationists defined administration as the art of getting things done ---- evidence enough that the politics-administration dichotomy paradigm was at work in a full-throated way.

Simon's response to the Classical position marks a signifiicant milestone in the evolution of the discipline of Public Administration. This is mainly, though not exclusively, contained in his Administrative Behaviour, which can be linked with the behavioural approach in social sciences. The key features of Simon's response to the Classical School may be summarised as follows.

- Herbert Simon substitutes institutional approach with behaviouralism.

- He launches a frontal attack on the Dichotomy paradigm; instead erects the alternative conception of politics-administration continuum.
- Consequently, Simon takes the position that doing does not preclude deciding. On the other hand, he perceives deciding rather than doing as the heart of administration.
- By implication, Simon maintains that the realm of policy execution entails exercise of discretion. As a corollary to this, he rejects the Classical position that it may be possible to evolve a set of universally applicable principles of administration. He dubs the Classical school's principles as no more than proverbs.

A Behavioural Focus

We prefaced the above outline of Simon's response with the observation that he substitutes institutional approach with behaviouralism. But, what is behaviouralism? In answer, it may be said that behaviouralism is a much overworked term in the sense that it tends to mean whatever its users wish it to mean. For instance, drawing on sociology and psychology, the social scientists studied administrative system as a pattern of behaviour that depended on a network of human relations. It is in this sense that the social-psyshologists have used the behavioural approach. The seminal contribution of Elton Mayo and his colleagues arose from the application of this approach in the course of the Hawthorne experiments, which Mayo led. When, however, Herbert Simon arrived on the scene, the focus shifted to decision making behaviour. Simon moves away from social-psychological orientation of the human relationists and turns towards a new emphasis on

a central administrative function : decision making. The shift was rooted in the previously stated position that all behaviour involved selection of a course of action from amongst the alternatives available at a given point of time; that administration , in this sense, was synonymous with decision-making. Therefore, what behaviouralism basically means is a focus on behaviour rather than institutions (viz., officially or formally prescribed hierarchical structure in all its ramifications), on which the Classical school focused.

Centrality of the Choice Behaviour

In rejecting the Classical conception of Dichotomy, Herbert Simon asserts that doing does not preclude deciding ---- that the choice behaviour is not confined to legislative branch alone. He maintains that when one closely views the actions which officials of the executive branch perform, one discovers that every such action involves deciding. The reader will appreciate the import of this formulation if it is borne in mind that what Simon was concerned with was the process of choice which leads to action. The process of choosing between alternatives precedes the actual action because an element of judgement or discretion is inescapably present in virtually every situations which culminate in a certain course of action.

The Classical School viewed administration as a cluster of activities subsumed in the acronym POSDCORB. It, therefore, equated administration with doing. Simon shifts focus from activity to the actual process leading to an activity. When one shifts focus from discrete activities or performances (viz, planning, organising, etc.) to the process involved in each performance, the problem of choice will be seen to arise. For example,

judgement is involved in identifying an applicable rule in a given situation. Likewise, in determining delegations, personnel or budget required to carry out a set of activities. Also, in setting the standards of performance, designing a monitoring mechanism, evolving an evaluation strategy, installing a grievance redress machinery; and so on.

Thus, what we observe is that every performance involves judgement. But this element of choice can be discerned if only the notion of process is invoked. In determining delegations, to take just one example, the bureau-official must decide whether to design a top-down or bottom-up structure.

It may of course well be the case that a specific segment of organisation, viz, clerks or manual workers, does no more than execute an order from above or apply a rule that allows no choice ---- meaning that these people exercise no judgement or make no decisions ---- but with them we need not be concerned. One does not, however, have to go far up in the hierarchy, and this precisely is at the back of Simon's assertion that all administering is deciding, before an element of discretion enters or at least some judgement in finding the applicable rule is involved. Consider, for example, a functionary as low as a traffic constable in the police hierarchy. On confronting a traffic-law offender, the constable can choose to ignore the infraction or let the offender go just with a warning, or he can choose to fine him or, alternatively, the constable may decide to produce him before the court. Virtually all administrative decisions, at whatever level, confer benefits (housing, permits, social security, loans) on some while depriving others of the same. It is in this way that what often appears to be a value-free administration is in fact a value-laden politics. In other words, "deciding" is invariably a defining pillar of the performances in organisations.

The centrality of decision making for organisations can be viewed from another ventage point, too. Of essence here is the emphasis that organisations are formed for the attainment of a specified goal(s) cooperatively; it is when a particular goal cannot be individually accomplished that people are motivated to cooperate, or organise themselves. From the very instant the people thus come together, the elements of administration appear in the situation, for now they must consciously plan, organise and coordinate so as to achieve the end in view. Because organisations are purposively coordinated entities, their constituents must at every instant make conscious decisions. Unless the actions of constituents are preceded by conscious choices, these will display a lack of purposiveness. It is, in fact, this on-going process of choice which keeps organisations from drifting, and distinguishes formal organisations from informal social groupings. When people consciously coordinate their activities for the attainment of a goal, they must continuously make decisions to foster synchornisation and to keep discordant behaviours at bay.

Indeed, even the operating routines within the bureaus – the organisation chart, the standard operating procedures, the rules, the manual – ultimately arise from signify discrete cluster of decisions. These routines lessen the mental strain on decision maker and allow a great deal of deliberations to be brought to bear on operations without rediscovery each time.

Simon, therefore, views decision as the primary orienting point in organisations. Because there is judgement involved in the choice of alternatives, what might superficially appear to be a neutral performance in fact becomes laden with elements of politics. The acknowledgment that values enter the domain of administration ---- a

phenomenon signified by the use of discretion at various levels in hierarchy --- negates the possibility that "one best way" of doing things could be identified, or immutable "principles" prescribed for augmenting efficiency of performances, or "ideal types" erected.

Attack on the Notion of Principles

Simon did not merely crack the myth of politics-administration dichotomy, he advanced a more basic contention, namely, that there could be no such things as "principles" of administration which might be used to design and administer organisations in a fully rational manner. His attack on the "principles" notion was two pronged; the basic argument was offered by Herbert Simon in his famous 1946 article "The Proverbs of Administration" which he developed more fully in his Administrative Behaviour a year later, in 1947.

First, Simon argued that, like proverbs, principles often came in pairs and for every principle one can find an equally plausible and acceptable contradictory principle. Thus, if every principle of administration can be shown to have a "counter principle", as Simon indeed did, this renders "moot the whole idea of principles." Secondly, Simon demonstrated each one of these principles to be mutually contradictory. He paired widely accepted principles and with a devastating logic showed that often in implementing one principle one would negate the other.

For instance, unity of command is in conflict with the principle of specialisation. One cannot in the same breath advocate both unity of command as well as specialisation because the conditions which promote advantages of specialisation ---- as when specialists in the headquarters consult with specialists in the field without going

through the proper channel ---- will in practice be seen to give rise to duality of command. In this specific case, while the dual chain of command promotes the advantages of specialisation, in the process, however, the principle of unity of command stands violated.

Let us now take a second example. The Classical theorists advocated a narrow span of control on the ground that a public manager can effectively supervise only a limited number of subordinates and that, after this critical threshold was reached, supervision will tend to become increasingly ineffective and loose. If the principle of narrow span of control was followed, the result would be a tall structure with several intervening layers between the top and the bottom. Yet, as Simon observed, it was possible to build an equally powerful advocacy for the opposite principle (i.e. a broad span of control) which would lead to the formation of a flat hierarchy which had fewer levels. Flat hierarchies, as we know, are recommended on the grounds of building employee autonomy and on the logic that fewer the levels through which a message passes up or down the pyramid the greater is the chance that it would arrive at its appointed destination relatively undistorted.

This is what Simon meant when, in his iconoclastic piece in PAR he likened the traditional principles to proverbs, where both in the pair sound equally plausible: "look before you leap! but one who hesitates is lost." What Herbert Simon essentially emphasised was that when two "principles" were contradictory, these were, by definition, no principles.

Satisficing

In order to develop this discussion further, it is necessary at this stage to emphasise the integrative or synthetic character of administrative theory, as it appears in the writings of Herbert Simon. The Classical School pictures human behaviour as purely rational. This is best typified by their non empirical, normative construct of economic man who, with his supposed omniscience, is thought to possess a boundless capacity for problem solving. The implication is that he (a) has knowledge of all the possible alternatives, (b) can foresee the consequences of each alternative, and (c) has a consistent system of preferences (to enable him to rank all consequences from the most preferred to the least).[2] These attributes in economic man make for a maximising solution.

"Of course, it is evident that what is modelled above is not the way in which people actually decide, but the way in which they should decide if they were one hundred per cent rational and if their computational capacities were unlimited." [3]The Classical school theorists "are not preoccupied with how the manager really takes decisions. They are rather preoccupied with how the manager ought to take decisions if he wants optimal results." [4]

A second noteworthy feature of Classical Theory consists in its "conception of the agent of rationality." [5] Since organisation as a whole forms the unit of analysis and inter-organisational (interfirm) relationships dominate the Classical economic framework, the intra-organisational relationships are ignored. There is, in this framework, "no room for other organisational members to have an individual frame of reference, to make choices or solve problems."[6] Organisational members are subsumed under the label of `labour' and treated merely as "a factor of production that the entrepreneur must rationally

combine with other factors to maximise his profits. Thus, as in Taylorism and in the classical management theory, rationality is concentrated at the top."[7]

The human Relations School, on the other hand, as we have previously seen, by virtue of the emphasis it places on the influences that modify the rationally laid out organisational design (i.e., the overlays or the social processes), underscores the importance of the informal *vis-a-vis* the formal and of the actual *vis-a-vis* the prescribed. As a result, the spontaneously arising, rather than the prescribed, patterns of relationship form its focus. Human behaviour, under the Neo-Classical framework, is, therefore, explained predominantly in terms of personal motivations and loyalties; personality needs, attitudes, values and sentiments; and, of course, in terms of the private goals and personal prejudices of the members of organisation. The net result is that the formal structure is overshadowed by the informal organisation; the spontaneously occurring social interactions relegate the prescribed structure to the background and the latter is treated "as an external variable of the informal system." [8] The Human Relations School emphasises sentiments which has the effect of minimising "the importance of rational problem solving activities in the organisation." [9]

The Classical and the Human Relations theories are, thus, polar types. At the normative pole, the economic man is portrayed as being wholly rational; and, at the empirical pole, the social man of Human Relations School is pictured as being wholly non-rational.

Herbert Simon, through his ingenious conceptual device of what he terms as the "bounded rationality," seeks to put an end to this polarisation in the contemporary administrative theory. Simon builds his argument as follows.

To the extent that an organisation is a system of consciously coordinated activities, its constituents must continuously make decisions to choose among the available range of alternative courses of action. This, to Simon, yields two important conclusions. One, as to the primacy of the rational aspects of human behaviour in organisations. Two, if purposiveness is what distinguishes a formal organisation from an informal one, behaviour in formal organisations cannot, by definition, be completely emotive or aimless. For the same reason, a member of organisation, "more than an instrument or an autonomous agent of drives and emotions, is a decision-maker and problem solver."[10]

But the manner in which he actually makes decisions is different from the way in which he is portrayed to do under the economic man model. The economic man model is entirely unreflective of actual administrative behaviour; this, insofar as there is in practice nothing like a perfectly rational behaviour. Rationality, on the other hand, is bounded, or limited. Simon, as we shall later see, comprehensively catalogues factors that limit rationality. And it is by considering such limiting factors that a link between the rational and the non-rational, and between the economic man and the social man, can be achieved.

Through an involved argument, Simon is led to substitute the conventional economic man concept with that of the administrative man who, because he is afflicted by the bounded rationality syndrome, is merely a satisficer and not a maximiser. While acknowledging that the administrators do in fact look for maximising solutions in respect of the situations they encounter or the problems their organisations face, Simon directs his analysis to a search for factors which in practice block this effort to locate a

maximising decision.

> Where the purveyors of administrative principles had erred, in Simons' view, was in their assumptions that all alternatives were known, that the consequences of choosing any one of those alternatives were equally known, and that decision makers doggedly searched until they found the alternative that was best from the standpoint of their own preferences. [11]

Simon questioned this apriorism, this belief in a priori reasoning, viz, reasoning which is not based on prior study, examination or investigation. In real life situations, Simon argued, alternative courses of action are not known to the decision-maker ---- as is persumed under the economic man model ---- these have to be, on the other hand, discovered by him. Nor are the consequences of various alternatives known to the decision-maker in real life; the pros and cons of these alternatives have instead to be worked out. This necessitates a whole lot of relevant information which, once again, cannot be presumed to exist but which must in fact be collected at a great cost of time, energy (manpower) and money.

Decision Premises

Decision premises arise out of information, and the ability of the individual to handle that information. The concept of decision premises holds a place of central importance in Herbert Simon's model of decision making. "... a decision," Simon states, "can be regarded as a conclusion... drawn from premises...." [12]For the same reason, it would be plausible to picture the environment of decision maker in terms of a set of premises; these premises indeed may be regarded as constituting this environment.

Simon focuses generally on the "premise of decision" rather than on "decision."[13]

Premises are "universals" present in every decisional environment irrespective of the locus.[14] Decision premise is an analytical device Simon takes recourse to in searching for a suitable unit of analysis. The traditional theory emphasises the action process (getting things done), Simon argues. And the so-called principles are laid down to assist in achieving such action. In all such discussion, Simon points out, scant attention has been paid to the choice which prefaces all action, to decide what is to be done rather than how to do it.[15] Simon argues

> that the analysis of the role played by individuals in an organistion is not precise enough; similarly a study of acts or actions remains too general. He regards the decision premise as a much smaller unit of analysis and therefore more appropriate. Many premises are involved in specific decision or action and are incorporated in the definition of a single role.[16]

Simon distinguishes between two kinds of decision premises : factual premises and value premises. In elaborating the point, it may be said that decision making, according to Herbert Simon, involves both factual as well as ethical elements. Factual elements (or decision premises) can be validated by empirical tests, whereas value premises – because these have an ethical content : notions of good/bad, right/wrong, fair/unfair – are beyond empirical proof or disproof.

Broadly, it may be said that value premises have to do with the choice of ends whereas factual premises are concerned with the choice of means. Simon, however, recognised that the distinction between ethical and factual elements is "analytic or synthetic."[17]

> Reality does not always divide so neatly. Given that behaviour in organisations in intentionally purposive at multiple levels, an "end" is some immediate means-end linkage may be a means in a more distant means-end linkage. Simon's decision rule for applying his analytical distinction is this : As far as decisions lead to selection of "final goals," they are considered to be "value judgements" beyond empirical validation. When decisions implement any final goals, they are "factual judgements."[18]

As we have previously noted, in the economic man model, "the decision-maker is supposed to have a priori a full repertory of all the factual premises (complete knowledge of alternatives and consequences) and the value premises (utility function or preference ordering) which are relevant to his problem."[19] This in reality is, however, not the case; the decision-maker has, infact, to launch a search to locate them. The fact of the matter is that, at any given time, as this search progresses, there are in operation forces which reduce the quality and volume of the premises. This triggers the phenomenon of "bounded rationality." Bounded rationality may be defined as the "propensity to decide on the basis of partial knowledge."[20]

What factors account for the bounded rationality syndrome? One source, heavily quoted in the preceding pages, identifies three sets of factors, as under.[21]

(i) Skills, habits and reflexes which are more or less unconscious and which determine automatically an individual's performance and the decisions which precede it. These are most evident at the operative level. These limitations formed the preoccupation of Taylorism; the Scientific Management techniques were devised to prop up rational behaviour at the shopfloor. In this regard the reader must be reminded that for Simon all behaviour involves selection of a course of action from among the available alternative courses irrespective of whether or not the individual

is conscious of all the alternatives. `Selection' therefore need not always be a deliberate process or conscious effort, the term selection simply refers to the fact, as Simon put it, that "if the individual follows one particular course of action, there are other courses of action that he thereby foregoes."[22]

(ii) A second set of constraints to rationality derive from the motivations, values and loyalties of the individual. For instance, an individual's strong identification with a group whose values diverge from organisational values will tend to limit the individual's rational behaviour, when rationality is judged by organisational norms, priorities and goals. The Human Relations School, it may be recalled, focused on limitations arising from these sources.

(iii) Finally, rational behaviour or rational decision-making (for Simon, the two terms "behaviour" and "decision-making" are synonyms) is limited by the amount of basic knowledge and information available . For Simon, information constituted a serious constraint to rationality. Ability to generate and analyse information flows can compensate for bounded rationality, but limitations on knowledge can never be removed fully.

Conclusion

According to Simon, organisations cannot be designed and administered entirely rationally because of the impossibility of maximising solutions and the concomitant inexorability of the satisficing solutions. A satisficing solution is one that meets the

decision maker's minimum standard of satisfaction, that which provides satisfactory relief from the perceived difficulties, or yields enough to meet the immediate need. Simon characterises this satisficer as the "administrative man": "While economic man maximises ---- selects the best alternatives from among all those available to him ---- his cousin, whom we shall call administrative man, satisfices ---- looks for a course of action that is satisfactory or `good enough.'"[23] The quest for alternatives, under Simon's satisficing model, does not continue interminably in order to locate a perfect, optimal, maximising solution. Because, it was argued, the decision maker cannot be presumed to know in advance what in fact he will have to discover through a process of search; and this effort shall be characteristically constrained by limitations of institutional and personal resources at the command of the decision maker.

The conceptualisation of administrative man and bounded rationality is not intended to convey pathological symptoms of modern bureaucracies; these may rather be viewed as analytical tools to portray how administrators actually do make decisions on extremely complex issues.

Two features characterise the conceptualisation of administrative man. One, administrative man is a satisficer. Because he can seldom see, or predict the outcome of, all possible alternatives. Two, administrative man is a person of bounded rationality : he is compelled to take a simplified view of the situations he encounters, because it is impossible to grasp the interrelatedness of all dimensions of the decision making environment. He will typically leave out factors he considers irrelevant and make decisions with limited alternatives he can immediately see.

The rationalists assumed that choice was constrained by external factors such as availability, cost, technology and time. The bounded-rationality idea adds to the list of constraints such human limitations as faculty memory, inadequate computing power, and tendency to satisfice or settle for a merely good enough decision.

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