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READING IN PUBLIC ADMINISTRATION
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By

Wafik Ashraf Hassouna, M.D., Ph.D.

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"Opinions Expressed and Positions Taken by Authors
are Entirely Their Own and do not Necessarily Reflect the
Views of the Institute of National Planning".

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I. INTRODUCTION

This publication is the first in a series of synopses of literature on various subjects in the field of Public Administration.

This publication contains two reviews dealing with organization theory. In the first, the synopsis of Chester I. Barnard's classical *THE FUNCTIONS OF THE EXECUTIVE*, which was written in 1938, the student will find delineated many of the concepts which govern present day organization theory.

The techniques of group dynamics so extensively used in social and industrial organizations, too, owe much to Barnard's theory of cooperation which is briefly exposed in this publication.

Thompson's *MODERN ORGANIZATION* which was first published in 1961, deals specifically with the characteristics of modern bureaucracy. The influence of Max Weber is felt more strongly than that of Barnard in Thompson's works, nevertheless, Thompson, as all modern writers in organization theory, is indebted to Barnard who first identified the role of the informal organization.

It is the author's hope that the students who read this publication will be stimulated by it to pursue their inquiry by reading the original works herein summarized.

II. REVIEW OF BARNARD'S BOOK: THE FUNCTIONS OF THE EXECUTIVE

In a formal sense, Barnard's book is divided into four parts: preliminary Considerations Concerning Cooperative Systems, The Theory and Structure of Formal Organizations, The Elements of Formal Organizations, The Functions of Organizations in Cooperative systems. In substance, however, there are two major sections:

(1) the development of a theory of cooperation and formal organization in the attempt to frame a conceptual scheme that is useful for the study of concrete organizations; and (2) an exposition in very general terms of the functions, processes, and essential problems of the executive or of leadership of organizations and of the management of cooperative systems.

In the first major section Barnard initially lays a basis for his theory of organization by advancing some fundamental assumptions about the nature of individuals and cooperative systems:

1. The individual human being possesses a limited power of choice. At the same time he is a resultant of, and is narrowly limited by, the factors of the total situation. He has motives, arrives at purposes, and wills to accomplish them. His method is to select a particular factor or set of factors in the total situation and to change the situation by operations on these factors. These are, from the viewpoint of purpose, the limiting factors; and are the strategic points of attack.

2. Among the most important limiting factors in the situation of each individual are his own biological limitations. The most effective method of overcoming these limitations has been that of cooperation. This requires the adoption of a group, or non-purpose. The situation with reference to such a purpose is composed of innumerable factors, which must be discriminated as limiting or non-limiting factors.

3. Cooperation is a social aspect of the total situation and social factors arise from it. These factors may be in turn the limiting factors of any situation. This arises from two considerations: (a) the processes of interaction must be discovered or invented; (b) the interaction changes the motives and interest of those participating in the cooperation.

4. The persistence of cooperation depends upon two conditions: (a) its effectiveness; and (b) its efficiency. Effectiveness relates to the accomplishment of the cooperative purpose, which is social and non-personal in character. Efficiency relates to the satisfaction of individual motives, and is personal in character. The test of effectiveness is the accomplishment of a common purpose or purposes; effectiveness can be measured. The test of efficiency is the eliciting of sufficient individual wills to cooperate.

5. The survival of cooperation, therefore, depends upon two interrelated and interdependent classes of processes: (a) those which relate to the system of cooperation as a whole in relation to the environment; and (b) those which relate to the creation or distribution of satisfactions among individuals.

6. The instability and failures of cooperation arise from defects in each of these classes of processes separately, and from defects in their combination. The functions of the executive are those of securing the effective adaptation of these processes.

With these assumptions in mind, Barnard defines formal organization as a system of consciously coordinated activities or forces of two or more persons (note that Barnard deals with two systems: (1) an inclusive cooperative system, the components of which are physical systems, social systems, and organizations; and (2) organizations, which are parts of cooperative systems and consist entirely of coordinated human activities).

Having defined organization, he treats the elements that result in a system of activities and order their interrelations--he proposes his theory of organization to explain what is essential to the system or necessary to its persistence or duration. Basically, his theory is:

The initial existence of an organization depends upon a combination of three elements (communication among members; willingness to serve; common purpose) appropriate to the external conditions of the moment. Its survival depends upon the maintenance of an equilibrium of the system. This equilibrium is primarily internal, a matter of proportions between the three elements, but it is ultimately and basically an equilibrium between the system and the total situation external to it. This external equilibrium has two terms in it: first, the effectiveness of the organization, which comprises the relevance of its purpose to the environmental situation; and, second, its efficiency, which comprises the interchange between the organization and individuals. Thus the three

lements stated will each vary with external factors, and they are at the same time interdependent; when one is varied compensating variations must occur in the other if the system of which they are components is to remain in equilibrium, that is, is to persist or survive.

ef, his theory of organization is that simple or complex, organization is always an impersonal system of coordinated human beings; always there is purpose as the coordinating and unifying principle; always there is the indispensable ability to communicate; always the necessity for personal willingness, and for effectiveness and efficiency in maintaining the integrity of purpose and continuity of contributions. Complexity appears to modify the content and form of these elements and of the balance between them; fundamentally the same principles that govern simple organizations may be conceived as governing the structure of complex organizations.

Complex organizations are simply a composite of coordinated simple organizations, consisting of many units of "working" or "basic" organizations, overlaid with units of executive organizations (which specialize in executive functions). The essential structural characteristics of complex organizations are determined by the degree of the necessity for communication upon the size of a unit of organization.

He has some interesting things to say about the nature of formal organizations (didn't he "discover them?"). Here I will list the functions of informal organizations in formal organizations: maintenance of communication; maintenance of cohesiveness in formal organizations through regulating the willingness to serve and the stability of objective authority; maintenance of the feeling of personal dignity, of self-respect, of independent choice.

in turning from his treatment of organization theory to his section on management and the executive function, it becomes apparent why many consider this book to be the "bible" of administrative leadership.

He begins by acknowledging that the goals of cooperative behavior--the reason for organization--cannot be accomplished without specialization or division of labor. Not only do individuals specialize, but also units in the organization. Since purpose is the unifying element in formal organization, the general purpose of the complex must be broken down for each unit. Understanding or acceptance of the general purpose by the individual is not necessary.

He provides a rationale for organizational participation: the net satisfactions which induce a man to contribute his efforts to an organization result from the positive advantages as against the disadvantages which are entailed. In trying to get participation from employees, inducements must be offered with a sense of economy of incentives (do not offer incentives once that you cannot afford to sustain). Incentives may be objective (money, vacation) or subjective (honors, status, privileges). The latter type is subject to great manipulation depending on the personality and situation of the recipient employee.

Barnard's theory of authority is important. Authority is another name for the willingness and capacity of individuals to submit to the necessities of cooperative systems--thus determination of authority lies with the subordinate. Established authority systems are usually effective because individuals decide to submit under the following conditions: (a) orders that deliberately issued in enduring organizations usually comply with the four conditions mentioned above; (b) there exists a "zone of indifference" in each individual within which orders are acceptable without conscious

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

In treating decision-making he proposes a "theory of opportunism" in which the analysis required for decision is in effect a search for the "strategic factors". The strategic factors are those environmental and internal factors whose control, in the right form, at the right place and time, will establish a new system or set of conditions which meet the objectives of the decision-maker.

In dealing with the executive role, he points out that executive work is not that of the organization, but the specialized work of maintaining the organization in operation. The essential executive functions are: to provide the system of communication; to promote the securing of essential efforts; to formulate and define purpose. All three are interrelated and interdependent.

The combined executive functions above involve two opposite incitements to action. The first involves an interaction and adjustment of the executive functions determined by the search for strategic factors. This is the executive process which is an art rather than a science and which involve the executive in sensing the organization as a whole and the total situation relevant to it as it creates, transforms, and exchanges utilities by means of a cooperative system. The second incitement to action concerns the will to effort--the element of morale, the moral aspect, the ultimate reason for cooperation--executive responsibility. This is that capacity of leaders by which, reflecting attitudes, ideals, hopes, derived largely from without themselves, they are compelled to bind the wills of men to the accomplishment of purposes beyond their immediate ends, beyond their times.

III. REVIEW OF THOMPSON'S BOOK: MODERN ORGANIZATION

Thesis: the most symptomatic characteristic of modern bureaucracy is the growing imbalance between ability and authority. (Organizational theory is only concerned with those aspects of behavior which are determined by organizational structures.)

Chapter 2. Bureaucracy. Weber pictured an evolution of organizational forms in terms of the kind of authority relations within them etc. In the case of the bureaucratic organization, there is a special need for caution with regard to change; specialization regards some guarantee of stability. Any suggestion of change must be measured against its effect on the cooperative system as a whole.

Chapter 3. Specialization. Specialization of tasks, making activities more specific vs. specialization of people, which refers to the adaptation of the individuals to conditions of his existence, increasing his chances for health and survival (biol.) Jobs which do not meet the needs of the individual and which must be autocratically imposed are not likely by themselves to contribute to social cohesion. Task specialization aggravates the problem of cooperation; personal specialization holds the hope of its solution (each person performs a social function).

er 4. Hierarchy. A role is an organized pattern of behavior in accordance with the expectations of others. Hierarchical relations overemphasize the veto and underemphasize the approval and innovation. The ranking of roles with the regard to the amount of preference due them is what is meant by the "status system." The concept of unity of command or influence denies the relevance of non-hierarchical expertise within the organization. The cultural definitions which comprise hierarchy change much more slowly than the facts of specialization ("cultural lag").

er 5. Conflict. Although group decision can be greatly superior to individual decision as a problem solving device, bureaucratic structure limits the effectiveness of the group process (e.g. monopolizing the orientation phase and defining the problem). The damage to cooperativeness is increased by the hierarchical appropriation of success. Conflict results from: 1- a growing discrepancy between expected authority and actual authority, the heart of the line-staff conflict; 2- disagreement as to the need for new interdependence which arises when rights or competencies are allocated by the hierarchy in disregard of technical needs; 3- blocked communication. Conflict arises from growing inconsistencies between specialist and hierarchical roles (p. 109),

er 6-8. Defensive Behavior to protect hierarchical position and role: 1- ideoeological; systems of ideas and beliefs supportive of hierarchical prerogatives (leadership studies, managerial social psychology (manipulation), and the formal concept of bureaucratic responsibility--logically, the idea of responsibility ends in a reality because under the monistic theory, the superior's behavior is determined by his superior etc., leaving the former blameless); 2- dramaturgical: persons in hierarchical positions seek to control the impressions of others about the nature of these positions and

their accompanying roles; 3- bureaupathological : a rigid and ritualistic performance of roles as an attempted escape from insecurity. (Pathological is the appropriation of major aspects of bureaucratic organization as means for the satisfaction of personal needs; whereas the basic ingredient of bureaupathology is personal insecurity in authority positions, the basic ingredient of bureausis is immaturity, the dysfunctional persistence of childish behavior patterns--some people are uncomfortable with almost all aspects of modern organizations).

Chapter 9 Cooperation. At the same time that specialization is destroying the common conscience (Durkheim) it creates the possibility of a new "organic" solidarity based upon mutually recognized interdependence. In the modern period of specialization, the one desideratum that overshadows all others in importance is cooperation. Cooperation is an attitude of agreement to the system of coordination, of willingness to be coordinated. The regulatory system must be technically compatible with the system of interdependence if cooperation is to be preserved. It must also be compatible with the personal needs of the participants. Coordination through: 1- command; 2- through group identifications (individuals are regulated and coordinated by the informal groups of which they are members--group identification cannot extend far enough to embrace all those whose actions must be coordinated); 3- through the mutually recognized interdependence of freely specialized individuals.

Some suggestions for reform (status and function for all). 1- given most people in supervisory positions some specific instrumental functions in addition to the exercise of authority, to minimize concern with prerogative and protocol; 2- two equal salary scales for hierarchy and specialists; 3- upgrade labor in line with the needs of (personal) specialization; 4- decentralization wherever centralization can not be shown to be necessary-- all

cialists lacking an existing and substantial body of knowledge or technique be eliminated; 5- all organizational processes and arrangements should have as a manifest purpose the furtherance of cooperation based upon the mutual recognition and acceptance of interdependence, which is dependent upon the achievement of status and function for all.