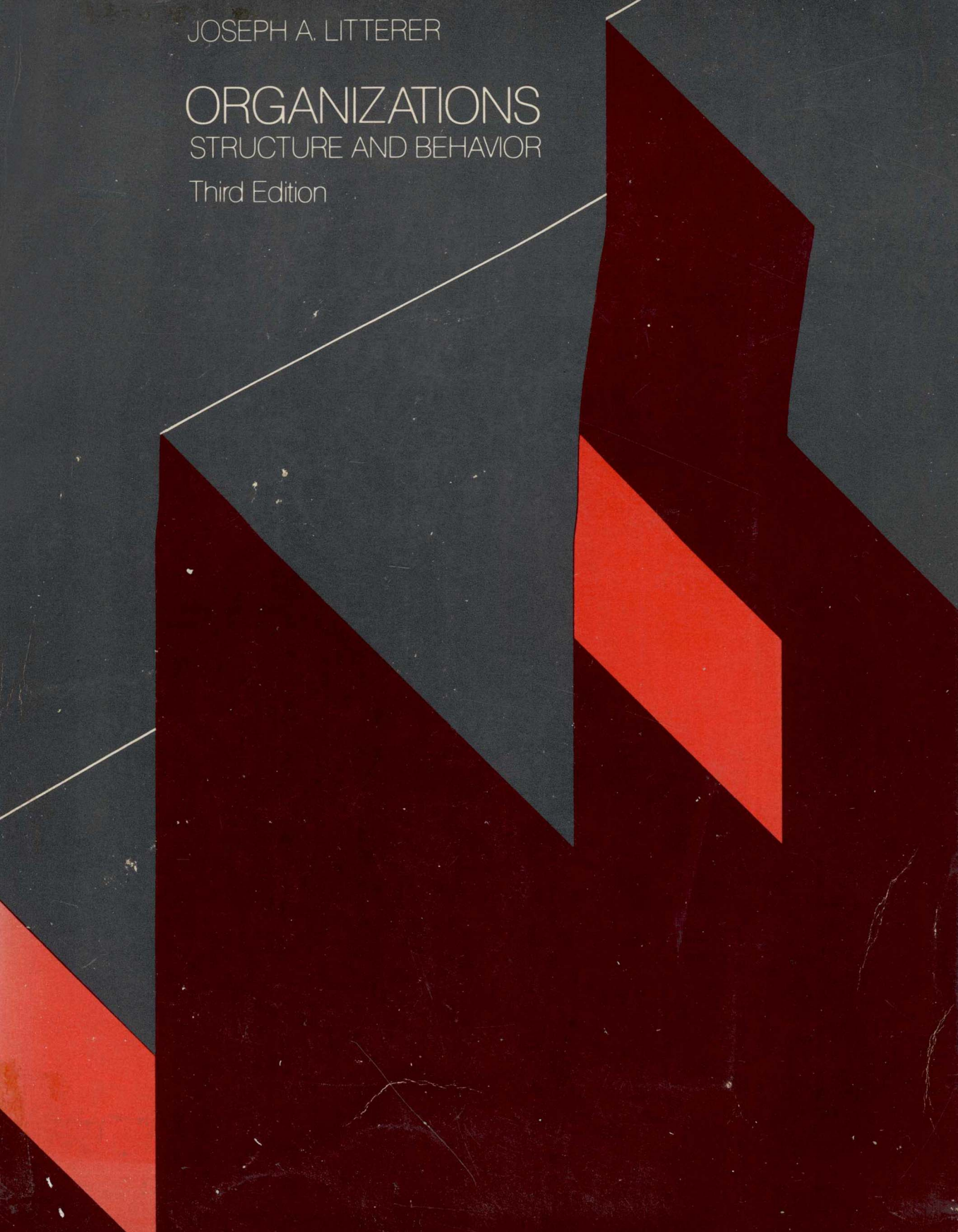


JOSEPH A. LITTERER

ORGANIZATIONS

STRUCTURE AND BEHAVIOR

Third Edition



ORGANIZATIONS

STRUCTURE AND BEHAVIOR
THIRD EDITION

Joseph A. Litterer

University of Massachusetts, Amherst

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PREFACE

There can be several reasons for an anthology on organizations. One is to present the latest work in the field. Another is to assemble work that covers a particular approach or aspect of organizations, such as organization theory or measuring structure. A third reason is to assemble the most important writings in the field. Needless to say, each approach would result in a different collection of material. With the first, each new edition would essentially be a new collection of material. With the last, each new edition would see new material added, with some of the old material that had been supplanted dropped and some of the earlier material retained.

The purpose of this anthology, as in the previous two editions, continues to be to make available to the reader the basic sources needed to understand the field of organizations. The goal is simply stated. Attaining it is another matter. Since the first edition of this anthology appeared a scant seventeen years ago, the field of organizations has grown enormously. Topics that were little more than a label have grown to major areas of study. Issues not recognized earlier have become the subject of intensive scientific investigation. Our appreciation of the complexity and subtlety of organizations has grown from the status of editorial observation to a central focus in the research conducted and in the models and theories developed. Making a selection from this rich and growing literature for an anthology that reflects the most important things about organizations is a fascinating but frustrating task.

Selections for this edition were made with a number of things in mind. To begin, there is the question, "Why have an anthology at all?" The original edition came into being because, at that time, there was no adequate text on organizations available for teaching purposes. That is hardly the case today. Even today, however, the need for a collection of basic readings remains. This new edition, like its predecessors, makes available to readers the basic writings in the field, not in a predigested or distilled form, but in the original. There is an important value in having readers go to original sources, interpret the material for themselves, and find their own integration of it. Some writers can properly be described as seminal. To read the words of an original thinker as he or she explores a topic often strikes sparks in the imagination of the reader. Reading someone else's explanation of what an original thinker wrote is reading a selection and interpretation of the original. If our intent is to excite and train minds to

think about a topic, the original, with all its quirks and creativity, is far more effective.

Even choosing from seminal and creative works is a trying task. With the vast literature of organizations to be dealt with, it is impossible to adequately represent what is factually known. Selections were made to reflect concepts, approaches, and issues in the study of organizations. This anthology will provide the reader with a mental framework with which to think about organizations, recognize important issues and variables, and proceed further in the study of organizations. Lastly, selections were made and organized to fit a paradigm that reflects and orders the complexity of organizations.

The scheme adopted in this book is provided by Kenneth Boulding, who has observed that we can differentiate among systems on the basis of levels of abstraction.¹ At the most elementary level are structures or frameworks. They identify parts and the relationship among them in a static fashion. Here we study anatomy; classification schemes for plants, rocks, or insects; or positions, departments, and hierarchical levels into which they are placed. At the second level, the parts move and do something in a fixed and predetermined way. This is identified as the level of clockworks. Here we are concerned with completeness and fit and, in the most elementary fashion, with functions and purposes. For our purposes, we call this the level of the simple steady state. It is here that we study mechanics or kinematics, friction, work flow, or conflict. We can apply this study to automatic washing machines or production control systems.

At the next level, things become more complex. Now we are interested not only in the intended purpose, but whether it is actually being achieved. For example, an automatic washer, once started, will go through all cycles, whether the clothes in the machine are dirty or not or, for that matter, even if there are no clothes in the washer. At this new level, performance is compared with a standard or goal and, when deviating, is adjusted. Here our concern is not that tools be used as desired, but with organisms that have the capacity to control their own operations to achieve an end. Control is studied not as compliance but as cybernetics. This control involves not only the performance of the total organism, but also the adjustment the parts make to one another. We are therefore concerned with the interdependence of the parts in a way only hinted at on the previous levels.

At the fourth level, we are concerned with the interrelationship between the organism and others in its environment. The third level is that of closed systems; the fourth of open systems. Added to the question of how to adjust performance to meet objectives is the far more complex issue of how to change objectives to meet new requirements of the environment. Boulding identifies several additional levels, but they are less well understood and have not yet been reached by organizations in their developments.

¹ Kenneth E. Boulding, "General System Theory—The Skeleton of a Science," *Management Science*, April 1956, pp. 197-208.

Only 40 percent of the selections of the second edition are carried over to this third edition. New material was added to all sections with particular attention given to the environment of organizations and to the way organizations and environments shape the decision making of organization members.

Selecting items is always difficult. On many topics and issues there is a richness of material that makes it hard to choose one over another. At other times, important areas are poorly developed, and one struggles with the question of whether to include a far less than perfect piece or not to cover the topic at all. And then at all times there is the awareness that the selection reflects the editor's perspective and prejudices. I have been helped in avoiding the worst of parochialism by the comments of reviewers, colleagues, and friends who have examined this book. Needless to say, the flaws of omissions and errors in selection that may exist are mine, not theirs.

Joseph A. Litterer
Amherst, Massachusetts
March 1980

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INTRODUCTION

That we live today in a world dominated by organizations is widely recognized. What to do about that fact is not at all clear. Most of us recognize reluctantly that to have the world we want we need organizations in large numbers and often in large size. Responses to this recognition range from regret to panic. Proposals about what to do are few and underdeveloped, and range from abandoning the whole system by moving back to the land in homesteads to breaking up large organizations, such as the Pentagon, "Big Oil," "Big Steel," "Big Utilities"—yes, even "Big Unions." Regrettably, such solutions are too simple for the complex problems faced.

The view behind this book is that organizations are social tools. Like any tool, used properly, they can return valuable social benefits. Used improperly, they can be wasteful, destructive, and painful. In a way, to refer to organizations as tools is misleading since that suggests something inorganic when, in fact, organizations are best understood as living things. They are created and they grow. They can be sustained by proper inputs of energy and resources, and output of other products. They decline and die. Although living, they have needs of their own and, at times, seem to go in directions of their own independent of the will of those who nominally control them. In thinking of organizations as tools, it would be better to think of them as work horses rather than as milling machines.

We need organizations now and will need them even more in the future. Cutting them down in number and size seems an inadequate solution. Rather we need to understand better how to make organizations more suited to our purposes, and we need to have greater ability to control those organizations we have. For this, we need knowledge about organizations and the ability to administer them.

Getting that knowledge and skill is difficult. Organizations are obviously complex. Understanding them is made incredibly more difficult because they are invisible to our five senses. We cannot see them, touch them, hear them, smell them, or taste them. What data we have about them is indirect: data about how they have performed, how people have felt in them, what has gone into them. All these are only partial data and, at most, provide indirect information about what organizations are and how they operate.

The difficulty is part of the challenge and the excitement of studying organizations. The articles in this volume are some of the best about organizations. Almost every author is presenting two messages. One concerns some information or insight he or she has about what organizations are. The second is the author's

understanding of what is a productive, valuable way of looking at organizations. In studying the human body, we need stethoscopes to listen to the heart, x-ray films to look at bones and internal organs, ECG instruments to measure heart patterns, ophthalmoscopes to probe the eye, as well as a host of other instruments. So, to understand organizations, we need a variety of approaches. Each will tell us something, but even together they do not give a complete picture.

These writings have been drawn together to give the reader a firsthand contact with the investigators and the works that have been the basic *foundations* of our growing knowledge of organizations. These are the writers with whom any well-read person in the field of organizations should be familiar. There are fine textbooks available about organizations. Of necessity, textbooks must select and abstract and synthesize. By their very nature, they convey a more integrated, homogeneous view of organizations than actually exists. They abstract only selected material from key writers, leaving us with a more placid and simplified view of organizations than is the case. They are important as a place to start. But to go deeper into subjects that textbooks can only introduce; to get richer, deeper pictures of what organizations are; and, most of all, to capture the insight and excitement of following the vision of original thinkers, we need to go to those original thinkers, we need to go to the original sources.

What we know, then, about organizations has been developed from a large number of writers using a variety of approaches. To provide some framework and organizing prospectus for ordering the readings in this volume we shall first examine a general view of organizations and then review the design of this book.

WHAT ARE ORGANIZATIONS?

An organization is a purposeful social unit. That is, it consists of a number of people who perform differentiated tasks while filling roles, offices, or positions and whose actions are coordinated so that their individual outputs are integrated. This leads to a number of points that should be made more explicit.

Let us begin with considering what is involved in creating an organization. Organizations come into being when two conditions prevail. First, someone is motivated to create an organization. The motive comes from a realization that an end can be better achieved through an organization and, hence, is the desirable solution (Weber).¹ A government may set up a bureau to fight fires rather than leave citizens do it for themselves. A group of investors may establish a firm because they can get a better return on their funds than by handling them individually. A community may establish a hospital for similar reasons. However, certain preconditions must be met, namely, there must be people willing to serve in the organization who are capable of communicating with each other to accomplish a common purpose (Barnard).

¹ Papers included in the readings portion of this book will be identified by the author's name in parentheses, for example, (Barnard), at related places in the introductory material.

The observation that people must be willing to serve in an organization raises the question of why they should do so. The answer is that they too expect to have some of their goals or needs satisfied through the organization. Therefore, an organization must deliver two kinds of outputs or fill two types of purposes or goals. The first is the technical or economic product that the society, community, or larger organization (such as a government) will find useful, and the second is to satisfy the needs of the members of the organization. (Roethlisberger and Dickson). Hence, organizations not only satisfy multiple goals, but also these goals are of different types.

Some of the most difficult problems in organization arise because these goals are viewed as being mutually exclusive. Employees may want higher wages but to award them would force an increase in the price of the goods or services provided the community at large. At the same time, the goals are interdependent for if users are given very low prices through reduced wages, employees will leave the company and no goods will be produced. A central problem in any organization, then, is to bring about conditions where various parties interested in an organization feel that their goals are being satisfied to a degree that will permit them to give it their support.

Organizations give us an advantage because of their ability to aggregate resources and to promote efficiencies. The most significant efficiencies come from specialization through the division of work (Babbage). But the efforts of people in organizations must not only be individually efficient, they must also be coordinated—and central to any coordination is cooperation. Cooperation rests on members of an organization perceiving their actions as contributing to an organizational goal (Barnard). Hence, although people in an organization may have different private objectives, there must be a synthesis or a selection of an encompassing objective to produce an organizational goal to which organization members can see that their actions contribute.

Once an organization is in existence, still further problems arise. As organization members become immersed in doing their work, it becomes difficult for them to communicate because of this preoccupation and because of geographical distances. This makes it difficult, perhaps impossible, for them to coordinate their efforts, even if they want to do so. To cope with this condition, and to aid in communication and coordination, a separate group of organization members who are the executives or managers of the organization is necessary (Barnard).

When beginning a discussion of organizations, we are faced with a very difficult problem that comes, in part, from the scope and the complexity of the subject. For that reason, the material in this book is arranged to take us from the simpler to the more complex material about organizations.

This approach is analogous to starting from scratch to describe the living human body. We might be most interested in how the body speaks, thinks, learns, grows, ages, moves, but we would hardly start with these. Most likely, we would begin by identifying the parts. But even this elementary starting point requires some decisions before we can begin. For example, would we begin by

taking the parts in alphabetic order, going from the adrenal gland to the zygote cell? Lacking any knowledge we might, but, since we know something about the body, we would probably follow the useful practice of grouping parts into simple systems and describing first the bones and their relationship to one another as they form the skeleton, then go to the circulatory system, then to the nervous system, and so on. Before going further, let us pause and note that we have made several additional decisions. First, we have decided to describe not only the part, but also its position relative to other parts like it. Second, in our discussion, we would probably explain the functions of some of the bones (parts) and combinations of parts. For example, we would note that the bones in the skull fit together to make an enclosed space that functions to protect the contents.

Once these elementary systems of parts have been described, we could then go on to identify which muscles were connected with particular bones to bring about motion and then discuss the role of nerves in starting and controlling motion. That is, we would explain the relationships between simple systems as they combine into larger, more complex systems. Our descriptions at this point become more complex not only because of this aggregation of simpler elements, but also because the things these larger systems do is so much more complex. Explaining how a motion comes about, such as the simple reflex motion of drawing our hand away from a hot object, is more involved than explaining that the bones of the cranial cavity can protect the contents. When we get to sophisticated motions, such as threading a needle, the scope and operation of the system involved is very complex. It is much more difficult to explain than reflex motion and can only be approached after several other matters have been developed.

This book will follow a similar approach in discussing organizations. We shall begin with identifying parts in elementary systems and the relation of and function of the parts in those systems. Then, we shall examine how these subsystems fit together to produce a result, but at the level of kinematics and mechanics. Starting and controlling these motions, or the controlling of parts and outputs, comes next and is a much more complex topic.

Thus far, we have been looking at organizations more or less in isolation. As with human beings, organizations exist in an ongoing world. They come into being and they grow, thrive, or decline in line with their ability to interact adequately with their environment. We shall, therefore, look at some of the complexity of dealing with the environment and how organizations are shaped and function while doing this.

PART 1: PERSPECTIVES ON ORGANIZATIONS

In Part 1, which will be discussed in more detail shortly, we get an overview of some of the major developments in the field of organizations as well as a picture of the growing awareness of what constitutes an organization. We also become

acquainted with some of the basic theoretical approaches taken to the study of organizations that give us an overview of what constitutes organizations and how they function.

PART 2: THE FORMAL STRUCTURE OF ORGANIZATIONS

We go next to the study of the formal structure of organization. This gives us an opportunity to become somewhat acquainted with the overall picture of a large complex organization. Obviously, the whole body is not there, but at least a general form and skeleton can be presented.

By formal is meant those aspects of organizations that have been, or possibly might be, consciously planned. Hence, much of the classical school of organizations is included in the formal organization area. This category, however, includes more than classical concepts because we intend to build toward a concept of formal organization that includes any organizational element that can be planned and specified. Hence, as we learn more about elements needed to satisfy the social needs of people and as these elements reach a state of development where they can be consciously considered in planning the organization, they then fall within the province of the formal organization. The formal organization is viewed as a plan by which the efforts of people fit together to accomplish some purpose.

In this volume, our study of organizations begins with the purposes or objectives already chosen. To accomplish them, the work to be done must be broken up or divided into a series of jobs that individuals can perform. One of the early issues centers on just how the work will be divided, for there are many different ways of dividing work, each with certain advantages and certain disadvantages or, equivalently, each with certain returns and certain costs. The task of the planners of an organization is not completed when they have decided on a division of labor because, as noted earlier, the tasks within an organization must also include means of integrating the efforts of organizational members. It is at this point that some of the most serious difficulties arise. It is one thing to recognize the existence of structure conceptually. It is another to confirm the existence of structures and to measure them. Part 2 ends with an examination of some of the ways this has been accomplished.

PART 3: THE EMERGENT ORGANIZATION

The third part of the book also examines structures, but of a different type and from a totally different source. One of the things noted by numerous early writers and investigators of organizational matters was that people within an organization frequently behaved in a way different from that called for by the formal organization plan. To some, this appeared to be erratic, unpredictable

behavior, but, on closer investigation, it was found that much of this behavior followed consistent patterns and was based on recognizable factors. It was soon apparent that if we looked at the individuals within an organization, we could see that their behavior was not only influenced by the formal structure, but that it was also influenced by another structure that grew spontaneously among people. Planned, deliberate structures are called formal; spontaneous, natural structures are called informal. In some ways and in some areas, this emergent structure could be described as developing from the needs of people and suggest that this structure should be looked upon as separate and parallel to the formal structure. A more adequate view is that the informal structure grows from the needs of people in a particular situation and, for our study, that situation is the formal organization. The form and function of the informal structure is intimately linked with the formal. To understand the informal organization, then, we need not only to know its basic elements and the relations among those elements, but also the effects of the formal organization on people that, in turn, generate needs for which the informal structure provides service. We also need to know the effects of these structures on the performance of the formal structure.

It is now time to make quite explicit a point as yet left unclarified. We are interested in real organizations. Thus, we are interested in the coordinated efforts of real people achieving some purpose. The plan of what they should be doing is hardly an accurate portrayal of what is actually going on. Yet the plan will have a large influence on what they are doing. The informal structure, which may detract from, handicap, add to, or extend the intent of the formal organization, is also limited as a tool for understanding real organizations. The distinction between formal and informal structures is a convention made for our convenience and to compensate for our limitations. It is easy to lose sight of this point.

PART 4: CONTROL AND ADAPTATION

In Parts 2 and 3, we have reviewed the anatomy of organizations, but, as yet, we have not looked at how it works. Continuing with our metaphor of the human body, it is as if we had learned about the skeleton, muscles, and nerves but are now faced with the question of how does the brain tell the hand to pick up a tennis racket? How do we adjust our swing to keep the ball in the court? How do we work out a new strategy to defeat a skilled opponent?

In organizations, the first of these issues involves the exercise of authority (and power) to get people in organizations to act in a desired way: to make sure that materials arrive on time, that quality is of the desired level, that tasks are completed when needed. But what if the acts are not effective? Some correction is necessary to bring results to a desired point. This is a much more complex issue of control. Let us go further, suppose the desired results are no longer suitable for our more basic needs, like survival. We may have developed the means to manufacture the world's most elegant automobiles only to find that people want

to buy small, fuel-efficient cars. To understand organization functioning, we need to consider these three levels of control: direction, regulation, and adaptation.

PART 5: DETERMINANTS AND CONSTRAINTS ON STRUCTURE AND BEHAVIOR

In this section, we draw back from our unfolding picture of an organization and ask some questions about why it is the way it is. With humans, we know that after birth we grow for a given number of years to a size somewhere between five and six feet. We also know that the rate of growth and eventual height can be influenced by diet and disease but not by individual desire or social custom. Conversely, what humans work toward is not controlled much by diet but is controlled a great deal by individual desire and social custom.

Similarly there are things that shape and constrain organizations to give them the structure and direction they take. We examine some of the determinants in Part 5.

PART 6: FURTHER SYSTEM PROPERTIES OF ORGANIZATIONS

Implicit throughout this volume is the idea that organizations are systems and can only be understood by looking at them in this way. In this last section, we look at some basic properties of organizations as systems.

We begin by noting that systems fill a function or accomplish a purpose. For an organization, then, there must be some way that this result is produced, some rationality that explains why one option is chosen over others. As several articles show, the requirements of rationality in organizations make certain processes and forms necessary.

Organizations, however, are a particular form of system, that is, open systems. This makes the interaction between the organization and its environment a vital consideration. One of the first things we need is a way of ordering or classifying the environment. The environments we and organizations face can be benign or dangerous, placid or tumultuous, simple or complex, stable or fluid, or of many other kinds. Until we can understand some of the characteristics of the environment, we are limited in what we can say about an organization's response to it. How do organizations respond to their environment? How do they influence the environment? These are the basic questions approached by the authors in this last section.

The material we have covered in this volume is but a small fragment of a very large literature. It does, however, cover what the author feels to be the basic concepts needed to form a working framework for further reading in the field. Here you will meet most of the people who have contributed to our knowledge of this subject. It is hoped that you will be encouraged to read further in their work from the samples presented here.

1

INTRODUCTION TO PART 1

In this first part we set out to get an overall perspective on the subject of organizations, both as a topic and also as an intellectual discipline. The writers included in this section cover a variety of different topics from a variety of approaches. Weber, for example, looks at the structure of organizations and the control of member behavior. Barnard concerns himself with the necessary conditions for organizations to come into being and the basic issues of their management; Katz and Kahn look at such properties as feedback, equilibrium, boundaries, and the like.

In addition to looking at different topics, these writers look at them from different perspectives. Weber is concerned with using ideas to extend the authority of some outside element, the sovereign or the state, over the behavior of the organization members. Others, namely Parsons and Katz and Kahn, see organizations as self-regulating—setting directions and controlling member behaviors to accomplish them.

The various perspectives and topics covered in this section are hardly an exclusive set. They do represent, with one exception, the principal topics and perspectives taken in the study of the field as expressed by its prime or, at least, initial exponents.

Weber's statement of bureaucracy is probably the most cited statement of what an organization is. For many it has an intuitive feel of correctness and his explanations make what we have all experienced clearer. Yet, it is clear that his model is sharply limited. Even he states that it is but a selected view contrived for a special purpose. Nevertheless, for students of organizations, it has been a fruitful starting point for he identifies many areas with which we have to deal, in some way:

- What are the purposes of organizations?
- How are they arranged?
- Why do people join and accept the discipline of organizations?
- How are they controlled?
- To whom are organizations accountable?
- How do they set objectives and goals?