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Organizational Behavior and Public Management

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PREFACE

DEFINING OUR TERMS

Organizational behavior is a field of study which focuses on the behaviors, attitudes, and performances of people within an organization. It is especially concerned with the influence of both formal organization and informal group structure on employees, the effect of employees on the organization, and the work environment's effect on both the organization and on the people working within it. (Szilagyí and Wallace, 1980.) Students of organizational behavior want to know all about what people *do* in organizations. Because of this broad focus, the field is necessarily interdisciplinary, drawing heavily from the behavioral sciences, particularly the core disciplines of anthropology, psychology, and sociology. The purpose of behavioral science research is to improve the manager's ability to predict the behavior of people, so knowledge generated by Organizational Behavior research speaks to questions posed by managers. For the most part, practitioners set the research agenda for the organizational behavior field.

Because of its focus on the behavior of people, psychology has contributed heavily to the concepts and theories of organizational behavior. Most research is conducted on three levels: analysis of the individual, the group, and the organization. Also of special interest to us is how organizations change.

Since so little work has been done on public management, there is no conceptual framework in this area (Allison, 1979) on which we may smugly hang our hat. We must rely on plain English to explain what public management is.

Management is simply the organization and direction of resources to achieve a desired result, so public management must be the organization and direction of such resources in the public or governmental sector. General management functions

can be broken down into: planning, organizing, staffing, directing, coordinating, reporting, and budgeting. (Gulick, 1937.) These functions are common to both public and private sector management. But we cannot overemphasize the great difference that a public setting makes in how these activities are carried out. This is what our book is about.

In the public sector, diffusion of power and political accountability make the critical difference. While in private business general management functions are concentrated in the Chief Executive Officer, these functions are, by constitutional design, spread in the public sector among a number of competing institutions. Thus, they are shared by a number of individuals whose ambitions are set against one another. (Allison, 1979.) The three branches of government and the three levels of government—a design rooted in balance of power and federalist principles—join to produce this unique management environment.

The public setting creates a different context for management on a number of specific dimensions. Four important differences are:

- Time Horizon—government managers have short horizons for implementing programs, a product of the election cycle.
- Performance Measurement—little agreement exists on standards and measurement of performance. The private sector's bottom line of profit has no counterpart in the public sector.
- Personnel Constraints—the existence of two layers of management, civil service and political appointees, each with a measure of autonomy vis à vis the other, frustrates the capacity for control possible in private management.
- Press and Media Relations—the public has a “right to know” about public management activities while the private manager freely denies media access to management decision making.

ON THE INTERSECTION: FOCUS OF THIS TEXT

The first teaching of “public administration” took place in departments of political science, but as the domain of “public service” grew through the 20th century, and the range of activities demanding management expertise expanded, students of public management pressed beyond the boundaries of the parent discipline. Driven by an environment oblivious to disciplinary limits, contemporary public management study is marked by the convergence of several disciplines.

This book is on the intersection of organizational behavior and public management studies. It centers on the human behavior issues public managers confront in organizing and directing resources to advance the programs and policies of their agencies. Figure 1 displays four qualities guiding inquiry on the intersection.

Studying organizational behavior in a public management context is necessarily interdisciplinary, drawing on the traditional behavioral sciences of psychology,

Preface

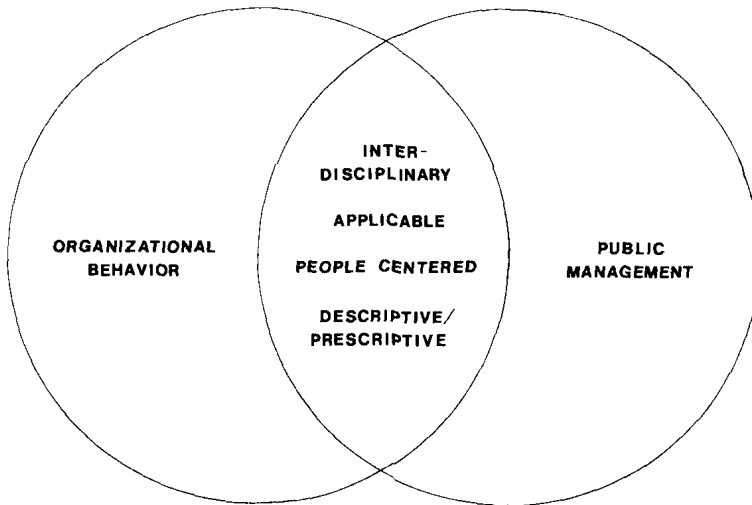


Figure 1. The intersection of organizational behavior and public management.

sociology and anthropology, as well as the more normatively oriented disciplines of political science and economics. But theory as it emerges in these disciplines doesn't always present itself in a useful form. Harlan Cleveland has noted: "The tightest bottleneck in modern civilization just now is relevant theory." (Cleveland, 1979.) This means our theories must be applicable to everyday management experience to be useful to anyone. Literature at the intersection of organizational behavior and public management needs to meet this standard of applicability. Modern study of organizational behavior from a public management perspective thus becomes an exercise in theory application. The success of our theories and their applications is measured by our capacity to illuminate the feelings, attitudes and behaviors of real people, the human resources of the public organization. The analytical skills generated and/or sharpened by the study of organizational behavior in a public sector context must be both *descriptive* and *prescriptive* in kind. Study at the intersection will equip public managers to analyze both critical cause and effect relationships in organizations and will raise questions about how human interaction should proceed in modern organizations. In summary, this book focuses on the intersection of organizational behavior and public management. As an area of study that intersection is *interdisciplinary*, *applicable*, *people centered*, and both *descriptive* and *prescriptive*.

Study centering on this intersection of organizational behavior and public management may be more important today than ever before. In recent years public confidence in government has dipped to an all-time low. In 1964, 69 percent of Americans acknowledge their government leaders, "...know what they are doing," but by 1978 that figure dropped to 40 percent. In the late 1950's, 56 percent of Americans polled believed, "You can trust the government in Washington to do

what is right most of the time.” By the late 70’s the figure dropped to 29 percent. (Cleveland, 1979.) In fairness we should stress that the drop in confidence is a realistic reflection of a more complex world. Nonetheless the public demand for performance and efficiency from government is intense. A study of organizational behavior premised on the need for self-conscious development of a public management approach to managing people in organizations is one way to help meet this demand.

CONTENT AND STRUCTURE

Our book moves from a micro- to a macro-analysis in two respects: first, from individual to group to organization; and second, from isolated instances of applied theoretical concerns to organizational challenges stimulating concerted managerial response. Figure 2 illustrates the progression of the chapters.

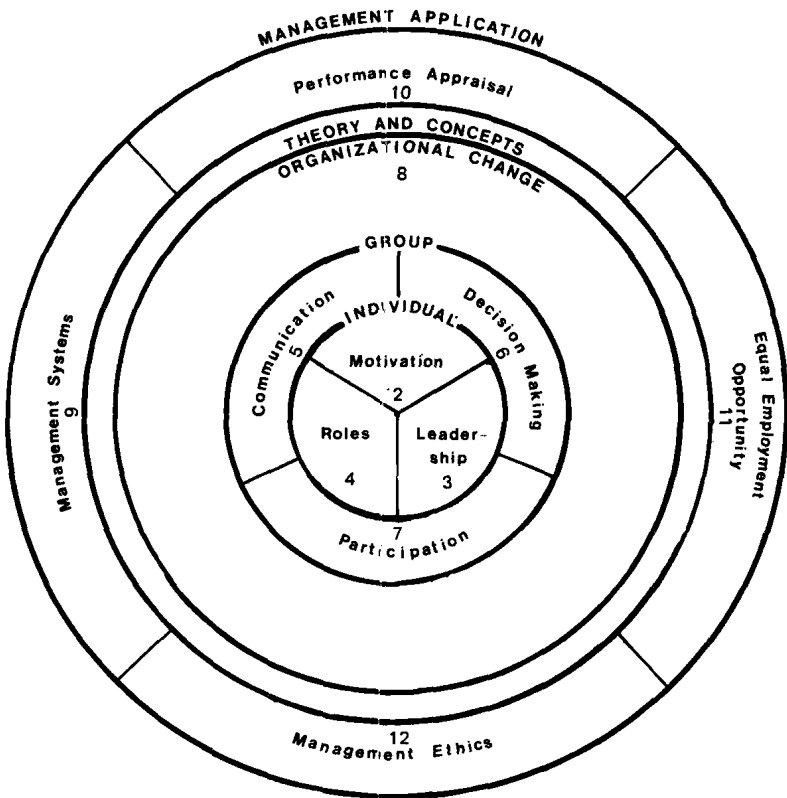


Figure 2. Content and structure of the book.

The first analytical cut takes the *individual* as the unit of analysis. Three bodies of literature consider individual actors in organizational life: motivation theory, role theory, and leadership theory. Following the introduction the first three chapters draw on these literatures to show how individual predispositions and situational characteristics join to produce particular attitudes and behaviors of people at work. *The group* provides the second subject for analysis. Three aspects of group interaction central to organizational performance, communication, decision making, and participation, are discussed in the next three chapters. To achieve its mission an organization must be able to modify its own patterns and practices, so we discuss the *organization* and its capacity for change in Chapter 8.

Literature dealing with individual, group, and organizational variables provides insight into organizational life in public agencies by providing concepts and propositions generated through decades of research on organizational behavior. But each of these homes in on a single aspect of human activity while freezing for analytical purposes other dimensions of life in the organization. The fourth concentric circle in Figure 2, labeled *management applications*, signifies the four chapters exploring applied management problems. Drawing on implicit or explicit models of how individuals and groups function and how organizations change, these chapters provide opportunity for integrated analysis of all dimensions of organizational behavior. This holistic thrust is accomplished by examining four specific management challenges: performance appraisal, equal employment opportunity, management information systems, and management ethics.

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INTRODUCTION

This book is structured analytically and centers on issues public managers face in organizations. While learning is facilitated by freezing all dimensions of organizational life save that which one is studying at a particular point in time, the theories and concepts, the tools of organizational analysis, were born in a holistic context. Thinking about the total nature of work led theorists to generate propositions and concepts to help managers better understand organizational behavior and foster the achievement of organizational objectives. Thus, for example, when we focus on the individual in the early chapters of the text we introduce theories and concepts which reappear in later analysis of group behavior. A brief historical overview of the theoretical development which generated the blocks for building a theory of public management and organizational behavior provides a kind of mental anchoring for the concepts and constructs as they are introduced and reappear in the chapters.

Organizations are human groupings deliberately constructed and reconstructed to seek specific goals (Parsons, 1960). As such they exhibit certain ideal type features which Max Weber described in his observation of the Prussian civil service. Weber saw bureaucracy as inevitably associated with industrial development. The dominant trait of bureaucracy, a new form of organization in the late 1800's, was its impersonality. As a neutral structure, able to function under very different personalities, bureaucracy was an apparatus characterized by technical competence, predictability of action, precision, and stability. In a sense 20th century organizational studies can be viewed as continuing Weber's effort to understand the bureaucratic institutions, but the specific aspects of organizations studied and the values motivating such works vary greatly. The major streams of thought contributing to public management studies can be subsumed under five distinct approaches: classical, human relations, decision making, neohuman relations, and systems models.

THE CLASSICAL APPROACH

The classical approach to organizational studies grew from the desire to reach organizational goals more effectively and efficiently. At the shop level it was expressed in terms of a theory of work design and motivation known as Scientific Management. Frederick W. Taylor, a turn of the century industrial consultant, fathered Scientific Management in America. Taylor's approach was to study operations, analyze all relevant facets of the work situation and derive from this observation principles to ensure efficiency in operation. Four general principles of scientific management formed the framework for managerial action: 1) workers should be scientifically selected, trained, and placed in jobs for which they are mentally and physically suited; 2) the job to be done should be analyzed scientifically; 3) close cooperation between supervisor and worker is necessary to ensure deviations from scientific methods of work are minimal; 4) management and workers should share responsibility—each for their own part in the overall production effort (Taylor, 1911). Scientific management focused on micro-issues of employer-employee dynamics.

A second theme in the classical approach addressed the macro level issues of administering the organization as a whole and debated the relative worth of alternative administrative structures. The underlying assumption of this school was that management was a universal process, the same across kinds of organizations and cultures. Accordingly, this literature spelled out the "rules" or principles associated with the five central managerial functions of planning, organizing, staffing, directing, and controlling. In the late 1930's, Luther Gulick and Lyndall Urwick summarized the major tenets of this administrative theory in their *Papers on The Science of Administration* (Gulick and Urwick, 1937).

Authors in the classic approach are linked by their focus on the organization or bureau as the unit of analysis and by their concern with issues of hierarchy, authority, chain of command, efficiency, and effectiveness.

THE HUMAN RELATIONS APPROACH

The human relations approach to management studies stemmed from empirical research which found workers and their interpersonal relations to significantly affect what happens in an organization. The central tenets of this approach emerged from a series of studies known as the Hawthorne Studies conducted by Elton Mayo at Western Electric Company's Hawthorne Works from 1927 to 1932. The results of the Hawthorne studies were popularized by Roethlisberger and Dickson in their volume, *Management and the Worker*. The thinking of the Human Relations School can be summarized in three points: 1) "The level of production is set by social norms, not by physiological capacity. . .; 2) noneconomic rewards and sanctions significantly affect the behavior of workers and largely limit the

effect of economic incentives and plans. . . ; 3) often workers do not act or react as individuals but as members of groups” (Etzioni, 1964). Significant implications accompanied this shift from a focus on the organization (the classical approach) to a focus on the individual and the work group. With inquiry centered on interpersonal and intergroup relations, communications, and motivation, the value to be achieved became worker satisfaction.

THE DECISION MAKING APPROACH

In many ways the classical approach and the human relations approach are diametrically opposed in both focus and goals for analysis. A third model, often called the decision making approach, stands apart from but draws on each tradition. The unit of analysis in this approach is the decision a manager makes.

This approach traces its ancestry to Chester Barnard, who wrote in the late 1930's. His work, *The Functions of the Executive* (1938) called attention to the individual decision to participate in an organization. Barnard saw the manager's job as allocating satisfactions or rewards in exchange for an employee's acquiescence to the prescribed behavior. But it was Herbert Simon, writing in the 1950's, who described organizational behavior explicitly in terms of the decision processes involved. In his classic book, *Administrative Behavior* (1957), Simon portrays organizational decision making as a kind of compromise between rational, goal-oriented behavior and nonrational behavior. An organization provides the framework for a decision making process in which people characteristically look for a course of action which is not perfect, but rather is good enough in a given situation. In other words, organizational actors will select the “satisfactory” alternative rather than relentlessly pursue the optimal solution to problems (Simon, 1957). Building on this model of organizational actors as decision makers, Cyert and March (1963) went on to describe organizations as decision making systems with special focus on the degree of rationality decision making systems can develop. Generally, the values endorsed by the decision making approach are those of rationality, efficiency, and productivity.

Two additional approaches offer interpretations of organizational behavior. Each traces its roots to an earlier approach. While there are marked differences between these two approaches their points of view are complimentary on some dimensions of analysis.

THE NEOHUMAN RELATIONS APPROACH

The neohuman relations approach is an expression of contemporary organizational psychology. It traces its ancestry to the Harvard group of Mayo, Roethlisberger, and Dickson and it shares with that tradition a concern for intergroup and inter-

personal relations. However, it criticizes traditional human relations for seeking easy answers or techniques instead of questioning organizational structures and philosophies (Silverman, 1977).

Abraham Maslow's work on motivation forms the basis for much subsequent writing in this school. According to Maslow human needs can be considered in terms of a hierarchy. The lowest level or physiological needs for food, shelter, and the like motivate behavior until they are satisfied. Next come safety needs and so on up the hierarchy with each need becoming operative only when the next lower level need has been satisfied. The need to self-actualize holds top place in the need hierarchy.

The neohuman relations scholars adopt this hierarchy of needs model and derive from it specific recommendations about managerial action. Douglas McGregor distinguishes between Theory X and Theory Y management. Theory X management assumes employees are motivated by lower level needs while Theory Y rejects that assumption. Believing people to be growth oriented, Theory Y management encourages people to assume responsibility and actively participate in organizational decision making. Renis Likert describes work designs which would foster that possibility (Likert, 1961). The values promoted by this approach are those of personal growth, individual dignity and organizational effectiveness.

THE SYSTEMS APPROACH

The systems approach to organizational studies traces its ancestry to the decision making approach with its strong emphasis on process and rich description. But the purposes of the systems approach are different: rather than striving for efficiency, rationality, and productivity the scholars in this tradition try to understand existing structures. The basic assumptions underlying the notion of organization as a system are: 1) organizations are made up of independent parts; 2) organizations take actions. The classic description of an organization as a system appears in Katz and Kahn, *The Social Psychology of Organizations* (1966). The authors present a process model for describing organizations in terms system "inputs," "throughputs," and "outputs." They argue that organizations are open systems which interact with their environment and are shaped by their environment.

The neohuman relations approach and the systems approach come together in a very applied expression—organization development. Organization development (OD) refers to the intervening of external or internal behavioral science consultants in organizations to improve an organization's problem-solving capabilities and its capacity to cope with its external environment. OD is based on assumptions and values similar to those of Theory Y but includes assumptions about total systems and the values of an organization's relationship to its environment (French, 1973). Its basic method typically includes five phases: data collection, diagnosis, action planning, intervention, and evaluation.

CONCLUSION

The five basic approaches to organizational behavior outlined above are offered as background for our discussion of theory, concepts and their application to public sector management. A public manager uses the knowledge of human behavior to build an environment conducive to achieving goals mandated by the people through their representatives. We turn now to the most basic question managers face in trying to create that environment—how do we motivate employees?

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