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Organization Theory and Management

edited by
Thomas D. Lynch

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Preface

A NEW APPROACH

As a person who has both worked in and taught public administration, I have felt a deep frustration with the two most common approaches to teaching organization theory. The most common method is to historically review the evolution of organization theory literature. The second approach is to explain and debunk other theories of organization and then explain the implicit wisdom of the instructor's favorite theory. I felt that neither helped the prospective or actual practitioner more easily understand the relevance of theory to the challenges they must face.

My original feeling was that I should write a textbook in organization theory, but I soon abandoned that project as impractical. One problem was simply my lack of the time necessary to take on such a vast subject. Another problem was that very diversified knowledge was necessary, and I became aware that the project might best be accomplished by a group of people, with each person assigned to a specific topic. In other words, an organizational approach seemed best. My plan was to select specific subjects that public managers commonly face as administrative challenges in their work. I then asked outstanding individuals to write on each topic with the expressed intention of orienting the chapters to practitioners of public administration. They were also asked to search out political and organizational normative theory which would best help practitioners better understand each chapter topic. I doubt if there are simple answers to today's and tomorrow's administrative problems, but an awareness of past thought on key subjects can help professionals better deal with their challenge.

In trying to develop answers to contemporary problems, I have noticed that the same set of solutions as developed in the past tend to be advanced in contemporary settings. Normally the contemporary advocates do not realize their “solutions” were better presented by thinkers in the past; we fail to take advantage of the literature. By knowing the literature, one can often anticipate and even improve on or more easily refute the arguments of others. Also, one can build upon the excellent ideas of others instead of working *de nova* on each challenge. Why not profit from their efforts?

USE AS A TEXT

In order to facilitate the use of this book as a text in organization theory, the editor has added review questions for each chapter and included an appendix of chapter study questions. The study questions can be used to guide class discussion. The review questions can be used to help students reconsider the material in each chapter and can even be used as a set of comprehensive exam questions to be drawn upon by the instructor. The questions are meant to provoke thought using the material in the chapter, but in some cases they go beyond that material conceptually.

The reader should at the completion of this book have a better understanding of the relevance of organization theory to the continuing problems of administering public organizations. Simple answers may not be forthcoming, but readers should understand the true complexity of the problems they face and why simple solutions are not workable. If they do, the objective of this book has been accomplished.

ACKNOWLEDGMENTS

Putting this book together was an enjoyable task because of the high caliber of talent and serious scholarship of the authors. Thanks must be given to Jack Rabin for his help. Special thanks go to Dixie Jennings and Marion Malove for their excellent secretarial assistance.

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Introduction

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SET OF CONCERNS

The topics chosen for this book are not intended to be an exhaustive list but a common set of concerns in many administrative settings. In a democratic society, public organizations are meant to perform for its citizens. *In what way should citizen input be incorporated into the administrative setting?* This question will and does frequently arise. Another difficulty is trying to decide how to make “wise decisions” in an organizational and societal context. *How should we make decisions?* That question is remarkably debatable, and the debate tends to be endless, especially for the practitioners who must always decide and who realize their decisions are not always the best.

Four chapter topics directly address themselves to common organizational concerns: (1) structure, (2) coordination, (3) change, and (4) line and staff. *What should be the way we organize our organization?* The answer is much more complex than a mere organization chart. If answered correctly, the work seems to get done easily; but we often discover the work is poorly done and we cannot find the way “to put it all together.” A key problem is coordination. *How can we best coordinate?* We all agree we must coordinate but to decide how is not easy. A third problem is organizational change. *How should we go about changing an organization?* Interestingly, we do not address that question often but merely dictate the change without understanding the complex environment in which we operate. The result is usually failure and blame is placed inappropriately for that failure. Thus, we learn little and continue to make the same mistake. The fourth problem is line-staff. In most complex organizations, tension exists between so-called line and staff personnel. *Why does that tension exist and what is the best way to use staff and line personnel?* As most

practitioners can tell you, the answer is not simple because those answers have been tried unsuccessfully. Tensions continue and result in sometimes absurd administrative nightmares.

The last chapter deals with professional ethics. *What professional ethical norms are correctly associated with a public administrator?* Ethical questions, especially most professional ethical problems, are not easily answered. With some problems, a good understanding of ethics and professionalism can help a person resolve a problem. However, in many practical situations, a good understanding of ethics and professionalism can only clarify the problem. But, even that clarification can be useful in the stressful time normally associated with problems of professional ethics.

This book addresses the above continuing administrative concerns.

CITIZEN PARTICIPATION

Terry L. Cooper in "Citizen Participation" defines citizen participation, relates participation to democratic political theory, gives us a contemporary perspective, and offers us his conclusions. Cooper demonstrates that citizen participation is not a simple concept because of the potential varieties of direct and indirect participation. Adding to the confusion are the complex, divergent viewpoints related to the purpose of participation. Cooper's discussion of participation and democratic theory is appropriately lengthy. He discusses classical theorists such as Aristotle, Rousseau, Bentham, James Mill, and John Stuart Mill, and relates their thinking on participation to the founding fathers of the American republic—Jefferson, Madison, Hamilton, and Jay. He next discusses the twentieth century revisionist theorists: Walter Lippman, Joseph Schumpeter, Bernard Berelson, Robert Dahl, and Seymour Martin Lipset. This helps the reader see the relationship of classic and modern political theorists to the ongoing realities of deciding what is the proper citizen input for a public organization. He also discusses contemporary egalitarian critics such as Jack L. Walker and Peter Bachrach.

Cooper's treatment of contemporary perspectives focuses on the proper role of citizens in public decision making. He discusses Victor Thompson's answer which is consistent with the traditional minimal role for the citizen. He describes Peter Benson's and Richard John Neuhaus's approach that calls for much broader participation and the systems concepts associated with David Easton. Cooper also discusses the costs of participation, improvements associated with greater participation, and coproduction (i.e., citizen involvement in the delivery of services and implementation of programs).

Cooper concludes by asking: "What does this rehearsal of theories about democracy and citizen participation have to do with the practicing bureaucrat?"

Good theories permit a better basis for making decisions and predicting outcomes. As historical perspective dramatically illustrates, the task of providing for citizen input is not a passing fad. Public administrators must be conversant with the ways citizens can be and perhaps should be involved in the affairs of government. Understanding the theories helps one to decide and take positions on the continuing citizen involvement debate.

DECISION MAKING

Wallace Swan in "Decision Making" writes about an elephantine subject and problem. There are many perspectives on how decisions should be made and Swan confronts them in a manner designed to assist the practitioner. He explains (1) decision making as a focus, (2) a framework for decision-making theories, (3) the usefulness of decision-making theories to the public administrator, (4) some useful observations for the administrator, and (5) some probable future directions for the field of decision making. Our culture is interested in decision making. Concepts such as rationality, wisdom, logic, problem solving, science, leadership and authority, allocation of scarce resources, pluralism, analysis, and choice are all significant ideas directly related to how one does or should make individual, group, and societal decisions.

Swan's framework for decision-making theories is a useful addition to the literature. He builds upon Graham Allison's and Percy Hill's contributions and arrives at the following typology for those addressing the subject of decision making:

Organizational process: policy which results primarily from standard operating processes

Rational actors: policy which results from the actions of a governmental leader or agency which have the effect of maximizing utility in the accomplishment of a goal or goals.

Pluralistic/group politics: policy which results from the interaction of participants in either a group or a pluralistic process

Personality process: policy which results from the ability of the mind to coordinate the processing of data in an integrated fashion

Various theories and authors fit into the four-square typology. The organizational process group believes that government can be seen as a conglomerate of semifeudal, loosely allied organizations. Authors in this group include Max Weber, Aaron Wildavsky, Herbert Simon, Mary Lippitt, and Kenneth Mackenzie. The rational actor group contends that organizations work toward goals. Authors include Harold Lasswell, Hans Morgantheneau, Richard Fenno, Marcus Olson, Anthony Downs, and Robert Mowitz. The pluralistic/group sees government

action as a result of both group and political processes. Authors include David Truman, Robert Dahl, Gabriel Almond, Harland Cleveland, Charles Lindblum, Mary Parker Follott, and Kurt Lewin. The personality process group sees decision making as both cognitive and affective elements of the mind. Authors include Richard Cyert and James March, Donald Schon, Aimitai Etzioni, Yehezkiel Dror, Irving Janis, Chris Argyris, James Barber, and John Padgett.

Swan argues the four groups of decision-making theorists can be a useful diagnostic tool to the person who wishes to better understand his organization. The first group, organizational process, helps us better see how generated standard operating procedures lead to decisions. The second group, the rational actor, is important because of the caution which should be given theories in this group. Swan argues that persons using these theories tend to arrive at untimely dysfunctional solutions. The third group, pluralistic/group, is extremely useful as a describer of the operations of many government agencies. The fourth group, personality process, helps us understand how the human mind works and effects decisions.

Swan observes that these categorizations are useful. They permit one to analyze the kind of style that each category uses. They help one determine the relationship between the decision-making environment and the style used. Swan also observes that the concepts of decision making seem to be merging into a unified field of inquiry.

Swan identifies the following useful predictions and comments on the field of decision making:

1. Quantitative theory in decision-making theory is becoming more important.
2. The use of computerized data systems will increase in the future.
3. Public administrators need middle-range decision-making theories.
4. Theorists need to become more aware of the decision-making environment of public administrators.
5. Business administration theories are becoming more relevant to public administrators.
6. More work on the qualitative elements of decision making is needed.
7. More recognition of the limits of rationality is appropriate.
8. The humanistic concerns should be better integrated with both quantitative and qualitative approaches to decision making.

STRUCTURE

Frank P. Sherwood, in "Structure" explains the key normative assumptions implicit in organization theory, describes common impediments to achieving an open and skeptical examination of organization possibilities, and describes

various organizational intervention techniques. In deciding how we must structure our organizations, Sherwood stresses that the common theoretical perspectives work from different normative assumptions which highly influence how each theoretical school views the way we should organize. For example, classic organizational theory is based on a primary concern for organizational direction from the leader. In contrast, behavioral theory stresses the impact of the organization upon the employee, emphasizing support and collaboration. Sherwood also stresses the significance of power and purpose as central to developing organizational structure.

Sherwood's second theme—impediments to an open and inquiring organization—builds on the assertion that inhibitions stem from (1) a belief that there can be universal principles of organization design, (2) the predominance of hierarchy as a central organizing idea, (3) an unfortunate overusage of political special assistances and procedures dictating organizational strategies, and (4) an unfortunate tendency to assume that the individuals affected have no feelings or interests. Sherwood elaborates on each inhibition and helps us to understand why each factor dampens an open and inquiring organizational style.

The types of intervention cited by Sherwood are addressed to macro- and micro-changes. The microinterventions discussed are (1) role analysis and negotiation, focusing on role rather than position, and (2) "helping mechanisms" (i.e., the growing Quality Circle movement). The macrointerventions discussed are (1) structure/design, including matrix organizations, (2) delegation of authority, (3) geographic decentralization, (4) establishing an improved organizational climate, and (5) creatively using paraorganizational arrangements such as task forces.

In conclusion, Sherwood stresses that structural shifts mean a great deal to the people in the organizations. Interventions such as role clarification and negotiation, organization development, and Quality Circles can be the mechanism needed to improve organizational performance and climate. Macrointerventions represent major changes in organizational style and structure. Sherwood concludes that such interventions should be rare, but can help in terms of employee commitment, motivation, and satisfaction.

COORDINATION

Howard E. McCurdy, in "Coordination", contrasts the structural versus the behavioral approach to coordination, and then examines coordination in practice. All this helps us to understand the problems associated with coordination in formal, complex organizations that involve and deal with varied performances by great masses of workers. Theorists and practitioners do not agree on a single, superior means of coordination, but the structural and behavioral approaches

capture most of the cumulative wisdom associated with coordination. McCurdy singles out Luther Gulick and Chester Barnard as key theorists in his chapter.

Structural Approach

The structural approach focuses on organizational structure, bureaucracy, and objective setting. Drawing on Gulick, McCurdy describes (1) organizational structure that focuses on the job to be done, (2) defining duties and responsibilities, and (3) the system of authority that is a means of communication and command. McCurdy stresses the difficulty associated with implementing the advice of the structuralists and the central role played by the organization chart for those theorists. McCurdy states that structuralists were also interested in promoting a particular method or theory of management. Routine, through delegation and management by exception, were important parts of that theory.

Bureaucracy, based primarily on the writings of Max Weber, involves (1) recognizing bureaucratic management as technically *superior* to other types of management, (2) realizing the importance of written rules to establish an essential routine and equity, and (3) placing authority in the office; not the person. McCurdy also points out the unfortunate phenomena associated with bureaucracy such as the tendency to view rules as ends in themselves.

Objective setting is important to the structuralists because it provides the organization with direction and focus. The dominance of an idea by the organizational members gives the group a focus for their collective energy. It also serves as the significant moral basis for the authority of the officers. Peter Drucker carries the concept even further with his management-by-objectives theory. Theorists of this school believe the government's inability to coordinate is directly related to its' inability to define its objectives.

Behavioral Approach

The behavioral approach is based on the liberal tradition, a nonelitist view of society, the executive role as only another organization function and the use of the project concept. The liberal tradition is expressed through the social contract theory and the parallel concept of an organization as a collective of small work units. Behavioralists, such as Barnard, said that the executive group is not elite but rather, just one more unit in the organizational collage. Executives have authority to the extent that their orders are followed. Authority is not inherently present in the executive either because of his person or position. McCurdy points out that the behavioralists put little importance in chain of command, authority systems, and especially organization charts. Instead, their view is that executive coordination is an overlay of groups—the working and the executive units. Team management, an approach developed from behavioral theory,