DIMENSIONS IN

Connor

MANAGEMENT

Third Edition

Dimensions in management

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To Sara, Michael, Kristen, and Frank

Preface

We are born in organizations, educated by organizations, and most of us spend much of our lives working for organizations. We spend much of our leisure time paying, playing, and praying in organizations. Most of us will die in an organization, and when the time comes for burial, the largest organization of all—the state—must grant official permission.
    Amitai Etzioni

The principal goal of this anthology is to provide insight into the various dimensions of management in our modern society. We attempt to achieve this goal in two ways. First, readings have been selected that will broaden and deepen the understanding of management that the reader gains from studying current textbooks on the subject. Second, the anthology has been compiled in order to provide the reader—whether student, practitioner, or teacher of management—with a collection of readings that is comprehensive in its coverage of the management field.

An anthology such as this is necessary because management is one of the most complex and important fields in the modern university. Its complexity, as well as its unsettled nature, stems in part from the variety of disciplines upon which it is founded; sociology, psychology, political science, engineering, economics, mathematics, and anthropology are only several of the fields involved. Not surprisingly, this variety often produces disagreements as to the very meaning of management and therefore differing opinions on the procedures a successful manager should follow.

The complexity of the field does not exist simply because of a lack of agreement among various scholars, however. As with medicine, management is a practical art, and as we shall see in this book, its practice is affected by a variety of factors. The managerial function is determined, first, by the organization's structure—its goals, the distribution of power and authority, and its technology and communications systems; second, by the needs, aspirations, and roles of its members; and third, by the impact of the environment on the organization. Because the specific ways in which these factors affect the manager are varied, the study of management becomes even more complex.

The importance of studying management is rooted in the fact that "management" per se is a modern institution, unique to our times. Peter F. Drucker has described the growth of management as a potent force in our society:

The emergence of management as an essential, a distinct and a leading institution is a pivotal event in social history. Rarely, if ever, has a new basic institution, a new leading group, emerged as fast as has management since the turn of this century. Rarely in human history has a new institution proven indispensable so quickly; and even less often has a new institution arrived with so little opposition, so little disturbance, so little controversy.[1]

As indicated, the principal goal of this book is to further the understanding of this discipline called management. These readings are introduced by four selections in Part I. The first selection describes the area in which the manager operates—that is, the formal organization. The second discusses what "management" means. And the final two examine several perspectives that shape managers' thinking.

Part II deals with the initial managerial task—planning. The selections range from a discussion of decision making to descriptions of the planning process itself.

Part III provides a broad perspective of the manager's organizing task. Selections vary from statements of some classical principles to a description of the most recent idea in this area—organization design. The section concludes with two applied readings.

Part IV begins with the explicit acknowledgment that organizations are composed of people; it is therefore one of the chief tasks of a manager to ensure that the organization continues to exercise good management so that employees will respond favorably. Part V deals specifically with the human aspects of the organizational membership—bases of influence, needs, motivation, and leadership and communication processes.

Part VI presents some ways in which managers measure and monitor performance. The coverage ranges from a discussion of comprehensive ideas about overall organizational control to the specifics of break-even analysis and management information systems (MIS). An example of Japanese operations management is also presented.

The book concludes with an examination of three major issues facing modern managers—overall organizational effectiveness, social responsibility, and the future. The last item in the volume is intended to be thought provoking.

In general, I hope that this series of selections will serve as a stimulus to the reader. Although it is impossible to cover every aspect of every topic in the field, this book attempts to encourage the reader to explore further the institution called management.

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[1] Peter F. Drucker, *The Practice of Management* (New York: Harper & Row, 1954), pp. 3–4.

The astute reader will notice that some of the articles in this volume contain sexist language. The student should note that these articles were written many years ago and will recognize the valuable and enduring contribution that they make to the professional literature. In their more recent writings, however, the authors of these articles strive to reflect a sensitivity in this area that befits their stature as scholars and educators and that is in line with contemporary standards.

These prefatory remarks would be incomplete without an acknowledgment of appreciation to a number of people. Chief among these are my wife and family, to whom this volume is dedicated, and to Bill Scott, Theo Haimann, and Doug Simpson, whose assistance continues to be valuable and stimulating. In addition, I gratefully acknowledge the cooperation of the publishers and authors of the selections in permitting the reprinting of their articles.

Finally, a word about my institutional affiliation. As the title page indicates, I am on the faculty of Willamette University. However, I want to acknowledge my colleagues at Oregon State University, at which place this book was compiled and edited. My friends and fellow faculty members in the OSU School of Business—particularly Jack Bailes, Bill Becker, Charles Gudger, Steve Lawton, Kurt Motamedi, and Barry Shane—have long contributed to a congenial and stimulating climate. To them all, I say thank you.

Patrick E. Connor

Contents

Part I

The managerial perspective

We often think that when we have completed our study of one we know all about two, because "two" is "one and one." We forget that we have still to make a study of "and."
　　Sir Arthur Eddington

Management is a process by which human and nonhuman resources are coordinated to accomplish a set of objectives. In contemporary Western society, this process ordinarily occurs within the framework of the formal organization. A helpful definition of formal organizations is offered by W. Richard Scott, a sociologist specializing in organizations:

organizations are defined as collectivities . . . for the pursuit of relatively specific objectives on a more or less continuous basis. In addition, formal organizations are characterized by relatively fixed boundaries, a normative order, authority ranks, a communication system, and an incentive system which enables various types of participants to work together in the pursuit of common goals.[1]

A more comprehensive description of the formal organization is given in the first selection in this book by Blau and Scott.
　　The second selection, presented by The American Institute of Management, informs us that the manager's role is fairly complex. That role furthermore, is undergoing significant changes. In fact, managers have a variety of ideas, forces, institutions, and situations with which they must deal. In the third selection, Harold Koontz describes the complex combination of ideas, concepts, issues, and theories that abound in the field of management. Although the classification scheme that Professor Koontz offers is by no means the only approach that can be taken, it does provide considerable insight into modern management thought.

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[1] W. Richard Scott, "Theory of Organizations" in *Handbook of Modern Sociology*, ed. Robert E. L. Faris (Chicago: Rand McNally, 1964), p. 488.

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The Part concludes with a recent reconsideration by Koontz of his management theory "jungle."

In general, our understanding of modern management is enhanced if we remember the fundamental managing process: *managers* perform basic *management functions* (of planning, organizing, staffing, influencing, and controlling) to achieve the basic *managerial purpose* of organizational effectiveness.

1 The concept of formal organization
Peter M. Blau and W. Richard Scott

Social organization and formal organizations

Although a wide variety of organizations exists, when we speak of an organization it is generally quite clear what we mean and what we do not mean by this term. We may refer to the American Medical Association as an organization, or to a college fraternity; to the Bureau of Internal Revenue, or to a union; to General Motors, or to a church; to the Daughters of the American Revolution, or to an army. But we would not call a family an organization, nor would we so designate a friendship clique, or a community, or an economic market, or the political institutions of a society. What is the specific and differentiating criterion implicit in our intuitive distinction of organizations from other kinds of social groupings or institutions? It has something to do with how human conduct becomes socially organized, but it is not, as one might first suspect, whether or not social controls order and organize the conduct of individuals, since such social controls operate in both types of circumstances.

Before specifying what is meant by formal organization, let us clarify the general concept of social organization. "Social organization" refers to the ways in which human conduct becomes socially organized, that is, to the observed regularities in the behavior of people that are due to the social conditions in which they find themselves rather than to their physiological or psychological characteristics as individuals. The many social conditions that influence the conduct of people can be divided into two main types, which constitute the two basic aspects of social organizations: (1) the structure of social relations in a group or larger collectivity of people, and (2) the shared beliefs and orientations that unite the members of the collectivity and guide their conduct.

The conception of structure or system implies that the component units stand in some relation to one another and, as the popular expression "The whole is greater than the sum of its parts" suggests, that the relations between units add new elements to the situation.[1] This aphorism, like so many others, is a half-truth. The sum of fifteen apples, for example, is no more than fifteen times one apple. But a block of ice is more than the sum of the atoms of hydrogen and oxygen that compose it. In the case of the apples, there exist no linkages or relations between the units comprising the whole. In the case of the ice, however, specific connections have been

[1] For a discussion of some of the issues raised by this assertion, see Ernest Nagel, "On the Statement 'The Whole is More Than the Sum of Its Parts'," Paul F. Lazarsfeld and Morris Rosenberg (eds.). *The Language of Social Research,* Glencoe, Ill.: Free Press, 1955, pp. 519–527.

formed between H and O atoms and among H_2O molecules that distinguish ice from hydrogen and oxygen, on the one hand, and from water, on the other. Similarly, a busload of passengers does not constitute a group, since no social relations unify individuals into a common structure.[2] But a busload of club members on a Sunday outing is a group, because a network of social relations links the members into a social structure, a structure which is an emergent characteristic of the collectivity that cannot be reduced to the attributes of its individual members. In short, a network of social relations transforms an aggregate of individuals into a group (or an aggregate of groups into a larger social structure), and the group is more than the sum of the individuals composing it since the structure of social relations is an emergent element that influences the conduct of individuals.

To indicate the nature of social relations, we can briefly dissect this concept. Social relations involve, first, patterns of social interaction: the frequency and duration of the contacts between people, the tendency to initiate these contacts, the direction of influence between persons, the degree of cooperation, and so forth. Second, social relations entail people's sentiments to one another, such as feelings of attraction, respect, and hostility. The differential distribution of social relations in a group, finally, defines its status structure. Each member's status in the group depends on his relations with the others—their sentiments toward and interaction with him. As a result, integrated members become differentiated from isolates, those who are widely respected from those who are not highly regarded, and leaders from followers. In addition to these relations between individuals within groups, relations also develop between groups, relations that are a source of still another aspect of social status, since the standing of the group in the larger social system becomes part of the status of any of its members. An obvious example is the significance that membership in an ethnic minority, say, Puerto Rican, has for an individual's social status.

The networks of social relations between individuals and groups, and the status structure defined by them, constitute the core of the social organization of a collectivity, but not the whole of it. The other main dimension of social organization is a system of shared beliefs and orientations, which serve as standards for human conduct. In the course of social interaction common notions arise as to how people should act and interact and what objectives are worthy of attainment. First, common values crystallize, values that govern the goals for which men strive—their ideals and their ideas of what is desirable—such as our belief in democracy or the importance financial success assumes in our thinking. Second, social norms develop—that is, common expectations concerning how people ought to behave—and social sanctions are used to discourage violations of these norms. These socially sanctioned rules of conduct vary in significance from moral principles or mores, as Sumner calls them, to mere customs or folkways. If values define the ends of human conduct, norms distinguish behavior that is a legitimate

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[2] A purist may, concededly, point out that all individuals share the role of passenger and so are subject to certain generalized norms, courtesy for example.

means for achieving these ends from behavior that is illegitimate. Finally, aside from the norms to which everybody is expected to conform, differential role expectations also emerge, expectations that become associated with various social positions. Only women in our society are expected to wear skirts, for example. Or, the respected leader of a group is expected to make suggestions, and the other members will turn to him in times of difficulties, whereas group members who have not earned the respect of others are expected to refrain from making suggestions and generally to participate little in group discussions.

These two dimensions of social organization—the networks of social relations and the shared orientations—are often referred to as the social structure and the culture, respectively.[3] Every society has a complex social structure and a complex culture, and every community within a society can be characterized by these two dimensions of social organization, and so can every group within a community (except that the specific term "culture" is reserved for the largest social systems). The prevailing cultural standards and the structure of social relations serve to organize human conduct in the collectivity. As people conform more or less closely to the expectations of their fellows, and as the degree of their conformity in turn influences their relations with others and their social status, and as their status in further turn affects their inclinations to adhere to social norms and their chances to achieve valued objectives, their patterns of behavior become socially organized.

In contrast to the social organization that emerges whenever men are living together, there are organizations that have been deliberately established for a certain purpose.[4] If the accomplishment of an objective requires collective effort, men set up an organization designed to coordinate the activities of many persons and to furnish incentives for others to join them for this purpose. For example, business concerns are established in order to produce goods that can be sold for a profit, and workers organize unions in order to increase their bargaining power with employers. In these cases, the goals to be achieved, the rules the members of the organization are expected to follow, and the status structure that defines the relations between them (the organizational chart) have not spontaneously emerged in the course of social interaction but have been consciously designed a priori to anticipate and guide interaction and activities. Since the distinctive characteristic of these organizations is that they have been formally established for the explicit purpose of achieving certain goals, the term "formal organizations" is used to designate them. And this formal establishment for explicit purpose is the criterion that distinguishes our subject matter from the study of social organization in general.

[3] See the recent discussion of these concepts by Kroeber and Parsons, who conclude by defining culture as "transmitted and created content and patterns of values, ideas, and other symbolic-meaningful systems" and social structure or system as "the specifically relational system of interaction among individuals and collectivities." A. L. Kroeber and Talcott Parsons, "The Concepts of Culture and of the Social System," *American Sociological Review,* 23 (1958), p. 583.

[4] Sumner makes this distinction between, in his terms, "crescive" and "enacted" social institutions. William Graham Sumner, *Folkways,* Boston: Ginn, 1907, p. 54.