

UNDERSTANDING ORGANIZATIONS

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Foreword

One of the commonplace yet probably essential characteristics in the development of any new body of knowledge are the competing values of those who generate and use that knowledge. The new field of organizational behaviour is no exception to this trend. Those who are attracted to new areas of study are generally dissatisfied with the conventional wisdoms of more established disciplines. For the most part this is all to the good; new problems can be defined, new people encouraged to tackle them and new concepts and methodologies refined to meet the challenges of the new situations.

Difficulties start to occur, however, when the products of some of these new endeavours are communicated to the world at large. This applies not only amongst researchers and teachers, but between the whole community of students. The problems lie not only at the level of what is acceptable knowledge, though this should not be underestimated, but also in the form of how one presents this material in a way which meets the needs of varying audiences. In the context of the study of organizations this is likely to mean teachers and students at the undergraduate, post-graduate and post-experience stages. But overlaid on top of the problem of multiple audiences lies the significant question of knowledge for what purpose? There is a major difference between communicating ideas and presenting information in such a way that it is credible and can inform action.

Understanding Organizations meets some of the demands of these educational problems. This book emphasizes the importance of diagnostic skills in understanding organizations. Diagnosis of oneself and one's own personal style of relating to people and organizations, diagnosis of others, their motivations, personalities and role problems, the varying factors which determine behaviour in groups and the differences between organizational forms. In this way it is hoped to carry the reader from a state of familiarity with himself and his organization to a more active awareness of his links with people and organizations.

The diagnostic theme in the book is aided by an interpretative writing style, where the emphasis is less on comprehensiveness and more on the elucidation of a coherent set of concepts. The other main theme of the book

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attempts to deal with the problem of knowledge for what purpose. Connections are drawn between the concepts and a set of current organizational problems, not only in Part Two of the text but also as the diagnostic material is being presented. As with all communications in the written form, however, the final responsibility for making connections between the concepts and the reader's world lies with the reader's active involvement.

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Part One
The Concepts

1 About This Book

1.1

I came to the study of people in organizations expecting certainty and absolute knowledge in the behavioural sciences. I anticipated that I would find laws governing the behaviour of people and of organizations as sure and as immutable as the laws of the physical sciences. I was disappointed. I found concepts and ideas abounding. I found, too often, ponderous confirmation of the obvious and weighty investigation of trivia. But the underlying unalterable laws were not there, organizations remained only patchily efficient, and the most exciting of the ideas did not always work.

This disappointment initially brought dismay and disillusionment. But then I came to realize that, perhaps with some exceptions in physiological psychology, the study of people in organizations is not to do with predictive certainty – for two very good reasons:

- 1 The multiplicity of variables impinging on any one organizational situation is so great (Figure 1 suggests over sixty) that data on all of them sufficient to predict the precise outcome of that multiple interrelationship would never in practice be forthcoming.
- 2 What seems to be the inherent ability of the human being to override many of the influences on his behaviour.

Organizational phenomena, I realized, should be explained by the kind of contextual interpretation used by an historian. Such interpretation would allow us to predict 'trends' with some degree of confidence. To add precise quantities to those trends, as in the physical sciences, would, however, be inappropriate and unrealistic.

As individual human beings we should take delight in this lack of certainty since it carries with it a guarantee of ultimate independence. As managers, or potential organizers of people, we can take comfort in the facts that:

- 1 Most of the variables remain constant most of the time.
- 2 Most individuals do not override the influencing factors most of the time.
- 3 Most interpretations will be valid for the future as well as the past.

Box 1.1

Until well into the seventeenth century, surgery was performed not by doctors but by barbers who, untaught and unlettered, applied whatever tortures they had picked up during their apprenticeship. Doctors, observing a literal interpretation of their oath not to inflict bodily harm, were too 'ethical' to cut and were not even supposed to watch. But the operation, if performed according to the rules, was presided over by a learned doctor who sat on a dais well above the struggle and read what the barber was supposed to be doing aloud from a Latin classic (which the barber, of course, did not understand). Needless to say, it was always the barber's fault if the patient died, and always the doctor's achievement if he survived. And the doctor got the bigger fee in either event.

There is some resemblance between the state of surgery four centuries ago and the state of organization theory until recently. There is no dearth of books in the field; indeed, organization theory is the main subject taught under the heading of 'management' in many of our business schools. There is a great deal of importance and value in these books – just as there was a great deal of genuine value in the classical texts on surgery. But the practising manager has only too often felt the way the barber must have felt. It is not that he, as a 'practical man', resisted theory. Most managers, especially in the larger companies, have learned the hard way that performance depends upon proper organization. But the practising manager did not as a rule understand the organization theorist, and vice versa.

From Drucker, *The Practice of Management*, 1954

4 Prediction tends to improve as the object of study turns from individuals to collections of individuals.

1.2

Figure 1 is a schematic way of illustrating why the study of organizational effectiveness is likely to be complicated. Over sixty different variables are listed there. Most managers could suggest a few more or would group them differently. Looking at this complexity one can begin to understand why the organizational theorist will tend to focus on one group of variables, e.g. the motivation to work, in an attempt to get hold of *something*, and why the pragmatic manager will respond to the academic's theories by saying 'Yes, that's all very well but it doesn't help my particular situation'.

The diagram should also reveal the dangers of the lure of the familiar. Because we know what to do about competition, for instance, or about

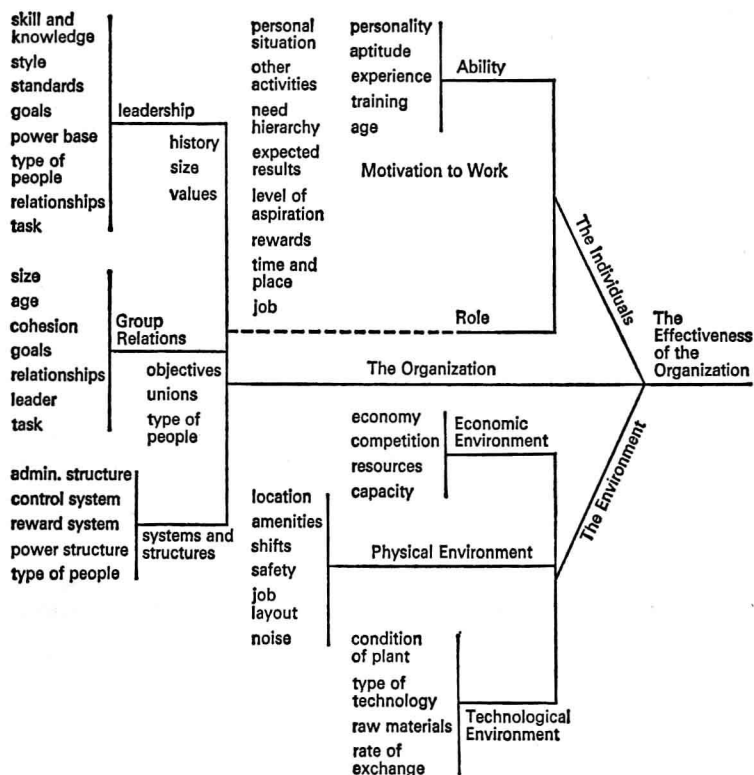


Figure 1 Some factors affecting organization effectiveness

unions, we selectively focus on that variable or group of variables in any problem situation. Unfortunately selective focusing, if done by habit, also unfocuses a lot of other variables. I have often myself been swept up in enthusiasm for a new form of training (group dynamics is one example), only to find in the cold light of practice that it deals with only one aspect of a much more complex situation. The consultant firm that links its prestige to dealing with one set of variables (e.g. systems and structures) because that is where its operational experience lies, runs the risk of doing a superlative job on an irrelevant issue. It is of little use regulating the clocks when the house is burning down.

Before reading any chapter of this book, indeed before dealing with any

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major organizational problem, the manager should turn again to this diagram to remind himself of the complexity of the whole and of the number of strings that are there to be pulled.

2 The utility of organizational theory

2.1

Analysis is an important prerequisite of action. It is no substitute for action, and analysis without action or implementation remains mere analysis and is often seen as irritating sophistry. Or just as the centipede was reduced to lying on its back in a ditch by pondering the question 'How do I use my legs?', so excessive management analysis can lead to management paralysis. But action without analysis becomes mere impulse. In fact, very little behaviour is purely impulsive. Most individuals, by the time they reach maturity, have built up an array of concepts which they use to interpret the data they observe. Many of these concepts are not part of our conscious awareness. Often they could more accurately be called beliefs, hunches or assumptions; sometimes even myths, stereotypes and superstitions.

Organization theory seeks to substitute a coherent set of conceptual frameworks for these collections of assumptions. These concepts, properly used and understood, should:

Help one to *explain* the Past which
in turn
Helps one to *understand* the Present
and thus
To *predict* the Future which leads
to
More *influence* over future events
and
Less *disturbance* from the Unexpected.

2.2

Do not underrate the value of the conceptual understanding of the present. One of the stereotyped assumptions of our culture is that man is master, or should be, of his environment. When anything goes wrong, or goes in an unexpected direction, we are apt to blame the individual – ourselves or someone else. This tendency towards individualism has, in my experience, caused a great deal of unnecessary trauma and personal anxiety in organizations. In fact, as Figure 1 demonstrates, the individual and his abilities are

only one part of many forces bearing on a situation. A proper understanding of the relevant concepts of organization theory has brought much comfort to individuals in tension as well as allowing them to carry out the analytical task of the manager, which is:

- To identify the key variables in any situation;
- To predict the probable outcomes of any changes in the variables;
- To select the ones he can and should influence.

Even if this yields only knowledge of the negative, that it will be useless to do such and such in such and such a situation, the manager will benefit. For in organizations, as in life, we progress as much by knowing what *not* to do as by recognizing what we must do.

Box 1.2

Some among management will scorn their colleagues who express an interest in mental health. These are the men who will say that human relations efforts in industry have failed, that a concern for the health of people is a form of 'softness' not appropriate in industry. If, however, we look closely into situations where human relations practices are alleged to have failed, we see invariably that what passed for human relations was manipulation. The allegation really means that those who sought to manipulate others failed in the effort, and when the psychological confidence game failed, they gave up altogether. Psychological *understanding* cannot fail. Although there is yet much to be learned and understood, there is already a significant body of psychological and social science knowledge. Management fails when it tries to substitute make-believe for the understanding which can come from this knowledge.

Harry Levinson *et al.*, *Men, Management and Mental Health*, 1962

2.3

This book contains:

Some of the conceptual frameworks that I have found most useful in the interpretation of organizational phenomena;

A discussion of their application to particular types of organizational problems.

This book is eclectic. It is not a comprehensive review of all the ideas that have been put forward, though ideas for further study are suggested in Part Three. But it is a coherent set of concepts. The concepts are interpretative devices, not precise definitions in the tradition of the physical

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sciences. Many of them will, and should, accord with the intuitive assumptions and beliefs of successful managers.

I am reminded of a student on a management development programme. He had made half-a-million pounds by his own efforts by the time he was 35. 'Why are you coming here as a student?' I asked him. 'With your success record you should join the faculty.' 'Not so,' he replied, 'I have come to find out why I was so successful.' He understood that if he could not explain his success he could not repeat it.

So it is with the interpretative devices of organization theory. Organizations have existed for thousands of years. Many have succeeded. Many have failed. The aim of organization theory is to explain the difference. To conceptualize and understand what works well so that it can be repeated. To generalize from the particular and to perceive the common thread in the tangled skein of individual incidents. If this book, therefore, can help the individual reader to re-interpret his own experience so that he can better understand it and generalize from it, then it will have achieved its aim. To distort Pope's dictum about wit

Theory is Nature to advantage dressed,
What oft was thought, but ne'er so well expressed.

2.4

The theme of this book could be said to be that diagnosis lies at the heart of effective management. There are lucky managers, of course; those whose favourite remedy just happens to be appropriate for the organizational malaise; those who find an organization in the bloom of health and vitality when no pill can harm or help; those few who, by force of will and personality, drag a sick constitution through to health. Most of us, however, would do better to rely on an accurate reading of the interplay of variables in Figure 1. To do this we need understanding, or theories, of the way the variables affect each other. We need to know those which we can alter and how by altering them we shall change the total situation.

This book should help towards that understanding. It will suggest some linking mechanisms, some charts for reading the signs of difficulty or success in organizations and for relating them to possible causes. But although understanding helps the diagnosis, gives better predictive ability and more power to influence the future, it nevertheless remains true that to understand all is not to resolve all. Diagnosis brings dilemmas. It is seldom possible to optimize on all the variables. What is good for the organization is not always good for all its members. Not all the variables are equally susceptible to change. 'Effectiveness' too is an umbrella-word. It leaves 'effectiveness for what or for whom?' unanswered, although the