PRINCIPLES OF PUBLIC ADMINISTRATION
STUDY GUIDE

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The purpose of this study guide was to go beyond the conventional presentation of an outline of public administration within various theoretical foundations. The study guide does provide this. However, modern public administration requires the practical knowledge of contemporary management techniques, management reforms, and management issues and problems confronting administrators be they in the public or private sector.

Material for the study guide was drawn from a variety of numerous sources and involved the assistance of several persons including a few undergraduate students at UHWO and graduate students at Chaminade University in Public Administration classes.
PREFACE

HOW TO STUDY THIS COURSE

How to Study This Course

The study of Principles of Public Administration in the study-guide mode requires that you, the student, do the readings, activities, and exercises in the sequence assigned. The course is divided into conceptual frameworks (modules) and within these frameworks several subcategories are addressed, particularly in dealing with the most significant public administration concepts. These modules are organized as follows:

Module 1. - provides a theoretical and conceptual framework for subsequent modules, chapters and exercises by examining the nature and origins and various theories of Public Administration.

Module 2 - provides a brief explanation of the prominent schools of Public Administration with an emphasis on the administrative process school of thought.

Module 3 - provides an exploration and description of the various concepts and forms of organization. Special attention is focussed on the various factors affecting organizations and the aspects of management.

Module 4 - provides a brief analysis of the various principles of administration with a particular focus on the nature and origins of hierarchy, specialization,, and staff.

Module 5 - explores various organizational reforms designed to improve organizational effectiveness and focuses on the development, strengths and weaknesses of MBO (Management by Objectives),

Module 6 describes and explains the principles of human relations in administration and focuses on the application of the quality circle (QC) in Japan and the U.S.

Module 7. - describes and explains the role of collective bargaining in the public sector and focuses on the origins and development of public employee unions as part of contemporary public administration.

Module 8 - explores the major issues and problems of contemporary public administration in view of principles discussed in the previous seven modules of the study guide. This is a particular focus on problems cited in modules 6 and 7 with an emphasis on the issue of "Women in Management."

How to Approach Each Module

Each of the modules described above represents an individual study unit, with each unit including particular reading assignments, supplementary readings, cases, and exercises. In most cases appropriate audiovisual materials are also identified. It is important that you do the assigned readings and the additional suggested readings identified in the study guide supplement. As you do the assigned exercises and cases, it is important that you review the "Terms That You Should Know" section of each module. Unless unavailable to you, the assigned videotapes and films should also be viewed before proceeding to the next module.
Viewing these materials will enrich your understanding of the concepts dealt with in the modules.

Suggestions on how you should proceed are provided in the following list of steps.

1. After you have looked at the scheduled reading, begin your assignment by reading the brief narrative to each module. This narrative tells you something about the topic and provides information needed to enable you to place the concepts dealt with in the proper context. In some modules an outline may also be provided.

2. Next, read the cases. (Note: Not all modules will have cases.) The cases vary in length, but they all present the main features of the assigned work by discussing key themes, ideas, and ways of interpreting what you are reading.

3. Continue by looking at the questions at the end of the assigned chapter and cases. Review these questions before you begin the chapter assignment so you will have some points to look for while you read. When you come across a passage that provides information needed in answering a question, jot it down. Keeping such notes will prove valuable to you when we discuss these questions and answers in class.

4. Now review all the terms in the "Terms You Should Know" section. Or, if it suits your learning style, you may do this as the first step. The important thing is that you review these terms and definitions carefully, more than once if possible.

View the audiovisual material assigned for the module. While viewing these materials, try to perceive the relationships between the narrative, the terms, and the audiovisual materials you are reviewing. Occasionally a question relating to the audiovisual material is included on an accompanying worksheet; answer it if possible. If an assigned film does not arrive on schedule or is otherwise unavailable, simply omit the assignment, noting the reason for the incomplete assignment. The videos are included in the course as an additional way of enriching your experience and understanding the readings and terms that make up the course.
Required Reading


2. (Suggested) *Public Administration: A Synthesis* by Howard E. McCurdy.

3. Various handouts by instructor.
MODULE 1. PUBLIC ADMINISTRATION: AN INTRODUCTION

General Background

There was public administration before there was a self-conscious study and teaching of Public Administration, just as business activity preceded a self-conscious study and teaching of Business Administration. The first textbooks and curricula of Public Administration appeared in the United States in the 1920s. These first textbooks provided a definition of a discipline of Public Administration as a science. This science was conceived as value-free, or, alternatively, single-valued, depending on whether efficiency was viewed as a value to be pursued or an end which, by definition, eliminated values when pursued. Both the process of administration and the scientific study of administration had as their purpose the most efficient pursuit of these ends. The central objectives of the scientific study of administration were presumed to be scientific "principles." These principles were conceived as being analogous to those of physics or, perhaps, engineering, for they were conceived both as descriptive, as statements of cause and effect and as having an imperative quality, given the acceptance of efficiency as the goal of administration.

As students of administration, some of you may recall from your other administration courses the research of Frederick W. Taylor and his followers in the Scientific Management movement. Taylor's objective was "the development of a true science," a "one best way," by what he conceived to be the tested scientific means of careful observation, measurement, generalization. He and his followers had no doubt that their truths were universals, and in fact Scientific Management had become an international movement and organization by the 1930s. The similarity in thinking between early Public Administration and Scientific Management is not accidental; Public Administration was heavily in debt to the Scientific Management movement. In the opening paragraphs of the first textbooks (in 1926) White explicitly states that this base is management, not law. Public Administration and Business Administration were not only born in the same period, but had many common ancestors.

The nature of the "principles" of public administration, as conceived in the 1930s, were related to the principles which concerned theory of organization as represented at that time for Business Administration by Mooney and Reiley's Onward Industry! (or the later Principles of Organization by Mooney) and for Public Administration by the collection of essays edited by Luther Gulick and Lyndall Urwick, Papers on the Science of Administration (1937). More specifically, they concerned such matters as hierarchy or the "scalar principle," specialization and the "functional principle," the distinction between staff and line and their proper interrelation, executive functions and coordinating processes. They purported to tell one how he ought or must organize and operate if he wished to achieve ends sought by organization efficiently.

Reaction to the Traditional Literature

Dissatisfaction with the older literature of the 1930s was delayed by World War II, but emerged in the late 1940s. Three items were especially important in this new literature; Robert A. Dahl's "The Science of Public Administration: Three Problems;" Herbert A. Simon's Administrative Behavior-, A Study of Decision-Making Processes in Administrative Organization, and Dwight Waldo's The Administrative State; A Study of the Political Theory of American Public Administration. In general, the charges made and argued were that the early
writers had proceeded on premises they had not examined critically, that they had often confused and unwarrantedly mixed fact and value categories, that the claim to a knowledge of scientifically respectable principles were premature and presumptuous, that the understanding of scientific philosophy and methodology was very inadequate if not indeed quite erroneous.

Robert Dahl: A Science of Public Administration?

Dahl saw three problems with Public Administration as a science and his concerns were related to comparative studies as well. These included:

1. The problem "of constructing a science of public administration stems from the frequent impossibility of excluding normative considerations from the problems of public administration" (p. 1). The discussion charges that the traditional theory of organization and administration had confused and unjustifiably conflated fact and value categories, as seen by its treatment of efficiency and by its responses to such "public" matters as responsibility. The conclusion is that while the distinction between fact and value is important, even crucial, "the student of public administration cannot avoid a concern with ends . . . to refuse to recognize that the study of public administration must be founded on some clarification of ends is to perpetuate the gobbledygook of science in the area of morale purpose" (p. 3).

2. The second problem "stems from the inescapable fact that a science of public administration must be a study of certain aspects of human behavior" (p. 4). The discussion here concerns, in part, familiar methodological problems arising from diversity, complexity and non-repeatability of the phenomena, but centers upon a tendency of writers to build a theory on a vastly oversimplified view of human nature. The writers, he charges, ask us to accept a ludicrously over-simplified Administrative Man rather like in fact, related to Eighteenth Century Rational Man. Administrative theory must comprehend or at least allow for the emotional and non-rational; it must be sensitive to biases deriving from its historical and geographical matrix: from capitalism, industrialism, rationalism, and so forth.

3. The third problem Dahl presents is the relationship of "principles" to comparative study. Public Administration, he charges, has been all but oblivious to the significance of the social setting of administration. It has assumed that there are organizational and administrative universals rather than proving that there are; building on a parochial base, it pretends to universality. He concludes:

a. Generalizations derived from the operation of public administration in the environment of one nation state cannot be universalized and applied to public administration in a different environment. . . .

b. There can be not truly universal generalizations about public administration without a profound study of varying national and social characteristics impinging on public administration, to determine what aspects of public administration, if any, are truly independent of the national and social setting.

c. It follows that the study of public administration must become a much more broadly based discipline, resting not on a narrowly defined knowledge of techniques and processes, but rather extending to the
varying historical, sociological, economic and other conditioning factors (p. 11).

Public and Business Administration

As noted above, Public Administration was created by professors of Political Science, and the two fields of study continue to have close and important relationships. For more than twenty years, there has been a separate professional society, and in some instances Public Administration stands as a separate school or curriculum or - is combined with Business Administration (as it is at UHWO). But more customarily, Public Administration is taught as a course or branch of Political Science, and the parent discipline shows no disposition to exclude its offspring from its journals and meetings. By definition, Public Administration is a part of the governmental process, even though it draws ideas and techniques from many fields of knowledge and relates to a multiplicity of functional areas such as welfare, agriculture, and education. What has happened in Political Science is therefore also relevant to the development of Public Administration.

"Behavioralism" is the one Word that best signifies and summarizes the development of Political Science during the period of the 1950s-1970s. Behavioralism is a controversial word even in its definition, but in general it refers to a desire and an attempt to make Political Science genuinely scientific. In general it describes or implies an attempt to move from the philosophical to the positive, the empirical, the existential; to separate questions of fact from questions of value and to make the former the proper concern of Political Science; to 'learn and make use of proper scientific methodology; to draw inspiration, knowledge, and concepts from and to join more closely with related fields of study that are deemed "behavioral sciences"; to seek more, and more unified, empirical theory. By the late 1970s behavioralism came under severe criticism in political science circles, but was still being applied among scholars of Public Administration.

Simon: Administrative Behavior: Public and Business

In general, the impact of behavioralism on the Public Administration band of the Political Science spectrum has been slow. Herbert Simon's Administrative Behavior was not only a critique of the old Public Administration, it offered in its place a strongly argued reconstruction of the study of administration along behavioral lines. This work, it is agreed, has been influential in social science generally.

Simon proposed a rigid distinction between questions of value and questions of fact. This is certainly a different distinction from that between politics and administration, but it is, like the latter, a sweeping two-fold division of the "universe." Second, having rigidly separated value and fact, Simon argued that the latter, including the facts of public administration, are subject to scientific study in exactly the same way that facts in the realms of the natural sciences are subject to scientific study. Thus, Simon agreed with and furthered the belief and argument of the Founding Fathers that Public Administration is subject to science, potentially if not presently. Third, Simon took the discredited concept of efficiency as the goal of the scientific study and practice of public administration, carefully defined and redefined it, and placed it again at the center as the criterion by which an administrator must be guided in the factual aspects of decision making. Decision-making and the words closely associated with this function are seldom encountered. This relates to the problem of the differential impact of the work of Herbert Simon in Business Administration and Public Administration.
The argument of Administrative Behavior is powerful, complex and subtle and few students in Public Administration could "refute" it. However, in overwhelming numbers these students refused to believe it, to be persuaded and converted. They may have been interested in and knowledgeable about some of the matters discussed by Simon, in Administrative Behavior and his later works, for example, the role of authority and communication; but on the central tenets they remained unconvinced. The reason is that the conceptual scheme did not accurately reflect the "real world" of public administration, as they experienced or observed it. All the points about the fact and value may be true as a matter of logical analysis, they thought, but in the real world of administrative action fact and value are always joined, and "organically" joined. The abstractions do not describe the essential facts of this real world or enable us "better" to deal with it.

Simon did his doctorate in Political Science, and Administrative Behavior is oriented toward Public Administration; but students of Public Administration were not persuaded. Students of Business Administration, on the other hand, tended to be admiring, and in this they were joined by an impressive array of behaviorally oriented students from a variety of disciplines. Simon's career turned more and more toward Business Administration while his relations with Public Administration became more and more attenuated.

The Nature of Administration

D. L. Sharma made the following observations about the nature of administration:

1. Administration is a process consisting of a number of sub-processes. Principally, the sub-processes are planning, organizing, staffing, directing, coordinating, and controlling. These sub-processes are interrelated and interdependent and are usually, but not necessarily, carried out simultaneously and continuously in an ongoing enterprise.

2. Administration presupposes a formally organized group of people working together as members of an enterprise. Without group activity, there is no opportunity for the operation of administration. The group may be composed of as few as two persons. The activities of an individual working by himself, which are not complementary to those of any other person, do not lend themselves to the application of administration. People work in groups to attain goals which ordinarily are beyond the possibility of individual accomplishment. It is inconceivable that the group effort would be productive without the assistance of administration, but it is also axiomatic that in the absence of the former the latter would simply be inoperative.

3. For administration to operate, the group of people must be working toward a specific objective or a set of objectives. A group which does not seek to attain an objective or a set of objectives is not the concern of administration. For example, administration is inapplicable to a crowd which has no group goals.

4. Usually, administration is provided with broad objectives, but it is the responsibility of administration to refine them, define them, and render them attainable.

5. Administration seeks to achieve the enterprise objectives by intelligently utilizing the efforts of a group of people, and its success is measured in terms of the accomplishment of predetermined objectives.
6. Administration implies getting the things done through subordinates. An efficient administrator is one who gets the work done through the efforts of his subordinates rather than doing it himself.

7. As administration implies, the ability to get the work done through subordinates, it is a distinct skill, different from specialized technical expertness. An administrator may possess some technical skill, but it would be of no use to him in the discharge of his administrative responsibilities.

8. Administrative skill is not a technical skill in the sense of engineering skill or skill in medicine. Yet it is a specialized skill which would significantly determine the achievement of enterprise goals.

9. Administration has emerged as a distinct and identifiable discipline that can be studied, taught, learned, and practiced, and has universal application.

10. The discipline of administration has accumulated some principles concerning the administration of certain aspects of enterprise, and more are in the process of identification. These principles are reasonably well established, generally accepted, and widely practiced. However, because of the preponderance of human element in administration, the principles are not absolute and infallible and need to be used as guides with great caution.

11. Administration is intangible and invisible. However, orderliness in work, achievement of objectives, and satisfaction of employees are indices of its efficient and continuous operation.

12. Provision of resources, human and material, falls within the purview of administration. It is the responsibility of administration to provide for them in quantity, quality, and variety necessary to attain the objectives of the enterprise.

13. Although administration is ultimately responsible for the provision of resources, both human and material, for the enterprise, primarily it is concerned with the efficient direction of human effort in the manipulation of non-human resources to accomplish the enterprise goals. People are the subject of administration, not land, capital building, or raw materials.

14. Administration embraces the total enterprise and permeates all parts of it, with varied emphases on its sub-processes at different levels of the organizational structure.

15. Administration is employed at all levels of the organizational structure of an enterprise. At higher levels of the structure, it is characterized by more policy formulation, and at lower levels, by more policy execution.

16. Since administration is an inseparable feature of organized activity, the principles of administration would apply to all types of enterprises irrespective of the nature of activities they may be engaged in. The pervasive character of administration can be judged from the fact that no enterprise can be initiated and have a continued existence, without its operation, in any society at any time.

17. The universality of the principles of administration also makes them transferable. Administrative skill is different from technical skill in the sense that it is basically the same regardless of the nature of the enterprise to which
it may be applied. Therefore, able executives can change enterprises, diverse in nature, without any loss in efficiency.

18. Administrative skill is conditioned by the cultural advancement of a society. Such factors as social discipline, scientific knowledge, technical know-how, communication system, industrial achievements, and legal provisions would set a limit on the competency of administrators.

19. Administration is chiefly a mental activity. It may, and usually it does, involve some manual work, but that is not sufficient enough to negate its dominant characteristic.

20. Administration is not an end in itself; it is only a means to accomplish the enterprise objectives.

The Purpose of Administration

Administration has emerged out of the necessity of man to cooperate. Man has learned the value of cooperation from the realization that through collective effort he can accomplish what he individually cannot. Cooperation presupposes some kind of work division among the participating individuals. The division of work is necessitated by human limitations, the inability of the individual to be at two places at the same time, to do two things at the same time, to master more than a small fraction of the vast accumulation of knowledge and skill, and to perform all tasks equally well, as men differ in nature, capacity, and skill. The technological advance has accentuated the imperative of the division of work and has substantially reduced the significance of the individual in modern gigantic enterprises. The logical method of dividing work among members of a group is according to their differing abilities attributable to heredity and environment. This results in efficient utilization of individuals with diverse capabilities, and leads to specialization in skills.

Thus, group effort has come to be an irrefutable fact of our time and an indispensable instrument for satisfying most of the human needs. Now, the question arises: Who should guide the group effort? This challenge has been met by administration which provides for the acquisition and integration of human and material resources necessary to attain the predetermined objectives of the enterprise... Therefore, it is administration which leads the group effort to fruition. Without administration, the enterprise would disintegrate and dissolve, if it ever originates.

Administration is a means and not an end in itself. Therefore, the ultimate goals of administration cannot be different from those of the enterprise. Administration comes into being to serve the enterprise and cannot justify its existence otherwise. However, in order to attain the goals of the enterprise, the administration must seek the fulfillment of numerous immediate and intermediate goals. These would include orderliness in activities performed, supply and intelligent utilization of human and material resources, elimination of waste and inefficiency, economy in operations, welfare of employees, satisfaction of clientele, anticipation and resolution of problems, provision of guidance, and others. Effectuation of these subordinate goals is requisite to the realization of enterprise goals, which administration alone can bring about.

No enterprise can succeed in attaining its objectives that does not employ effective administration to its service. To a large extent, the accomplishment of goals of economic, social, political, military, or religious enterprises depends upon the application of efficient administration. Group effort is responsible for
the material advancement of a society, which, in turn, is buttressed by continuous and diligent administration. Satisfaction of varied and multiplying human needs will continue to require a greater degree of group effort, which will place unprecedented demand on administration. Efficient administration contributes significantly to the success of an enterprise, and, thereby, cumulatively leads to the prosperity of a society.

**Administration—A Science or an Art?**

The controversy concerning the classification of the discipline of administration, a science or an art, has not been settled. Admittedly, such a discussion is of academic interest only and does not serve any useful purpose. However, whether administration be classified as a science or an art will depend upon the definition of these terms.

If by science is meant a discipline in which principles can be established through experimentation, administration cannot qualify to be called a science because the human element in administration would defy the conducting of rigorous scientific experiments. On the other hand, if by science is meant a systematically organized body of knowledge in a subject field in contrast with a mere collection of traditions, practices, or personal reminiscences, administration would be considered a science just as much as political science or military science. Administration has evolved into a discipline which is now taught in professional schools and which provides a field for fruitful research.

Art is a skill in the application of which the possessor brings to bear his distinctiveness and individuality. The term "art" is used in two senses: First, it may refer to a skill as that of a poet, playwright, or a creative painter. It is commonly understood that such a skill is a gift of nature and cannot be acquired through training. Administration is not an art in this sense. Secondly, the term "art" may refer to a skill which can be acquired through training; e.g., the skill of a violinist or that of a teacher. Administration would be considered an art in this sense because administrative skill can be learned, and its use affords an opportunity for the application of individual judgment.

Thus, administration may be considered a science as well as an art because it partakes the characteristics of both. It is a science because it has a well-organized and evolving body of subject matter. To be more exact, it is an applied science because it makes use of the basic sciences, both exact and inexact, drawing rather heavily on the latter. At the same time, it is an art because the administrator would use his skill in the application of his knowledge of administration, which would inevitably reflect his individuality.

**The Professional Status of Administration**

A profession is considered to be an occupational group that possesses the following characteristics: (a) Existence of an esoteric body of knowledge, (b) rigorous formal training, (c) formation of a representative association, (d) development of a code of ethics to guide the behavior of its members, (e) insistence on social service as the dominant motive, (f) considerable autonomy in its practice, and (g) establishment of criteria for admission into the profession.

When the professional status of administration is examined against these characteristics, it becomes obvious that it falls far short of the well established professions of theology, law, or medicine, in all respects, but particularly with respect to the development and enforcement of a code of ethics.
governing the behavior of its members and the criteria for entry into the profession. Administration, at present, also varies in the degree of sophistication in its application to the various types of enterprises in different societies. Nevertheless, remarkable progress has been made toward professionalization during the last three decades, which is very encouraging in view of the fact that administration, as a discipline, is still in its infancy. Therefore, it would be appropriate to conclude that administration is in the process of acquiring the status of a profession, but it cannot claim to have attained it yet.

Terms You Should Know

- Principle
- Scientific Management
- Behavioralism
- Administrative Behavior
- Discipline of Administration
- Professional Status of Administration

Review Questions

1. Does or can Public Administration have "principles" in the same manner as physics and math?

2. Why was Simon's Administrative Behavior so important to the field of administration?

3. Is the profession of Public Administration a profession in the same manner law and medicine are professions?

4. Why is the study of Public Administration important to managers in the public and private sector?
The Schools of Thought in Administration

Administration has emerged as a phenomenon of unusual significance during the last three decades and has attracted the attention of scholars engaged in the various fields of study. These scholars have attempted to formulate a conceptual framework to explain the phenomenon of administration, but the diversity of their vantage points has impeded the formation of a consensus. Their explanation of it is analogous to the description of an elephant given by six blind persons. Each point of view contains some grain of truth, but does not encompass the phenomenon in its entirety. These intellectual exercises may, at best, be regarded as different approaches to develop a comprehensive and systematic theory of administration. Among the more significant ones are the following:

1. The administrative process school.
2. The empirical school.
3. The human behavior school.
4. The social system school.
5. The mathematics school.
6. The decision theory school.

The Administrative Process School

This school considers administration as a work process for achieving the objectives of an enterprise. This approach has evolved from the logical analysis of the mental activities essential in the utilization of human and material resources to attain the desired results. These activities have been identified, analyzed, refined, and organized, and constitute the sub-processes of the administrative process. This conceptual framework is of universal application discernible in every group activity, and can be employed for the achievement of objectives of an enterprise as a whole or any constituent part of it. Although there exist some differences among authorities with respect to the nomenclature and classification of the sub-processes, the basic ideas are very similar. The concept of administration, according to this school, involves the accomplishment of predetermined enterprise objectives through the intelligent use of human and material resources.

The approach used by this school may also be designated as "operational" because, essentially, it attempts to analyze the nefarious activities of administrators in order to identify the basic functions of administration, and then to deduce the fundamental principles governing these basic functions. Practitioners and scholars in the field of business have been primarily responsible for developing and expounding the administrative process thought, and Henry Fayol, Oliver Sheldon, and Ralph C. Davis would be considered as original contributors to it. The proponents of this school, while cognizant of the value of other disciplines to their approach, refrain from drawing upon them liberally in the development of their theory lest this might make it intellectually cumbersome, and further because of their belief in the segmentation of knowledge as a prerequisite to progress in any field. They fervently hope that verification of the theory through research would bring about improvement in administrative practices.
The administrative process school lately has been criticized severely and parallel concepts have been offered as replacements. These concepts form the subject of discussion in the succeeding paragraphs in this section.

**The Empirical School**

This school seeks to develop a theory of administration by analyzing the past experiences of successful administrators. The assumption is that an insight into the successful administrative practices would equip the prospective administrator with the competency to administer effectively in comparable situations. This school employs the case study method and the comparative approach expounded by Ernest Dale. The proponents of this school, from the study of cases, have drawn certain generalizations which tend to substantiate the concepts of the administrative process school of thought. However, the experiences of the past should serve only as useful guides and should not be applied slavishly and indiscriminately, as the problems of the future are not likely to be similar to those of the past. This school is also known as the "experience" school because its advocates concentrate on the study of experiences to understand and explain the phenomenon of administration. From the procedures of this school, it can reasonably be inferred that, in the last analysis, there would be very little difference, if any, between the process and the empirical schools of thought, or between the operation and comparative approaches of investigation employed.

**The Human Behavior School**

This school believes that human beings are the prime movers in an organized activity and, therefore, a grasp of human behavior should constitute the nucleus of administration. The behavioral sciences, especially individual and social psychology, by lending their theories, methods, techniques, and orientation, have contributed to the development of this school. They have brought forth the understanding that maximum individual and group effort toward the realization of enterprise goals is possible only when psychological principles are applied to the administration of the enterprise. The proponents of this school vary in their position from advocating an understanding of human behavior as an essential element of administration to considering human behavior as identical with administration. Some recommend human relations as an art to be mastered by the administrator, others regard leadership and administration as synonymous, and still others view administration as coterminous with the field of social psychology.

This school, by giving prominence to the human aspect as an important element of administration in realizing enterprise goals, has made a significant contribution to our knowledge of administration. The concepts of human relations, motivation, and leadership have been firmly established in the theory of administration, and their importance cannot be discounted in successful culmination of group activity. However, the assertion that human behavior is inclusive enough to be co-extensive with administration is tantamount to an exaggeration of one element beyond all proportions.

**The Social System School**

This school considers administration as a social system, that is, a system of cultural interrelationships. Utilizing the sociological concepts, this school seeks to identify the various social groups in the enterprise, discover their cultural relationships, and integrate them into a social system. This school believes that man and his environment suffer from a number of biological,
physical, and social limitations which can be surmounted only through cooperation. A formal organization in which people can communicate with each other and are willing to contribute to the realization of enterprise goals offers the best opportunity for cooperation.

This school is often confused with the human behavior school. This may be because both of these schools draw inspiration from the research in behavioral sciences. Present research and publications in the area of organization theory or in the social systems stem from the conceptual framework of this school.

The significant contributions of this school include recognition of enterprise as a social organism, awareness of the institutional foundations of administrative authority, the role of informal organization in realizing enterprise goals, the knowledge of factors that sustain an organization, an understanding of group behavior in the social systems, and an insight into the social obligations of administration. Admittedly, sociological findings have contributed measurably to administrative effectiveness, but it would be a mistake to consider administration and sociology as one and the same thing.

The Mathematics School

This school believes that administration is a logical process and, therefore, can be expressed in terms of mathematical symbols and relationships. Its proponents consider the function of administration to establish mathematical models and processes that can be employed to predict the outcome in advance. The measurements of known variables can be substituted in the formulas and the information about the unknown can be obtained for the varied situations.

This school has made a significant contribution to the field of industrial administration, especially by way of operations research and linear programming. Its usefulness can further be assessed from its demand for an orderly thinking, its requirement of precisely defining the problem, its insistence on systematic use of logical methodology, its concern for measurability of results, its ability to handle complex problems with ease, and its partial success in reducing the element of subjectivity in administration.

Notwithstanding its great value in administration, mathematics would be regarded only as a tool of administration rather than a school of administration. Mathematics serves most by providing the skills and techniques to improve the administrative practices and its significance cannot be disputed. However, despite its impressive sophistication, it cannot encompass the total field of administration. It can, at the most, be applied to the physical aspects of administration, but the intangible, intricate, and often baffling human aspects would surely elude its grasp.

The Decision Theory School

This school considers decision-making as the real function of administration—decision being the rational method of choosing, from among possible alternatives, a course of action. Just what the decision theory is concerned with is not definite because some theorists concentrate their attention on the decision itself, others include in their consideration those who make the decision, and still others analyze the decision-making process as well. Further, some study the decision in terms of its economic rationale, others examine the forces operative within the enterprise that might effect the decision, and still others would evaluate even the factors external to the enterprise that might have a bearing on the decision.
The decision theory school has grown out of the area of economics and clearly exhibits the impact of economic theorists on its development when it employs such concepts as marginal utility and economic behavior under uncertainties. Similarly, the influence of the mathematics school is discernible in the use of models and equations in decision-making.

Initially, the decision theory school merely evaluated the alternatives in selecting a course of action. But lately it has begun to examine all the activities of the enterprise through the decision-making approach. This obviously has expanded the scope of the school which now encompasses the total enterprise.

Decision-making is characteristic of administration and is a vitally important function in an enterprise, but it is difficult to conceive of administration as only decision-making without some provision for implementation. No one would deny the contributions of decision theory to administrative thought, but, by itself, it cannot explain all the aspects of administration.

Concluding Comments on the Schools of Thoughts in Administration

1. The schools of thought discussed above represent major approaches to the development of a theory of administration and are indicative of the keen interest shown in the discipline by scholars in the related disciplines.

2. Some schools of thought have conceived of administration in narrow terms whereas others have taken a broader view of it. The range of perspective is conditioned by the attitude of the theorists. Those who have a predilection for one aspect of administration over others or those who employ a particular technique for analyzing administration which tends to restrict their vision, fail to comprehend the phenomenon of administration in its totality.

3. By and large, the schools of thought are not contradictory but complementary of one another. The differences in their positions stem from the specialized backgrounds of their exponents.

The Administrative Process

"The meaning that I have given to the word-administration embraces enterprises of every size and description, of every form and purpose. All undertakings require planning, organization, command, coordination, and control, and in order to function properly, all must observe the same general principles. We are no longer confronted with several administrative sciences but with one alone, which can be applied equally well to public and private affairs. (Henri Fayol)

Fayol treated administration as a process, whereas the prevailing practice was to place administration under the control of specialists. To manage a mine, one studied mine engineering. To manage an army, one specialized in military strategy. Fayol was dissatisfied with this approach to training managers in business and government. In his opinion, good administration was a process consisting of a "certain number of conditions" which were common to all organizations. It did not matter whether the manager administered a mine or a regiment, whether the manager worked in an industry or a government bureau.

The scholar most responsible for incorporating Fayol's theory into American administration, Luther Gulick, condensed the duties of an administrator into an acronym-POSDCORB. Each letter stands for one of the critical functions performed
by administrators: planning, organizing, staffing, directing, coordinating, reporting, and budgeting. Today POSDCORB is symbolic of all the early errors and insights produced by those who first ventured into the science of administration.

The insight that Fayol and Gulick gave to managers everywhere was the idea that good administration is a process distinct from the particular management task at hand. In organizing the operation, all managers have to accomplish certain common functions. They all have to establish some system of hierarchy and authority, and some system of specialization. They have to institutionalize the power to control and coordinate operations, usually in a general staff. A system of rules, personnel administration, and some system of budgeting and financial management must be established. Managers have to set forth objectives and improve employee motivation through human relations techniques. These elements of administration are still taught with confidence ninety years after Fayol first wrote them.

The administrative process is not merely a theoretical concept, it is also a technique of administering enterprises, currently in use. As a technique of administration, it represents the third stage in the process of evolution, being preceded by two other stages—the "scientific management" stage and the "organization and system" stage. The evolution of these stages in administration has also been associated with the evolution of the predominant types of administrators. These stages have been characteristic of the business and industrial enterprises in the United States and owe their development to scholars and practitioners in business and industry.

Until the beginning of the twentieth century, there prevailed an economy that was simple and undeveloped. During this period there was little need for a theory of administration because the enterprises were small and almost all the administrative functions were performed by the owner. The owner operated the enterprise, made all decisions for it, possessed absolute authority over its destiny, and was accountable to none. During the last two decades of the nineteenth century, some of the owner-managers were very forceful and dynamic. They stimulated unprecedented progress in the economy of the country and established a firm industrial base. Being prompted by the concepts of Social Darwinism and the Protestant ethic, they employed all the means, ethical and otherwise, to further their own interests. By their spectacular successes, they augmented the position of the owner-manager in power, prestige, and influence. By 1905, they faded away because of death, retirement, public opinion, and the anti-trust action.

Early in the twentieth century the economy advanced and became more complex. The corporate form of business enterprises began to emerge with capital requirements often exceeding the resources of the individual entrepreneur and thereby rendering the public sale of stock inevitable. The increasing size and complexity of corporate enterprises necessitated the separation of ownership from administration. Thus, a new type of business administrators appeared who operated and controlled the enterprises which they did not own. While they were interested in the prosperity of the enterprises they administered, they were also keen in accumulating personal wealth by using the resources of the enterprises. They were unscrupulous about using others' capital and their sole objective was quick profit. They contributed to the pace of the economy, but their influence waned after 1930 as a result of loss of public confidence in them.

It was during this period that the "scientific management" movement started and exerted a forceful influence on industry. "Scientific management" was an intellectual approach to the practice of administration. It sought to eliminate
waste and inefficiency in industry. "The conceptual framework of scientific management, based on Taylor's principles, was: (a) science, not rule of thumb; (b) harmony, not discord; (c) cooperation, not individualism; (d) maximum output in place of restricted output; and (e) the development of each man to his greatest efficiency and prosperity." The "scientific management" represented the first stage in administrative thought. It advanced concepts that could be identified, taught, learned, and practiced, and dealt a severe blow to the position of craftmanship.

During the 1930's, the second stage in administrative thought emerged which may be labeled as "organization and system" stage. An organization was established for the enterprise to serve as a mechanism, and a system of operating and control procedures was instituted to facilitate the workflow. "Scientific management" methods continued to be employed to eliminate waste and inefficiency in operations. Different connotations came to be attached to the terms "administration" and "management." "Administration" represented the ownership point of view and performed the functions of setting goals, formulating policies, establishing organization, and exercising general control for the enterprise. "Management," on the other hand, was responsible for the performance of work within the enterprise.

During the 1940's, the administrative thought passed into the third stage of its evolution, which is designated as "administrative process" stage and which is in vogue today. This approach considered administration as a process rather than an event or a set of procedures and techniques. Scholars endeavored to identify the administrative process, refine it, and analyze it into sub-processes. Further professionalization of administration led to the elimination of the distinction between the terms "administration" and "management," which are now interchangeable. It is interesting to note that the "administrative process" stage in administrative thought evolved in England, France, and the United States independently about the same time and under similar conditions.

Administrative process as a conceptual framework is a composite of a number of sub-processes which are interrelated and interdependent and are usually, but not necessarily, carried out simultaneously and continuously for the attainment of enterprise objectives. The sub-processes are: planning, organizing, staffing, directing, and controlling. In addition, there are two more sub-processes --decision-making and coordinating--which are different from the preceding ones in that they do not fall on the same continuum but are inherent in each one of them. Their pervasive character manifests itself in the fact that regardless of which the administrator does, he essentially makes decisions and seeks to establish and maintain coordination. Some authorities subsume them under other sub-processes, but their crucial role warrants a separate treatment of them on the basis of equality. Further, the administrator would not be able to carry out the sub-processes effectively unless he is assisted by the authority of his position and the communication system of the enterprise. Therefore, authority and communication may be considered as indispensable tools of administration and inalienable elements of the administrative process. Differences of opinion exist with respect to the classification and the nomenclature of the sub-processes, but the concept of administration as a process seems to have met general agreement.

Planning

Planning means determining what shall be done. It comprises a wide range of activities including investigating, forecasting, setting objectives, formulating policies, developing programs, and deciding procedures. These activities need to be carried on for the total enterprise as well as its various segments. Generally
speaking, planning consumes more time of executives at the higher levels than it
does at the lower levels of the organizational structure, and planning at the
higher levels acts as a constraint to all the activities of the enterprise.

Organizing

Organizing means dividing the work of the enterprise into a number of
activities, grouping them in a meaningful way, and determining their assignment
to employees. In order to obtain coordinated effort, it involves tying them
together vertically through delegation of authority and responsibility, and
binding them together horizontally through certain administrative devices. This
would result in an organizational structure indicating the arrangement of all the
activities to be performed, and depicting the authority relationships within the
enterprise.

Staffing

It is the responsibility of administration to see that the human and material
resources are made available in quantity, quality, and variety appropriate for
attaining the enterprise goals. It means procurement of personnel according to
the organizational structure and the provision of material resources which they
will need to work with in the discharge of their responsibilities. However,
administration basically deals with people and seeks to achieve the enterprise
goals through them. Thus, people are the subject of administration and not
material resources. Therefore, administration's primary responsibility is to
ensure continued supply of manpower, that is, staffing, which includes selection,
training, evaluation, promotion, compensation, and separation of employees.

Directing

Directing means guiding the activities of the subordinates to predetermined
goals. In directing, the administrator would use such devices as command,
suggestion, request, instructions, coaching, reward, penalty, and others.
Directing subsumes motivating and supervising of the subordinates as well.

Controlling

Controlling involves measuring performance against the plan, ascertaining if
there exists any discrepancy, and adopting corrective measures to ensure the
realization of predetermined objectives. Controlling also including innovating
which means devising ways to bring about improvement in the setting of goals and
their attainment.

Decision-making

Decision-making means selecting a course of action from a number of
alternatives. Decision-making pervades the entire administration because,
essentially, the administrator makes a series of decisions in his application of
the administrative process to the enterprise. Decision-making permeates all parts
of the enterprise and deals with every possible subject. Some authorities treat
decision-making under planning, which gives the impression that decision making
is part of planning only. However, decision-making can be perceived intertwined
equally intimately with other sub-processes as well.
Coordinating

Coordinating implies synchronizing individual and group efforts for the harmonious operation of the enterprise. Coordinated activities are essential for the attainment of enterprise goals. Some authorities do not consider coordination as a separate sub-process of administration. They maintain that coordination is the essence of administration and that each of the administrative sub-processes is an exercise in coordination. However, although it may be difficult to conceive of coordination as a distinct sub-process, or it may appear highly plausible that coordination will accrue from the exercise of other administrative sub-processes, it is unrealistic to assume that it will obtain without assiduously striving for it. The fact that coordination inheres in all the administrative sub-processes is a vindication of its pervasiveness and a manifestation of its indisputability.

No administrator can succeed in the exercise of the administrative process necessary for materializing the goals of the enterprise unless he has the necessary authority vested in him and a system of communication available to him. Without authority and communication, organized activity can neither be initiated nor sustained, and the group would disintegrate into an aggregate. Thus, authority and communication may be viewed as tools the administrator needs to work with to accomplish his tasks.

Authority

Administrative authority is the power of the super-ordinate to require the subordinate to act in consonance with the achievement of the enterprise goals. Administrative authority entitles the superordinate to make decisions within the limits of his authority and to see that they are implemented. The concept of administrative authority includes compliance on the part of the subordinate. This compliance, however, can be secured in a number of ways: through request, suggestion, persuasion, command, coercion, or sanction. The present trend is toward increased use of request, suggestion, and persuasion, but they are always fortified with authority, should the subordinate find them unacceptable. Administrative authority also carries with it commensurate administrative responsibility as a corollary lest it might degenerate into a license.

Communication

Communication is a means through which the administrator conveys his requests, suggestions, instructions, or commands to his subordinates for their action, and receives suggestions, grievances, and complaints from them for his consideration and action. The channels of communication—upward, downward, or sideways—provide a network of communication connecting all the members of an enterprise, and constitute a system which is co-extensive with the size of the enterprise. The communication system, however, would not be deemed adequate unless it also links the enterprise with the external world. Efficient communication facilitates the dissemination of ideas, acceptance of policies, securing of cooperation, and the attaining of enterprise goals. Communication sustains the organizational structure of the enterprise and renders the operation of the administrative process feasible. The administrator has a wide variety of media and techniques to choose from to communicate with his subordinates.

The Contributions of the Administrative Process School of Thought

The administrative process school of thought has dominated the scene for almost three decades and its impact is discernible in the writings of the
scholars and the administrative behavior of the practitioners. It has made significant contributions to the theory and practice of administration, some of which are as follows:

1. The process school of thought has provided the foundation for present day education in administration. Henri Fayol first presented his concepts in 1916 in France; Oliver Sheldon, in 1923 in England; and Ralph C. Davis, in 1935 in the United States. There is a striking similarity among the ideas of these scholars although they developed them independently, being unaware of the contributions of the others. The concepts of these scholars and their successors form the core of the administrative process school of thought and the nucleus of the discipline of administration.

2. The process school of thought considers administration as a process rather than a event or a cluster of techniques, and its concepts are being utilized by all types of enterprises, public or private, large or small, in their operation. Although some concepts from other schools of thought have now been incorporated in the theory of administration, it cannot be denied that the concepts from the process school of thought, by far, constitute the bulk and are difficult to replace. The successful operation of huge industrial complexes, continental governments, and intercontinental enterprises may, in a substantial measure, be attributed to the application of the concepts of the administrative process school of thought.

3. The process school of thought has furnished a conceptual framework for the administration of enterprises. It has contributed to the development of administration as a separate, and distinct discipline that can be studied, taught, learned, and practiced. Thus, it has refuted the claim of charismatic leadership to indispensability for the administration of enterprises.

4. The process school of thought has led scholars to think of administration in terms of objectives, processes, and guiding principles instead of descriptions of procedures, techniques, and methods. Thus, it enables the administrator to change the varied types of enterprises without any loss in efficiency.

5. The process school of thought enables administration to be operative for the total enterprise or any functional part of it. Formerly, only certain activities of the enterprise were considered to fall within the purview of administration—for example, production and personnel in the case of business administration—but the administrative process approach encompasses all the activities of the enterprise.

6. The process school of thought has provided a conceptual framework of administration which is inclusive, understandable, and time-proven. The concepts of this school of thought are the outcome of mature judgment of scholars and practitioners. Some of them have been analyzed, modified, and improved upon by the later scholars. The process school of thought is at present firmly established as the third stage in the evolution of the administrative thought.

The Weaknesses of the Administrative Process School of Thought

The administrative process school of thought has lately been subjected to severe criticism. Some critics have suggested drastic revision of it, while others have recommended its complete abandonment. The following are pointed out as its notable weaknesses:
1. One of the problems that constantly puzzle the administrators is how to secure maximum contribution of efforts from the employees toward the attainment of enterprise goals. The process school of thought recommends motivational methods based on the concept of economic man. Research in organizational behavior has demonstrated the inadequacy of these measures as motivating devices because man does not always respond to economic stimuli. The social codes, conventions, and traditions prevalent within the enterprise tend to encourage conformity among members even at the cost of personal sacrifice. Factors like varied preference scales of values, taxation, job security, technological advance, and unionization of labor render the problem of employee motivation increasingly complex. Thus, the administrative process conceptual framework fails to furnish satisfactory answers to problems inherent in the proper ways and means to provide for necessary employee motivation.

2. The process school of thought requires the administrator to seek the attainment of enterprise goals with maximum efficiency and at minimum cost. Because of its preoccupation with efficiency and elimination of waste, the administration often forgets its real purpose of service and becomes an end in itself. In business enterprises, it particularly feels obligated to protect the interests of the inventors only and has been oblivious of the interests of employees, consumers, and the general public. The conceptual framework of the process school of thought does not include such concepts as human relations, and employee satisfaction. This provides an opportune ground for the clashes of interests which sporadically explode into conflicts and strife in enterprises.

3. The process school of thought has treated labor as a commodity. This old commodity concept of labor is incompatible with the present or future values of our society. Labor can no longer be slighted as an inert, passive, and docile "commodity": it is a vigorous, aggressive, and paralyzing force to be reckoned with. Labor will have to be viewed as an invaluable asset, the intelligent use of which is indispensable for the attainment of the enterprise goals. This changed concept of labor would necessitate modification in the conceptual framework of the process school of thought.

4. The process school of thought utilizes the concepts of the Protestant ethic and Social Darwinism which have stimulated the growth of the economy but which also have provided justification for the exploitation of the many in the interest of the few. However, the emergence of the egalitarian society with its concepts of equality, liberty, and justice has challenged the concepts of the old social order. Administration cannot continue to operate in a world of its own creation, and, if it wants to be effective, it has no alternative but to readjust its conceptual framework to make it consistent with the realities of the changing society.

5. Being efficiency oriented, the process school of thought is meticulous in planning, rigorous in execution, and exact in evaluation, all geared to the attainment of the predetermined enterprise goals. Such an administration is not likely to provide an opportunity for the exercise of initiative, creativity, and discretion on the part of the employees because they are required to coordinate their efforts according to the predetermined plan. Under the circumstances, the individual is reduced to the level of a mechanical gadget-passive, subservient, and dependent—and is debarred from making full contribution of his total potentialities. Further, since the administration is passionately devoted to the attainment of the enterprise goals, the satisfactions and needs of the employees are likely to go unheeded, which may result in the creation of a dissatisfied, disgruntled, and revengeful work force, and which may cause bitterness, suspicion, and distrust between them and the administration. The administrative
process conceptual framework needs to be modified so that the individual worker is viewed as a human being with self-esteem, dignity, and pride, add not just a cog in the wheel.

Prospects for the Future

Dissatisfaction with the weaknesses of the administrative process school of thought has impelled scholars to look for a theory of administration in other directions. The outcome of their intensive search has been the appearance of a number of parallel schools of thought, referred to earlier, each one of which claims to offer an acceptable and workable theory of administration. These schools of thought are the fruits of the labor of scholars engaged in diverse, but related, disciplines—psychology, sociology, anthropology, mathematics, and others. That these schools of thought, in themselves, possess the potentiality of dislodging or replacing the administrative process school of thought is beyond the range of probability, because they suffer from a number of serious limitations, too difficult to surmount. Therefore, some kind of synthesis in which the process school of thought would incorporate the needed and useful concepts from other schools of thought to eradicate its deficiencies and to expand its scope so as to make it inclusive portends the direction for the development of a new theory of administration. That a beginning has been made on these lines is evidenced by the inclusion of a number of concepts—e.g., employee satisfaction, public relations, and decision-making within the conceptual framework of the process school of thought as a core, capable of dealing with all the problems of an enterprise may very well mark the fourth stage in the process of evaluation of the administrative thought.

Terms You Should Know

- Schools of Thought
  - Administrative Process school
  - Empirical school
  - Decision theory school
  - Human behavior school
  - Social System school
  - Mathematics school
  - Henri Fayol
  - Luther Gulick
  - POSDCORB
  - Planning
  - Organizing
  - Staffing
  - Directing
  - Controlling
  - Decision-making
  - Coordinating
  - Authority
  - Communication

Review Questions

1. Why have there been so many schools of thought in administration?

2. What were the stages in the development of the Administrative Process School of Thought?
3. Why are Henri Fayol and Luther Gulick still so important to the study of Public Administration in the United States?

4. What are some of the strengths and weaknesses of the administrative process approach?
MODULE 3: ORGANIZATIONAL CONCEPTS

Organization-Forms and Factors

Variety of Administrative Agencies. When we speak here of organization, we have in mind the large-scale, organized, or formal structure of agencies established to perform the administrative tasks of government. This definition allows us to confine ourselves to giving only fleeting recognition to certain agencies set up for the primary purpose of assisting the legislative, executive, and judicial branches of government in the performance of their particular duties. Using the federal government as an example, we find among the so-called legislative agencies the Government Printing Office, the Architect of the Capitol, the General Accounting Office, and the Library of Congress. The Administrative Office of the United States Courts assists the Supreme Court in directing the business affairs of the federal judiciary. In turn, the President has a number of specialized bodies to help him in the exercise of his executive power; these include the Cabinet and the Executive Office of the President, in which are placed such agencies as the White House Office, the National Security Council, the Bureau of the Budget, and the Council of Economic Advisers.

For our discussion, we shall pass by agencies such as these and focus our attention more narrowly upon agencies set up to perform the operating tasks of government, to administer public policy, and to carry out the substantive duties determined to be necessary for the public welfare. When we begin to examine the agencies so defined, we discover at the outset that they are quite varied in their structure and type. There is no such thing as a common species of administrative agency in American government. Again, we may refer to the federal government to illustrate the point.

First of all, we need to mention the ten executive departments. These vary greatly in numbers of employees, in expenditures, and in the relation of the department head to the constituent operating units. One of the executive departments, the Department of Defense, has three military departments and various overseas commands. No other executive department has such a structure. Yet, executive departments are one kind of federal administrative agency. Of another kind are, secondly, the regulatory commissions and boards, such as the Interstate Commerce Commission, the Federal Trade Commission, the National Labor Relations Board, and others. But there are also, thirdly, still other important agencies, each headed by a plural body, such as the Atomic Energy Commission, the National Mediation Board, and the Railroad Retirement Board. Next come, fourthly, equally important additional agencies like the latter, but headed by a single administrator, such as the Veterans Administration, the Federal Mediation and Conciliation Service, and the Housing and Home Finance Agency. In the fifth place, there are non-regulatory agencies set up as government corporations, with a board of directors as head, such as the Tennessee Valley Authority and the Federal Deposit Insurance Corporation. Finally, we encounter peculiar plural agencies which are difficult to categorize, such as the Board of Governors of the Federal Reserve System, the Farm Credit Administration, and the Federal Home Loan Bank Board. They were created by act of Congress, and their boards are appointed by the President with the consent of the Senate, but they obtain their operating funds by assessment upon constituent semi-public corporations.

This kind of variety is equally evident in the states and in local government. Here we even discover administrative boards and individual officers who are elected directly by the voters. In brief, one finds no such thing as a standard type of administrative agency in American government. Rather,
there are many different kinds of agencies which perform the administrative work of government.

Factors in organization Structure. Public administration differs from private enterprise in the complexity of the organizational factors with which it must contend. First of all, in public administration the basic organizational outlines are determined in accordance with prevailing political expectations. The organizational pattern of public agencies provides a basis of work specialization and a structural status acceptable to the legislature, the executive, interest groups, and the citizenry at large. Organizational design in public agencies involves the public interest.

In the second place, there is the technical factor that organizational structure is expected to promote efficiency and effective service by those who are entrusted with the authority and responsibility for administrative activity. It is important to bear in mind that the technical judgment of organizational effectiveness may originate outside an agency itself. To those who are actually in charge of an organization, the existing structure may appear quite satisfactory. The outside critic, however, may argue that it violates standards of effective administrative conduct.

In the third place, organizational structure is influenced by the reactions of those who comprise its components. Organization is people working together. Organization is a social environment. It is, accordingly, a structure of anticipated individual behavior. But the individual is not an automation, to be manipulated at will by some higher authority. He has his own aspirations, ideas, and emotions. As such, he is much concerned in his working group about organizational arrangements, since these may vitally influence his own life and interpersonal relationships.

In public administration these political, technical, and personal factors must all be analyzed in order to understand organizational patterns. To be sure, the three factors are interrelated and on occasion may not be easy to separate even for study or analysis. Yet, one should not examine organizational structure from a single point of view. All three must be given proper consideration.

Political Factors

Organizing the Atomic Energy Program. Organizational structure establishes the range of activities as well as the status of an administrative agency. Both of these are matters of great political interest. When we speak of political interest, we mean that the organs of political decision-making in the American scheme of government find issues of public concern involved in organizational arrangements. In other words, organization in public administration is a problem involving legislative and executive points of view and, beyond these organs of decision-making, the points of view of interest groups as well as of the public at large. In the American scheme of government, it is the legislature that is the main architect of organizational structure. Whenever a new governmental program is about to be launched, or some existing program is being expanded, a number of organizational questions arise as part of the decisions to be made. Indeed, such questions are usually an integral part of the consideration given to any governmental activity.

Numerous illustrations will readily occur to anyone who follows debate on legislative matters. Two or three examples will here suffice. In 1946 the federal government set out to establish a continuing program of research, development, production, and military use of fissionable materials. During World War II, the
War Department had launched a large-scale effort to produce an atomic bomb. This endeavor met success when a first bomb was dropped upon Hiroshima in Japan and a second bomb on Nagasaki early in August 1945. The whole bomb program was then handled as a military enterprise within the framework of War Department authority, organization, and appropriations. When the war came to an end, one possibility was to leave the existing arrangements alone. But too much public interest in the whole subject had developed for this possibility to be very real. Instead, a special committee was created in the Senate to study the matter. Military officials, the Bureau of the Budget on behalf of the President, and the scientific advisers in various federal agencies prepared recommendations. Individual scientists of outstanding reputation were asked to give testimony, and representatives of business also took an interest in the subject. The result was the passage of the Atomic Energy Act of 1946, which set up a continuing federal program.

Comprising a very important part of this legislation were its organizational provisions. The law began with a statement of findings and a declaration of purpose, which included encouragement of private research, the control of scientific and technical information, and government control of production and use of fissionable materials. The very next part of the act proceeded to establish organizational machinery, beginning with an Atomic Energy Commission of five members. In addition, the statute provided for a general manager, a division of research, a division of production, a division of engineering, and a division of military application. Furthermore, the director of this last division was to be a member of the armed forces. The law also specified that there should be a general advisory committee of nine members and a military liaison committee. What is noteworthy is the extent to which Congress by statute set forth organizational details for the government's program in atomic energy. The law did not simply create a commission and then leave the organizational detail to its discretion. Rather, the various interests involved, including that of the armed forces and that of the public, found expression in the statutory prescription of the organizational design for the federal government's activities in the development of atomic energy.

Organizing for Higher Learning: As a second illustration, we may mention another but quite different matter of current concern. In Ohio there has never been any sizable number of junior or community colleges created under private or public auspices to handle part of the load of education beyond the high school. Early in the 1950s, it became apparent that during the sixties the college-age population would substantially increase. Reports by the Ohio College Association and then by the Governor's Commission on Education Beyond the High School called attention to the need for additional facilities. It was generally agreed that much of this expansion should be provided in the main urban areas and should consist of instruction through two years.

The organizational question was whether these two-year junior colleges should be set up, insofar as public action was concerned, by local school districts, as in Texas and California, or be created as branches of existing state universities, as in Indiana. There were many arguments on both sides. In favor of local school districts were such factors as the existence of high school facilities which might be utilized, the current programs of technical and vocational education being offered by many school districts, and the fear that state universities might not take much interest in junior-college branches. In favor of university sponsorship were such factors as greater assurance of keeping programs to two years, existing accreditation which could be extended to the branches, and the possibility of higher standards of instruction. In addition, fiscal issues had to be resolved. First of all, if a local school district took
over sponsorship of junior colleges, how would young people from neighboring school districts be treated? Secondly, what proportion of educational cost would fall on the local school district, and with what consequences for the tax burden upon real property? In the third place, what part of the cost would fall on students, and would local school districts be able to collect fees?

These were important policy questions to be determined in the light of the educational objectives of the State of Ohio. Yet the questions appeared in the context of an organizational problem. Indeed, they seemed to present a struggle for educational power between large urban school districts eager to operate junior colleges and the state universities eager to expand their branch activities. Obviously, here again are organizational problems of great public interest and problems that would eventually have to be resolved by legislative action.

Organizing the Armed Forces. Let us examine still a third example. The long story of organization for national defense is too intricate to recount in detail, but it is possible to spot the principal issues that have arisen and that in varying degree were settled by laws enacted in 1947, 1949, and 1958. The first issue organizationally was to recognize the claim of the Air Force to a status equal to that of the Army and the Navy. This was finally achieved in 1947. The second issue was to achieve some degree of integration of the Army, Navy, and Air Force. American experience in World War II all around the globe had demonstrated the importance of joint action. No one force could claim an exclusive military role. Rather, coordinated efforts of all three forces were required. This was obtained with some degree of success by means of the Joint Chiefs of Staff functioning in Washington under the immediate supervision of the President as commander in chief and by means of unified commands in various theaters of operation. The question then was what kind of joint organization to continue after 1945.

The National Security Act of 1947 answered this question by creating originally a new kind of organization known as the National Military Establishment headed by a Secretary of Defense. The law provided that the Secretary was to exercise "general direction, authority, and control" over the three executive departments of the Army, Navy, and Air Force. Furthermore, he was given authority to "supervise and coordinate" the preparation of military budgets by the three departments. He was to be assisted by a Joint Chief of Staff, a Munitions Board, and a Research and Development Board. But the difficulty with this arrangement was that it conferred only general power upon the Secretary of Defense. By 1949 the Congress was ready to move in the direction of overcoming this defect in organization, especially when the tragic suicide of the first Secretary of Defense, James V. Forrestal, was ascribed to collapse brought on by the difficulties of handling his arduous task. Accordingly, the Department of Defense was created as one executive department, and the three constituent departments became more "military departments." The language conferring authority upon the Secretary of Defense was changed to eliminate the word "general" and to provide "direction and control" over the budgets of the military departments. In 1953 the functions of the Munitions Board were abolished and vested directly in the Secretary of Defense by a reorganization plan of the President. The same was done with the Research and Development Board.

In 1958, still further changes were made. Again the organization of the Department of Defense had come under widespread criticism, this time because of the belief that the United States was lagging behind the Soviet Union in the development of intercontinental ballistic missiles. The new law retained the
separate identity of the three military departments. But it specified that each department was to function under the "direction, authority, and control" of the Secretary of Defense, to whom the civilian secretary of each military department was made responsible for efficient operation of his department. In addition, the President was authorized to establish through the Secretary of Defense "unified combatant commands." These were to report directly to the President through the Secretary, but not to be subject to control by one of the military departments. Furthermore, the Secretary of Defense was empowered to transfer, reassign, consolidate, or abolish functions of the military departments, even though such action could not become effective without a report to the Armed Services Committee of both the House of Representatives and the Senate. If these committees approved, the action would become effective within 30 days of its being reported to them. If one of the committees adopted a resolution of disapproval, then another 40 days were to elapse, in which time either house could affirm the resolution of disapproval, thus vetoing the Secretary's proposed action.

The point simply is that over a period of eleven years Congress considered three major pieces of legislation dealing with national defense organization and only gradually was willing to vest more authority in the hands of a Secretary of Defense. The question of the degree of power to be given to the Secretary of Defense and thus to be taken away from the three armed forces was a grave organizational matter of public interest. It had to be resolved slowly as circumstances appeared to dictate.

Range of Political Issues. In expressing its public interest in organizational matters, a legislature tends to be concerned with several common problems. These arise in the context of many different policies and programs of government, at the federal, state, or local level. One question is that of the number of administrative agencies. Most interest groups advocating the establishment or expansion of some government program favor the creation of a single administrative agency to handle the activity. The reason is obvious. The interest group believes that it will better be able to make its own point of view prevail—or at least ensure that its point of view is given careful attention—if a separate agency is organized. Furthermore, many an interest group fears that if the program close to its heart is to be merged with those of some existing agency, the character of the work to be performed may be hampered or substantially changed. For example, the maritime shipping interests do not wish the governmental activities concerned with them to be merged with the Interstate Commerce Commission, primarily occupied with railroad regulation.

Another organizational question of major public interest is the degree of supervisory authority over an administrative activity to be exercised by the chief executive. Because basic matters of administrative structure are fixed by law, it is inevitable that some of the latent antagonisms that exist between the legislative and the executive branches should find expression in such legislation. The legislature often believes that it can better deal with the departments when they are not too ready to respond to direction by the chief executive. The legislature may favor fixed terms of office for department heads, rather than indefinite terms. It may require reasons why an agency head should be removed. It may endeavor to limit administrative discretion insofar as possible, because the greater is the degree of discretion enjoyed by an agency, the stronger may be the case for higher executive supervision. The legislature is reluctant to build up an administrative apparatus for the chief executive by which he can exercise continuing control over administrative agencies. Moreover, the legislature does not worry too much about the large number of administrative agencies which the chief executive has to supervise.
Another question is that of agency leadership. Should the head of an agency be a single individual or a board? Legislatures often tend to prefer a board, because a board can more readily be isolated, or protected, from executive domination. In the field of public education, for example, the prevailing pattern of primary and secondary school administration is the separate school district, with an independently elected school board which appoints a full-time professional administrator. At the level of higher education, it is customary to have a board of regents or trustees, sometimes elected and sometimes appointed by the governor. This board is usually free from detailed administrative supervision by the chief executive. The same situation prevails in regulatory administration. Regulatory authority of the federal and the state governments is frequently vested in commissions or boards, especially where price-fixing and licensing powers are involved. The feeling is that the interests affected will have greater assurance of fairness from a board than from one official. In turn, the board is isolated to some degree from executive oversight.

A fourth question is whether it may be desirable to establish a government corporation to carry out certain activities. In general, where a particular activity produces a substantial amount of revenue through service charges, much can be said for creating a government corporation. Then the income from charges may be devoted to the service, and it is easier to keep expenditures to the total of earnings when a corporation is established. A corporation, moreover, may plan and carry out long-range plans without the need for annual or biennial appropriations. On the other hand, legislatures are not enthusiastic about such fiscal independence in governmental agencies. A fifth question is that of the relationship between a federal agency and its counterpart among state agencies, or between state agencies and similar agencies of local government. Legislatures tend to be protective of local interests and seek reassurance in organizational terms that the work of local administrative bodies will not be absorbed by a central agency.

One final matter may be mentioned. Although seldom expressed in law, legislatures take a great deal of interest in the local or field offices created by federal or state agencies. Administrators have to be very careful about where such offices are located, what work they handle, and when to discontinue or merge any of them. The local citizenry and its legislative representatives are usually but mildly concerned with administrative efficiency. They are much interested in the dollars-and-cents advantage to a particular community in having such an office located there, in addition to the point of prestige and convenience. In many different ways, then, organization in public administration is a matter of public interest. This is another way of saying that there are political issues to be resolved in the organization and reorganization of administrative agencies.

Technical Factors

Criteria of Organizational Grouping. Division of labor is the basis of organization. The fundamental work units of any organized group are determined according to the prevailing knowledge and skills of a particular society. The technical problems of organizational structure arise usually in terms of building needed abilities and skills into some kind of coordinated major purpose. Over a period of time, especially in government, a number of major purposes have come to be recognized. These include the conduct of foreign relations, provision of national defense, protection of persons and property, collection of taxes, promotion of public health, assistance to agriculture, provision of education, regulation of commerce, construction of roads and streets, encouragement of economic enterprise, delivery of mail, and still other such purposes.
The technical analysis of organizational structure employs several criteria. The one most commonly utilizes is efficiency. This term may be employed in different ways, but the usually accepted meaning is that of increased output in terms of manpower, plant, and other resources employed. In other words, the goal of efficiency is to render more or better service or to produce more or better goods with the same or fewer resources. There are other criteria besides efficiency. One of these is convenience of service. The work done by government must be placed in reasonable reach of those who are entitled to its benefits. Another criterion is quality of service. The work of government must meet desirable standards of performance; these include sufficiency and timeliness. A fourth criterion is equality of service or fairness. Government work must be performed on an equal basis for all. The alternative is to accept the undemocratic proposition that there is an elite group of citizens who are entitled to special privileges and various other grades of citizens who are of inferior status. The criterion of equality is based on the principle that individuals are equal before the law, and that those in similar circumstances or conditions shall be treated on a like basis.

The four elements of efficiency, convenience, quality, and equality are the fundamental criteria usually employed in evaluating the technical performance of organization. Yet these criteria are by no means self-evident, or simple to apply. Certain factors of personal judgment are always involved in using such standards. And there is no automatic weighting among the four criteria. Considerations of efficiency may at times be at variance with considerations of convenience of service. Considerations of equality may at times be at variance with considerations of quality of service. It is because of this personal element of judgment about organizational effectiveness that public administration remains an art while it develops into a science. The student of organization must understand the elements involved in proposing lines of improvement. But organizational analysis involves judgment and cannot be reduced to scientifically accurate prediction of future behavior.

Basis of Organization. The first problem that arises when one tries to promote effective performance within an organizational structure is that of subdividing larger purposes as the basis for constructing administrative units. Ordinarily, the first degree of specialization is the establishment of an administrative entity that is separate from the other administrative entities and subject only to the supervision of the chief executive and the legislature. This may be termed the primary basis of organization. As we have explained, this primary basis of organization is ordinarily determined by law and may be the product of public or political interest rather than of technical standards. The two considerations, however, may be closely connected. Moreover, organizational patterns are dynamic rather than static, and changing political and technical circumstances may result in organizational changes.

From a technical point of view, the major consideration is to group together related activities on the basis of a common purpose. Yet it is not easy to decide what shall be regarded as a common purpose. Let us look at some examples to illustrate the various factors at play in determining organizational structure. At the local level of government—in town, village, county, or city—we look upon protection of persons and property as an important purpose. In a city of 50,000 there might be a Department of Public Safety, with a Division of Police and a Division of Fire Protection. Or in another city of the same size we may find a separate Police Department and a separate Fire Department. Indeed, this latter organizational arrangement tends to prevail in most cities throughout the United States. In the federal government, the Tennessee Valley Authority performs
functions in the field of river control on the basis of the common purpose of providing flood control, navigation, power generation, and auxiliary activities in a particular geographical area. For the remainder of the United States, such functions are exercised by several different federal agencies—the Army Corps of Engineers, the Department of the Interior, the Department of Agriculture, the Department of Health, Education, and Welfare, and the Federal Power Commission. The Corps of Engineers is concerned primarily with flood control and river navigation; the Department of the Interior with irrigation of arid lands in the seventeen western states; the Department of Agriculture with planning agricultural production and marketing; the Department of Health, Education, and Welfare with pure water supply and sanitation; and the Federal Power Commission with the licensing of hydroelectric power development.

Still another kind of problem is suggested by the Department of Agriculture. This agency is organized on the basis of a clientele, the farm population of the country engaged in agriculture as a productive enterprise, which receives a wide range of services in support of both a way of life and a sector of production. Such services include agricultural education and research, soil conservation, marketing and price support, regulation of produce and livestock exchanges, farm-home loans, rural electrification, and finally the Forest Service. Interestingly enough, however, the most extensive system of farm credit is set up as a separate agency, the Farm Credit Administration. Although from 1939 to 1953 a part of the Department of Agriculture, this agency was separated by the Farm Credit Act of 1953, in the expectation that the system of land banks, intermediate credit banks, and banks for cooperatives would function in a fashion similar to the Federal Reserve System and that the government investment in the capital of these banks might eventually be reduced or eliminated. Another agency organized on the basis of clientele served is the Veterans Administration, which operates a medical service, a pension system, an insurance business, and incidental services such as educational benefits and loan guarantees for housing.

Alternatives of Common Purpose. At the level here discussed, the problem of finding a pattern of organization for related activities has a dual nature; the considerations are both political and technical, with the political factor tending to be dominant, as it should. But the technical factor is not missing, as the long evolution of American defense organization after 1945 well illustrates. Technically the basis for grouping activities as having a common purpose may be found in several things. These are purpose (or function), technique (such as construction or legal service), geographical area, or clientele group served.

The technical factors in organizational planning operate primarily at the level below that of the basic administrative unit, which is the department or agency itself. The agency head may enjoy substantial discretion in building or rearranging the internal organizational structure. But this is not always so. Indeed, one distinction that may be made between administrative agencies is the extent of organizational authority granted the agency head. In the federal government, the legal authority in some instances is substantial, as in the State Department, the Department of Agriculture, the Veterans Administration, and the Post Office Department. Sometimes the legal authority is limited, as in the case of the Interior Department, the Atomic Energy Commission, the Labor Department, and others. Even when the legal authority exists, however, it is another question whether it is feasible to exercise it.

In brief, within the broad framework of a department, one finds various kinds of organizational structure, bringing together activities which may be related by purpose, technique, geography, or clientele. It is not easy to say that one pattern of grouping is superior to another. Sometimes experimentation is
possible, so that results provide an answer. Sometimes comparative experience is available to guide organizational decision-making. Sometimes changing circumstances must be considered, such as the burden of work.

Organization for Supervision. Another main consideration in determining a desirable organizational pattern is that of supervisory requirements. Ordinarily, related activities are grouped together because they have some substantial impact upon the product or service to be attained, whether in interrelationships, timeliness, convenience to the clientele, or on other grounds. But supervision is a two-way proposition. The goal of supervision is to bring and keep together the various working units. To be effective, however, the burden of supervision imposed upon a level of organization must be reasonable.

For many years organizational specialists have talked about "span of control." The idea was that there was only a limited number of work units or of persons which any supervisor could effectively direct and control. Indeed, the magic number was often asserted to be seven. Experience, and psychological research, have both confirmed that there is a limit to the supervisory capacity of an administrative officer. But this limit is subject to different considerations, such as the newness or growth of a function, the degree of supervision required, and the variety of work performed.

In an agency that has long done its work, where the volume of work is not changing greatly, where the variety of work done is limited, and which employs few highly specialized techniques, an administrator can assume a larger supervisory burden than where one finds the exact reverse of these conditions. As a rule of thumb, it may be said that levels of supervision tend to increase, and the number of work units assigned to a supervisor tends to decrease, as the workload of an agency and the interrelationships of work units increase, and as work techniques become more and more complicated.

Organization for Management. A further element in the technical construction of organizational patterns has to do with providing an administrator with personal assistance, with adequate organization for management. Usually we think of administrative organization in terms of a pyramid, or of a ladder. The many small work units make up the broad base of the pyramid, or the first rung of the ladder. Next, a number of these first-rung work units are grouped together under a supervisor or foreman. Then a number of first-line supervisors and their work units are grouped together under another supervisor, who may be known as a director or chief. At a third, a fourth, and a fifth level there will be further supervisors, and the groups they supervise will have some common basis for being related to one another.

Management organization refers to the structure of assistance that is provided the supervisor. As one ascends the pyramid or ladder of organizational structure, the task of the supervisor or administrator becomes more complicated. No longer is it possible to think of supervision in a personal or individual sense. The administrator needs help. Management becomes a collegial job. And top management in particular tends to become a large scale task in itself, participated in by many specializations. As a result, management organization is a special technical problem for administrative agencies.

Aspects of Management. It is difficult to discuss management organization without discussing management. Three broad types of management responsibility have been recognized in most administrative agencies. The first has to do with directing the substantive affairs of the agency. If the agency is concerned with education, certain substantive aspects of education may become the subject of
central supervision. If the agency is concerned with public health, the same may happen with respect to certain substantive aspects of preventive medicine. Management organization for supervision of the substance of an agency’s work will depend upon two principal factors. One is the nature of the operating divisions of the agency. Such operating divisions may require a great deal of interdivisional collaboration. If so, management—or staff—supervision of the important elements of these interdivisional relationships will become necessary. The actual determination of what relationships thus to supervise on a continuing basis depends upon the peculiarities of each agency. The other factor is the extent to which top management decides to get into long-range planning and into research and development. Assistance to management is required if a top administrator sees no need for giving all of his attention to day-to-day operations, but wants to influence the work of his agency by planning for what will be done in the next five or ten years. Such management assistance would concentrate on planning the agency’s goals in the future, or on carrying forward the research and development which may determine technological improvements, new products, or new types of service.

'A second task of management is operation of the enterprise. Operating problems include budgeting and finance, personnel, legal services, administrative improvement, and public relations. The management of any enterprise requires attention to these common operating problems. Hence, organization for management is needed to help the administrator perform these duties. Thirdly, management extends to the performance of certain internal maintenance or housekeeping tasks. These include the construction and maintenance of the physical plant, the purchase of supplies, and the provision of mail and transportation, printing and reproduction, and other specialized internal services. No agency can function without these housekeeping services. Each requires usually a specialized organizational unit.

Two problems are ordinarily encountered in the construction of organization for management. One is the extent to which the operating and the housekeeping activities shall be centralized at the top level. Shall there be a centralized accounting office, for example? Shall there be a centralized purchasing office? Factors of geography and of size usually provide the answer to such questions. A second common problem is that of achieving a clear understanding of what phases of a management activity shall be performed at various levels of organization. For example, if accounting is decentralized to lower levels of supervision, top management will require a unit on its own level to exercise general oversight of all accounting activities. It is not always easy to draw a clear-cut distinction between accounting policy and reporting, on the one hand, and the actual keeping of primary accounting records, on the other. The same kind of difficulty arises in other fields of management.

Field Offices. Another important technical subject in the construction of the organizational pattern of public administration is the creation of field offices. The work of government cannot all be performed in some headquarters city. In a large school district, elementary schools will be scattered in several parts of the area. This may even be the case with the secondary schools. Maintenance of state highways requires district offices in various parts of the state. The Forest Service must have offices in its forest areas. The Department of State has diplomatic and consular offices in other countries. Most government work requires some kind of decentralization.

Two major issues tend to arise in the organization of field offices. The first is that of the number of field offices to create. The main considerations are (1) convenience for the clientele of a service and (2) an area large enough
to ensure full utilization of the service. Thus, a road maintenance district
should be large enough to keep trucks and specialized repair equipment fully
employed. Many school districts in the United States are too small to support a
high school of adequate size to permit, for instance, some teachers to specialize
in instruction of college-bound students. The location of field offices also
depends upon such factors as the availability of land and of the desired labor
force, the existence of adequate transportation and communication facilities, and
the desirable relationships to other governmental agencies. All of these
considerations play their part in determining the number and particular location
of field offices.

The second major organizational issue is that of the jurisdiction of the
field office. In general, an agency has two choices in creating a field
organization. One may be described as decentralization by specialty, the other as
decentralization by hierarchy. In decentralization by specialty, all the main
operating units of the headquarters office set up their separate field offices as
they see fit. Thus, for example, the medical department of the Veterans
Administration determines the number and location of veterans hospitals, without
concern for the field office needs of the other operating elements of the agency.
On the other hand, in decentralization by hierarchy, the field office reproduces
the total program of the parent agency within a particular geographical area. For
example, under the Department of Defense Reorganization Act of 1958, the
President through the Secretary of Defense may establish "unified combatant
commands." These commands in a particular strategic area would have Army, Navy,
and Air Force units, together with the necessary supporting forces. In effect,
the combatant command would reproduce the range of duties and specialized parts
of the Department of Defense.

There are advantages and disadvantages to both kinds of field office
organization, as there are with most patterns of organization structure. In
decentralization by specialty, there is a close and usually harmonious working
relationship between the field office and the headquarters office. In
decentralization by hierarchy, it may be the lot of the field office chief to
supervise a variety of work. Some of the specialists in the headquarters office
will worry that their particular activity may not be fully appreciated or
properly utilized by him. Decentralization by hierarchy proves an acceptable
arrangement only when much local collaboration between the various specialized
activities is necessary, and when the headquarters specialists are able to retain
a substantial degree of technical supervision over their specialized work at the
local level.

Summary. We can thus see that there are problems to solve in setting up units
of work specialization, in grouping such units for purposes of supervision, in
creating necessary management units, and in establishing field offices. These are
common organizational concerns, found in many different kinds of activities. The
solution to organizational problems depends in part upon certain rational
criteria or standards such as efficiency and convenience, quality, and quantity
of service. In part, it depends upon changing circumstances, the state of
technology, external pressures, and changes in workload.

The determination of organizational structure on the basis of rational
criteria requires careful analysis, and adjustment from time to time. Organi-
ization needs to be dynamic and sufficiently flexible to meet changing
requirements.
Personal Factors

Group Identification and Leadership. As was said earlier, organization is a pattern of interpersonal relationships. Organization thus takes on certain characteristics which arise from the social psychology of human beings working together. The work group is not an artificial social creation but a functional and acceptable necessity for most individuals. Furthermore, once they become members of a work group, most individuals soon identify their own welfare with that of the group. They come to believe that the group is important and resent external attack. When a newcomer joins the group, he is on trial for a while until the group is ready to accept him as one of its own.

Such group identification has its advantages and disadvantages. On the one hand, social cohesion makes it possible for a group to work together and to achieve a common purpose which might not otherwise be possible. On the other hand, social cohesion can also become a static factor. The group tends to fix standards of work performance that suit the talents and abilities of the majority of the group. There may be a reluctance to try new methods of operation. There may be hostility to any external encouragement to greater effort. Social cohesion can thus become an obstacle to social progress.

Each group will recognize leadership. The actual leadership in the group is not always found in those formally vested with the leadership function. Sometimes formal and informal authority coincide; sometimes the two are different. Many factors account for leadership, but almost all have in common that the leaders excel in some particular way. They may have more knowledge, more strength, more skill, or more sensitivity to the moods and drives of the individuals who comprise the group.

Status and Prestige. An organizational pattern is a structure of authority. The administrator has the authority to carry out the objectives which an organization exists to achieve. In turn, various unit heads of operating departments and management divisions are delegated a part of this authority. And so down the chain of command this authority is subdivided and extended to the smallest component of an organization.

Now this authority is never absolute. In social groups one test of authority is legitimacy. But another test, equally important, is acceptability. Individuals must accept the exercise of authority on their own grounds. If authority becomes capricious, uncertain, or harmful, there will be obstruction, and ultimately revolt. In this reaction to authority, individuals and groups are often motivated by considerations of status and prestige, for themselves individually and for their group. They want to be appreciated and rewarded. They want their contribution to the enterprise as a whole properly acknowledged.
Status and prestige are not simply matters of compensation. Indeed compensation may often be a lesser consideration for an individual, unless he is living on the very margin of subsistence. Otherwise, compensation is only one evidence of status, and a lesser one. Other factors in status are titles, access to the top administrator, location and furnishings of an office, the kind of building assigned, relationships to others, the recognition given to associates, and similar considerations. Prestige is a highly personal motivation, but the leader of a group knows that the recognition accorded him expresses recognition to the group of which he is a part. Failure to provide recognition is an insult to the group as well.

As a general proposition, a key individual in a group seeks to advance the group's status and prestige. Evidence of recognition of such status will be eagerly awaited and highly valued when received. Any organizational action that appears to cast some adverse reflection upon the status and prestige of a group member or the group will be resented, and may in time disrupt organizational relationships. Accordingly, adjustment in organizational structure must be planned in terms of what the consequences will be for the status and prestige of particular individuals and their group. Seldom is it possible to achieve acceptance of change if the change is widely interpreted as a reduction in prestige for a particular group. In these circumstances organizational change will be resisted. If the change is made nonetheless, it must be carried through over such resistance.

Anxiety. Another important motivating factor in the social life of a work group is anxiety. Many individuals worry about themselves, whether they will be accepted by others, whether their health is good or not, whether they will be able to support themselves, whether their work performance will be adequate, and so forth. Thus, anxiety becomes a force in group behavior in any organization. Individual anxiety may be quickly transferred to the group. Rumor, hearsay, or gossip may fan individual anxiety into group alarm. Usually the object of such anxiety will be such matters as fear of change, loss of employment, diminution in work responsibility, transfer of some persons away from the group, addition of a large number of newcomers, change of leaders, and adoption of new work methods which some members of the group may not be able to master. These and many other personal and group anxieties affect behavior in an organization. The result is opposition to change and to authority.

Here, again, accomplishment of organizational adjustment depends on success in allaying individual and group anxieties, in building confidence, and in providing reassurance about the work and the career chances of all who are affected.

General Conclusion. In concluding this chapter, we may repeat that in constructing and reconstructing the organizational patterns of public administration, many considerations must be met. These need to be reconciled in some fashion. The reconciliation achieved is the currently prevailing pattern of organization. This pattern should not be static, however, because changing circumstances often necessitate changing patterns of organizational structure.

Organizational structure can contribute to administrative accomplishment because it provides a pattern of individual and group effort, encourages necessary output of government goods and services, and stimulates the drive for public progress. The relationship between organization and accomplishment is not expressed in some precise quantitative measure. Although the relationship exists, we cannot eliminate the element of personal judgment about the exact nature of
the relationship. Thus, we are dependent upon political and administrative leadership improvement.

Terms You Should Know

- Administrative tasks
- Organizational structure
- Organizational interest groups
- Administrative agencies
- Organization grouping
- Field offices
- Group identification

Review Questions

1. What are some of the various organizational forms?

2. What are some of the main factors affecting the structure of an organization?

3. Describe some typical political factors and discuss how they affect an organization you are familiar with.

4. Describe some typical technical factors and describe how they affect an organization you are familiar with.

5. Describe some typical personal factors and discuss how they affect an organization you are familiar with.
Hierarchy and Authority

Fayol defined authority as "the right to give orders and the power to exact obedience." When any organization faces adversity (for example, when an army is under fire), giving orders and exacting obedience become paramount concerns. The organization-regardless of whether its executives have read any books on the subject-is obliged to organize itself into a hierarchy for the purpose of maintaining discipline. Certain principles of administration emerge naturally. The French army, in general, had adopted five principles that enabled commanders to order men to carry out tasks which they would not perform under normal conditions. The principles are unity of command, the scalar principle, span of control, centralization, and responsibility.

1. **Unity of Command** means that each employee receives orders from one superior alone: "One person, one master." Under conditions of stress, such as war, a soldier who is subject to "orders from several superiors will be confused, inefficient, and irresponsible." He will also be able to evade orders by playing off one commander against another.

2. **The Scalar Principle.** When the principle of unity of command is doggedly upheld from the top to the bottom of the organization, the result is a scalar chain known as the organizational pyramid. The private will be linked to the general by a relatively short chain of command, passing through, on the average, seven layers of officials. The importance of the chain of command is the fact that the officers of the organization have to work through it; that is, in issuing orders and resolving disputes, all communications must "go through official channels."

3. **Span of Control.** The principle of span of control proceeds from the assumption that there is a limit to the number of subordinates that a supervisor can effectively oversee, generally set at a maximum of twelve. The object of the principle is to identify the optimal number of subordinates who should be placed under any supervisor, given the nature of the work. Most armies, for example, use a number that varies between three and five. Logically extended, the principle allows a single commanding general to control the actions of seven thousand soldiers. The commanding general directs three generals, each of whom directs three colonels, and so on down through eight layers until nearly seven thousand persons are welded into a unified chain of command-providing that one accepts the theory of effective supervision.

4. **Centralization.** The principle of centralization affirms the idea that the organization is administered from the top down. Officers at the pinnacle of the hierarchy are supposed to direct the work of the organization, just as the brain directs the rest of the body—a strained analogy, but a popular one. This does not mean that the top officials manage everything or determine the exact manner in which detailed tasks are to be performed. Indeed, one key to successful management is the ability of executives to delegate authority while at the same time exercising leadership in such a way that the delegated work meets their expectations. The principle of centralization simply requires that ultimate responsibility remain at the top rather than being lost among subordinates in the organizational mass.

5. **Responsibility.** "Where so ever authority is exercised," said Fayol, "responsibility arises. It is its natural consequence and essential counterpart."
Fayol believed that it was the job of the executive to establish the degree of responsibility attached to every job and then—the most important part—to give the official performing that job the sanctions (rewards and penalties) needed to finish it off. This is particularly crucial when executives delegate authority, as they must. The executives who delegate authority also delegate responsibility; they must therefore delegate the power over sanctions which goes with it. Executives cannot delegate just one: authority, responsibility, or just the power to exercise sanctions. The principles of hierarchy and authority, by themselves, create an incomplete organization. As any organization develops, it must adopt other principles.

**Principles of Specialization**

Hierarchy and authority constitute only one-third of the basic principles of management. Every executive also must be concerned with the division of work. The general has to decide who will make a better infantryman than cook. The Godfather has to decide whether a lieutenant's incompetence at shy-locking also precludes success in the restaurant business.

Gulick claimed that "work division is the foundation of organization; indeed, it is the reason for organization." Without specialization, there would be little need for coordination and, hence, little need for administrators. No wonder Fayol compared organizations to huge animals. Animals evolved by specializing their biological structure—and the brain grew bigger. Organizations, Fayol believed, develop by refining their division of work—and the central staff gets bigger.

Amateur philosophers in the age of Darwin and Spencer—the period when administrative science emerged—seized upon the principles of specialization as the gospel truths of administrative evolution. There was nowhere a more devoted fanatic than Frederick Winslow Taylor. His philosophy of work had an enormous influence on the study of administration.

Taylor developed his system while a pattern maker and machinist at the Midvale Steel Works in Philadelphia during the 1880s. The Midvale machine shop was run on a piecework basis, which meant that the machines ran around the clock and the laborers were paid on the basis of how many pieces they produced. Taylor surveyed the situation in the shop and concluded that the workers could triple their output (and their wages) by reorganizing the flow of work. Taylor, then twenty-two years old, showed them how. The workers called him a piecework hog for working so hard. When Taylor asked for help from the management, the workers deliberately ran their lathes so fast that parts fell off. Taylor fined them and this ultimate weapon convinced management to cut the piecework rate in half. Taylor's battle with the workers in the machine shop lasted three years.

Taylor was possessed with the virtue of hard work. Every morning he walked two miles from his home to the Midvale Plant, arriving at 6:00 a.m. and leaving at 5:00 p.m. He often volunteered for work on Sundays. Although one might imagine Taylor a Horatio Alger type, he was, in fact, born into an upper-class Philadelphia Quaker family, which dispatched him to Exeter Prep and Harvard to become an attorney, like his father. After passing his entrance exams, however, Taylor complained that he was going blind, returned home, and signed on as a machine apprentice. He brought his fascination with clockwork schemes home to solve his personal problems. Taylor was plagued throughout his life with hideous dreams. When frightened out of his sleep by a dream, he invariably found himself lying upon his back. Thus, he concluded that there must be some connection between nightmares and sleeping on one's back. To relieve his fears, he constructed a complex harness of leather straps and wooden prods, which he wore
while sleeping. If he unconsciously rolled onto his back, a wooden prod would poke his dorsal muscle and wake him up. His sleeping habits created quite an ordeal when Taylor traveled and slept in hotels.

The key to Taylor's system was his ability to discover scientifically the shortest possible time for performing any specific job. His tool was his stopwatch. Taylor would stand behind every worker and record the time that it took him or her to perform the most elementary motions: finding a steel rod, setting it on a lathe, picking up a tool. By studying a large number of workers, he could identify the shortest possible time for performing each individual motion. By combining the best times, discarding useless motions, and adding in gaps for unavoidable delays and rest breaks, Taylor would establish a pattern of work that was invariably shorter than the workers' informal pace.

The Midvale superintendents, who had previously regarded Taylor as a lunatic, began to see that the experiments did indeed increase worker productivity. They encouraged Taylor so much that, at the age of thirty-four, he left Midvale to become general manager of a new pulp-and-paper mill.

The mill's financiers, friends of President Cleveland, promised to make Taylor a millionaire. Unfortunately, Taylor's devotion to his system alienated both the lumberjacks who handled the logs and the financiers who handled the money. The venture collapsed, and Taylor was lucky to escape with a mere twenty-five-thousand-dollar personal loss. But Taylor got a second chance. An old friend hired him as a consultant to the Bethlehem Steel Company. But Bethlehem owned the houses rented by the workers whose jobs Taylor was eliminating with his methods, so the company directors fired both Taylor and his friend, the second vice-president of the company.

Taylor's troubles with the workers greatly distressed him. He felt he was helping the workingman, since his naive economic belief was that if everyone worked harder, a surplus would be produced that would make everyone wealthy, and management and labor would no longer have to battle over the relatively small profit produced through poorer methods of supervision.

But does one help workers by telling them that they are always going to be too dumb to figure out their own jobs, as Taylor did? Nowhere is this problem more apparent than in a dialogue Taylor himself wrote on the supervision and training of employees. The dialogue takes place with a workman named Schmidt, whom Taylor describes as the ideal worker because Schmidt has the physique and the brain of an ox.

"Schmidt, are you a high-priced man?"

"Well, I don't know what you mean.

"What I want to find out is whether you want to earn $1.85 a day or whether you are satisfied with $1.15, just the same as all those cheap fellows are getting."

"Did I want $1.85 a day? Was dot a high-priced man? Well, yes, I was a high-priced man.

"Well, if you are a high-priced man, you will load that pig iron on that car tomorrow for $1.85. . . . You will do exactly as this man tells you tomorrow, from morning to night. When he tells you to pick up a pig and walk, you pick it up and you walk, and when he tells you to sit down and rest, you sit down."
Taylor attempted to introduce this system into public administration beginning in 1906, first in government arsenals and then in navy yards. The most famous incident took place at Watertown Arsenal, eight miles west of Boston. The arsenal was run by rule of thumb. The workers would receive an order for a set of gun carriages and fill it by milling assorted parts found in the yard according to designs sometimes sketched in chalk on the factory floor. Each new order was a new challenge.

By now Taylor's system had progressed considerably beyond his simple time-and-motion studies. Those studies had invariably proved that workers were using improper tools or defective equipment. (Before leaving Midvale, Taylor had astonished the engineering world by conducting no less than fifty thousand experiments on this problem, which he published as a book, *On the Art of Cutting Metals.*) Taylor's system inevitably led to a complete reorganization of the firm—the centralization of planning and engineering, the centralization of purchasing and inventory control, the centralization of maintenance, the introduction of centralized cost accounting, and the development of assembly-line techniques on the job.

When the workers at the Watertown Arsenal heard that Taylor was coming, they went out on strike, the army set a guard at the arsenal gates with fixed bayonets, and a special congressional committee was formed to summon Frederick Taylor before his government. The giants of the time took sides. Taylor was supported by men such as Louis Brandeis, Walter Lippmann, Georges Clemenceau, and V. I. Lenin. The Congress, however, responded by banning stopwatches in government-run factories, a law that remained on the books for forty years.

Despite his failures, Taylor is still considered to be the father of modern scientific management. The principles of specialization, popularized by scholars such as Gulick and Fayol, were his main contribution and are as follows:

1. The Division of Work, or the principle that work ought to be divided up so as to take maximum advantage of the skills of the employees. The assembly line is the most obvious application of this principle.

2. The Principle of Homogeneity, also called unity of direction, which asserts that similar activities ought to be grouped together in the same unit under a single supervisor and a single plan. Gulick suggested that work could be organized according to purpose (policies such as health, criminal justice, or environmental affairs), process (the professional approach, such as found in accounting, engineering, or law), the persons or things dealt with (what public administrators call clientele), or place (geographic regions and districts).

Of course, Taylor went far beyond these two basic principles of specialization. By creating a world of work which was scientific rather than spontaneous, he ventured into the philosophy of human control. Taylor's view of the effective administrative state was one in which experts determined the one best way of working and standardized this method. The experts would then control the worker through incentives and threats so as to maintain the central work standard. This made the study of work a science. It made the selection and training of workers a science. And it took away from the workers' their ability to control the flow of work by elevating it to a science of administration run out of a central office. The worker became just another machine in the technology of progress. For his part, Taylor thought his system was as all-American as a first-class baseball team:
Every single element of the game of baseball has been the subject of the most intimate, the closest study of many men, and, finally, the best way of doing each act that takes place on the baseball field has been fairly well agreed upon and established as a standard throughout the country. The players have not only been told the best way of making each important motion or play, but they have been taught, coached, and trained to it through months of drilling. And I think that every man who has watched first-class play, or who knows anything of the management of the modern baseball team, realizes fully the utter impossibility of winning with the best team of individual players that was ever gotten together unless every man on the team obeys the signals or orders of the coach and obeyes them at once when the coach gives those orders.

The Staff Principle

When any executive crosses the principles of hierarchy with the principles of specialization, he or she creates a primitive but effective organization. Employees are gathered into units according to the kind of work they do, and a structure of command is created. On paper, the organizational skeleton is complete. Frederick Taylor thought that this was sufficient to make the organization work—providing that employees took orders from two bosses: their shop foreman and the people in the planning department.

Taylor proposed that the planning department and other supporting services be located within the regular organizational hierarchy. Taylor's advice reflected the prevailing practice of his time.

Even today, the organization of the army general staff illustrates these functions. Each commanding officer in the field has a supporting general staff that assists the commander in five areas: personnel, intelligence, operations, logistics, and civil affairs. The personnel officer is responsible for maintaining the manpower of the unit. The intelligence officer gathers information on the deployment of the opposing force and conducts counterintelligence operations to neutralize enemy surveillance. As the principle staff assistant to the commander for the organization of the primary mission, the operations officer organizes and mobilizes the units, trains them, and plans and coordinates each mission. The logistics officer gets supplies to the units, maintains the equipment, and plans the movement of men and material. The civil affairs officer maintains military relations with local civilians. There is also a chief of staff to oversee the work of the staff on behalf of the commander and to resolve potential areas of conflict between different staff sections.

The organization and size of the general staff vary by unit and service. The five-officer organization cited above is used in tactical army field commands. The particular organization of general staff units in other government programs also varies considerably. Defense Secretary Robert McNamara relied upon the whiz kids in the Office of Systems Analysis. The White House uses a system of councils and special assistants. Each executive tends to create a general staff to fit his or her own personality and needs. Nevertheless, the primary function of the general staff does not vary: to assist the executive in controlling and coordinating operations.

The general staff function has been incorporated into most modern public organizations. Combined with the principles of specialization and hierarchy, it completes the triangle of organizational effectiveness.
Rules: The Subordination of Administration to Law

The manager who welds the principles of hierarchy, specialization, and staff creates a prodigious machine. Experts often call it a paramilitary organization. The term gives deference to the military origins of the model; its tone correctly implies great power. Despite that power, some experts shun these principles of administration as passé, irrelevant, or even dangerous in a truly modern organization. The headiest dissent against the principles of administration comes from the far left, from organizational revolutionaries who fear that agencies so organized will stultify change. Chairman Mao insisted that only through a constant organizational revolution can the new state avoid the evils of a permanent, entrenched bureaucracy.

In practice, of course, the doctrine submits to reality. To achieve revolutionary change, radical groups must create organizations more powerful than those of their enemies, especially the governments they seek to destroy. Che Guevara, a doctrinaire revolutionary, announced that guerilla management was subject "to a definite set of scientific laws." His prescriptions for seizing power admonished the rebel to create a chain of command, homogeneous combat teams, and a centralized staff for overall command and coordination. Organizations that lacked managerial skill and technical expertise, he warned, would fail.

The principles of administration as described by Gulick and Fayol, although incomplete in many respects, form the nucleus around which most revolutionary movements have been organized. Revolutionaries are obliged to adopt certain principles of administration in order to survive—not only hierarchy, specialization, and staff, but a system of rules that binds each soldier to the objectives of the revolution. Although formal rules and regulations are associated primarily with highly developed, permanent bureaucracies, rebels accept the need for fixed rules in an organization devoted to flexibility and change.

Established procedures, the subordination of individual interest to one's official duty, sanctions, and secrecy—these are the elements which make up the basic principle of rules.

The resistance leaders expect the members of the resistance organization to refrain from impulsive actions, such as mob violence. The French generals have to restrain the Algerian rebels in order to protect French colonial rule. General Charles Degaulle, as president of France, had to restrain the power of the French generals lest they overthrow the Fifth Republic.

Throughout the history of public administration, strong emphasis has been placed upon the restraint of executive power. This emphasis stems from the recognition that the paramilitary organization gives the bureaucrat enormous power, and that bureaucratic power in the raw is far superior to the weaker varieties of administrative oversight which legislators, judges, and solitary chiefs of state possess. The consequences of vast bureaucratic power are most serious in a democratic state where the bureaucrats are neither elected nor directly responsible to the public for their actions.

How does a state restrain bureaucratic power? The solution can be found in the rules. As the existence of rules gives the bureaucrat power, so it may also take power away—requiring that all official activities be traceable to a specific grant of power, expressed or implied. This solution is sometimes called the principle of administrative discretion, which allows officials to exercise
their own judgment which is strictly delineated by rules and law. In practice this is done in a number of ways: through authorization (a specific grant of power), direction (mandatory courses of action under certain circumstances), prohibitions (proscribed actions), and clearance (a process that allows an official to take a certain action after consulting specific superiors). Authorization, direction, prohibition, and clearance procedures are usually promulgated through a published organizational manual.

In carrying out any official duty, the administrator must also follow a specific set of procedures. There are requirements that the agency give before making decisions, that it hold hearings, that it set up a formal process, by which the aggrieved can appeal decisions. These procedures are set out in legal statutes, court decisions, executive orders, and the rules which the agency must establish itself. They can be grouped under the general heading of the principles of due process, since the cumulative impact of these procedures is to insure that administrative powers are exercised in a fair and equitable manner.

Together these last two principles constitute what is commonly studied under the heading of administrative law." Until a few years ago, administrative law was out of fashion. No one wanted to memorize the procedures for granting audiences to aggrieved clients, or the special rules of evidence applicable in administrative hearings, especially when the really big issues were settled through informal bargains between the administrators and the special interests. Few students wanted to study administrative law until public-interest groups learned that the best way to restrain bureaucratic power was to hold the bureaucrats accountable to their own rules. However, the grouping influence of environmental and consumer and advocate groups in the 1970s gave new impetus to the study of administrative law and the whole issue of accountability of administrators.

Terms You Should Know
Hierarchy
Authority
Unity of command
Scaler principle
Span of control
Centralization
Responsibility
Specialization
Division of work
Principle of homogeneity

Review Questions
1. What was Fayol's contribution to the principles of organization?

2. Why is the principle of specialization so important? What are some of the problems associated with specialization even after it becomes a part of the organization?

3. What was Taylor's contributions to the principles of specialization? What was the key to Taylor's system? Are there still elements of Taylor's time and motion studies in contemporary organizations?

4. Why is the staff principle so prevalent in public bureaucracy? What are some of its effects on decision-making?
5. Although administrators are given considerable power, how does the principle of rules restrain action? Why have the principles of administration discretion and due process become so important in the late 1970s and 1980s with regard to public administrators?

Terms You Should Know
Staff principle
Principle of rules
Principle of administrative discretion
Authorization
Direction
Prohibitions
Clearance procedures
Principle of due process
Administrative law
Management by Objectives

The reforms of the administrative scientists were predicated upon the assumption that before administration could begin, the executive had to articulate his or her objectives. The politics/administration dichotomy depended upon it, executive control was impossible without it, and administrative efficiency and economy required it. It was the orthodox dogma of public administration. The idea of management by objectives is as old as the science of administration.

Management by objectives was first advanced for public administration by the Taft Commission on Economy and Efficiency in 1911. American bureaucrats resisted it, citing political factors in administration, the lack of consensus on national goals, or the difficulties of translating missions (such as "a generation of peace") into actual operational plans.

Much of the current interest in management by objectives stems from the writings of Peter Drucker, an Austrian educated in England, who first learned how to write as a newspaper correspondent and first learned how to manage as a consultant to British and American corporations. In 1964 Drucker set out the philosophic assumptions underlying management by objectives in a book titled Managing for Results. "Neither results nor resources exist inside the business. Both exist outside. There are no profit centers within the business; there are only cost centers. Results are obtained by exploiting opportunities, not by solving problems." Problem solving only restores normality. Resources, therefore, should be spent on opportunities rather than on problems. This requires leadership. Just because an agency is exercising leadership today does not mean it will be in that position tomorrow. "What exists is getting old."

There is a natural tendency in all organizations for executives to become preoccupied with the settlement of internal problems. Consequently, says Drucker, only a few people may be working on the work of the agency. In most organizations, 20 to 30 percent of the agency's resources may be producing 90 percent of its results. The key to organizational success, Drucker observes, is concentration-concentration on the few activities that are capable of producing significant results. This requires the public executive and the corporate manager to slaughter a few sacred cows—the staff that wants to do a little bit of everything, the agency chiefs who want to establish a program or product for every client that comes along. The smart executive realizes that the agency will have to be weak in some areas so that it can be strong in the places that count—the places that produce results.

Managers who want results must accept the responsibility for making three critical decisions. They can involve others in the decision-making process, but they must eventually make these decisions and accept the risks for their failure or success.

First, executives must decide why their agency is in business—its objectives, goals, and directions. This may be no more than an assessment of the organization and its special capabilities as an outsider might see it.

Second, executives must identify the agency's points of excellence. What does it do best? Who are its best people? What are its unique resources? Definitions of excellence "cannot be changed very often; the definition is embodied in and
expressed through people, their values and their behavior. But no excellence
definition will remain valid forever; it must be periodically reviewed."

Finally, executives must act upon the definition of excellence by setting
priorities: the ranking of organizational activities so as to maximize
opportunities for attaining results in the areas of excellence. Just because a
task can be accomplished efficiently does not mean that it is in the best
interests of the organization to undertake it. Just because it makes money does
not mean that it is wise. If it doesn't produce results, Drucker says, don't do
it.

Management by objectives (MBO) finally arrived in American public administration
during the regime of Richard Nixon. A formal system was established which
required agency directors and their staff to complete the following exercise.

1. Clarify the mission of the agency and the nature of the problems it is

2. Define specific objectives within the framework of the agency mission
The Department of Agriculture, for example, set as one of its objectives the
eradication of hog cholera, a major livestock disease, by 1980.

3. Prepare an annual operating plan for each objective. The plan should
include a review of existing programs in light of the objectives; a brief
analysis of alternative programs, their costs and effects; and a statement of
the specific results that each program should produce.

4. Develop performance reports which measure how well program managers
are meeting the desired objectives.

Is this management by objectives? As some agencies approach it, the system
is little more than a pale counterpart of what is known in the business sector
as "the manager's letter."

Here a subordinate writes a letter to his superior in which he defines the
objectives of his own and his supervisor's job. The subordinate also outlines the
plans he will follow in achieving his objectives, the obstacles he expects to
face in carrying out his plan, and the aid he will need from others in the
organization to overcome the obstacles. When the letter is approved by the
superior, it becomes the subordinate's planning guide.

Management by objectives has enjoyed some of its greatest success in public
administration when left at this level—as a tool of personnel evaluation where
the worker and the boss sit down together and decide definitively what the worker
shall be held accountable for.

A complete MBO program goes further, in two respects. First, it results in a
genuine redefinition of government priorities. The manager's letter is only the
first step. The top policy makers—political executives and legislators—use the
managers' letters and mission statements drawn from them to establish new
initiatives, abolish outdated programs, and redefine agency objectives. It is a
process that usually cannot be shared with the career bureaucrats, who tend to
define their own programs as the crucial ones. Once the new priorities are
announced, however, the bureaucrats come back into the process. With the
political executives, they make the strategic program decisions: which risks to
take, which programs to contract out, which specializations to stress and how to
coordinate them. The executive then can delegate to the bureau chiefs the
responsibility for establishing the specific objectives, operating plans, and measures of performance.

Second, a complete MBO program will be integrated into the other management systems: the budget system, the personnel system, and the information system. These systems will be redesigned to support organizational objectives and the operating plans that underly them. Budget funds are redirected toward the mission, agency personnel who embody the agency's excellence are promoted and more recruited, and new information is generated to measure results. Reluctance to integrate the MBO program into the other management systems is the most common source of MBO failure. Agency personnel view MBO as a threat, the MBO staff is isolated, budget allocations do not follow objectives, the performance measures become artificial, and the MBO program collapses.

Implementation of Management-by-Objectives

Management-by-objectives is applicable anywhere there are people utilizing limited resources to achieve an end. It does not require a profit-making environment to be applicable. However, objectives in the public service are often more difficult to state. As Simon stated, the objectives of a Parks and Recreation Department—to "improve health," "provide recreation," or "develop good citizens"—must be restated in tangible and objective terms so that they can be measured and appraised.

The management-by-objectives process is made up of four steps: (1) goal setting, (2) action planning, (3) self-control and (4) periodic progress reviews. In goal setting, in conference between top management and lower echelons, clear, concise statements of objectives is necessary. In-action planning, we work on the means to these ends; that is, we develop realistic action plans to attain the goals established in Step 1. By self-control, we mean systematic monitoring and measuring of performance; ideally, by having the individual's review of his or her own performance. Finally, with periodic progress reviews, we take corrective action when behavior deviates from the standards established in the goal-setting step. On the other hand, objectives should be tangible, measurable, and verifiable. That means that wherever possible, we should avoid qualitative objectives and substitute in their place quantifiable statements. For example, a quantitative objective might be "to initiate a direct check purchase order system for all orders under $500 by December 31," or "to increase donations next year by 15-20 percent."

Too often, we are faced with broad qualitative type objectives. An example might be a purchasing department's goal to "improve speed in processing purchasing orders." Obviously, such an objective is vague. It does not meet our criteria of being tangible, measurable, and verifiable. Therefore, we must break down that qualitative statement into sub-parts that meet our requirements—for example, "to mail or call in an order within 24 hours from receipt of the purchase order," or "to initiate by phone an order to vendors within a 30-mile radius of our office and follow-up with purchase order." We have taken a vague qualitative objective and turned it into something that is quantifiable. For instance, today, more than twenty-five large companies are using some form of management-by-objectives modification. To name a few, these well-known firms are 3M Company and B. F. Goodrich. For example, in 1977, 3M Company estimated a cost savings of $3.5 million and other companies recorded sizable cost saving along with huge gains in worker productivity. In addition, investors were willing to pay for the stock of a company whose management was bringing about the Management-by Objectives. Too, objectives cannot be set for everything; therefore, executives must be selective, so that resources and efforts are
concentrated in critical or key areas. And, above all, MBO are necessary in all areas on which the survival of the organization depends.

**Mission Statements**

A necessary starting point is the writing of a general umbrella statement which describes the primary purpose or "MISSION" of the organization or department. Here the Chief Executive should be considering his or her own area of responsibility. The statement is designed to insure understanding of why the organization exists and where it is heading. It is the basis for all subsequent steps and serves to insure that they are facing in the correct direction. At this point, the strategic decision-making is the one that helps determine the nature of the business policy in which a firm is to engage in and the kind of company it is to be. To the contrary, one of the most involved forms of Management-by-Objectives is that used in the federal government; just as in the 1960s, the Planning Programming Budgeting (PPB) meant many things to different people, so does Management-by-Objectives. The approach taken in the federal government was expected to serve as a means of furthering programmatic dialogues between the Office of Management and Budget and the loan agencies. However, the federal government and private sector do not have the same type of applied business policy, but the private sector has been more structured and has had tendencies to prescribe objectives in terms of workload. Another method of Management-by-Objectives is to identify objectives for individual employees so as to reorganize the filing system that would lead to effective and efficient use of resources.

**Key Results Areas**

An integral part of the Management-by-Objectives process is definition of Key Results Areas. Key Results Areas are those areas that yield the highest payoff in terms of results realized in exchange for energy and resources invested. They are the devices used to sort out objectives to insure their relevancy to the mission of the organization. On the contrary, at this time, if these objectives are not satisfactory to the Chief Executive, then it may become evident the lower echelons zone of indifference is not broad enough; that is, he does not want to accept the organizational objectives set by the top management. In this case, it seems, it is much better for these differences to be brought to light since all concerned can then adjust their expectations to reasonable and jointly understood targets. Therefore, if there is an agreement, whereas, Management-by-Objectives can provide a fundamental base for carrying out the operations in a fashionable manner. For example, a business might state its management-by-objectives as earning a satisfactory return-on-investment; whereas the state seeks to promote the general welfare of its constituents and lastly a university may define its management-by-objectives as the transference of knowledge or the preparation of people for the earning of a livelihood. In addition, as one scans the paragraph, it becomes immediately clear that each of these organizational forms has other objectives besides the ones mentioned. For example, business firms strive to meet other ends besides profit earning and as for the church—providing absolution has social objectives. Therefore, we must expand our view of organizational objectives to represent the Management-by-Objectives.

**Writing Objectives**

If Mission Statements and Key Results Areas are the skeleton and flesh of Management-by-Objectives, the heart of the Management-by-Objectives system is the objective; an object that is a statement of some measurable result to be achieved. The model or format for writing an objective is: to (action verb)
(single result) by (date) at (cost). But before getting down to the actual writing of objectives, the executive needs to know about different kinds of objectives. Actually, objectives may be written to express any one of four concerns. The first, and most fundamental concern is for the regular day-to-day operation of the organizational department. Secondly, many executives are not content to concern themselves with routine operations, but they seek innovation and improvement of operations. Thirdly, in order to assure commitment to objectives, at least some have to be stimulating to the individual involved. Stated briefly, they should fulfill personnel development needs. Finally, executives in public sector or private sector organizations dealing with a changing environment realize that despite the best of planning, problems do arise and an emergency confronts them.

Problems in Management by Objectives

Before one begins to regard Management-by-Objectives as a panacea for an administrator's problems, we should consider some pitfalls in implementing a Management-by-Objectives program. Some writers have numbered as many as twenty problems. Some writers have numbered as many as forty also. In addition, despite the initial enthusiasm with which this new approach was greeted by a number of companies, experience suggests that Management-by-Objectives has a number of limitations and drawbacks. In the first place, the theory that the management sets goals by company policy may in practice turn out to be illusory. Under such circumstances, Management-by-Objectives may be merely another form of being strong; even so, the executive may feel more secure because he knows what is required of the company. For example, the organizational stupidity factor is the degree to which an organization drops or lags behind technological advances and becomes less able to complete because of faulty decision-making or no decisions. Therefore, the organization stupidity factor arises because of the interaction of four factors: (1) factor one of Parkinson's Law—the number of individuals in an organization will increase with no increase in production; (2) the Peter Principle—in a given hierarchy, every employee tends to rise to his/her level of incompetence, (3) the diseconomies of scale concept as organization expand to achieve efficiency; there is a point where inefficiencies or dis-economics develop because the size of the organization is generating coordination and communication difficulties and, lastly, (4) the increasing advance of technology in our society today.

First, even the top management involvement and support will act quickly to undermine any Management-by-Objectives program. Secondly, when Management by-Objectives is initiated in an environment where the management philosophy tends to emphasize external controls, we can expect it to fail. To restate, Management-by-Objectives is a philosophy of management that supports the value of personnel on the job. Therefore, management must accept a positive view of if Management-by-Objectives is to work. The third pitfall would be the problem of merging individual and organizational objectives—we are talking about organizational objectives; however, people often find it difficult to relate their own objectives to those of the organization. In an environment where individual objectives or political behavior consistently override organizational objectives, we can expect Management-by-Objectives to fail. Moreover, MBO can also be ineffective where easily quantifiable objectives are chosen for expediency. Unless thorough appraisal is made of the desired contributions, a person is expected to make to his department, objectives are frequently selected that are easy to quantify and measure, regardless of their reliability in determining the person's contribution to the organization. Still, we can see how these four factors can combine in Management-by-Objectives organizational structure to produce the organizational stupidity factor. Inasmuch, as the number
of personnel increases and the number of organizational positions will increase and, therefore, the Peter Principle will shift into high gear with an increase in the number of incompetent executive at various positions. On the other hand, as the organization grows and the number of incompetents expands, the diseconomies of scale concept is introduced and accelerated; meanwhile, technological growth continues and since the Management-by-Objectives members are not able to cope with the advances, the organizational stupidity factor comes about a contingency view of organizational design exists. Because of this difficulty, quality may be sacrificed for Management-by-Objectives quantity; but business policy may assume undue importance just because they can be accounted for.

In addition, to Management-by-Objectives, employees may set personal development objectives which will help meet their performance objectives; i.e., prepare him/her for promotion.

Therefore, an effective MBO program requires that business executive anticipate snags and barriers and that they work out an action plan which shows in simple detail how mutual problems can be solved. But goals set by Management-by-Objectives must be made consistent with organizational budgets and long-range plans. Whereas, it would make little sense for the sales department to try to raise sales or estimated growth rate by 20-25 percent by introducing a new product in the coming month, when the goals of the product development and manufacturing departments didn't call for this product to be available before the deadline. However, to help resolve these problems of coordination, the Management-by-Objectives in some companion is for executives, managers, supervisors and lower echelons who have overlapping and conflicting responsibilities to set joint goals.

In addition, the final reasons why Management-by-Objectives fails are rarely considered in the Management-by-Objective literature, yet they are critical. Many executives and administrators lack the ability to give differentiating rewards. Both these points are consistent with our reality orientation to administrative practice.

Summary of the Limitations of Management-by-Objectives

Despite its obvious advantages over other appraisal methods, Management-by-Objectives is not always a success, as the ailing programs of a number of companies demonstrate. The experiences of over 300 diverse businesses dramatize how oversight, neglect, and lack of understanding in 20 major areas by these companies' managers largely account for the difference between a successful and an ailing MBO program.

MBO's rapid growth in the past 10 to 15 years has been accompanied by significant problems, but these problems are caused by the weaknesses of the managers who applied the programs, rather than by any inherent weaknesses in the MBO program itself.

This premise is substantiated by the following list of ways to kill even the best MBO program.

1. Consider MBO a panacea. Believe that MBO will accomplish wondrous things all by itself, that the quality of management is incidental, and that MBO's strengths make even an incompetent manager look great.

2. Tell them their objectives. Instead of trusting your subordinates to develop meaningful objectives for themselves, then taking the time and effort to
discuss the objectives with them, write the objectives yourself and hand them out to each of your subordinates. Be sure to impress all managers that these are "their" objectives and that they are to break their backs to accomplish them.

3. Leave out staff managers. Include only line managers in your MBO program. Don't hold staff managers accountable for profit-oriented results. Instead, let them sit around their offices waiting for line managers to seek their advice or to be asked to perform some service for them. Maintain the traditional wall between the two groups by stressing that line managers are responsible for making the profit decisions while staff can only recommend.

4. Create a paper mill. Don't let your MBO program operate without a stack of paper and paperwork. Pick someone who loves paperwork to administer the program and insist that everything be reduced to writing and that several copies of each document be prepared.

5. Ignore feedback. Treat feedback only as information that is necessary at the top level of the organization. Overlook the proven facts that feedback is an absolute prerequisite to a successful MBO program and that the more achievement-oriented a manager is, the more he is interested in feedback on his performance.

6. Implement overnight. Don't bother devoting the three-to-five years of effort normally required to make a successful MBO program; do it overnight without the required training or orientation. Don't waste time schooling yourself and your managers in the concept, mechanics, rationale, pitfalls, and continuous adaptations of MBO to your organization.

7. Fail to reward. Don't compensate personnel on output or contributions, but rather on the basis of efforts—regardless of results or what they say they can do. Don't hurt anyone's feelings regardless of his lack of competence—by not granting him a salary increase or promotion. Treat compensation as a human relations tool, not as a means of promoting equity and motivation.

8. Have objectives but no plans. Just have managers spend their time formulating highly acceptable and needed objectives, then don't require them to formulate realistic plans to make the objectives become an actuality.

9. Stress objectives, not the system. Devote only minimal time to the system itself. Have your managers begin to write objectives immediately after you have given them a brief explanation of the 10 to 12 qualities of an effective objective. Don't waste time worrying about what may happen as a result of your managers' not knowing why they are writing their objectives.

10. Omit periodic reviews. The more successful MBO programs feature periodic reviews usually at quarterly intervals, during the target period. The purposes of these reviews are to measure performance, to review the validity of the original objective, and to take remedial action, if necessary, while there is still time left during the target period. MBO can be dealt a lethal blow by omitting these reviews. Neither the supervisor nor his subordinate will know at the end of the target period on what or how to take corrective action.

All these pitfalls pose serious stumbling blocks to the success of MBO. No manager actually starts an MBO program with the goal of destroying it, but the injurious impact of MBO is the same whether the manager fails through ignorance or design.
MBO is a tough, demanding management system that requires highly competent managers to operate it. By paying attention to the problem areas listed above, they can increase the effectiveness and value of the MBO programs that they have implemented or plan to implement.

The concept of management by objectives applies equally well to both the private and public sectors of management.

Management plays an important role no matter where it is administered. The private sector has much to gain by applying management by objectives. Many large private companies such as Xerox, IBM, Exxon, AT&T, Eastman Kodak Co., to name a few, have used or are still using the principles of management by objectives in varying degrees. Some of these companies have been successful with their programs, whereas others have not found it as successful as they had hoped it to be.

The public sector, especially government, has implemented management by objectives to meet many of their goals.

Conclusion

Management-by-Objectives is potentially a powerful philosophy of management. However, many organizations are designed and managed so as to undermine the Management-by-Objectives philosophy. In addition, Management-by-Objectives can make it possible for each sub-unit of an organization to have more freedom in selecting its means of achieving the output desired by the Chief Executive and above all, cover the objectives consistent with the organization such as: (a) aids in setting company development of indicators of good performance that can be set at the beginning of a period and also used during the period and thereby evaluated at the end of the period by a high official; (b) sales quotas, production standards and financial budgets tend to make Management-by-Objectives easier to implement and (c) in-service industries which are hard to measure; whereas, the indicators can be made more definite by inventing ratios or percentages, indexes and scales.

Also, on the contrary, whether a formal Management-by-Objectives program exists or not, there appears considerable evidence to support the argument that the use of objectives redirects individual effort toward particular standards of performance. Therefore, the MBO approach also provides the basis for evaluating the performance of operating departments and individuals in the organization by comparing the goals specified for a particular time period with the goals actually achieved during that period. In one theory this raises the issue of the balance between risk and opportunity in the various elements of MBO strategy and how does the Chief Executive capitalize on a given opportunity compare with the attractiveness of the Management-by-Objectives itself.

When an administrator is armed with the principles of hierarchy, specialization, staff and rules; backed up with the principle of merit and a centralized budget process; and provided with the refinements of management by objectives, there emerges the basic outline of a powerful public organization.
Terms You Should Know
Managing for results
Mission
Objectives
Annual operating plan
Performance reports
Goal setting
Action planning
Self-control
Periodic progress reviews
Key results areas
Organizational stupidity factor
Parkinson's Law
Peter Principle

Review Questions
1. What is MBO and why has it become such a popular organizational reform approach over the last 20 years?
2. What are the essential steps in implementing MBO?
3. What are some of the limitations of MBO?
4. Can MBO be implemented in a public (government) organization with the same steps as in private (business) organizations? Why or why not?
The work of Frederick Taylor had indicated that corporate productivity could be improved by redesigning each job and providing the worker with well placed breaks. The research scientists were familiar with the studies of fatigue and monotony that had been utilized to reduce absenteeism and turnover and speed up the pace of work. It seemed likely, given these results, that improvements in the physical work conditions would also result in higher productivity. This section reviews the findings of the three critical Hawthorne experiments. The Hawthorne Works employed twenty-nine thousand men and women for the purpose of manufacturing telephones and telecommunication equipment. After a number of inconclusive tests, the researchers decided to conduct their illumination experiments on workers who wound small induction coils onto wooden spools. The scientists improved the lighting in the experiment room. For every increase in illumination, productivity went up. The more scientific administrative scientists were not satisfied with these results. If production was tied to illumination, then visual experience, but on the job they behaved as members of groups. Economic incentives, illumination, rest breaks, and other job-engineering schemes would never be as powerful as social controls in raising productivity. At best, the workers would manipulate the instrumental schemes. At worst, the instrumental schemes would alienate the workers from their jobs.

Human collaboration in work has always depended upon the evolution of a non logical social code which regulates the relations between persons and their attitudes to one another. Insistence upon a merely economic logic of production interferes with the development of such a code and consequently gives rise in the group to a sense of human defeat. Elton Mayo, one of the fathers of the human relations movement worried that defeat called anomie would create a social vacuum where a person might work in a crowd yet feel no sense of identity with his or her surroundings. Like many other social reformers, Mayo cherished the social cohesion of the neighborhoods centered around towns and villages. Mayo hoped through human relations, to recreate the communal village of rural times within the work groups of a modern factory. That required, in his view, open communication between ranks, participation in decision making by workers, job security, and a spirit of democracy wherein the administrators became concerned not just with work, but with the workers. Mayo was to the human relations movement what Frederick Taylor was to scientific management.

Mayo's philosophy, plus the research findings from the Hawthorne experiments, outlined the basic principles of human relations.

1. Social Norms. The level of organizational effectiveness is determined by social norms. The early experiments on illumination and fatigue demonstrated that the physiological capability of the worker was not the critical factor in productivity. Neither were the principles of administration, such as the division of work. Neither were as important as social norms.

2. The Group. Group standards strongly influence the behavior of individuals in organizations. The bank wiring room experiment demonstrated how the group could enforce a standard level of productivity upon all members. The group also provided a shield against executive reprisals. In both ways the group acted as a restraint on executive power.

3. Rewards and Sanctions. Social rewards and sanctions are the strongest motivators on the job. The workers in the Hawthorne plant responded to the respect of their fellow workers and the appeals to group loyalty in contrast to p Management's system of economic incentives.
4. Supervision. The most effective system of supervision is created when the managers consult the group and its informal leaders in order to win acceptance of organizational objectives. Human relations specialists would advise managers to be a good guy. Be human. Be a good listener. Don't be a boss. Give them the idea they're making the decision, not you. They believed that effective communication, supplemented by a willingness to allow workers to participate in decision making, was the key to effective supervision.

5. Democratic Administration. Workers will achieve their highest level of effectiveness when they are allowed to manage their own affairs with no gang boss in charge. A reanalysis of the Hawthorne experiments revealed that the improvements in productivity in the relay assembly room followed the decision of the researchers to allow the women to become a collegial, self-managing group. Every change in the work schedule was preceded by close consultation with the workers, because the researchers did not want to alienate the women. Only six women participated in this experiment, which was an ideal group size for the development of a collegial atmosphere. (Ironically, the administrative scientists seemed to recognize this with their span-of-control principle. Physically, a manager might be able to supervise more than the prescribed maximum of twelve subordinates, but any more than that, from the point of view of the worker, would reduce the opportunity for effective group development.)

Many see the human relations movement as the great counterbalance to the more orthodox principles of administration. This is true to the extent that the Hawthorne experiments occupy a hallowed spot as the Mount Sinai of modern behavioral science.
specialization within a humane system of supervision. The researchers at Hawthorne were no less interested in improving worker efficiency than people like Taylor, Fayol, or Gulick. All were looking for principles to help managers run a better organization.

Applied Human Relations Principles: Quality Circles (QC) in Japan and the United States

Japan, with its economic base virtually destroyed after World War Two, has become a major world power matching or surpassing the U.S. in many key industries. "The Japanese success in international trade is reflected in their world-wide industrial trade surplus of over $76 billion in 1978; during the same year the U.S. had a deficit of $5 billion." The question is, "Why is Japan so successful?" The answer is Japan's national concern for quality and productivity. The result of this concern is the Quality Circle (QC) and the QC concept and its full support from Japan Inc.

The focus of this module is on the QC. Since QC's and the QC concept are a recent phenomenon in the U.S., the data is scarce as compared to the wealth of data on Japan, so the comparative emphasis will be between the philosophy of the QC concept of Japan Inc. and the U.S. The outline of this module will be:

1. The definition of the QC and some key factors that make QC's a success.
2. The advantages, problems, and potential problems of QC's.
3. The history of the QC concept and its support by Japan Inc.
4. A short comparison of QC's between Japan and the U.S.
5. The comparison of philosophies and working relationships of business, government, and unions of Japan Inc. to the U.S.
6. Conclusions and analysis of the philosophies of Japan Inc. to the U.S.

The definition of a QC is 3 to 15 people from the same department who meet roughly once a week to identify, define, analyze, and solve manufacturing and product quality problems and to better general working conditions. Voluntary membership is crucial, and at the beginning sessions the workers are taught statistical quality control procedures taken from production engineering, quality control, and organizational dynamics.

QC's don't work automatically; there are some key factors that must be present to help QC's become successful. There are nine key factors which will be presented from the most important to the least important.

1. All levels of management must listen, encourage, and support QC activities without regard to the number of QC's in effect whether it be one or 1,000.
2. Douglas McGregor's Theory Y concept should be present. He was one of the first theorists to integrate the previous concepts of job enrichment and group identification into a workable practicality through his famous Theory X versus Theory Y concepts of management. McGregor surmised that Theory Y administrators, who have the assumption that subordinates are eager to work and who nurture that fundamental aspiration with cooperation and trust, are more effective than Theory X administrators, who have the assumption that subordinates are gullible, lazy, indolent, and lack ambition, hate responsibility, want to be led, and generally
resistant to change. The Theory X manager uses coercion, threats, and the use of strong discipline to get subordinates to work. McGregor encouraged sensitivity training and various other ways to instruct administrators in interpersonal skills. Following in the steps of Mayo, and the conclusions Mayo made from his studies undertaken at the Western Electric Company's Hawthorne Works in Chicago between 1927 and 1932, McGregor advocated the significance of small groups working with psychologically skilled administrators. Theory Y supports the concept that if subordinates are given work that's meaningful and fulfilling they will affirmatively strive towards the company's objectives. It presumes, besides other things, that workers have creative abilities craving to be completely utilized and that workers desire greater responsibilities. 3. The training in statistical quality control procedures of QC members is a must. Professor Kaoru Ishikawa, who was one of the key figures in creating QC's in Japan, believes that QC members must be primed in eight types of statistical problem analysis skills. The eight skills involve use of the following:

a. The check-sheet, which documents problems over a specified timeframe that the QC identified and agreed to work on.

b. The Pareto chart, which is a check-sheet of information identifying problems that happen time and again which is shown graphically. Basically, 80% of the adverse circumstances are created by approximately 20% of the enigmas, and the Pareto chart will illustrate this. The chart gets its name from an Italian sociologist named Pareto, who illustrated graphically that 20% of the population had accumulated 80% of the resources in Italy.

c. Brainstorming, where the QC group works together to identify where all the problems are located, even problems beyond what the QC can handle.

d. The histogram, also called a bar chart, shows the recurring of problems through graphic illustration. Each bar represents a particular problem (in scaled proportion) in relation to the other bars (problems) on the chart.

e. The cause and effect diagram, which takes one particular problem and categorizes the causes in relation to function or area through a graph. Some classifications in a manufacturing setting would be raw inputs, capital equipment, personnel, and procedures.

f. The scatter diagram, also referred to as the measles chart, which is a means of identifying the problem area in which causes are documented by plotting dots where they transpire on a poster of the product. Significant production problem areas are illustrated by serried dot groupings.

g. Stratification guarantees random sampling. The typical procedure, in the production process, is to scrutinize identical products from various assembly lines or areas.

h. The graph and control chart, which audits the quality of a production procedure. From time to time, a few products are taken from the batch at random and inspected to verify that variations found are within predetermined standards.

4. Voluntary participation of QC members is essential. The concept that members can influence the behavior of their peers is related in an identical fashion to how the QC can ensure high participation and effectiveness. Participation rates for QC members can reach as high as 90% or over through peer
and management pressure in many organizations. 5. In a QC, participation from all members is crucial and everyone must help one another. Getting everybody to participate and making sure that everyone communicates openly is one of the most important tasks of the QC leader. Also, encouraging new skills is the responsibility of each person to gain knowledge and understanding of every QC member.

6. Problems that QC's decide to work on should basically correspond to the members' job, and the members should be able to set their priorities. Since a person knows his job best, the assumption is that he knows where the most effective improvements can be made. The responsibility for work done and output produced is given to the workers. When appropriate, the members should put into effect the answers and keep track of the results.

7. The company must pay for the time that QC's use during regular sessions. When the QC meetings are outside of normal working hours, the company must pay regular overtime wages, but many organizations give only token wages for QC activities.

8. Union support of QC's is essential. The best way for an organization to obtain the endorsement of the union is to edify the union before putting the QC program into action and to give an invitation to send an officer to a conference with management's steering committee. Possible union objections are made difficult because involvement in QC activities is voluntary. Having a union representative at each QC meeting is unlikely, so usually they will check on QC activities from time to time to ensure that the subordinates are not taken advantage of. Unions have cause for concern because more often than not QC activities are held beyond workers regular working hours.

9. Recognition of success should be given to the whole circle and not just a few individuals. Competition and rivalry will be nonexistent. The value of working together and being independent on one another within the circle of section is enhanced. The integration of staff departments, technical advisors, production units, and organizational functions will most likely happen because now they mutually need one another.

The key factors of QC's will set a conducive environment for a successful program. There are five advantages of a QC program, which are:

1. QC's strive specifically towards quality improvement. The majority of employees would like to be involved with quality improvement. The correlation between expenditures to implement the program and cost savings can be easily measured through results. The QC tries to improve the quality of work-life conditions besides improving the quality of the service or product. Cost reduction, member improvement, cost awareness, better worker morale, safer working conditions, and improved work procedures are some of the objectives that QC's strive towards.

The flexibility and adaptability of QC's to all companies is a definite asset. QC's can function with minimal disturbance to the organizational setting that's in existence. Job expansion, new monetary incentives, enormous initial investments, and reorganization of factories are not needed to implement the QC program. Involvement and responsibility the worker assumes for his particular job produces motivation that's natural and inherent, so the recompenses are in doing the job itself. The company should start with just one or two QC's and it should be allowed to grow from there. Supported by worker enthusiasm, QC's should be given the chance to expand through its own merits once begun.
3. QC's will integrate every function, area, and level of the company. The training department is given the chance to encourage broad participation from the production and quality control departments in understanding the concepts of the QC policies, in putting the program into effect, in choosing facilitators (an independent advisor who starts up the program in the organization), and QC leaders. QC's are able to satisfy the needs of administrative ownership because QC members have the perception that it's good for them, too, so the QC's are able to put into effect and administer accepted beliefs of the organization.

4. The QC program is people-building because it improves subordinate-management communications, increases morale, reduces absenteeism, ameliorates job satisfaction and safety, gives the chance for contribution and participation, and the credit for any improvements. In a few organizations, QC's give an extra incentive by nurturing and identifying motivated and qualified subordinates who will rise in the company. QC's view each particular employee as a person.

5. The QC provides the chance to satiate the employees craving for Maslow's ascendant motivational needs through their work. The inherent worth of watching betterment and change, along with the normal meetings with the administration provides recognition, visibility, and responsibility of improvements that a handful of other motivation programs provide. Receiving time off from work for QC sessions is recognition in itself, and it satiates social needs when the employees, interact with each other. Administrators that wanted for a long time to people-build now has a constructive tool to work with.

On one hand, there are powerful advantages of QC's, and on the other hand, there are problems and potential problems that may occur in initiating the QC program. They will be listed from the most important to the least important.

1. Inadequate administrator encouragement, backing, and participation.
2. Inadequate union encouragement, backing, and participation.
3. Too little training of QC members and leader.
4. Belief that the administrators are manipulating the QC to develop their personal projects or ideas.
5. Inferior priority vis-a-vis other programs.
6. Accentuates fast monetary return or productivity gain.
7. Expands too quickly or too slowly.
8. Begins the program on a sweeping company-wide basis instead of a prototype basis.
9. Too great or too small publicity.
10. Too difficult problems chosen.
11. Impetuousness by either the administrators or employees.
12. Non-acceptance of failures by the administration who uses accusations and censure.
13. Failure to involve crucial technical experts and advisors in the organization.
14. Deficient in informing administrators or subordinates of progress.

15. Not able to schedule meetings to the satisfaction of members or management.

16. Inadequate coordination with existing suggestion or quality control program.

17. Deficient in stressing statistical quality control procedures.

18. Interference or seizures by rival groups.

19. Failure by administrators to respond promptly to proposals.

20. Consistent unsuccessful programs implemented earlier.

The creation of QC's was made in Japan. Statistical quality control methods were brought to Japan from the U.S. by occupation forces between 1946 to 1950. Dr. Juran and Dr. Deming from the U.S. and other consultants educated Japanese manager concepts on quality control throughout Japan. The Union of Japanese Scientists and Engineers (UJSE) created a group to research quality control. Japan Inc. sought to educate millions of workers and managers all over Japan in the fundamental quality control concepts. Education was in the form of radio and television programs, "at home" courses, various seminars, conferences on the national, regional, and local levels, and other methods.

The QC concept began as an educational tool, which is opposite the popular belief that QC's were created from the Japanese management style or that QC's are special to the culture of Japan. In reality, fundamental quality control techniques were badly needed because of the fast growth of industry. Probably the difference for Japan was that techniques in quality control and management style was needed by thousands of managers. All managers believe that the QC concept is important and can be applied, instead of leaving it to the quality control department. The responsibility for quality falls on the manager of each particular department. In 1981, the ratio of quality control inspectors to the work force were 1-to-1,000 in Japan and 1-to-50 in the U.S.

Japan Inc. put into effect the Industrial Standardization Law (ISL) in 1949. The ISL let companies put the JIS symbol on their goods if quality standards and statistical quality control methods were met as outlined in the ISL. Between 1951 to 1954, Japan Inc. had an even faster rise of the QC concept, and they created a number of national prizes for quality. The Deming Prize Committee selects companies that excel nationally in using statistical quality control techniques, and they are given the Deming Application Prize.

Japan Inc. had a massive drive towards what was termed "Total Quality Control" in the period between 1955 to 1960. The goal was to educate everyone in industry, from the chief executive officer to the bottom-line worker, in statistical quality control techniques. Japan Inc. then proceeded to improve practices regarding quality control. From 1960, November was made National Quality Month, and the "Q" symbol was recognized across the nation. The use of the "Q" was allowed to organizations belonging to the quality control movement.

In the early 1960s, the first actual QC's came into being. Professor Kaoru Ishikawa in 1968 presented nine factors that helped the phenomenal rise of QC's and the QC concept in Japan.
1. Education of the QC concept from the very young to the very old was encouraged by Japan Inc.

2. Ease of accessibility to quality control classes and seminars comprising a substantial amount of distribution of courses and literature through all media and at any hour.

3. Fresh thoughts on the quality control concepts from lectures by top level foreign consultants and specialists.

4. QC techniques molded to Japan's culture and industry.

5. QC concept becoming an institution from the guidance of Japan Inc., by such things as the Deming prize, other national prizes, the UJSE, the Industrial Standardization Law, and other efforts.

6. Middle and upper-level management are constantly checking on quality control.

7. Even greater diligent practice of quality control during National Quality Month in November.

8. Integration of the QC concept with lower level managers and their subordinates.

9. Goal of first-class quality in the world through export laws and inspections.

The need for even greater education at the supervisory level increased during the 1960s, so the supervisors and the rank-and-file got together to put the QC concept on a practical level. The UJSE supported the supervisors and workers, so the movement flourished, and the QC was created.

Japan started QC's in 1962, but the QC concept started after World War Two in 1946. In 1964, there were about 1,000 QC's registered with the Japanese government, and by 1980 approximately 100,000 QC's were registered. In 1979, Japan had approximately 4,000,000 employees participating in either registered or unregistered QC's. In comparison, Lockheed Corporation's Missile and Space Division (LCMSD) located in Sunnyvale, California, was the first U.S. company to implement the complete QC concept. In November 1973, Don Dewar and Wayne Rieker, who were LCMSD manufacturing officers, went with a party of Lockheed employees to Japan after being edified about QC's from a visiting group of Japanese and after a conference with Dr. Juran, a distinguished quality control advisor who researched QC's in Japan. In October 1974 the first U.S. QC began at Lockheed. By 1980, there were fewer than 100 QC's and fewer than 1,000 members.

To compare the statistics in 1980 by ratios, Japan led the U.S. by more than 1,000-to-1 in the number of QC's in existence. In comparing the number of members in QC's between Japan in 1978 to the U.S. in 1980, Japan led by a ratio of more than 4,000-to-1.

The QC and the QC concept and its phenomenal success is the outgrowth of the overall philosophy of Japan Inc. A comparison of the major differences and similarities of unions, business, and government between Japan and the U.S. will be presented. Also, some cultural aspects will be mentioned as it relates to the overall philosophies. The relationships of unions, business, and government are
closely intertwined in both countries, so what affects one has an impact on the other two. For this reason, a separate comparison of the three areas is impossible. Therefore, the comparison will jump back and forth between the three areas.

Some cultural aspects that relate to the overall philosophies of both Japan and the U.S. will now be compared. Basically, the Japanese are a homogeneous people as opposed to the U.S. heterogeneous composition of its people. People learn values and develop a self-concept. A personal frame of reference (pfor), which is internalized beliefs about which behavior, feelings, values, goals and techniques are desirable, is created from a person's self concept and values. There is a tendency for homogeneous people to work and cooperate with each other better because their pfor is so similar. In the U.S. people have greater difficulty working and cooperating together because the pfor of heterogeneous people are diverse.

Other cultural aspects of Japan are a sense of loyalty, obligation, and to subordinate personal betterment for the good of the group versus the U.S. highly individualistic and every man for himself type of philosophy. On the corporate level, these aspects leads the Japanese to work towards a stronger, more competitive company, as opposed to Americans who have a "how can the company benefit me" attitude.

Another cultural aspect is the perception of "us versus them." The American perception is "us" or labor versus "them" or management. Labor is on one side and management is on the other side. The Japanese perception is "us" or all of labor and management in the organization versus "them" or the competition from the other companies.

Management style of Japan and the U.S. are different. There will be five key differences presented.

1. In Japan, most large corporations have life-time employment for its workers, whereas in the U.S. there is no such concept. When a large Japanese corporation goes into a retrenchment strategy, it will reduce the hours of its employees rather than lay off anyone, while an American corporation will tend to do the opposite.

2. The Japanese tend to have consensus decision making versus the tendency in the U.S. to have one manager make most of the decisions. Consensus decision making usually is more time consuming, but it usually results in a wise decision. One manager makes a faster decision, but the decision may not necessarily be a wise one.

3. In Japanese companies, the pattern and direction of information an communication flows not only from the top to the bottom, but also from the bottom to the top. The involvement of management and subordinates tend to be horizontal and democratic. In American companies, the flow of information and communication tends to flow only one way: from top to bottom. The flow is like a waterfall; the water has an easy time going down, but it takes great effort to pump it back up.

4. Japanese management tends to stress long-range strategic and directional planning with the goal to achieve stable, long-term growth of the organization. Since managers have total job security (unlike the managers in the U.S.) in large corporations with life-time employment, they don't have to impress their superiors or stockholders with short-term profits. Whereas, American managers tend to be concerned with short-term and intermediate-term specific plans. All too
often, American managers' employment or promotion in the company is directly related to the income statement's bottom line in a short time period. American managers will strive towards short-term profits, although it may have an adverse affect to. the organization in the long run.

5. Japanese management tends to hold on to Douglas McGregor's Theory Y concept. They believe employees want to work and the company nurtures this desire by creating a conducive atmosphere. American management often believes that workers fall in the Theory X category. The Japanese look at labor as a resource just as raw materials and capital equipment are resources to the company. Americans, however, view labor as an expense (the cost of labor). Americans achieve goals through people, and the Japanese achieve goals with people.

Not only are Japanese and American philosophies on management different but so are unions. The overwhelming majority of Japanese unions are company unions, so the economic well-being of its members are directly related to the economic well-being of the company. In many large corporations, like Sony, when the company does well in a particular year, each worker receives a bonus. When the company does poorly in a particular year, each worker will receive a reduction in hours, but he will not be laid off. There is a saying, "Since the union members eat from the same pot (they get their wages from the company), they are motivated to make the pot grow."

In the U.S. the majority of union workers belong to national or international unions, such as the AFL-CIO, ILWU, and the Teamsters which represents: workers in many different industries, companies, and organizations. Many unions are organized on a craft basis, such as the carpenters union, the electrical workers union, and the truck drivers union. Since a union may represent one type of worker in a number of companies, the majority of its members' economic well-being may not be related to the economic well-being of one particular company. In other words, a union will try to extract the most out of each particular company with little regard for its financial position. When a company does poorly in a particular year, the workers are not going to take a pay cut or reduce their hours, so the company will lay off workers to reduce the cost of labor. On the other hand, when a company does well in a particular year, the workers will not receive a bonus. Basically, the union and management are diametrically opposed to each other, and there is little cooperation between them.

Japanese labor-management relations tend to have adopted the "proactive" philosophy. They strive to influence and anticipate the future. It stresses accomplishments and results by encouraging greater participation at all levels in implementing the strategic and operating plans of the company. American labor-management relations tend to reflect a "reactive" philosophy. Labor and management tend to react and respond by the seat of the pants, which is based on hunch, past experience, and intuition. For example, the United Auto Workers Union (UAW), which is an international union, and Chrysler Corporation have a history of being at opposite ends to each other. Only when Chrysler was on the verge of bankruptcy did the union cooperate with Chrysler by making huge concessions. In 1980, the UAW and Chrysler were planning to make Quality Committees consisting of four members from the union and management to create quality circles at all "K" car factories of Chrysler with the goal to expand to all divisions.

Labor-management relations are harmonious in Japan and adversarial in the U.S. The business-government relations in both countries basically follow the same pattern. In Japan, the government taxes corporate profit at approximately 50%. The Japanese government believes since it receives 50% of the profits, it is in partnership with industry 50-50. The government nurtures business because the
greater the profits of business, the greater the tax revenue. The government created the Japanese Ministry of International Trade and Industry (JMITI). The JMITI helps industry to be highly competitive in international markets. The tax structures encourage Japanese industry to invest in capital equipment that increase productivity, and to innovate through research and development.

Whereas, the U.S. government believes in a laissez faire relationship with business. The corporate tax rate in the U.S. is roughly 50%, but the government doesn't believe that it is in partnership with industry 50-50. President Reagan believes in the "trickle down" theory (if big business, benefits then some of the benefits will "trickle down" to the public); and yet there's no department that is equivalent to the JMITI. To make a point, there's no government department that works specifically with business. The tax structures encourage research and capital investment to a far lesser degree in comparison.

In conclusion, Japan's phenomenal rise from obscurity to the third most productive nation in the world in terms of gross national product was no accident. Japan's success can be credited partly to cultural aspects but mostly to the structures, philosophies, and close working relationships of business, unions, and government (Japan Inc.). The QC's and its concepts could not have grown dramatically without the backing of Japan Inc. Americans developed many important theories on management and quality control but it was the Japanese that integrated it to make it work successfully. Japan proved that a large and complex nation can achieve first-class quality, high productivity, a strong currency, and be highly competitive in the world in less than 40 years.

Americans are strong believers in individual freedom and liberty. The U.S. was created in the old-fashioned spirit of collective enterprise and cooperation that was as basic and frank as a barn-raising. American theorists from Oliver Wendell Holmes to Rensis Likert believe that group needs must take precedence over individuality at some point. America has been reminded the hard way that cooperation and teamwork, no matter how it's arranged, is still essential and necessary for a prosperous society. The challenge is clear, unless we cooperate and pull together as a nation (more cooperation between business, unions, and government), the American dominance of world multinational business will be a thing of the past.

Terms You Should Know
Social norms
The Group
Rewards and sanctions
Supervision
Democratic administration
Quality circles
Japan Inc.
Theory X
Theory Y
Theory Z
Checksheet
Pareto Chart
Brainstorming
Histogram
Scatter diagram
Stratification
Growth and control chart
Voluntary participation
Deming Prize Committee
Industrialization standardization law
Personal frame of reference
"Proactive" philosophy
"Reactive" philosophy
"Trickle down" theory

Review Questions

1. How did group behavior and Elton Mayo's Hawthorn experiment affect the human relations movement?
2. How are Elton Mayo's ideas still relevant to modern human relations management techniques?
3. Why have quality circles been so widely used with relative success in Japan?
4. What are some of the main elements of a successful quality circle?
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MODULE 7: PUBLIC EMPLOYEES AND COLLECTIVE BARGAINING

The prevailing tendency in modern public administration is for the inclusion of more groups, not fewer, in the administrative process. Two groups standing at the door of the exclusive sub-government club are government employees and citizens.

Government employees make a persuasive case for membership in the club. The standing entrance fee for admission to a sub-government is specialization. Then why not admit government employees—who devote their life's career to a particular specialty? The primary restraint has been the administrative principle which says that workers are subordinate to the official hierarchy and that they have no business intervening in matters of administrative policy. Well, such ideals have not restrained the bureau chiefs from making end runs around their political superiors to legislative committees and clientele groups. So why should it restrain garbage collectors, postal workers, police officers, and school teachers from demanding that they share in administrative policy making?

Government employees are bargaining over policy. This should not be confused with the old practice of letting public unions, such as the postal workers, lobby with legislative committees for their annual Christmas pay raise a practice known as collective begging. Modern collective bargaining by government employees goes beyond far this and has profound implications for the distribution of administrative power within sub-governments.

Government officials, of course, insist that they be allowed to retain their prerogatives. Some officials will not even bargain over salaries or working conditions; the ones who will usually refuse to go further. Nevertheless, school teachers' unions, as one example, have settled questions of class size, the school calendar, curriculum planning, textbook purchasing, and procedures for assigning teachers to their jobs. Surely these are traditional management prerogatives. In 1972, school teachers in Washington, D.C., went on strike because they felt that the school administration was too rigid, bureaucratic, and out of touch with the needs of the students. The teachers insisted that they were closer to the actual execution of educational policy and thus better able to judge policy decisions.

Sometimes management wins these bouts, sometimes it loses. In the long range, of course, such conflict tends to wear out the mythical hierarchy that presumes that employees follow orders from executives who execute policy set by politicians. In fact, public collective bargaining tends to shut out the politicians—the chief executive and the legislators—who presumably set policy. Nowhere is this more apparent than over the issue of compulsory arbitration.

Compulsory arbitration is a process by which all parties agree to submit to a final and binding decision in negotiations presided over by a neutral third party. It usually follows unsuccessful efforts to resolve the dispute through direct negotiations, mediation, and non-binding arbitration. It is increasingly used to settle public disputes, especially when the union ~,威胁s a lengthy strike that will cut off essential services. Compulsory arbitration was used, for example, to settle New York City's 1968 garbage collectors' strike. While New Yorkers tripped the light fantastic around one hundred thousand tons of uncollected refuse, the garbage collectors hooted down the deal worked out between their union leaders and the city's Office of Labor Relations. Mayor John Lindsay refused to give in, so Governor Nelson Rockefeller seizing the city's garbage department and gave the union a bigger raise in pay. But the New York State Legislature then killed the governor's plan. At that point, Lindsay
established binding arbitration, which allowed the union to save its pay raise and the city to save its face.

In this case, compulsory arbitration removed policy-making power from the elected representatives—the mayor, the governor, and the legislature—and lodged it with a neutral third party meeting with union leaders and garbage bureaucrats. The arbitrator was not elected. The legislature did not ratify his nomination, and he was not constitutionally accountable to the mayor who nominated him, since he could not be fired nor could his decision be over ridden except under the most exceptional circumstances. The legislators were obliged to accept his decision. They were obliged to appropriate the money to pay for the settlement, even though that settlement might upset state priorities—which he was instructed to ignore—or exceed the capacity of the public to pay.

This would be mildly revolutionary if the arbitrator were deciding only the size of the public budget for salaries and benefits. But arbitrators are beginning to set public policy because that is where labor-management negotiations are moving.

Government employees' organizations have a further effect of some importance—an effect upon the merit civil service. The movement for a career civil service based on merit was the midwife at the birth of American public administration. Now government workers are turning their backs on it. They dislike the idea that "neutral" commissioners should establish scales of pay, set procedures for promotions or layoffs, act on appeals of aggrieved employees, or represent them at the collective-bargaining table. These, they believe, are the functions of public unions.

To many (union leaders), civil service is synonymous with unilateralism and paternalism, which means the "boss" imposes his rule on the employees. Because they are appointed by the "boss," civil service commissioners are viewed as "management-oriented"; in a showdown, they almost always back up the supervisors and agency heads.

To public administrators already embattled by legislators, clients, professional associations, intergovernmental relations, and private contractors, collective bargaining must seem like an awful burden. Now they must contend with their own employees acting as a pressure group in the affairs of political administration. The fact that employee pressure groups extend administrative pluralism—opening up the sub-government to more participants—must offer little comfort. Especially when standing behind the door with their entrance fees paid up are the citizens who receive the policy.

Unionism has had a powerful impact on state and local governments and there is no doubt that an important development in the field of industrial relations over the past quarter of a century has been the phenomenal growth of collective bargaining in the public sector. Starting with the enactment of the Wisconsin statutes in 1959 and encouraged by the emergence of Executive Order 10988 signed by President Kennedy in January 1962, the labor movement has grown to the point where as of 1974 thirty-five states has some form of legislation allowing collective bargaining to workers in state and local governments.

There are many issues, problems, and concerns that focus around public sector bargaining. Public sector bargaining is extremely broad, covering roughly 80,000 state and local governments throughout the U.S. The development, issues, and problems presented in this paper does not focus specifically on any particular state or local governments and covers the various topics on a broad
overview. There will be many issues that will not be covered and even with the key issues that are presented there are most likely many sub-problems and ramifications that are beyond the scope of this paper. This paper will take the following format: First, there will be some history and developments of public sector bargaining; then some issues and problems from the administration's perspective; and, finally, some issues and problems from labor's perspective. These developments and issues had direct pertinence when public sector bargaining was just coming into the fore back in the early 1960s. This paper will be in the light of these various issues and problems surrounding the infancy of public sector bargaining, but it should be pointed out that many of these issues are still not resolved and therefore are still relevant.

Developments in regard to public sector bargaining falls into three stages. First, before World War II, there was no statutory laws on record. The right of public workers to form, join, and assist unions or associations was usually tolerated, but public employers were not required to negotiate with them. The strike was illegal everywhere from court judgments and executive decrees. A few informal agreements existed in counties all over the mainland but they related to a very small minority of public workers.

Second, after World War II, mainly as a response to a number of strikes by public workers, a trend to pass anti-strike legislation developed. Just in 1947, Texas, New York, Pennsylvania, Michigan, and four other states enacted such laws. The Taft-Hartley Act, also passed in 1947, had a section prohibiting strikes by federal workers. The Condon-Wadlin in New York became recognized all over for its tough penalties. However, not all legislation was like New York's. For example, the Hutchinson law of Michigan left the work of enforcement to the various departments and provided for mediation through a state labor mediation board in the public sector. During this period, eighteen states passed anti-strike legislation in the public domain.

More positive legislative developments came out in a few big cities such as Philadelphia, Cincinnati, New York, and Louisville. In 1955, Mayor Wagner of New York set forth the first of a number of declarations allowing collective bargaining for city workers. In 1951, a favorable court judgment in Connecticut facilitated negotiations between teacher associations and school boards after a bitter quarrel between them. Although a positive legislative development was when Wisconsin became the first state to pass legislation permitting public collective bargaining, putting the law into effect was difficult because the administrative powers that should have been provided in the law was missing.

The third stage of development came about in the 1960s. One of the driving forces was Executive Order 10988 permitting public collective bargaining in the federal sector. In 1962, the Wisconsin law was restructured so the law could operate effectively. In 1961 the New York City Board of Education recognized the Teachers Union and decided to negotiate out a contract with them. This was alone a response to increasing activities of the American Federation of Teachers, along with the National Educational Association which passed resolutions which allowed "professional negotiations" and permitted "professional sanctions" (strike).

Major growth happened in 1965 and 1966. Some type of legislation dealing with collective bargaining was passed by the following states: Connecticut, Rhode Island, Michigan, Missouri, California, Washington, Oregon, Minnesota, Delaware, and Massachusetts. Alaska and New Hampshire passed broad policy statements allowing public administrators to engage in collective bargaining.
National focus to the public arena was pulled by the large amount of publicity surrounding the transit strike in New York City in the first month of 1966. The strike and what the unions gained after the strike clearly showed the Condon-Wadlin law to be unenforceable. Governor Rockefeller created a team led by Professor George Taylor to suggest what types of revisions were needed in New York's legislative policy after the strike was over. Both the Taylor findings and the findings from a team originally created by Mayor Wagner and continued by Mayor Lindsay strongly believed in collective bargaining for public workers. A legislative impasse caused by a difference in views over the anti-strike section of the Taylor report resulted in no new legislation in 1966. In some states there is still no direct laws covering public collective bargaining. Court judgments and practices vary a lot with no distinct patterns or roles for workers, unions, or administrators.

There are two perspectives on the question of public sector bargaining the administration perspective and the labor perspective. First, the administration perspective will be presented.

One of the issues concerning collective bargaining in state and local governments is the question of sovereignty. Public officials and public administrators that are against public collective bargaining use the argument that government is a sovereign power. These administrators believe that collective bargaining will bring about a loss of sovereign power of state and local governments in setting the budget and tax rates, in determining objectives and goals, and finally in setting policy. There has been a lot of controversy about sovereignty and the few administrators that are for collective bargaining believe that it does not bring about a loss of sovereign power of state and local governments, or if it does, the loss is inconsequential. They believe that justice requires that public workers be just as powerful as the administrators in negotiations.

Most public administrators tend to take the position that public collective bargaining does bring about a loss of sovereign power over the administrations of state and local government and government policy eventually. Only with the passage of time will researchers know if the loss of sovereign power was good or bad. Such loss of sovereign power from administrators with a corresponding gain in sovereign power to public workers can be helpful if it results in more efficient public service, in greater worker satisfaction, and in more democracy in making decisions. Where it will be bad is when a substantial amount of power has shifted from the government to public sector unions. During 1967, there was the appearance that in a few of the bigger state and local governments recognition of public sector unions has helped workers to perform better.

However, in many jurisdictions on the state and local level, there was a lot of resistance on the part of employers to recognize public unions. Even where legislation allowed public workers to organize, as in the state of Wisconsin, there was still a lot of resistance by public administrators. The Wisconsin Public Employment Relations Board was presented with a number of unfair labor practices from public unions, and this resulted most likely because public administrators and certainly various elected officers could not tolerate the reduction of sovereign power.

The statutes defining administrator-worker relationships in the public sector are decided by state legislatures. These legislatures are inclined to provide public workers in local government with greater powers than they would provide public workers in state government. Legislators have not been worried about the loss of sovereign power in local governments as they have been about the loss of
sovereign power in state government and so the strength of state workers acting through unions are much more restricted than workers in local government. Therefore, the evolvement of administrator-worker relations in local government has progressed at a much faster pace than state governments.

With the reduction of sovereign power of state and local governments in the area of worker relationships, there has been the slow departure in the idea of government paternalism toward workers. In the place of paternalism administrators started to treat workers at arm's length. This has worked against many elected public officers that have relied on labor's support to get elected. The impact of this change was not as adverse for public employers that have been concerned with worker demands before the 1960s. Public employers were inclined to treat public workers as their wards and dealt with them generously. Employers were stunned when workers reacted with militant actions such as strikes.

The moving from a posture of paternalism to one of arm's length treatment by public employers was followed by changes in other postures as well. One area of change is the belief on the part of public employers that in a lot of aspects of administrator-worker relations there must be an ongoing posture of conflict if administrators are to keep what it believes to be management prerogatives. Many unions and union leaders were of the opinion that workers cannot advance unless everything was fought for and that there should be an ongoing battle with administrators who exploit the labor of public workers. Many public employers had started to react to this condition because they believed that strikes could not be avoided since the whole structure of collective bargaining is supported on conflict. Therefore, public administrators tended to ready themselves for conflict at the bargaining table, and tried to stifle any changes in legislation that weakened the employer’s position in collective bargaining.

Another issue that would concern public administrators would be public employees receiving the right to strike. Collective bargaining and the outcome of such bargaining could be seriously affected, depending on the right to strike or not by public employees. Most states had statutes forbidding public strikes and many states have not changed the law, but strikes happened anyway. Generally public management can do very little about the situation and most of the time the strikers receive amnesty and are not prosecuted according to law. Frequently in such strikes, public administrators capitulate. The trend may be changing since President Reagan's firing of the illegal striking air controllers, but only time will tell.

There is a difference between the federal sector and the state and local government level. The president of the country wields far more power than state or local government officials. Even though there are state statutes that prohibit strikes probably many legislatures are not able to induce sanctions to back up those statutes. Therefore, particularly in local government, public administrators will have to devise a way to guard itself against strikes, and to devise counter measures in the event of a strike. Counter measures could depend on the type of service being struck. A non-essential strike could be allowed to run its course. Public administrators could take fast and harsh counter measures against an essential service strike.

Although the question of sovereignty and strikes has not been completely resolved, the fact is that public sector bargaining is a reality. Public administrators must deal with the nature of collective bargaining in the public sector. One of the first objectives of public administrators would be to familiarize themselves on the essence of group negotiations, to know the various statutes, rules, and beliefs on the particular areas and cases involving
collective negotiations in the public sector. Public administrators should know the various events pertaining to public collective bargaining going on throughout the country, and even in other countries. They should attend various classes, meetings, and seminars to understand what there is to know about public sector bargaining. These seminars can help to create new values and can help shape the attitude of management.

The arrival of the chief negotiator and the creation of the administration bargaining team has come into the fore with the development of public sector bargaining. Occasionally, the chief negotiator could be the city manager, the head of the finance department, or the top personnel administrator. In a few cities, for various reasons, the job of chief negotiator would become powerful in his own right, and the rest of the public administrators would be inclined to pass over to him important issues concerning collective negotiations.

Elected officers are inclined to pull themselves out of the collective bargaining process. Various officials could have been elected with the support of labor. Being the chief negotiator would put them on the opposite side of labor which could weaken future support. Furthermore, elected officials may be lousy at bargaining because they like fast action and may not have the patience to go through long negotiations and they probably would not know when to give and when to take. Occasionally, labor leaders become elected officers or may have been appointed to commissions or boards concerning public collective bargaining; when this happens, their impartiality could be questioned.

Just having a chief negotiator for the administration is not enough. The administration must develop internal cohesion to the point where the chief negotiator will be aided by legal officers, operating department chiefs, financial experts, personnel staff, and others, so when the chief negotiator makes a decision, the full ramifications will be known. Unless the internal cohesion is well organized, decisions made at the moment may have detrimental effects later on.

Public administrators must also contend with the idea of management prerogatives. The administration generally believes that certain issues and policies are not negotiable because those are management prerogatives, which, if given up, would signify that certain areas of management has shifted to the public unions. Many times administrators will try to get the management prerogatives written into the state law. Sometimes administrators will succeed and sometimes they will not. When they do not succeed, administrators may be required to use all of its bargaining power to protect its prerogatives because worker organizations will try to take the position that everything is negotiable, from wages and hours to basic policy.

Another issue that administrators had to contend with was, which workers are considered to be on the administration's side when negotiations begin. When paternalism was prevalent, a police chief would go in front of the finance committee of the city and present the demands of his men. With the coming of public collective bargaining, the police chief becomes part of the administration and the men must present their own demands through their union representatives. The difficulty of adjustment is great, especially for low level administrators for they believe their own bargaining power has been reduced when becoming part of the administration.

Another area that administrators must deal with in collective bargaining is the fast growth of public sector unions. Fast union growth can spur rivalry and competition for union members which can result in a union using hostile tactics.
against another. In a few areas, administrators may be tempted to intervene with what can be a messy business of collective bargaining organizational rivalry. The best move for administrators would be to stay out of the union's business, and to make sure that the correct state agencies solve the issue of recognition between unions and through workable procedures.

The last major area that administrators must deal with in regards to the nature of collective bargaining would be the propaganda tactics used by public sectors unions. Employee organizations may try to sway public opinion to their point of view through propaganda. Union representatives will try to present worker demands in the most favorable light possible. Unions may put the administration in a bad light to make themselves look better. Therefore, administrators should let the citizens know both sides of the issue to counter propaganda tactics by the union.

Besides the factors in the nature of collective bargaining, there is the administrative perspective on the impact of collective bargaining. The impact of public unions on the state budget, on the excellence and amount of public services, and on the creation of public policy normally involves public administrators a lot. Where public unions have come into being, administrators believe that taxes will eventually go up and the amount of services will go down, but quality will probably remain the same. Public unions just aggravates the pressures on public managers to provide more services with less money. This pressure will head into two major types of adjustment by public administrators. The first would be to quicken the substitution of workers by machines. The second would be to contract out various public jobs to private contractors to keep away from the unenjoyable task of negotiations and to avoid from being faulted for not holding down public expenses. Many unions realize the threat of contracting out work and attempt to put a section in the collective bargaining agreement that prohibits contracting out jobs.

Another concern would be the mounting expenditures of government caused by public unions. City administrators would try to present even higher requests on federal and state agencies for more funds. City officials would insinuate that mounting expenditures of the local government would be because the federal or state agencies are not providing necessary funds. More and more city administrators went in this direction as it was politically advantageous to do so.

Public administrators would also be worried about public unions that might try to bypass them altogether after receiving no gains through negotiations. Occasionally, after being unsuccessful in obtaining demands at the bargaining table, public unions will put undue influence on local elected officers to make public negotiators capitulate, or to make state legislatures give the demands unions could not obtain otherwise. These tactics are generally believed to be not on the up and up, but they are attempted anyway.

Another issue that public administrators had to deal with was trying to meet statutory budget deadlines while concurrently settling and agreement in collective bargaining. In the past it had been accomplished somewhat, but these two factors are fundamentally incompatible. Public management might have to face the reality that they might once again have to revert to an open ended budget because they were not able to complete the agreement within the statutory deadlines. This condition applies particularly in areas where there are a great amount of certified unions that all want a long time to agree to any contract.
Once the contract has been settled, the issue of grievance handling by administrators comes into play. Public managers believe that many administrator-worker conflicts could be avoided by correct handling of grievances on the beginning stages. This could be done by proper training of first line managers, and by keeping workers abreast on public policy.

Where public unions have the right to negotiate, administrators were presented with the dilemma of interest groups, taxpayers, and citizens wanting an influence on government matters. These various people believed that they have been kept out from participation in government by the the closed door policy that normally surrounds negotiations. Even when a public hearing was conducted after the contract was settled, these groups will still complain because they want input before the agreement was reached, not after. The situation of citizen input has not been resolved, but the influence of these groups can only get stronger.

Another issue that public administrators must deal with would be the assertion by public unions that public employment was virtually no different than private employment, and hence public workers should be able to obtain the same right as private sector workers, including the right to strike. This is the justification public unions make when trying to obtain the right to strike. However, the difference was there when taking into account the taxpayer. The opinion of the taxpayer is basically not heard during collective bargaining negotiations, but they are required to pay for the settled contract because they cannot get away from paying taxes. Private citizens are not necessarily required to pay for the increased cost of a contract settled between a private sector union and company. That citizen can refrain from purchasing their joint product, but a taxpayer must pay for any agreement worked out through negotiations by public unions and administrators.

Some theorists hypothesize that in states where collective bargaining is allowed, there will eventually be collective negotiations on a state-wide level, where a united union effort negotiates with a united employer effort. This might come about but generally local governments are too subdivided and too opposed to one another in metropolitan districts to be assertive in this style of bargaining. Furthermore, public unions were also fragmented; there were just too much union rivalries to settle into one major bargaining federation.

Presented were some of the problems that must be dealt with from the perspective of state and local government administrators. However, in collective bargaining there are two sides of the picture, so now some of the problems that must be dealt with from the perspective of workers and unions will be presented.

The problems confronting public workers and unions that correspond to collective bargaining are so many and cover such a wide area it would be impossible to cover everything, so a focus will be made on some of the key problems.

There has been expanding concern among public administrators and union officials over the wishes of public workers to get into public collective bargaining with state and local governments. Slowly, the taxpayers have been presented with this concern and as a result the amount of interest has blossomed.

There was no doubt that the public administrators and the public union, which are most directly concerned, perceive the area of collective bargaining from completely different perspectives. Many public administrators perceive public collective bargaining as some type of newly developed fiend of maybe even a diabolical scheme developed by a rival political party. Public unions believe, or
at least the rank-and-file believe, that collective bargaining will be the cure-all for figuring out the problems that have been unresolved since the beginning of public employment. The fact is that collective bargaining as it evolves in state and local governments will be neither a monster or a cure-all.

One of the problems that public unions had to contend with was the fundamental negative attitude displayed by public administrators. On certain occasions, this attitude resulted in absolute refusal to recognize any collective bargaining agent and even the refusal to talk about workers' problems and grievances. On other occasions, this attitude was more quietly displayed because it was hidden under meetings that focused around the right to strike, binding arbitration, and even the sovereignty issue. Public administrators have focused its argument on the "substantial" differences between public sector employment and private sector employment. Hardly any, if any at all, attention has focused on the similarities of public and private sector workers. The union perspective believes that there are quite a few valid comparisons that can be brought out between public and private sector employers, and hence between workers of these two groups.

The every-day interactions between a worker and his immediate superior are basically the same in the public sector as it is in the private sector. Bigness are inclined to create some differences, but these discrepancies occur when large corporations are compared to small establishments or large governmental organizations such as a state or large metropolis are related to little governmental units such as small counties or townships. The need for union security is just as great in the public sector as it is for the private sector. The situation where union security would be particularly relevant would be in those governmental entities which still basically operates under the spoils system." The loyalty of the workers under these conditions would be forced to be with the incumbent office holder. With the institution of the civil service or the so-called "merit employment system" does not necessarily imply that the public worker got security similar to that given by a collective bargaining agreement in the private sector. Nor has the merit employment system completely replaced political patronage. By the very nature of how a civil service commission is created, it could not operate effectively as a union on the public workers' behalf. If the civil service commission could be compared to something in the private sector, then it should be likened to a company union."

For example, if someone tries to obtain employment through the civil service commission rules and regulations in a particular city, that person might observe that the civil service commission which is supposed to represent him like a union, was hand picked by the chief executive (mayor or governor). In a strong executive situation, the chief executive would also be able to hand pick the various heads of different agencies, one of which will most likely be that person's superior. Since the majority of the commissioners will probably be of the same political party, the incumbent chief executive could basically rely on the majority backing of the commission. From the very nature of politics, it would be hard to believe that such a commission would not be influenced by pressure or a "suggestion" by the chief executive that appointed it. The appointing powers given to the strong executive could evolve into a prolonged modified use of the spoils system. When the commission has the power to continue appointments of short duration, it would be in the perfect position to allow patronage by just not releasing examination dates, or posting eligible lists in the different classifications under their control.
In some governmental entities, there could be a loophole in the civil service law such as allowing a fair number of exempt classifications. These exempt classifications may not only be at the head of the agency level, but may go down to the clerks and typists in a few agencies. To illustrate, workers who are employed by the courts could be law exempt. Not just the magistrates, bailiffs, and clerks but the rest of the clerical and maintenance workers. A similar situation could evolve in the law department also. From the viewpoint of the public union, these loopholes in the civil service system was why it has not supplied security to the public worker, or at least not to the level that security could be supplied by a union contract.

When the issue of the right to strike is brought up, public employers will generally argue against it. Some arguments presented by the public employer would be the public workers are different, or governmental entities! are sovereign and public workers cannot strike against it, or public workers cannot strike against the public, or public workers provide essential services and a strike by public workers should not be tolerated. In most cases, the arguments just presented will not hold water when applied to a specific situation. Labor would have to question the exact definition of what is meant by "essential service." Even when a few examples are presented, such as health care, sewage, electricity, water, and public transportation. There has been no substantial proof given that shows that any of these services are any more vital when they are provided to the general population by a governmental or public entity as compared to when these services are provided by a private corporation. It would be hard to believe that a public laborer who pulls weeds at Ala Moana Park performs a more essential service that does a plant operator at Chevron's Oil Refinery at Campbell Industrial Park.

More often than not, the facts will illustrate that legislation forbidding strikes in the public sector has not been able to achieve its goal. One line of thinking is that legislation that has tough sanctions against strikes such as the Condon-Wadlin Act in New York has not been used and that is the reason public workers are able to strike illegally and get away with it. However, there is a more basic reason. The public worker is stretched to his limit when the administration refuses to satisfy reasonable proposals for better pay, hours, and working conditions. The administration may rely quite heavily on statutes that forbid strikes to require public workers to accept less than what they deserve. The public workers with no line open for negotiation and frustrated to wits end then resort to the drastic action of striking.

Gauging from past experiences to try to ban strikes through the law would seem to be an exercise in futility. If public employers are interested in essential services and want to pass legislation in that vein, then they should pass a statute that no private power, gas, or telephone corporation may have its services disrupted to the public by strikes, and levy heavy monetary penalties to the corporation where such disruption occurs. The chance of success of passing such legislation is practically nil and so is the chance of success in legislating away the right to strike. The strike question in the public sector is really far from being one of the discrepancies between private and public workers and in reality is another area of similarity. When comparing the private sector to the public sector, it seems that history is repeating itself.

Around 1965, Secretary of Labor Willard Wirtz had spoken to a number of heads from trade unions, government, and the electrical industry at a supper in Washington, D.C., commemorating the Diamond Jubilee year of the International Brotherhood of Electrical Workers. Mr. Wirtz made reference to the fact, that it was approximately 160 years since the first strike case in United States history occurred when in 1806, the Philadelphia Cordwainers were tried and convicted for
criminal conspiracy. Wirtz had said, "What was criminal conspiracy then, has become one of the great forces for freedom in America and the world."

Public unions also have definite beliefs on the right to organize and bargain collectively. In the 1960s, the public worker, in states like Illinois, has encountered some definite problems evolving from the reality that there was no legislation passed which specifically gave public workers the right to organize and bargain collectively. There were also no regulations or rules for requiring certification elections, figuring out different bargaining jurisdictions, listing unfair labor practices, certifying unions as collective bargaining agents, and so on.

The passage of collective bargaining legislation for public workers should take away any problems and issues surrounding public sector unionism if such legislation is correctly drafted and enforced. However, enforcement of the law is very much a potential problem. In the private sector, the National Labor Relations Act makes a neutral third party accountable for administration and enforcement. The National Labor Relations Board has authority in these areas and are not specifically affiliated with labor or management. However, in the public sector, there could be a strong probability for a conflict of interest, if the administration and enforcement departments are together in the same governmental entity in which a collective bargaining agent would try to achieve recognition and the right to bargain collectively. A situation in which an entity of the Federal Government would process and handle an unfair labor practice against a private enterprise would be completely different from a situation in which a department in the state would be allowed to respond in a similar vein on petitions against the city, state, mayor, or governor. In the same light, there could be problems in filing charges against any one of a number of elected officers in a weak executive structure by a state department since there is the constant threat of political repercussions.

In consideration of the various problems mentioned, one international union had passed a policy of trying to formulate multi-partite boards pertaining to public sector bargaining. In 1966, one such board was created in New York City. There was the formulation of a seven-man unit called the Office of Collective Bargaining. This agency was to make sure that collective bargaining rules and regulations were followed by both administration and the various bargaining agents. The agency was also accountable for formulating different bargaining jurisdictions, performing certification elections, and creating mediation and fact-finding rules. The office had also formulated. Procedures for arbitrators to handle grievances which came up when various collective bargaining agreements were still in force. The way in which the board was created had made it a neutral third party between labor and the administration. Two of the office holders had been hand picked by the mayor and two by the collective bargaining agents involved. Then, unanimously, the four office holders would choose the last three office holders on the board, one of which would be chosen as chairman. The benefits of such a procedure when related to a normal state or local government department are clear. Other states that pass legislation in regards to collective bargaining should seriously consider the formulation of a similar system.

The last major area of concern from the labor perspective would be bargaining issues and procedures. The private sector has a chronology of events concerning collective bargaining, and through the sequence of events a wide range of so-called negotiable issues has developed. Public sector collective bargaining which is basically just starting out has been faced with the administration trying to restrict the range of collective bargaining issues. All issues that pertain to wages, hours, and other working conditions should be included in
collective bargaining negotiations. To be operative and to have meaningful outcomes, such negotiations should be relieved of as many restraints that can be allowed. This brings up another area of potential conflict focusing on the process of negotiations. Specifically, should negotiations between the public collective bargaining agents and the public administration operate behind closed doors or be open to the taxpayers and/or the media. In the 1960s, this subject was brought up during negotiations between the Chicago Teacher’s Union and the Chicago Board of Education. The subject was settled by both sides agreeing that negotiations would be held behind closed doors, which was a smart idea.

The media is not known for presenting completely accurate factual reports of an impasse of specific issues between labor and administration. For just this reason by itself, just having the media present could bias the thinking of one side or the other when negotiating. There is also the natural tendency for the media to mention editorially about what they believe is the rational behind taking a particular stand by the collective bargaining agent or the public administration on any one of the various topics brought up during negotiations. Wise labor-administration relations would make sure that such meetings would be held in an environment which allows the chance for uninhibited and honest expression of positions taken by both sides. Without the media and the taxpayers scrutinizing the collective bargaining negotiations, the inclination by both sides to perform grandstand acts which may look good for the media but does not add to meaningful or effective negotiations would be reduced.

Another potential problem would be the creation of a civil service commission and the authority it may have over negotiations when a collective bargaining agent is engaged in negotiations with the administration. As mentioned earlier, certain situations the civil service commission was more the puppet of the administration than it was the protectorate for the public worker. As public sector bargaining becomes more extensive and sophisticated, public administrators may increase the use of the commission as a tool.

In conclusion, the area of collective bargaining is an extremely broad area with private sector unionism having a long history that dates back to the early 1800s. Public sector unionism is like the newcomer on the block being only about twenty-five years old. In the private sector, there are three main so-called actors—the administrators, the union, and the government. In the public sector, the administration and the government being so closely integrated bring with it a tremendous amount of complexity. This module has, tried to summarize the collective bargaining developments, in the public sector, and then tried to present some of the problems that were confronted during these developments from the perspective of the administration and of labor.
Terms You Should Know
Collective bargaining
Collective begging
Subgovernments
Compulsory arbitration
Executive Order 10988
Government sovereignty
Paternalistic administrators
Amnesty
Chief negotiator
Management prerogatives (rights)
Scope of negotiations
Spoils system
Merit employment system
Condon-Wadlin Act

Review Questions
1. How did public employees first become involved in collective bargaining?
2. Give some main reasons for public employees collective bargaining.
3. Give some of the main reasons against it.
4. Which occupational groups (union) of public employees were the most active in the early struggle for collective bargaining rights?
5. Which groups were the most successful?
6. Do public employees of the different state and local government have equal rights in collective bargaining? How are they the same? How are they different?
7. Do Federal employees have similar collective bargaining rights as most state and local employees? Explain.
8. Should public employees have the same collective bargaining rights as private sector employees? Explain.
9. How does Hawaii compare with the states in providing collective bargaining rights to public employees?
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MODULE 8: PROBLEMS OF PUBLIC ADMINISTRATION

Problems associated with the study of public administration may be classified as those of principle, those associated with the overall governmental context, and those of a more particularly administrative nature.

Those early administrative pioneers thought that they were laying out the fundamental principles by which any operation would be organized. The principles of hierarchy, specialization, staff, and rules, the functions of personnel and budgeting, management by objectives and human relations—these were the things an administrator had to know to set up a program and get it running.

The best experts, from Fayol to Gulick, thought that they were laying the foundation for a science of administration that could take its place among the, ancient academic disciplines. However, the principles cited in earlier modules present problems basic to public administration in relation to the meaning of administrative efficiency, the nature of administrative decisions and the nature of the environment within which the administration operates.

Problems of Principle

(a) Efficiency. As Luther Gulick observed, "In the science of administration, whether public or private, the basic 'good' is efficiency. The fundamental objective for the science of administration is least expenditure of materials and manpower. Efficiency is thus axiom number one in value.

Thus, a new definition of efficiency is required for public administration.

(b) Public context. Decision-making in public administration is not an autonomous isolated function which can be imposed on "consumers," but is acted upon by forces transcending the individual context of the decision, and arises out of the interaction of social forces. As such, public administration decision-making is the product of non-commercial factors, and is constantly exposed to public criticism and review.

(c) Political context. Public administration operates in an essentially political environment. Not only is it subject (at least in theory) to political control, but decisions by non-political administrators themselves involve both human judgment and a "political" element, although this political element does not take the form of "partisanship." It arises in that the final sanction of the decision lies in accountability and responsibility to the elected political representatives, and thus the nature of a decision must reflect this responsibility.

(d) Governmental powers. These are absolute powers; the powers of taxation, coercion, etc., are matters of politics rather than economic and administrative convenience.

Problems in the Overall Government Context

The role and functioning of public administration must be set in the context of the problems confronting the government, which are as follows:

(a) The reconciliation must be strong while at the same time adhering to certain standards of responsibility.
(b) The need to balance achievement of the common good with the demands of vested interests.

(c) The balance of present necessities with future desirabilities.

(d) The need to balance traditional attitudes with scientific curiosity.

Administrative Problems

On the practical administrative plane, particular problems of public administration arise. These were classified by Finer as, "(a) the machinery for coordination, (b) the principles of departmentalization, (c) the accountability of the executive to the courts and parliament, (d) the provision of expert knowledge, (e) the recruitment and maintenance of qualified personnel in the public services."

Although these are major areas of study, they tend to obscure problems, revealed by the modern science of administration. In consequence, it is necessary to add such areas as organizational theory, organizational behavior, decision-making, planning, etc.

Changes in Governmental Functions

The role of the state has developed from that of a mere "night watchman," exercising relatively minor regulatory functions (i.e., negative approach) to that of a positive interventionist and active planning role. This change has manifested itself from a public administration standpoint in the growth of a centralist, hierarchical and professionalized administrative machine.

Causes of the Change

Underlying factors which have led to this change in the role of the state: include the following:

(a) The rise of organized labor, particularly since the end of the First World War, with its attendant demands for security and the establishment and preservation of national minimum standards. This manifests itself politically through increased demands for state intervention.

(b) The concentration of capital and the consequent demands of industry for intervention from a promotional aspect.

(c) The greater division of labor and the consequent realization that various units in the economy are in fact interdependent. Thus, state intervention is needed to protect and advance the weaker elements; e.g., through regional economic planning.

(d) Improved communications which have increased the scope of the state's role and consequently reduced the need for local units of administration.

(e) The demand for efficiency in government, which has required, in practice, more specific and positive government.

(f) Technological developments, which in themselves have led to the need for increased government involvement and regulation (e.g., increased car ownership has produced attendant traffic and environmental problems),
The concept of environmental protection which may well operate as a contemporary influence on government intervention in order to prevent private exploitation and damage in this field.

**Some Effects of Administrative Growth**

The growth in size and functions of the government and administrative machine has had certain side results apart from problems directly associated with the growth; e.g., organizational and coordination problems. These problems are threefold:

(a) The alienation of the individual from the decision-making process.
(b) Difficulties in establishing the public will.
(c) Problems of state are accentuated in the roles between an interventionist and laissez-faire.

**Factors Affecting the Direction of Government**

Before any specific matters of party political controversy arise, there are certain factors in existence which affect the general direction of a government.

(a) Cultural attitudes both affect the direction of government in a positive sense, and also operate negatively to limit the activities of government. In the former case, for example, it will manifest itself in community attitudes towards the provision of basic services and, in the latter case, values and beliefs held by the community will operate to define boundaries between that which is considered to be in the political sphere and that which is an inappropriate area for anything other than peripheral government involvement.

(b) The general western belief in gradual evolution of government and, society as opposed to alterations based solely on pragmatic reasoning, operates to reduce resistance to change when it does take place.

**Public and Private Administration**

(a) The problem of identification with the unit of organization or overall government business organization.
(b) The greater size and diversity of government administration.
(c) The ultimate powers of the state in central government.
(d) Central administration's lack of freedom to act as a market innovator (it must conversely act to compress the various demands made upon it).
(e) The much greater number of varying viewpoints which must be considered in the government.
(f) The often simultaneous performance of competing functions in government administration process.
(g) The strict legal framework within which central administration must act.
(h) The limited discretion and freedom of public administrators.
The consistency of action demanded by the public of public administration.

The political control or influence under which public administration must always work.

The constraint placed on public administration by public attitudes.

Politics and Administration

As Paul Appleby pointed out, "In the sense that politics has to do with making government generally acceptable through the interplay of multiple interests, ideas and ideals in relation to government courses of action, even very lowly employees of government have at least an indirect part in it--the higher one goes in government, the greater the involvement in politics because of involvement in greater public concerns."

However, this involvement of administrators in politics is not to be construed as involvement in party politics and certain important differences exist between politicians and administrators; namely:

(a) Politicians are tied to political parties.

(b) A difference is also found at the level of responsibility; i.e., between the intra-organizational responsibility of the administrator and the party and wider public responsibility of the politician.

Policy and Administration

A particular fallacy in public administration is that view which holds that policy-making and administration can be either conceptually or practically separated.

Apart from the organizational, structural, and political problems cited above, administrators face the problem of modern management that laws are sociological in nature, -involve "equity" and often lead to public employee vs. administrator litigation. Some of these problems were covered in Module 6 in the context of human relations and motivation and Module 7 in the context of public sector collective bargaining. However, no treatment of public administration problems can be complete without mention of the EEO (Equal Employment Opportunity Act); and, more recently, the ERA (Equal Rights Amendment) regulations which have made a profound impact on state, local and federal administrators with regard to all aspects of public personnel administration. As women were the most dominant group affected by the application of these regulations in recent years, a special focus on "Women in Management" is presented.

Women in Management: Problems and Prospects

The American women today are for the first time in history, in a position to have control over their own lives. They have the potential to choose whether to marry or not; have children and when to have children; whom and when to marry; they also have the choice to complete an education and aspire to managerial roles. It is inevitable that women will want to fulfill their potential. Working women are a fact of life. With over 40 million women in the work force in the U.S., the time for new patterns of opportunities is now.
Federal, state, local governments and companies will pay millions of dollars in awards for violations of equal opportunity—mostly because of discrimination against women. In light of these new government regulations, organizations are now against women. Governing boards are now compelled to examine any practices that are discriminatory and court sanctions have been an important step forward to all women, especially those seeking management careers.

There is a need for more women in business; for women to become real participants in the major decisions affecting the country; to help determine what products, services and entertainment are to be produced and how they are to be produced. The decisions of large corporations as well as the decisions of government affect all of us.

Traditional Boy's Games and Their Effects on Business

Traditional boy's games are training grounds for life, preparation for adult imperatives of working with others, practical education for the discipline of business. The most popular games of baseball, football and basketball are all team sports, and a structured, organized team is a well defined social unit. Each individual member occupies a special niche on the team. The exigencies of team play mandate a higher good than the individual—the good of the team, the success of the common effort.

Team sports also teaches boys an awful lot about members of their own sex. The boys learn very early that all boys are not equally good at doing everything. Some can run faster, hit better and some are klutses at everything but insist on playing anyway. Some teammates are nice, some are mean and tough, some loudmouths, some are dumb and some very intelligent. Nevertheless, they must get along together, adjust to each other's personalities and competencies because a team needs a full complement of players to go into a game. Fighting among teammates is intolerable, an exhibition of poor sportsmanship which justifies removal of the troublemaker even if he's the most valuable or skill-d player. A player must abide by both the written and unwritten codes.

When boys grow up and enter the business world, they are already, for the most part, acclimated to the philosophy and spirit of the sporting environment. Grown-up girls thrown into the same environment are at a loss. There is nothing familiar about the atmosphere. Cooperative teamwork is a human relationship; it cannot be learned out of books but has to be practiced in action.

Margaret Mead, the foremost anthropologist of contemporary culture, says, "American women, as housewives, are the least cooperative women in the world. They can't even bear to have anyone in their kitchens . . . girls don't learn to cooperate with anybody." In direct contrast, she says, "This American sex culture gap seriously handicaps working women if they don't make up for their lack of teamwork experience, because cooperative ability is considered a prime requisite for management jobs. This deficiency (exhibited to management in their handling of other women especially) probably accounts for the majority of supervisory women being labeled unqualified for further advancement.

Most women, therefore, have not been conditioned for the team play that is essential in operating effectively in the informal organizational structure. Almost all boys learn early in life that you need to have eleven for a football team. With this training, they also learn about competition, taking criticism, winning and losing, and, of course, cooperation.
Male Hostilities Towards Women

The scarcity of women managers is due largely to the inertia caused by tradition. Most male managers have little interest in changing the situation and are often uncomfortable in dealing with female managers. At the same time, female managers may have feelings of self-doubt. Some of this type of conflict occurs because men feel threatened by women, they don't trust them in general or others may want to lock women into stereotyped social roles. The fiercest games occur when women try to gain power in the organization—which men consider strictly a male prerogative.

These conflicts games are sometimes very subtle and often use sexual ploys. Flattery, flirtation, bullying—all can be used as techniques to control women. Though men may not say or do it consciously, they are used to forcing women into social stereotypes. Often a male may go out of his way to flatter and praise women or call her affectionate names. These signals may be ways to put them down, segregate heir importance in the eyes of other men. A man would definitely not behave this way with another man in the same situation.

The chaos is due largely to the inability of men to recognize or their unwillingness to tolerate an unorthodox participant in their organization. The very presence of women in some companies can cause resentment. Male hostility to women is personal and subtle in business associations. Women may be seen as unwanted intruders into a previously safe male enclave.

Resentment and hostility towards competent women is therefore a fact of business life. It has less to do with the individual but rather an undercurrent in the work situation. Their weaknesses lie in thinking of women in stereotype such as a nurse, waitess, cook, secretary, teacher. When a woman doesn't fall into one of these common stereotypes, sometimes a man is unable to judge her.

Men will try to ignore women allies, patronize them and forever try to put them "back in their place," as mothers, wives or girlfriens. So, playing corporate politics is a game where individual women must find ways to outwit the system.

Profile of the Corporate Woman

The traditional woman has succeeded in corporations other than being the boss's daughter, wife, widow and or being a co-founder has been to start at the bottom and work hard without great expectations.

In 1978 Heidrick and Struggles, Inc., a management consulting firm, investigated 1,050 lead officers, and found two thirds had started work as clerical workers were 50 years of age or older when they became officers in the company. A majority reported having had mentors, though not as high a percentage of the male officers also investigated. Women who had mentors made significantly higher salaries than those who did not. The woman officer is changing. The 'typical' women officer, is over 50 years of age, has a low or middle income background, works for a no less than $30,000 per year. The younger officers are becoming more prosperous, are more likely to be college graduates, to have mentors and are more supportive of women's issues.

Increasingly, the M.B.A. is a woman's passport to better starting positions, which enables a woman to gain respect of her male colleagues.
Women's progress in business must still be seen more as a matter of numbers than of real commitment. Businesses are hiring women, but not promoting them enough. Margaret Hennig and Anne Jardim, co-directors of the Graduate Program in Management at Simmons College have done a remarkable analysis of women's jobs.

Pertinent job data from census figures and from major industries in which women are a majority and those employed (AT&T, insurance, banking, education, health, etc.) have calculated that over 60% of people in supervisory positions today are women! Their study was based on figures from 1972 since available statistical data is always years behind the times. The current figure today would well be over 75%.

Laws and Government Regulations Affecting Women

In recent years, many laws dealing with discrimination in employment have been enacted on both the federal and state levels. In addition, executive orders and guidelines have been issued. On the federal level there is Title VII of the Civil Rights Act, administered by the Equal Employment Opportunity Commission; Equal Pay Act and the Executive Orders commonly known as "Affirmative Action". Possible remedies include being hired for the job, the promotion, the salary, back pay, damages, affirmative action, injunctions, lawyers' fees and court costs.

In 1972, the Equal act amended Title VII, the Employment Opportunity Act was signed into law. The Civil Rights Act to forbid job discrimination on the basis of sex, race, religion, color or national origin. Title VII forbids an employer to discriminate between men and women with reference to hiring, discharge and compensation, and to terms, conditions or privileges of employment. The 1972 act which is a series of major amendments to Title VII of the Civil Rights Act of 1964 establishes for the first time in the federal government an independent agency which has the power to effectively bring to justice violators of these laws concluding the long lack of effective federal enforcement of equal employment opportunity.

This agency, the Equal Employment Opportunity Commission (EEOC) is nonpartisan in composition with five members appointed by the President with the advice and consent of the Senate. It is empowered to prevent any person from engaging in any unlawful employment practice and is charged with the responsibility of receiving complaints, notifying employers thereof and attempting to conciliate. Of the 1972 amendments, if conciliation cannot be reached, the EEOC is empowered. The commission or governmental organizations, employees of educational institutions, and employees of labor organizations with 15 or more employees.

Newly added to the guidelines in 1972 is a section covering employment policies relating to pregnancy and childbirth. These state that written or unwritten employment policies or practices which exclude applicants or employees from employment because of disabilities, caused, or from childbirth, and from recovery or sick leave plans empower the appropriate government agency to bring a civil action against the offender which may also include employees of state and local governments.

Any disability which accompanies pregnancy should be treated like any other temporary disability.
The Equal Pay Act of 1963—effective in 1964—amended the Fair Labor Standards Act to require that men and women performing equal work must receive equal pay. It prohibited discrimination in salaries including most fringe benefits on the basis of sex. The Equal Pay amendment did not protect employees in executive, administrative, or professional capacities—including academic administrative personnel or teachers in elementary or secondary schools, or outside salespeople.

On June 23, 1972, a section of the Education Amendments of 1972 provided another breakthrough for the working man. Section 906(b)(1) of the new law expanded coverage of the Equal Pay Act to include an estimated 15 million executive, administrative and professional men and women and outside sales people, an estimated four to five million of whom are women.

There is also a requirement to develop an affirmative action plan which will correct any inequities in employment that may exist. In cases where the contract exceeds $1 million, there must be a compliance review before the contract is awarded. The order says that affirmative action:

shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
Review Questions

1. What are some of the main problems associated with the traditional "Principle of public administration".

2. What are some of the problems associated with principles of human relations in administration?

3. What is meant by the political context of public administration and what are some of the problems associated with this aspect of public administration?

4. What effects have EEO and ERA legislation had on public administrators?

5. Do you agree with the arguments in the "Women in Management" section of this module? Why or why not?
SELECTED BIBLIOGRAPHY ON PUBLIC ADMINISTRATION
AND SELECTED TOPICS COVERED IN THIS STUDY GUIDE


