Chapter Four: Organizational Theory
As a citizen interested in government and as a former legislator, I had long believed that too many governmental programs are botched because they are started in haste without adequate planning or establishment of goals. Too often they never really attack the targeted problems.

Jimmy Carter
2002 Nobel Peace Prize recipient, then governor of Georgia, National Governors Conference, June 1974
Formal Theories of Organization

- Weber’s Bureaucratic Model
  - Division of labor/functional specialization
  - Hierarchy
  - Formal framework of rules and procedures
  - Maintenance of files
  - Professionalization
Formal Theories of Organization

- Weber’s model based on legal and political authority
  - Reaction to *patronage* system
  - Control
  - Broad framework
  - Focus on uniformity (not diversity)
Formal Theories of Organization

- Contemporary American public administration differs from Weber
  - Responsive to those outside hierarchy
  - **Functional overlap**
  - **Merit system** plus other personnel systems
  - Bureaucratic professionals
  - Only recent career emphasis
Formal Theories of Organization

- Taylor’s **Scientific Management**
  - Managerial focus
  - Adapts production practices and values
    - Efficiency
    - Rationality
    - Productivity
    - Profit
  - “One best way”
Formal Theories of Organization

- Scientific Management tools
  - Time-and-motion studies
  - Standardization
  - Task-related capabilities
Formal Theories of Organization

- Scientific Management shortcomings
  - Workers just “cogs in the machine”
  - Profit only motivation
  - Does not account for supply and demand

- But significant impact on private industry and public administration
Formal Theories of Organization

- Impact of Taylor
  - White’s *Introduction to the Study of Public Administration*
  - Principles of administration approach
The Human Relations School

- **Human relations approach**: worker’s noneconomic needs and motivations
- **Hawthorne studies** (1927-1932)
  - Hawthorne/halo effect
  - Importance of noneconomic incentives
The Human Relations School

- Barnard’s **zone of acceptance**
- Lewin’s leadership styles
  - Authoritarian
  - Laissez-faire
  - Democratic
- Emphasizes role of leadership in productivity
The Human Relations School

- Human relations shortcomings
  - Does not account for worker/manager conflict
  - Discounts effects of formal structure
  - Ignores role of technology
  - What is worker’s relationship to work itself?
Organizational Humanism

New assumptions about workers:
- Work intrinsically motivates
- Work satisfies many needs
- Work is a central life interest
- Workers can be self-motivating
Theory X and Theory Y Summary

<table>
<thead>
<tr>
<th>Underlying Belief System: Theory X</th>
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<tbody>
<tr>
<td>1. Most work is distasteful for most people.</td>
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<td>2. Most people prefer close and continuous direction.</td>
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<td>3. Most people can exercise little or no creativity in solving organizational problems.</td>
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<td>4. Motivation occurs mostly or only as a response to bread-and-butter issues—threat of punishment—and is strictly an individual matter.</td>
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<td>5. Most people can find work as natural as play if conditions permit.</td>
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<td>6. Most people prefer and can provide self-control in achieving organizational objectives.</td>
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<td>7. Most people can exercise significant creativity in solving organizational problems.</td>
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<td>8. Motivation often occurs in response to ego and social rewards, particularly under conditions of full employment, and motivation is often dependent upon groups.</td>
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Maslow’s Hierarchy of Needs

Organizational Humanism

Organizational humanism criticisms:

- Workers have widely varying needs
- Does everyone self-actualize?
- Money primary motivation for many
- Type of work affects motivation/satisfaction
Modern Organization Theory

- Separates facts from values
- Uses new empirical research methods
- Interdisciplinary
- Broader generalizations
Modern Organization Theory

- **Systems theory** approach
  - Inputs (and responses)
  - Outputs
  - Feedback
  - Further inputs
Simplified Model of a Political System

Modern Organization Theory

- **Closed systems**
  - Few internal variables/relationships
  - Little vulnerability to external environments

- **Open systems**
  - Highly complex, interdependent
  - Expectation of change and uncertainty
  - Seeks homeostasis
Modern Organization Theory

- **Information theory**: organizations require information to prevent chaos
- **Game theory**: competition
- **Theory Z**: greater communication, feedback and worker involvement
# Values/Characteristics of Theory Z

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<td>1. Emphasis on trust, subtlety, and intimacy</td>
<td>1. Permanent rather than short-term employment</td>
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<td>2. Increased involvement of workers leads to increased productivity</td>
<td>2. Slow rather than rapid promotions</td>
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<td>3. If workers have confidence in their managers and believe their</td>
<td>3. General rather than specialized career paths</td>
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<td>organizations are just and equitable, they will function well in</td>
<td></td>
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<td>uncertain environments, take risks for their organizations, and</td>
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<td>make personal sacrifices</td>
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<td>4. Good managers know the private lives of their employees</td>
<td>4. Collective decision making</td>
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<td>5. Collective accountability</td>
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<td>6. Decision making is &quot;bottom up&quot;</td>
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<td>7. Decisions are made slowly at each level, but</td>
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<td>final plans are rapidly implemented</td>
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Modern Organization Theory

- Total Quality Management
  - Empowered employees more committed to organizational goals
  - Statistical process control techniques
  - Appropriate for public sector?
  - Learning organizations
Organizational Dynamics and Behavior

- Process issues
  - Communication
  - Coordination

- Design issues
  - Line and staff activities
  - Centralization vs. decentralization
  - Tall vs. flat hierarchies
  - Alternative forms of organization
Organizational Dynamics and Behavior

- **Formal communications** (official, directed, proper channels)
- **Informal communications** (many sources, many audiences, broader)
- **Lateral or cross-functional communication** (relatively formal, but cuts across hierarchy)
Organizational Dynamics and Behavior

- Feedback can be formal or informal
  - Good news travels easily
  - Bad news often suppressed or rewritten
  - Upward communication becoming increasingly important to organizations
Organizational Dynamics and Behavior

- Dimensions of communication
  - Purpose
  - Obstacles
  - Consequences
Organizational Dynamics and Behavior

- Bargaining or conflict model
- Consensual or consensus-building model
- Communication style influences content, purpose, effectiveness and consequences of message
Organizational Dynamics and Behavior

- **Coordination**
  - Channels and mechanisms must be carefully established and maintained
  - Designed to reduce difficulties
  - Rarely neutral
  - Obstacles include differing goals, preferences, uneven fiscal resources, political pressures, poor organization or leadership, communication breakdowns
Organizational Dynamics and Behavior

- Improving coordination
  - Role of leadership
  - Central coordination
  - Mutual adjustment
  - More difficult to achieve in complex organizations
Organizational Dynamics and Behavior

- Line functions vs. Staff functions
- Interaction important in public administration
- Some conflicts inevitable
- Traditional distinctions becoming blurred
Centralization and Decentralization

- **Centralization** is traditional approach
  - Control, internal program consistency
  - Orderly operations
  - Lack of flexibility and adaptability

- **Decentralization** becoming more acceptable
  - Adaptive and responsive
  - Increases meaningful participation
  - Decreases accountability
Flattening Organizational Hierarchies

Tall Hierarchy
- Diversity of tasks
- Narrow span of control (efficient)
- Higher level employees seen as more professional
- Growing complexity of tasks

Flat Hierarchy
- Top management is collegial; lower levels seen as equal
- Work groups may not have designated leader
- Decision-making shared
Tall and Flat Hierarchies
Alternative Forms of Organization

- End to hierarchy and competition
- Bennis’ participative management
- Reverse pyramid
Organization Theory and Behavior in Perspective

- Organizations continually changing
  - Most not fully closed or open
  - Increasing interdependence
  - Shift from formal hierarchy to more worker participation/team direction
- New values = new challenges