



MODERN ORGANISATIONS by AMITAI ETZIONI

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ORGANISATIONS DEFINED

Organizations are social units deliberately constructed and reconstructed to seek specific goals. Corporations, armies, schools, hospitals, churches, and prisons are included; tribes, classes, ethnic groups, friendship groups and families are excluded. Organizations are characterized by:

- 1) Divisions of labor, power, and communication responsibilities, divisions, which are not random or traditionally patterned, but deliberately planned to enhance the realization of specific goals.
- 2) The presence of one or more power centers which control the concerted efforts of the organization and direct them toward its goals; these power centers also must review continuously the organization's performance and re-pattern its structure, where necessary, to increase its efficiency.
- 3) Substitution of personnel i.e., unsatisfactory persons can be removed and others assigned their tasks. The organization can also recombine its personnel through transfer and promotion

There are many synonyms for the term, organization. Like bureaucracy, but it has two disadvantages. First, bureaucracy often carries a negative connotation for the layman. Second, bureaucracy implies that the unit is organized according to the principles specified by Weber, which is not the case with many organizations.

The book follows the definition of organizations as social units that pursue specific goals, which they are structured to serve, under some social circumstances. Therefore, the book has three foci: organizational goals; organizational structure; and organizations and their social environment.

THE NATURE OF ORGANISATIONAL GOALS

An organizational goal is the desired state of affairs, which the organization attempts to realize. The organization may or may not be able to bring about this desired image of the future. But if the goal is reached, it ceases to be a guiding image for the organization and is assimilated to the organization or its environment. The real goals of the organization are those future states toward which a majority of the organization's means and the major organizational commitments of the participants are directed, and which, in cases of conflict with goals, which are stated but command few resources, have clear priority.

How goals are set: there are many factors that enter into the struggle to determine an organization's goals. Organizational departments or divisions often play a prominent role in the process. Personalities are another important determinant. When a strong leader has established himself in the key position of president or executive – director, it is very difficult to unseat him.

The danger of 'over – measurement': Organizations are constructed to be the most efficient and effective social units. The actual effectiveness of a specific organization is determined by the degree to which it realizes its goals. The efficiency of an organization is determined by the amount of resources used to produce a unit of output. Measuring effectiveness and efficiency raises several thorny problems. When an organization has a goal, which is limited and concrete, it is comparatively easy to measure effectiveness. But when we come to organizations whose output is not material, statements about effectiveness are extremely difficult to validate. The same problem attends measuring efficiency and such related concepts as output, productivity and costs. The distortion of goals that arises from over – measurement of some aspects of the organizations output to the detriment of others is a larger category of distortion that arises in the relations of organizations to their goals. Distortions due to over measurement are comparatively mild, since the main goals of the organization remain intact, though certain aspects of these goals become over – emphasized at the expense of other sometimes more important ones. Goals – displacement is much more detrimental.



GOAL MODELS AND SYSTEM MODELS

The goal model approach defies success as a complete or at least a substantial realization of the organizational goal. It is not the only means of evaluating success. Rather than comparing existing organizations to ideals of what they might be, we may assess their performances relative to one another.

Using a system model we are able to see a basic distortion in the analysis of organizations that is not visible or explicable from the perspective of goal – model evaluation. The latter approach expects organizational effectiveness to increase with the assignment of more means to the organizations goals.

The system model is not free from drawbacks; it is more exacting and expensive when used for research. The goal model requires that the researcher determine the goals the organization is pursuing – and no more. A well – developed organizational theory will include statements on the functional requirements various organizational types must meet. An awareness of the needs of the organization to operate successfully will guide the researcher who is constructing a system model for study of a specific organization. At present, organizational theory is generally constructed on a high level of abstraction, dealing mainly with general propositions, which apply equally well but also equally badly to all organizations. The differences among various organizational types are considerable; therefore any theory of organizations in general must be highly abstract. Instead of focusing on goals of the delivery service organizations, three indices were constructed each measuring one basic element of the system. These were;

- 1) Station productivity
- 2) Intra organizational strain as indicated by the incidence of tension and conflict among organizational subgroups
- 3) Organizational flexibility

SURVIVAL AND EFFECTIVENESS MODELS

A system model constitutes a statement about relationships, which, if actually existing, would allow an organization to maintain itself and to operate. There are two major sub – types of system models. One may be called as the **Survival model** – a set of requirements that, if fulfilled, allows the system to exist. The second sub – type is the **Effectiveness model** which defines a pattern of interrelations among the elements of the system. There is considerable difference between the two sub models. Alternatives, which are equally satisfactory from the viewpoint of the survival model, have a different value from the viewpoint of the effectiveness model. The survival model will not record significant changes in organizational operations; the model only asks whether the basic requirements of the organization are being met.

THE CLASSICAL APPROACH

The search for greater effectiveness and efficiency in organizations gave rise to the Classical Theory of Administration, or more appropriately Scientific Management. Workers were seen as motivated by economic rewards and a clearly defined division of labor characterized the organization with highly specialized personnel and by a distinct hierarchy of authority. Another theory, which came into existence, was Human Relations. In contrast to Classical Theory, Human Relations emphasized the emotional, unplanned, non – rational elements in organizational behavior. It discovered the significance of friendship and social groupings of workers for the organization. It also pointed out the importance of leadership in the organization and of emotional communication and participation. The Classical approach recognized no conflict between man and organization. It viewed the organization from a highly managerial standpoint. It assumed that what was good for management was good for the workers. The Classical school argued that hard and efficient labor will in the end pay off for both groups by increasing the effectiveness of the organization: Higher productivity leads to higher profits which in turn lead to higher pay and greater worker satisfaction.

THE CLASSICAL MOTIVATIONAL THEORY



The Classical approach contained both a theory of motivation and one of organization. The central contribution to the motivation theory made by Fredrick Taylor became known as **Scientific Management**. Scientific Management combines a study of physical capabilities of a worker, as still done in time and motion studies with an economic approach which views man as driven by the fear of hunger and the search of profit. The central tenet of the approach is that if material rewards are closely related to work efforts, the worker will respond with the maximum performance, he is physically capable of.

The following are some typical propositions of Scientific Management:-

- 1) The two hands should begin and complete their motions simultaneously.
- 2) Smooth, continuous motions of the hands are preferable to zigzag or straight line motions involving sudden and sharp changes in direction.
- 3) Proper illumination increases productivity.
- 4) There should be a definite and fixed place for all the tools and materials.

THE CLASSICAL ORGANIZATIONAL THEORY

The Classical administration theory, presented in works by Gulick and Urwick, made the division of labor its central tenet. The Classical approach rests firmly on the assumption that the more a particular job can be broken down into its simplest component parts, the more specialized consequently the more skilled a worker can become in carrying out his part of the job. The division of labor has to be balanced by a unity of control. The tasks have to be broken up into components by a central authority in line with a central plan of action; the efforts of each work unit need to be supervised; and the various job efforts leading to the final product have to be coordinated. This leads to a pyramid of control leading up to one top executive. In this way, the whole organizations can be controlled from one center of authority.

There are one to four basic principles which propose for specialized work in the organization and which will lead to optimal division of labor and authority:-

- 1) The first principle stated that specialization should be by purpose of the task. Workers who serve similar goals and sub- goals in the organization should be attached to the same organizational division. There would be as many divisions in the organization as there are goals or sub goals.
- 2) The second principle of specialization suggests that all work based on a particular process should be grouped together, since it must share a special fund of knowledge and requires the use of similar skills or procedures.
- 3) The third principle states that specialization according to type of client is another basis for division of labor.
- 4) The fourth principle says that jobs performed in the same geographical area should be placed together.

DECISION – MAKING THEORY

The theory of decision – making is a non- organizational theory that deals with decisions made by individuals. Decision – making itself is divided in a way that makes the higher- in- rank set the wider policy lines while the lower echelon administrators break the policy down into more detailed decisions. In this way, the whole organization can be viewed as an efficient tool, with general policy – making concentrated at the top, policy specification carried out by the middle ranks, and actual work performance carried out by the lower ranks.

ORGANISATION STRUCTURE

The structuralist approach is a synthesis of Classical school (formal) and the Human relations (informal). The structuralist sees the organization as a large, complex social unit in which many social groups interact. While these groups share some interests, they have other incompatible interests. Two groups within the organization whose interests frequently come into conflict are management and the workers. The structuralists attempt to find some clues to the source of dissatisfaction of the workers:



- 1) It is observed that the modern factory hand is alienated from his work since he owns neither the means of production nor the product of his labor.
- 2) The worker has little conception of the whole work process or of his contribution to it; his work is meaningless.
- 3) He has little control over the time at which his work starts and stops or over the pace at which it is carried out.

THE BUREAUCRATIC STRUCTURE

The features of the bureaucratic structure are as follows:-

- 1) It is a continuous organization of officials bound by rules, which facilitate standardization and equality in the treatment of many cases.
- 2) It provides a specific sphere of competence which involves:-
 - a) a sphere of obligations to perform functions which have been marked off as part of a systematic division of labor,
 - b) The provision of incumbent with the necessary authority to carry out these functions, and
 - c) The necessary means of compulsion should be clearly defined
- 3) The organization of offices follows the principle of hierarchy; each lower office is under the control and supervision of a higher one.
- 4) The rules which regulate the conduct of an office may be technical rules or norms
- 5) It is a matter of principle that the members of the administrative staff should be completely separated from ownership of the means of production or administration.
- 6) In order to enhance the organizational freedom, the resources of the organization have to be freed of any outside control and the incumbent cannot monopolize the positions.
- 7) Administrative acts, decisions, and rules are formulated and recorded in writing.

ORGANISATIONAL CONTROL AND LEADERSHIP

Classification of means of control: The means of control applied by an organization can be classified into three analytical categories

- a) Physical control: the use of gun, a whip or a lock, the threat to use physical sanctions is all examples of physical control. Control based on application of physical means is ascribed as **coercive power**.
- b) Material control: Material reward consists of goods and services. The granting of money, which allows one to acquire goods and services, is classified as material because the effect on the recipient is similar to that of material means. The use of material means for control purposes constitutes **utilitarian power**.
- c) Symbolic control: these include normative symbols, those of prestige and esteem and social symbols those of love and acceptance. The use of symbols for control purposes is referred to as **normative, normative – social, or social – power**.

Leadership: The power of an organization to control its members rests either in specific positions, a person, or a combination of both. Personal power is always normative power; it is based on the manipulation of symbols and it serves to generate commitment to the person who commands it. Positional power may be normative, coercive, or utilitarian. An individual whose power is chiefly derived from an organizational position is referred to as **official**. An individual whose ability to control others is chiefly personal is referred to as an **informal leader**. One who commands both positional and personal power is a **formal leader**.

In organizations which tend to use coercion extensively, and whose lower ranks tend to be extremely alienated, control of work for the organization and behavior tends to be divided between officials and informal leaders. In organizations, which rely predominantly on normative controls, there tend to be few “officials” and few informal leaders; formal leaders effectively control most of the organizational participants. Formal leaders in normative organizations are successful in exercising instrumental and expressive control, although they are more concerned with controlling expressive activities. Control in utilitarian organizations is more evenly divided among organizational officials, formal leaders, and informal leaders of the employees.



Coercive organizations are built on the assumption that the officials cannot attain any leadership over the inmates and hence are equipped to deal with them by other means. Utilitarian organizations can function quite effectively with formal leadership of instrumental and some expressive activities; normative organizations seem to be the only type that requires considerable formal leadership for operation and even these might do well with formal control of expressive activities and only some of the instrumental ones.

ORGANISATIONAL CONTROL AND OTHER CORRELATES

The aim of organizational control is to ensure that rules are obeyed and orders followed. If an organization could recruit individuals who would conform on their own, or could educate its members so that they would conform without supervision, then there would be no need for control.

The role of recruitment, or selection, should be especially emphasized; the liberal – humanist tradition, which prevails in the social sciences, tends to underplay its importance and to stress that of socialization. Actually, various studies indicate that a small increase in the selectivity of an organization often results in a disproportionately large decrease in the investments required for control.

The degree to which an organization selects its participants affects its control needs in terms of the amount of resources and effort it must invest to maintain the level of control considered adequate in view of its goal. This degree of selection varies among the three types of organizations. Coercive organizations are the least selective, accepting virtually everyone sent by such external agencies as the courts and the police.

When efforts are made to reduce coercion and to increase the use of other means of control – as when a rehabilitation program is tried in a prison, or a therapy program is launched in a custodial mental hospital – attempts are made to screen out the “toughest” inmates, to increase and improve the selection of new ones, and to re – select continuously the participants in a particular “open” ward. This has another interesting side effect: it maintains the appearance of an organization, which relies highly on normative control while actually it relies indirectly on coercive control.

Unlike typical coercive organizations, typical utilitarian organizations are highly selective. They often employ formal mechanisms – e.g., examinations, psychological tests, and probation periods – to improve the selection of participants. All other things being equal, the higher the rank of participant, the more carefully he is recruited and the less he is controlled once selected.

Finally, normative organizations vary primarily in their degree of selectivity. Some are extremely selective – most religious sects. Other religious organizations are highly unselective. In general, the more selective organizations are more effective and induce a deeper commitment from their participants than do organizations of lower selectivity. It should be pointed out, however, that these differences in effectiveness and commitment are only partial consequences of higher selectivity; in part they are due to other factors which tend to be associated with selectivity; but are not results of it. Highly selective organizations are generally richer and hence have more facilities available for achieving their goals.

Selection is based on the qualities of participants as they enter the organization; organizational socialization subsequently adapts these qualities to make them similar to those required for satisfactory performance of organizational roles. In short, the more effective the organization, the less the need for control. Socialization itself is affected by the means of control used, since some kinds of control more than others create a relationship between higher and lower ranks that is conducive to effective socialization. Organizations, which rely heavily on normative power, are the most successful in terms of their socialization achievements. Socialization and selection can partially substitute for each other; i.e., high selectivity and a high level of organizational socialization can maintain the same level of control. Thus, the amount of control needed is lower when selectivity and socialization are both high.

In general, the more pervasive an organization is, the greater the efforts required to maintain effective control. Highly pervasive organizations, especially those that set norms for activities carried outside the organization, almost inevitably have to stress normative control over their extra – organizational behavior. Low pervasiveness, on the other hand, can be enforced by any of the three types of means or combinations thereof, especially if the norms enforced are those, which require mainly visible conformity and little “invisible” conformity. A factor, which is substantively related to, but analytically distinct from pervasiveness is



organizational scope, which is determined by the number of activities carried out jointly by the participant's in a particular organization.

An organization might set norms for more kinds of activities than are carried out jointly by participants or it might set norms for fewer activities than the joint ones. High scope enhances normative control, is a necessary condition of coercive control, and seems to affect utilitarian control negatively. High scope enhances normative control because it separates the participants from social groups other than the organization and tends to increase their involvement in it.

Corporations were advised to provide their workers with educational, recreational, and residential facilities. However, in the last decade, the tendency has been or corporations to reduce their scope in these areas without loss and probably with some gain in the effectiveness of their control structures. In cases, where the organization did not take the initiative to reduce scope, the employees often did.

Tensions generated in one unit are released in another by changing partners, thus "localizing" rather than "totalizing" conflicts, and by shifting back and forth between social units in which rational, efficient behavior is demanded and those in which the norm is no rational behavior. Those utilitarian organizations which have a high scope of, which fuse work and non-work units, prevent both the localization of conflict and the shift of participants to units relatively free of considerations. Attempts to reduce the use of coercion and to rely more on normative power, as when rehabilitation or therapeutic programs are introduced, are frequently associated with efforts to reduce scope by allowing more visits by outsiders, initiating programs of work outside the prison, allowing mental patients to spend week ends or the night at home, and the like.

To use coercion, an organization needs social license. The state is jealous of its coercive power and is reluctant to delegate it.

The environmental conditions affecting an organization's normative power are less clear, the presence or absence of competitive organizations seems to be important here; the normative power of a church seems to be higher in countries in which it represents the whole religion than in countries where it must compete with other religions and secular ideologies. The same environment has different effects on different types of organization which are due in part to some difference in the environment hidden, behind the seemingly identical categories of "community," "politicians".

ADMINISTRATIVE AND PROFESSIONAL AUTHORITY

Probably the most important structural dilemma is the inevitable strain imposed on the organization by the use of knowledge. The higher the rank of official, the better equipped he tends to be either in terms of formal education or in terms of merit and experience. Examinations and promotions help to establish such an association between rank and knowledge. One could argue that when the superiority of knowledge requirement is not fulfilled, when the higher in rank knows less or has a lower IQ than the lower in rank, his orders might still be followed because of his power to enforce them. Hence the official would have power, but not authority. The most basic principle of administrative authority and the most basic principle of authority based in knowledge – or professional authority – not only are not identical but also are quite incompatible.

ADMINISTRATIVE V/S PROFESSIONAL AUTHORITY

Administration assumes a power of hierarchy. The higher rank has more power than the lower ones and hence can control and coordinate the latter's activities, the basic principle of administration is violated. Knowledge is largely an individual property; unlike other organization means, it cannot be transferred from one person to another by decree. Even the application of knowledge is basically an individual act, at least in the sense that the individual professional has the ultimate responsibility of his professional decision. In other words, the ultimate justification for a professional act is that it is, to the best of professional knowledge, the right act. He might consult his colleagues before he acts, but the decision is his. If he errs, his peers will defend his ill. The ultimate justification of an administrative act, however, is that it is in line with the organization's rules and regulations, and that it has been approved – directly or by implication – by a superior rank.



THE ORGANISATION OF KNOWLEDGE

The question is how to create and use knowledge without undermining the organization. Most professional work at this level is carried out within organizations rather than in private practice, and it is more given to supervision by persons higher in rank. To some degree, organizations circumvent the problem of knowledge by “buying” it from the outside, as when a corporation contracts for a market study from a research organization; i.e., it specifies the type of knowledge it needs and it agrees with the research group on price, but then it largely withdraws from control over the professional work. There are three basic ways in which knowledge is handled within organizations:

- 1) Knowledge is produced, applied preserved, or communicated in organizations especially established for these purposes. These are professional organizations, which are characterized not only by the goals they pursue but also by the high proportion of professionals on their staff. Professional organizations include universities, colleges, most schools, and research organizations. “Pure” professional organizations are primarily devoted to the creation and application of knowledge; their professionals are usually protected in their work by the guarantee of privileged communication. Semi – professional organizations are more concerned with the communication and, to a lesser extent, the application of knowledge, and their professionals are less likely to be guaranteed the right of privileged communications.
- 2) Service organizations in which professionals are provided with the instruments, facilities, and auxiliary staff required for their work. The professionals however are not employed by the organization nor subordinated to its administrators.
- 3) Professionals may be employed by organizations whose goals are non – professional, such as industrial and military establishments. Here professionals are often assigned to special divisions or positions, which to one degree or another take into account their special needs.

PROFESSIONAL AUTHORITY IN NON – PROFESSIONAL ORGANISATIONS

The goal of private business is to make profits. The major means are production and exchange. While professionals deal with various aspects of the production and exchange process – that is, with means as such as engineering, quality control and marketing – the manager is expected to coordinate the various activities in such a way that the major organizational goal – profit making – will be maximized. This seems to be one of the reasons why modern corporations prefer to have as top executives people with administrative experience rather than professionals. The goals of private business are consistent with administrative orientations. Professional and economic orientations are less compatible. When people with strong professional orientations take over managerial roles, a conflict between the organizational goals and the professional orientation usually occurs. Finally the organizational power structure was changed toward a more usual structure, with the professionally minded more clearly subordinated. The organizational authority structure was made more compatible with the goals of the organization. Orientations of the managers and the goals of the private business seem to match. When a professional orientation dominates, this tends to “displace” the profit goal of privately owned economic organizations.

The manager directs the major goal activities; the professionals deal with knowledge as a means, and with the knowledge aspect of other means. They are in a subordinate position to the managers. Thus, in cases of conflict between the two criteria for decision – making, the organizational power structure is slanted in favor of the administrative authority. Professional subordinates are treated differently from regular subordinates; they are not treated as are lower ranks in a line structure, but as “staff”, a term which designates positions outside the regular chain of command or “line” and implies a certain amount of autonomy. The staff has no administrative authority whatsoever. It advises the administrators on what action to take. The staff does not issue orders to those lower in rank; if it desires any action or correction, this must be achieved through those in the line rank. The staff, while advising the line on various issues, also takes responsibility for limited areas of activity. That is, on some matters the staff directly issues orders to the lower participants. The line is identified with administrative authority



and the staff with professional authority as there is a high correlation between staff and professionals, and between line and non – professionals.

PROFESSIONALS IN PROFESSIONAL ORGANISATIONS

In professional organizations administrators are in charge of secondary activities; they administer means to the major goal activity carried out by professionals. In other words, to the extent that there is a staff – line relationship at all, professionals should hold the major authority and administrators the secondary staff authority.

There are three areas of activity in professional organizations:

- a) Major goal activities carried out by professionals and almost completely under the authority of the professional who performs the activity or directs the semi – professionals and non – professionals who perform it
- b) Secondary activities performed by administrators and non – professional personnel under their control
- c) Secondary activities performed by the professionals

THE SEMI – PROFESSIONAL ORGANISATIONS

In semi – professional organization, the professional authority is related to the administrative authority in a different way. Professional work here has less autonomy that is it is more controlled by those higher in ranks and less subject to the discretion of the professional. Second, the semi – professionals often have skills and personality traits more compatible with administration. The most typical semi – professional organization is the primary school whose goal is to communicate rather than apply knowledge.

THE ORGANISATIONAL REVOLUTION

A central element of modernization is the development of many large organizations. It is only with modernization that there emerged such a great number of organizations, characterized by a relative “purity” of structure, encompassing a large part of the population, and penetrating into a wide spectrum of social spheres.

The main sociological characteristic of modernization is differentiation. Differentiation is but viewed against the background of a traditional society. Small simple societies fulfill the same basic social functions as large, complex ones. The process of modernization is one in which old functions are more efficiently served rather than one in which new functions emerges. This gain in efficiency is largely achieved by differentiation. Differentiation is essential for the organizational revolution for two reasons. First, it allows the establishment of new social units devoted to specific functions. Second, it makes possible the formation of “artificial” social units, deliberately designed for the efficient service of these functions.

Modern organizational society requires a different kind of personality:-

- a) He should be accustomed to shuttling back and forth between different social units, especially between the family and the residential community on the one hand and work organization on the other.
- b) A high tolerance for frustration and the ability to defer gratification.
- c) He should be achievement oriented i.e., the psychic urge to achieve higher material and symbolic rewards

FUTURE TRENDS OF ORGANISATIONAL SOCIETIES

The general trend in less developed societies is toward more differentiation and the establishment of a greater number and larger variety of more encompassing organizations. Since it is quite possible to establish organization even when many of the cultural and psychological prerequisites of effective organizational behavior are not present, we are not surprised to find in these countries an unusually large variety of organizational ills including corruption; nepotism and favoritism; bribery; and simple inefficiency due to such things as ignorance, lack of motivation, lack of facilities, and poor coordination.

The trend in modern democratic societies has been to try and find out a new balance between the organizational demands placed on participants and their personal extra organizational needs. Within the



organization, social and personal considerations have gained in importance, as compared to the traditional concern for production and administrative efficiency.