

Principles of Organization.

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Today's Readings

- a. Gulick Luther. Notes on the theory of organization with special reference to Government in the United States, in: Gulick Luther and Urwick L. Papers on the Science of Administration. New York: Columbia University - Institute of Public Administration; 1937; pp. 1-45.
- b. Mooney James D. The Principles of Organization. in: Gulick Luther and Urwick L. Papers on the Science of Administration. New York: Columbia University - Institute of Public Administration; 1937; pp. 89-98.

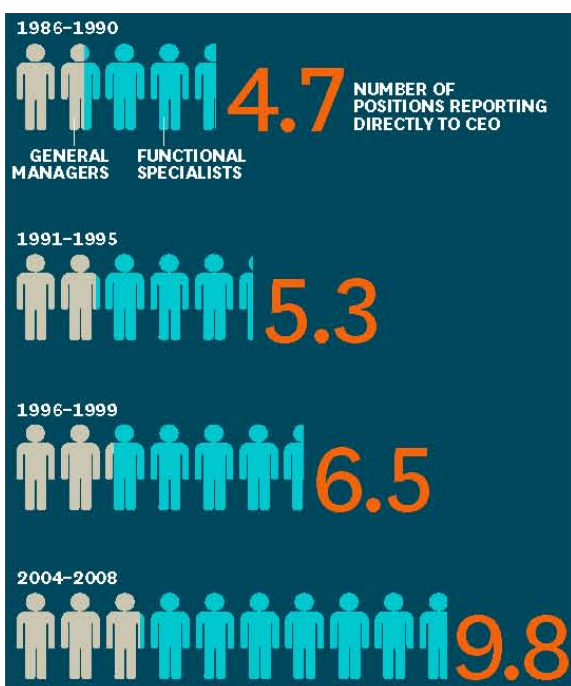


Span of Control Or Span of Managerial Responsibility

- The number of people a supervisor can effectively manage.
- Manager's relationships with deputies:
 - ▶ Direct single relationships with each subordinate.
 - ▶ Cross relationships between deputies (dy).
 - ▶ Direct group relationships.
- Quantum of relationships grow geometrically as # of dy increase.
- There is a tradeoff:
 - ▶ Larger spans \Rightarrow Fewer Supervisors \Rightarrow \downarrow Supervision costs.
 - ▶ Too large span \Rightarrow Supervision is not effective.
- Factors affecting span of control:
 - ▶ Capacity of managers, deputies and workers.
 - ▶ Work & its complexity, org. design, delegations, technology & culture.
- VA Graicunas, 1933: Avg. manager can directly handle 3-6 deputies.
- Davis (1951): Two categories of managerial work;
 - ▶ Supervision of physical work, e.g. shop floor: Span upto 30.
 - ▶ Supervise mental activity / higher level managers: Span between 3-8.



Recent Trends in Span of Control



- CEOs' Span of Control has doubled over the past two decades.
- Data from sample of Fortune 500 companies show a dramatic increase in number of positions that answer directly to the CEO. Most of the rise is due to the growing presence of functional specialists at the top level.
- Source: Raghuram G. Rajan & Julie Wulf "The Flattening Firm, Review of Econ. And Stat, Nov 2006, cited in Neilson Gary L and Wulf Julie. How Many Direct Report? Harvard Business Review. 2012 Apr.

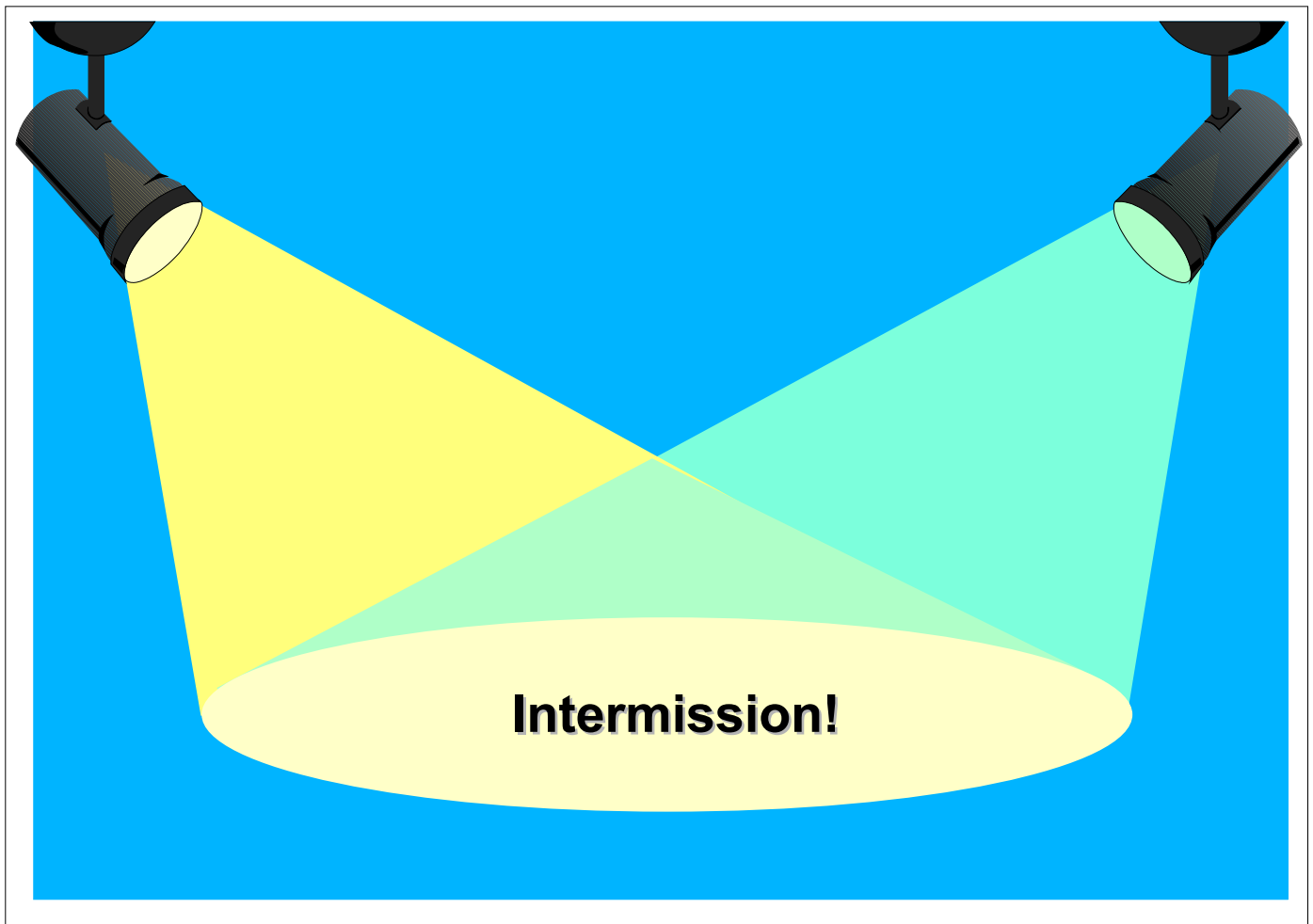
Solutions to Span of Control Constraint

- Effective Delegation & Exception Handling.
- Span breaker: Hive-off a segment of the old span of control and place it in-charge of a deputy with adequate delegation of authority.
- Examples:
 - ▶ Distribution of subjects between District Collector, Joint Collector, & District Rev. Officer [GOMs77 (Rev) dt 22-01-68]
 - ▶ City of New York Reorganization in 1934: Subdivision of the executive (Mayor role) by creation of several Asst. Mayors.
- Typical mistakes:
 - ▶ Working toward a magic number.
 - ▶ Rushing to the end state model.
 - ▶ Sticking with an out-of-date management style.



Unity of Command

- The principle that each person within an organization reports to only one designated boss.
- Advantages: Clear Authority, Responsibility & Accountability. Good discipline. Avoids confusion.
- Disadvantages: Low-responsive to local context, Difficult intersectoral coordination, Work congestion at top levels, Poor leadership dev.
- Solutions:
 - ▶ Fayol's bridge (Gang plank): Departmental authority for field level intersectoral coordination.
 - ▶ Formal single window mechanisms.
 - ▶ Empowered intersectoral coordination forums.
- Special Situations: For eg. Fin & Ac Officers.



Technical homogeneity of work

- Efficiency of a group working together is directly related to homogeneity of the work, the processes, and the purpose.
 - ▶ ⇒ Units equipped with heterogeneous technology, and/ or assigned a variety of works for conflicting purposes tend to encounter friction & inefficiency.
 - ▶ Examples:
 - Drug Control Adm. & Pharmaceutical Ind.
 - School Edu. & Agrl. Dev.
 - Hospitals in Public Health Dept.: Recall formation of APVVP in 1987.

Caution about Experts in Govt Ser.

[Educators, Lawyers, Doctors, Engineers, Accountants, &c]

- Great desire for complete indep. in the service of the soc.
- Exactly know people's need > than the people themselves.
- Know how to render the service.
- Utterly oblivious of all other needs.
- Any restraint is limitation of their freedom.
- Any criticism springs from 'ignorance & jealousy'.
- Budget ↑ for him=public interest, for others='a sheer waste'.
- His efforts to expand are 'public education' & 'civic org.',
- Similar efforts by others are 'propaganda' and 'politics'.
- Tend to assume automatic extension of their professional competence to other areas such as adm. & management.

Deal professionals with respect. Show deference & facilitate good working env.

Moral: Common man is a better judge.

Organizational Perspectives-1

- | | |
|-----------------------------------------------------|------------------------------------------------------------------|
| ■ Top down | ■ Bottom up |
| ▶ Central management | ▶ Service delivery |
| ▶ System of sub divisions under the Chief Executive | ▶ System of aggregates of units reporting to the Chief Executive |
| ▶ Span of control limitations apply | ▶ Principles of homogeneity apply. |
| ■ Caution: Keep the service goal in mind. | ■ Caution: Make sure of org. coordination |

In practice reconcile both perspectives.

Organizational Perspectives-2

■ Purpose driven (Vertical):

- ▶ Dept. is org. to perform an imp. ser.
- ▶ Fully equipped with all ancillary & support ser. required by it.

- Core management
- Specific personnel.
- Sup per. common to other depts.
- Eg: Irrigation Projects.

▶ Advantages:

- Autonomy & easier coordn.
- Timely service delivery
- Clear authrty & responsibility

▶ Disadvantages:

- Suboptimal utilizn of support infra.
- Continuing educ & prof. dev. of support per. may be neglected.
- Limited career dev. for supp. per.

■ Process driven (Horizontal):

- ▶ Support ser. org. as one dept.
- ▶ Supports all purpose driven depts.
- ▶ Eg. PWD(R&B) for building maint.

■ Advantage:

- ▶ Uniform professional guidelines for support personnel.
- ▶ Continuing educ. & professional dev. of support personnel.
- ▶ Optimal utilization of support infrastructure.
- ▶ Economies of scale.

■ Disadvantages:

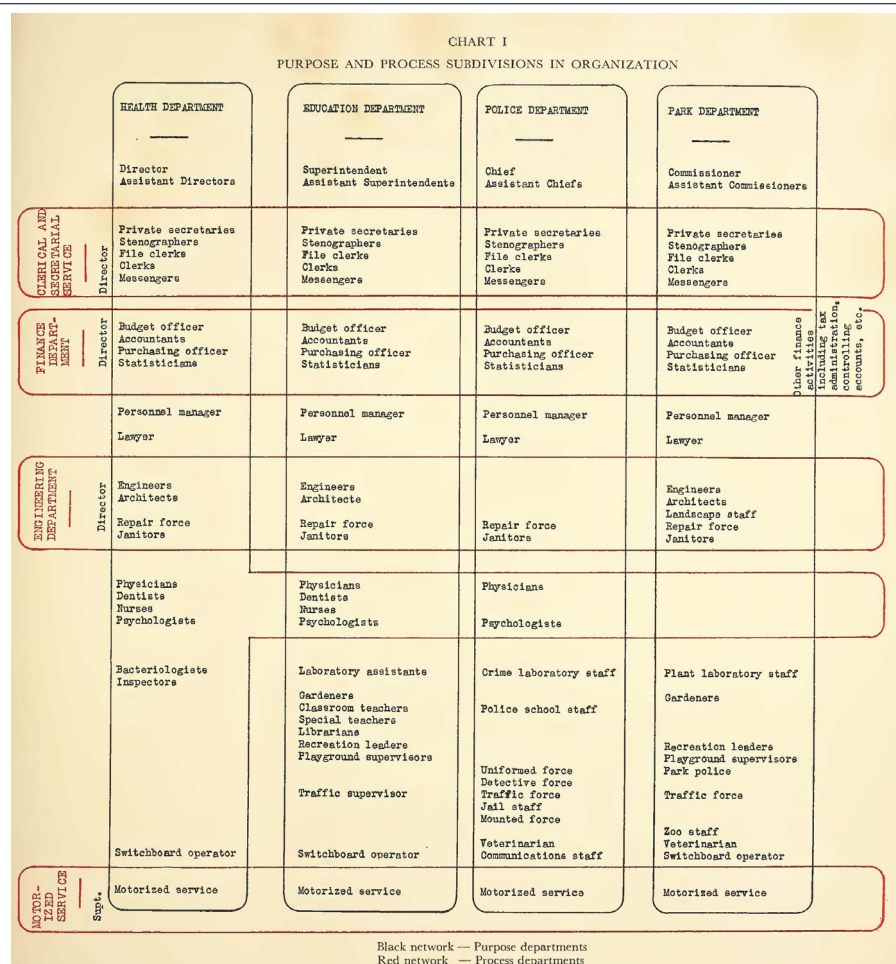
- ▶ Dependency & difficult coordn.
- ▶ Delayed or poor quality of service.
- ▶ Diffused authority & responsibility.

Purpose Perspective in Gullick's Illustration of Purpose & Process Subdivisions in Organization

CPage76

Black: Purpose depts.

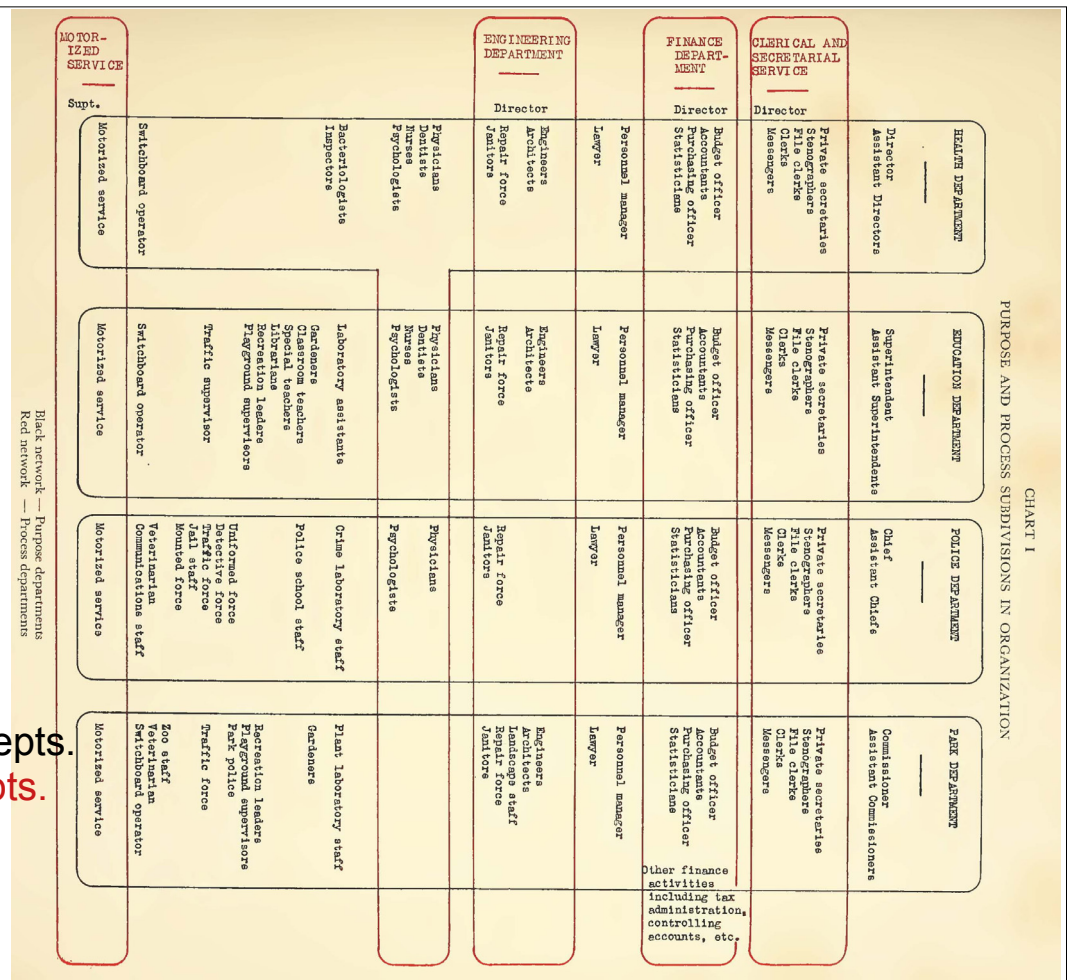
Red: Process depts.



Process Perspective in Gullick's Illustration of Purpose & Process Subdivisions in Org.

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Black: Purpose depts.
Red: Process depts.



Client Oriented Organization

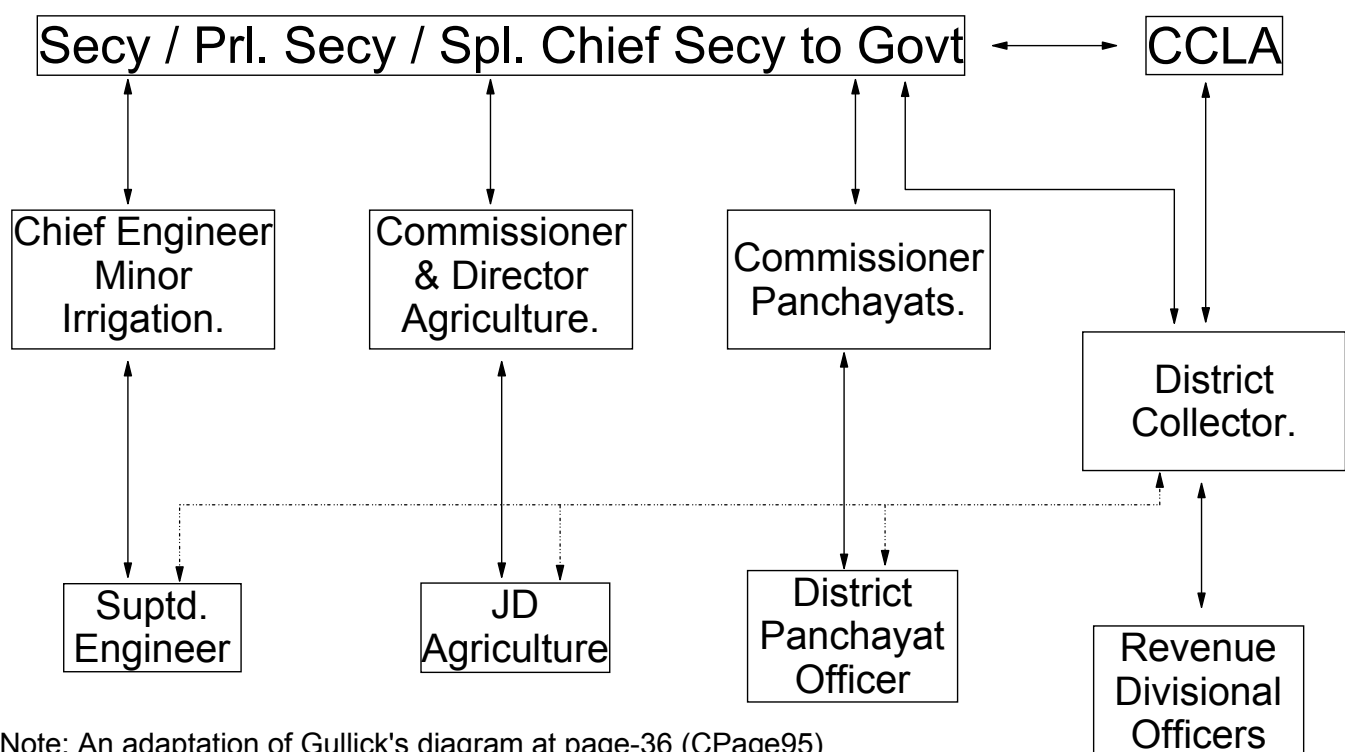
- Examples:
 - The Welfare Departments
 - Social Welfare
 - Backward Classes Welfare
 - Etc.
- Disadvantages:
 - Focussed political lobbying, tending to isolate the department from state wide policy.



Geographical Perspectives for Organization

- Unified command & coordination of several purpose or process driven and client focused units in a territorial entity.
- Inevitable for large & dispersed areas. Eg. Districts in India.
- Social, political & historical considerations. Eg. Yanam (Pondicherry), Gorkhaland Territorial Admn. (West Bengal).
- Community development and local self govt. Eg. Mandal Development Parishads.
- Advantages: Accessibility, Context specific & need based service, community participation, accessibility.
- Requires: Highly competence & status of Territorial heads.
- Requires: Substantive delegation of adm & fin. powers.
- Disadvantages: Local political pressures & interference, deviations from org. policy, boundary problems.

District Level Integration of Govt. Departments in AP



Note: An adaptation of Gullick's diagram at page-36 (CPage95)

Now Ponder....

What's the One Best Way to Organize?

Best way to Organize...

- An organization is a dynamic entity.
- Activities have periods of;
 - ▶ Development, Vigorous & stable activity,
 - ▶ And in some cases, of decline.
- A principle of organization appropriate at one stage may not be appropriate at all during a succeeding stage.
- In any govt. various parts of its work will always stand at different stages of their life cycle.
- Hence, usually not possible to neatly organized departments for all activities.
- Time is an essential element in organization.

The best way to organize...

**Combination of
Perspectives!**

Questions?

& Comments