Organizational Theory and Management

Key Terms and Definitions

Brownlow Commission Report

The President's Committee on Administrative Management, commonly known as the Brownlow Committee or Brownlow Commission, was a committee that in 1937 recommended sweeping changes to the executive branch of the United States government. The recommendations made by the committee resulted in the creation of the Executive Office of the President. Some of the most important recommendations from the council include creating aides to deal with the administrative tasks assigned to the president. It also suggested that the president should have direct control over the administrative departments. In its third suggestion, the committee said that the managerial agencies—The Civil Service Administration, the Bureau of the Budget, and the National Resources Board—should be part of the Executive Office.

Bureaucracy

A bureaucracy is "a body of non-elected government officials" and/or "an administrative policy-making group." Historically, bureaucracy was government administration managed by departments staffed with non-elected officials. Today, bureaucracy is the administrative system governing any large institution.

Since being coined, the word "bureaucracy" has developed negative connotations. Bureaucracies have been criticized as being inefficient, too complex or overly inflexible. The elimination of unnecessary bureaucracy is a key concept in modern managerial theory and has been a central issue in political campaigns.

Co-optation

1. The process of adding members to an elected or appointed group at the discretion of members of the body (rather than that of the electors or appointing body) in order to fill vacancies, or to appoint additional members if permitted by the group's constitution or rules.
2. The process by which a group subsumes or assimilates a smaller or weaker group with related interests; or, similarly, the process by which one group gains converts from another group by attempting to replicate the aspects that they find appealing without adopting the full program or ideals.

Fact-value Dichotomy

Herbert Simon advocated the fact-value dichotomy based on the idea that management science inquiry should be concerned only with facts. The employment of quasi-scientific methods would afford an enhanced understanding of public administration's most productive and efficient practices. This engendered significant criticism.

Groupthink

A phenomenon that develops in groups and that is marked by the consensus of opinion without critical reasoning or evaluation of consequences or alternatives. Groupthink evolves around a common desire to not upset the balance of a group of people by creating conflict, with creativity and individuality considered potentially harmful traits that should be avoided. For additional resources, readings, presentations and links visit: www.psysr. org/about/ pubs_resources/groupthink%20overview.htm

Hawthorne Experiments

The Hawthorne effect (also referred to as the observer effect) is a type of reactivity in which individuals improve an aspect of their behavior when they know they are being observed. The original "Hawthorne effect" study at the Hawthorne Works suggested that the novelty of being a research subject and the increased attention implied by such could lead to temporary increases in a worker's productivity.

Informal Organization

An informal organization is the social structure of the organization as opposed to the formal structure of an organization. It establishes how an organization functions from a practical standpoint. The informal organization can work in concurrence with, parallel with or against the formal organizational structure.

Mechanistic Structure

A **mechanistic structure**, also known as a **bureaucratic structure**, describes an organizational structure that is based on a formal, centralized network. The mechanistic structure is best suited for companies that operate in a stable and certain environment. In general, a mechanistic structure is easy to maintain and rarely needs to be changed when an organization operates in a stable environment. In mechanistic organizations, authority reflects a well-defined hierarchy where top-level managers make the majority of the decisions. Because the environment is relatively stable, complex decision-making processes that involve multiple

parties are not required. Subordinates are expected to follow the directions of management and not question their rationale. Communication, much like decisions, also flows through hierarchical routes, or from the top down.

Needs Hierarchy

Maslow's hierarchy of needs is a psychological theory proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation" in *Psychological Review*. Maslow subsequently extended the idea to include his observations of humans' innate curiosity. His theories parallel many other theories of human developmental psychology, some of which focus on describing the stages of growth in humans. Maslow used the terms "physiological," "safety," "belongingness" and "love," "esteem," "self-actualization" and "self-transcendence" to describe the pattern that human motivations generally move through.

Organic Structures

Organic structures are used in organizations facing unstable environments and must possess the ability to change accordingly. They have the ability to process, analyze, and distribute information and knowledge very quickly. This ensures that they stay competitive against other businesses. Businesses using organic structures need to communicate effectively and quickly by spreading information. This is done by departments and different functional areas being closely integrated with one another. Also, by implementing decentralized decision-making, employees of lower ranking will have the ability to make important decisions. This will help empower employees, leading to greater creativity and better problem solving. Google Corporation is a great example of an organic-structure business. Their employees are encouraged to use creative problem-solving skills and to develop new products.

Organizational Culture

rganizational culture comprises the values and behaviors that contribute to the unique social and psychological environment of an organization. It includes an organization's expectations, experiences, philosophy, and values, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations. It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid.

POSDCORB

Organizational Theory and Management

Luther Gulick and Lyndall Urwick developed the notion of POSDCORB—a set of organizational processes that offer executives a tangible understanding of administration. POSDCORB stands for planning, organizing, staffing, directing, co-ordinating, reporting, and budgeting.

Principal-Agent Theory

Principal-agent theory is an economic theory that deals with the challenges of motivating workers and controlling co-operative action. It holds that regardless of what organizational principals hope to achieve, they need help from "agents." Agents represent an organization's employees or external players.

Proverbs of Administration

Classical management principles suggest that productivity and efficiency are a function of specialization, hierarchy, a limited span of control, and unity of command and direction. According to Herbert Simon, however, these principles are merely "proverbs," as they are not grounded in scientific research.

Quality Circles (QCs)/Total Quality

Dr. Juran lectured and preached what is known as total quality control, which holds that quality begins in the design stage and ends after satisfactory services are provided to the customer. An organization's success depends, therefore, on "total quality," not simply manufacturing quality.

Reinventing Government

The "reinventing government" movement is a synthesis of varying approaches. Reinventing government calls for more discretion for public administrators, praise for entrepreneurial government, and support for preventive rather than reactive government. It is often associated with Osborne and Gaebler.

Scalar Chain

The scalar chain refers to the chain of authority ranging from top management to the lowest rank. The principle suggests that there should be a clear line of authority from top to bottom linking all managers at all levels. It is considered a chain of command. It involves a concept called a "gang plank" in which a subordinate may contact a superior of his superior in case of an emergency, defying the hierarchy of control. However, the immediate superiors must be informed about the matter.

Organizational Theory and Management

Scientific Management

Frederick Taylor's monograph *The Principles of Scientific Management* revolutionized the idea of optimizing productivity. His four principles of scientific management are the hallmark of the classical management period of public administration. Productivity and efficiency are the primary ends of scientific management.

Span of Control

The span of control refers to the number of subordinates that a manager or supervisor can directly control. This number varies with the type of work: complex, variable work reduces it to six, whereas routine, fixed work increases it to twenty or more.

Systems Theory

General systems theory emphasizes the way in which organized systems respond in an adaptive way to cope with significant changes in their external environments so as to keep their basic structures intact. Systems theory models of decision-making in human groups and organizations emphasize their interaction with "outside" actors and organizations and concentrate on identifying the particular elements in the environment of the group or organization that significantly affect the outcomes of its decision-making.

Theory X

Theory X assumes that individuals dislike work, and they avoid it whenever possible. This makes intense supervision necessary. Under Theory X, workers are motivated by economic factors, threats, and punishment. This theory represents a classical Weberian closed model, which is reminiscent of a quasi-military structure.

Theory Y

Theory Y is an open model that assumes individuals enjoy work and they embrace responsibility. Most people are capable of self-direction and prefer not to be micromanaged. According to this theory, management should afford its workers the latitude to achieve individual goals through self-directed efforts.

Unity of Command

Unity of command provides that an employee is answerable to only one supervisor, who in turn is answerable to only one supervisor, and so on up the organizational hierarchy.

Unity of Direction

Unity of direction is a management principal based on the concept that all team members involved in the same activities must share the same objective. Team members all work toward a common goal using the same plan to reach the shared objective.