

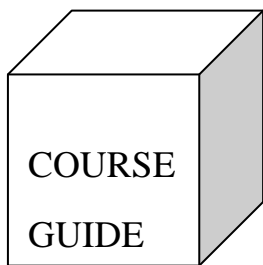


**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**SCHOOL OF MANAGEMENT SCIENCES**

**COURSE CODE: PAD 313**

**COURSE TITLE: THEORIES AND PRACTICE OF PUBLIC  
ADMINISTRATION**



## **PAD 313**

### **THEORIES AND PRACTICE OF PUBLIC ADMINISTRATION**

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## **INTRODUCTION**

PAD 313: Theories and Practice of Public Administration (PAD 313), is a three- credit core course. This course is available to all students of Undergraduate in Public Administration (Bsc) programme.

This course will be useful in your academic pursuit as well as in your workplace as managers and administrators.

This Course Guide tells you briefly what the course is all about, what course material you will be using and how you can work your way through these materials. This course will broaden your perspective on the theories and practice of public administration or management theories. Also included in this Course Guide is information on how to use of your time and on how to tackle the tutor-marked assignments (TMAs). There will be tutorial session during which your

instructional facilitator will take you through your difficult areas and at the same time have meaningful interaction with your fellow students.

## **WHAT YOU WILL LEARN IN THIS COURSE**

This course contains 20 units covering topics such as meaning, nature and scope of public administration, the significance of public administration, the role and importance of public administration in developing countries or societies, elements of public administration, comparative analysis between public and private administration, different approaches to public administration and relationship between politics and administration. This course also highlights some management theories such as the scientific management theory, classical theory of organisation, human relation theory and the systems theory. Concepts of management by objectives (MBO), essentials of planning, planning and forecasting, and centralisation of authority in organisations were also examined.

## **COURSE AIMS**

The aims of this course, as pointed out earlier, are to expose you to the concepts relevant to the management of public agencies and the practice of public administration. It is to make you appreciate the nature and scope of public administration, administrative thoughts and the application of modern techniques and tools of modern management.

This will be achieved by:

- explaining the nature and scope of public administration
- highlighting the necessary elements of public administration
- discussing the significance of public administration

- identifying and discussing the comparative analysis between public and private administration and their similarities
- explaining the relationship between politics and administration
- identifying and discussing the peculiar role and importance of public administration in developing countries or societies
- describing and explaining the different approaches to public administration
- discussing administrative thoughts, management process and the application of modern techniques and tools of modern management in management by objectives
- describing and explaining the planning tools and the principles of centralisation and decentralisation of authority in organisations.

## **COURSE OBJECTIVES**

To achieve the aims set above, the course has overall objectives while each unit has specific objectives. The unit objectives are included at the beginning of the unit. You are advised to refer to them as you proceed on each unit to check your progress and to ensure you have done what is required at the end of the unit.

On the successful completion of this course, you should be able to:

- explain theories and concepts relevant to the management of the public or government sector
- apply these theories and concepts when analysing, explaining and tackling problems confronting the public sector
- identify the critical areas of concern in the field of public administration
- develop proficiency in systematically examining public administration issues.

## **WORKING THROUGH THIS COURSE**

To complete this course, you are required to read the study units and the recommended textbooks and surf the internet for more materials. In this course, each unit consists of self-assessment exercises to test your level of understanding from time to time. At a point in your course, you are required to submit assignments for assessment. At the end of this course there is a final examination.

## **COURSE MATERIALS**

The major components of this course are:

1. Course Guide
2. Study Units
3. Textbooks
4. Assignment File

Everything is contained in each unit except the textbooks, which you may have to acquire. You are advised to source for current materials on the internet and read newspapers, magazines and other publications to develop proficiency in systematically examining public administration issues and tackling other problems in the public sector.

## **STUDY UNITS**

This course contains 20 units. They are as follows.

Module 1

Unit 1 Meaning, Nature and Scope of Public Administration

Unit 2 Significance of Public Administration

Unit 3 Role and Importance of Public Administration in Developing Countries or Societies

Unit 4 Elements of Public Administration

Unit 5 Comparative Analysis between Public and Private Administration



## Module 2

### MODULE 2: PUBLIC ADMINISTRATION IN NIGERIA

Unit 1 The Study of Local Government

Unit 2 Evolution of the Nigerian Local Government

Unit 3 The 1950s Local Government Reforms in Nigeria

Unit 4 The 1976 Local Government Reforms in Nigeria

Unit 5 Local Government in Nigeria Since 1984

## Module 3

Unit 1 Different Approaches to Public Administration

Unit 2 Relationship between Politics and Administration

Unit 3 Scientific Management Theory

Unit 4 Classical Theory of Organization

Unit 5 Human Relations Theory

## Module 4

Unit 1 Systems Theory

Unit 2 Management by Objective

Unit 3 Essentials of Planning and Managing by Objectives

Unit 4 Planning and Forecasting

## Unit 5 Centralization and Decentralization

Each study unit will take at least two hours, and it includes the introduction, objectives, main content, self-assessment exercises, conclusion, summary and tutor–marked assignment as well as list of references/further reading. Some of the self-assessment exercises and tutor–marked assignments will necessitate contacting your instructional facilitator or surfing the internet.

There are also textbooks under the references and other resources for further reading which are meant to give you additional information. Endeavour to practise the self-assessment exercise and tutor–marked assignment for better understanding of the course. While practising the self–assessment exercise, you should not consult the answers provided in the unit until you have attempted the question. You may sometimes observe that the answers provided give you more insight than may have been originally conveyed.

### **TEXTBOOKS AND REFERENCES**

There are no compulsory textbooks for this course. However, as you go through the course, you will observe that some textbooks are recommended often. This shows that it is crucial to a number of units. Please try to consult these books. Moreover, each has its own assigned texts and documents. You should also endeavour to lay your hands on these texts for deeper understanding of the course.

### **ASSIGNMENT FILE**

There are many assignments on this course and you are expected to do all of them by following the schedule prescribed for them in terms of when to attempt them and submit for grading by your instructional facilitator.

### **COURSE ASSESSMENT**

Your assessment for this course is made up of two components.

- Tutor–Marked Assignment
- Final Examination

The self –assessment exercises are not part of your formal assessments but it is important to complete all of them. This will facilitate your comprehension of the subject matter or the unit, and your tutor –marked assignments.

### **TUTOR–MARKED ASSIGNMENT**

Each unit in this course has two tutor –marked assignments attached to it. In solving the TMAs, you are to apply the knowledge of what you have learnt in the contents of the units. These assignments are to be submitted to your instructional facilitator for grading. These assignments constitute 30 per cent of the total score for the course.

### **FINAL EXAMINATION AND GRADING**

At the end of this course, you will write the final examination. This final examination constitutes the remaining 70 per cent of the total score, which is 100 per cent.

### **SUMMARY**

The course, PAD 313: Theories and Practice of Public Administration gives you an insight into the management process. It provides you with theoretical comparative analysis and concepts relevant to management in the public or government sector. It is designed to enable you understand the administrative thoughts and management process and the application of modern techniques and tools of modern management of organisations.

On the successful completion of this course, you would have been equipped with the materials for efficient and effective management of any organisation. Good luck and enjoy the course.

## **MAIN COURSE**

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**Unit 1 Meaning, Nature and Scope of Public Administration**

**Unit 2 Significance of Public Administration**

**Unit 3 Role and Importance of Public Administration in Developing Countries or Societies**

**Unit 4 Elements of Public Administration**

**Unit 5 Comparative Analysis of Public and Private Administration**

#### **Module 2**

**Unit 1 Different Approaches to Public Administration**

**Unit 2 Relationship between Politics and Administration**

**Unit 3 Scientific Management Theory**

**Unit 4 Classical Theory of Organization**

**Unit 5 Human Relations Theory**

**Module 3**

**Unit 1 Different Approaches to Public Administration**

**Unit 2 Relationship between Politics and Administration**

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**Unit 4 Classical Theory of Organization**

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**Module 4**

**Unit 1 Systems Theory**

**Unit 2 Management by Objective**

**Unit 3 Essentials of Planning and Managing by Objectives**

**Unit 4 Planning and Forecasting**

**Unit 5 Centralisation and Decentralisation**

## **MODULE 1**

**Unit 1 Meaning, Nature and Scope of Public Administration**

**Unit 2 Significance of Public Administration**

**Unit 3 Role and Importance of Public Administration in Developing Countries or Societies**

**Unit 4 Elements of Public Administration**

**Unit 5 Comparative Analysis of Public and Private Administration**

**UNIT 1 MEANING, NATURE AND SCOPE OF PUBLIC ADMINISTRATION**

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- 5.0 Summary**
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## **1.0 INTRODUCTION**

Public administration has come to occupy a central place in the complex and fast changing modern society. Its scientific study is concerned with the role of administration in such a society. Its actual role consists in the provision of services and regulation of inter-group relations in society. Maintenance of law and order, defense, welfare of society, application of science and technology, and eradication of poverty in the developing countries engage the attention of public

administration in the modern administrative state. In a word, the security and independence of the state, social and economic welfare of the people depend upon the effective and efficient functioning of public administration. Public administration is important in our daily life, it is an important aspect of a more generic concept; thus, its study is worth undertaking.

In this unit, therefore, the meaning of administration and public administration will be examined. Modern definition, characteristics, nature, scope, benefits of the study of public administration and management will also be considered.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define administration and public administration
- state the characteristics of public administration
- describe the nature of public administration
- explain the scope of public administration
- explain the benefit of the study of public administration.

## **3.0 MAIN CONTENT**

### **3.1 Meaning of Administration and Public Administration**

#### **3.1.1 Meaning of Administration**

Administration can be seen as a rational human activity, which is inherent in any organized social life, public or private. It occurs even in such a simple activity as “when two men cooperate to roll a stone which could not be moved by a man.” Administration consists of all those operations, which aim at achieving specific purpose shared by two or more people. To put it differently, administration is a cooperative human effort toward achieving some common goals. It is thus a goal – oriented, purposive, cooperative, joint activity undertaken by a group of people.

#### **3.1.2 Meaning of Public Administration**



The word “public” is used in a variety of ways. In this course however, it means “governmental.” Public administration simply means governmental administration that operates in a political setting. Its focus is specifically on public bureaucracy. The study and practice of public bureaucracy is called public administration. It encompasses the management of public agencies that carry out public policies to fulfill state purposes in the public interest. Since government provides services for the people in the public interest, the administration of governmental affairs is known as public administration. Public administration can also be seen as the activities of groups cooperating to accomplish the common goals of government. Such common goals include defense, safeguarding the frontiers, maintenance of law and order, fire protection, communications, public health, education, etc. In managing public affairs, public administration focuses principally on the planning, organizing, directing, coordinating and controlling of governmental operations.

### **3.1.3 The Modern Definition of Public Administration**

The definitions quoted below are illustrative of the modern, broader view of public administration.

1. Dimock, M.E. & Dimock, G.O. states that ... “public administration is the area of study and practice where law and policy recommended are carried out.”
2. Felse, J.W. is of the view that “public administration is policy execution and also policy formulation.”
3. For Nigro, F.A. & Nigro, L.G., public administration can be viewed as follows.
  - i. Public administration refers to cooperative group effort in a public setting.
  - ii. Public administration covers all three branches – executive, legislative, and judicial and their interrelationships.

- iii. Public administration has an important role in the formulation of policy and is thus a part of the political process.
- iv. Public administration is different in significant ways from private administration, and
- v. Public administration is closely associated with numerous private groups and individuals in providing services to the community.

### **3.2 Characteristics of Public Administration**

The important characteristics of public administration include the following.

1. Public administration is a non-political public bureaucracy operating in a political system under the direction of public leadership.
2. Public administration is the monopoly of the state. As such, it deals with the ends of the state, the sovereign will, the public interests and laws, the coercive element in the society.
3. Although public administration tends to concentrate on the executive branch of government alone, it is the whole government in action. Since government is a “big affair,” public administration is also naturally a big and complex matter.
4. As the business arm of the government, public administration is concerned with policy execution, but it has also some responsibility in policymaking.
5. Public administration is a means to an end and not an end in itself. It is merely a tool of government to implement its policies and provide various services for the people at the minimum cost in order to attain good life. In a sense, it is service for the people rendered by government.
6. Public administration differs significantly from private administration, especially in its emphasis on public good, but it finds partial analogies in private administration.
7. Public administration is interdisciplinary in history; it embraces in its fold several social sciences such as political science, sociology, psychology, economics and management science.

8. Public administration is a practical discipline, be it an art or a science. It has nexus with political and state activity, which has become all pervasive. It has an applied nature focusing mainly on the problems of society and polity.

9. Public administration is an ongoing process. There is no end to it. If one activity is completed, a new one will crop up.

### **SELF-ASSESSMENT EXERCISE**

What is public administration?

### **3.3 Administration, Organization and Management**

The terms “administration,” “organization” and “management” are not synonymous. Though they are distinct from each other, they are closely related. Administration is a determinative function. It lays down the objectives and policies. Organization is the structure for the attainment of the objectives of administration. If administration is a determinative function, management is an executive function carrying out the board policies laid down by the administration. Administration and management are related by means of organization while coordination is established between administration and management; thus, the three concepts are interrelated.

### **3.4 Nature of Public Administration**

An important question regarding the nature of public administration is what comprises the administrative activities. There are two divergent views relating to this question. They are the integral view and the managerial view.

#### **3.4.1 The Integral View**

According to the integral view, public administration is viewed as doing the work of government. Administration is regarded as the sum total of all the activities – manual, clerical, metal, technical and managerial, which are undertaken to realize the objectives of public policy. If we accept this view, it will include all the activities of government employees from the peon in a remote office to the secretaries to government and head of a state at the capital constitute public administration. L.D. White is a supporter of this view. According to him,

public administration consists of all those operations having for their purpose the fulfillment or enforcement of public policy. Acceptance of the integral view makes the scope of public administration vast and unwieldy because it includes a heterogeneous mass of activities. As a result, public administration may not develop into a distinct academic discipline.

### **3.4.2 The Managerial View**

According to the managerial view, public administration is viewed as getting the work of government done. This view regards public administration as consisting of the managerial functions of top public administrators who are engaged in getting government work done. It, therefore, emphasizes the basic POSDCORB functions of managers, namely, planning, organizing, staffing, directing, coordinating, reporting and budgeting. Thus, the managerial view denotes the work of the chief executive as a general manager. It excludes the activities of the non-managerial personnel such as a peon, or a clerk from the purview of public administration. The work concerned with management unites and controls the activities of all others as parts of a coordinated endeavour in an enterprise.

Thus, the managerial approach regards administration as getting things done, not doing things. Luther Gulick is an important champion of the managerial view of administration. He admits, “Administration has to do with getting things done with the accomplishment of defined objectives.” The managerial view gives unity to administration. It lays emphasis on managerial techniques, which are common to all types of administration. The integral view differs from the managerial view in certain respects. The integral view is wider than the managerial view. The former presents an all-inclusive view of administration, covering both managerial and non-managerial activities, while the latter restricts administration to the work of managers only that is, directive and supervisory personnel. The distinction between the two views relates to the difference between the operation and management, or doing things and getting things done.

However, the integral and managerial views are not mutually exclusive to each other. Public administration is both a process and a vocation. As a process, public administration is concerned with all the steps from the first to last taken in the implementation of public policy. As a vocation, it is concerned with the management of the activities of others (organizing and directing) in a public agency.

### **3.5 The Scope of Public Administration**

The scope of public administration refers to its major interests and commitments as a discipline and as an activity. It is both a subject of study and practice. Hence, the scope of public administration refers to its boundaries as an activity, a set of institutions and a subject of study. Although public administration has more than a century of development, there is no consensus among its writers about its meaning, nature and scope. All these have become matters of much debate and controversy. This is because public administration is perhaps a fast growing discipline constantly enlarging its scope of interests and commitments. However, for the purpose of this course, scope of public administration may conveniently be analyzed under the following headings.

#### **3.5.1 The Scope of Public Administration as a Discipline**

As a discipline, we mean a particular area of study such as political science, economics and sociology. In this sense, public administration is also a discipline. However, unlike other disciplines, public administration, as already stated, lacks consensus about its scope. Consequently, various writers have expressed different opinions on its scope. In his book, *Principles of Public Administration*, Willoughby divided the scope of public administration as:

- general administration, that is, “who is to perform the function of direction, supervision, and control over administration”
- organization, that is building up of the structures for the actual performance of the administrative work
- personnel, that is, who are to manage different services
- materials and supply - these are the tools with which the work of administration is carried on.

Pfiffner divides the scope of public administration under two broad parts.

- i. Principles of public administration; and
- ii. Sphere of public administration

Walker divides the scope of public administration into two parts.

- i. Administrative theory and;
- ii Applied administration.

It may be said that all the views on the scope of public administration are mutually overlapping and can be studied as complementary and supplementary to each other.

**The Traditional Narrower View:** According to some traditional writers, the scope of public administration is restricted to the activities of the executive branch of the government only. In their opinion, public administration is what the executive branch does, that is, implementing the law, made by the legislature. It is not given any role in legislative and judicial functions.

**The Modern Broader View:** Many modern writers have rejected the traditional narrower view of public administration as unduly restrictive explanation of its scope. Hence, they have identified public administration with the whole government in action, that is, the activities of all the three branches of the government – legislature, executive and judiciary. In modern democracies, public bureaucrats not only execute policies but also participate in their formulation and also perform some quasi-judicial functions. Though the narrower view is widely accepted, however, the broader view is more realistic as it reflects the reality of the fast growing dynamic field of today's public administration. Hence, the wider view of the scope of public administration is acceptable to us in Nigeria.

### **3.5.2 Subject Matter View**

Public administration deals not only with administrative techniques but also with the substantive fields of administration such as defence, education, public health, social welfare, agriculture, police, fire protection, and so on. These substantive services are provided for the people by the various governmental agencies. The nature of the various governmental agencies and the services they perform are not similar. They differ, for instance, the work involved in the administration of the education department differs from the work involved in the administration of police department or public works department. They have their respective specific administrative problems and specialized techniques of their own. Hence, the knowledge of the subject matter with which an administration agency is concerned is very essential for the effective administration of that agency.

### **3.5.3 The Expanding Scope of Public Administration**

The subject of today's public administration is vast and varied. It covers every area and activity governed by public policy. Public administration also operates at the national, state or regional and local levels such as districts, villages, and so on. Hence, it is related to the operations of government whether central or local. The scope of public administration discipline, therefore, includes the entire administrative system, its structure, functions, processes and behaviour at different levels (as mentioned below).

The scope of public administration as a discipline includes the traditional as well as emerging new areas of study such as highlighted below.

1. Principle of administration
2. Public personnel administration
3. Public financial administration
4. Administrative accountability
5. Comparative public administration
6. Development administration
7. Organization theory
8. Public policy analysis
9. The scope of public administration as an activity

### **3.5.4 Is the Scope of Public Administration Over-expanding?**

The common question now in public administration is whether the scope of public administration is over-expanding or not. The answer to this question can be examined from the following viewpoint.

- i. The philosophy or ideology of state functions,
- ii. The nature of policies adopted by the government, and

- iii. The intellectual horizons of the discipline of public administration.

The first two factors determine the scope of public administration as an activity while the last one determines the scope of public administration as a discipline. Foremost, what the government and its administrative system should do or should not do depends upon the philosophy or ideology of state functions as adopted by the political leaders in power. Again, if a state embraces the policy of nationalization, it would lead to increase in the scope of administrative activities of government. On the other hand, if a state adopts the policies of privatization, liberalization, deregulation and de-licensing they demand the rollback of the welfare state and result in shrinkage in the functions of government and in the scope of its administrative activities.

Thus, the increase or decrease of the scope of public administration as an activity depends on the nature of ideology followed as well as the nature of policies as politically decided and implemented by the government. In recent times, scholars in public administration all over the world have attempted to develop value-oriented and normative public administration. Such attempt has opened new vistas in the field of public administration such as the new public administration or management.

### **SELF-ASSESSMENT EXERCISE**

State briefly the traditional narrower view of the scope of public administration.

### **3.6 The Benefits of the Study of Public Administration**

The benefits or the advantages of the study of public administration may be briefly stated as follows.

- i. Public administration helps student learn the basic concepts, principles and theories of public administration.
- ii. It helps explain the purposes, functions, and continuation of government bureaucracy.
- iii. It provides knowledge of public organizations and the context in which and the methods by which they operate.
- iv. It promotes a superior understanding of government and its relationship with the society it governs and thus enables us learn more about how our country is governed.



- v. It is useful as training for citizenship and for preparing citizens for an active participation in the process of democratic governance.
- vi. It makes us learn how to promote the public interest more effectively.
- vii. It promotes among the people an awareness of the importance of the administrative activities in their lives.
- viii. It is useful to make public policies, which are more responsive to public needs.
- ix. It as an applied discipline; it provides knowledge, which is helpful to the policy makers and to those who implement policies, and
- x. It prepares student for employment in the government services and makes them aware of the opportunities and challenges of the public service and thus, it is useful as a self-serving investment.

#### **4.0 CONCLUSION**

The above analyses show that the study of public administration as a field of activity and an area of intellectual inquiry have both utilitarian objectives. The original purpose of the study of public administration was not to cultivate knowledge for its own sake; rather its purpose was explicitly utilitarian. The study of public administration was directed at the twin pursuits of reforming governmental institution and training civil servants.

Thus, administrative theory grew in the late 19th century and the early 20th century with the primary objective of making government more effective and economical in its working. This goal is still important. However, gradually, the study of public administration has also acquired certain intellectual objectives.

#### **5.0 SUMMARY**

The unit has thrown light on the meaning, nature, and scope of public administration. The characteristics of public administration, administration, organization and management are considered. The benefits of the study of public administration were also highlighted and discussed.

#### **6.0 TUTOR-MARKED ASSIGNMENT**

1. State and discuss the benefits of the study of public administration.

2. Identify and explain the areas of study of the scope of public administration as a discipline.

## **7.0 REFERENCES/FURTHER READING**

Adebayo, A. (2000). Principles and Practice of Public Administration in Nigeria. (2nd ed.). Ibadan: Spectrum Books Limited.

Polinaidu, S. (2004). Public Administration. New Delhi: Galgotia Publications PVT.

Ujo, A.A. (2004). Understanding Public Administration. Kaduna: Joyce Graphic Printer & Publishers Company.

## **UNIT 2 SIGNIFICANCE OF PUBLIC ADMINISTRATION**

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#### **2.0 Objectives**

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#### **4.0 Conclusion**

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#### **7.0 References/Further Reading**

### **1.0 INTRODUCTION**

Public administration lies at the centre of modern society, which has witnessed the emergence of the “Administrative State.” In the administrative state, public administration has become all –

encompassing and affects the lives of the people from the womb to the tomb. Since the end of the Second World War, governmental activities have increased manifold and became more complex and pervasive. Public administration has undergone far – reaching changes both in its objectives and in functions. Consequently, public administrators have centered new functional areas. They are grappling with new problems in administering public affairs. It is recognized that public administration plays crucial role in all societies – developed and developing. In the modern administrative state, public administration has become so significant that our development and progress depend mainly upon the efficient functioning of public administration.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- explain public administration as the basis of government
- discuss public administration as an instrument for implementing laws and policies
- discuss public administration as a great stabilizing force in the society
- explain the variety of services provided by public administration in the public interest
- discuss public administration as an instrument of social change.

## **3.0 MAIN CONTENT**

### **3.1 Significance of Public Administration**

The different roles played by public administration in the modern society may be analyzed as follows.

#### **Public Administration Serves as the Basis of Government**

Public administration serves as the basis of government. A government can exist without a legislature or an independent judiciary. However, no government can exist without administrative machinery. All nations, irrespective of their system of government, require some sort of administrative machinery for implementing public policies. Thus, public administration has been the instrument of ancient empires, of monarchies, of both democracies and dictatorships and of both developed and developing nations. Administrative principles as such have no particular ideology at heart. Administration is conceived as a purely neutral instrument.

### **Public Administration as an Instrument for Implementing Laws and Policies**

Public administration is responsible for implementing the laws and policies of government. In doing this, public administration plays a crucial role. By carrying out laws, it regulates the behaviour of the people in society. By implementing public policies and programmes, it delivers the promised goods and services to the intended beneficiaries. Thus, public administration acts as an instrument for translating plans, laws and policies into reality.

### **Public Administration Participates in Policy Formulation**

In the modern world, bureaucracy is the chief policy maker in government. It is a source of facts and experience as well as of ideas and solution of public problems. In modern democracies, public administrators participate in policy making by giving advice to ministers and providing them with the necessary information pertaining to facts and figures, which are relevant for policy formulation. The administrative task of public bureaucracy include formulation of policies and plans, executing and monitoring programmes, laying down laws, rules and regulations, which affect human actions in almost all walks of life.

### **Public Administration as a Great Stabilizing Force in the Society**

Public administration acts as a great stabilizing force in the society. It settles social tensions and conflicts and thus creates social unity and harmony. Public administration stabilises social structure, social organisation and social relationship. The administrative function ensures the continuance of the existing order with a minimum of effort and risk. Administrators are therefore, the stabilisers of society and the guardians of tradition.

### **Public Administration Provides Continuity in Government**

Public administration ensures continuity in government being experienced in modern society owing to elections or revolutions or coups. While government may change, ministers may rise and fall, the administration of a country goes on continuously. No evolution can change it and no upheaval can uproot it.

### **SELF-ASSESSMENT EXERCISE**

Explain the significance of public administration as a basis of government in our country.

### **Public Administration Provides Public Services**

Public administration in the modern welfare state provides a wide variety of services for the people. The services are as follows.

### **Public Administration Performs Protective Functions**

First, public administration protects the life and property of the people by maintaining law and order. The survival and progress of human beings in society depend on the proper enforcement of laws against lawbreakers. The maintenance of law and order is the primary and crucial role of public administration. This function is essential for the maintenance of independence of the nation and protecting its frontiers. It considers man's spiritual and physical survival.

### **Public Administration Provides Facilitative Services**

Today, public administration provides facilitative services such as transportation communications, supply of power, and so on.

### **Public Administration Enhances Management of Public Enterprises**

Public administrators manage public enterprises and public utilities in the interest of socio-economic justice. Public utilities are either publicly owned by or strictly regulated in most countries. Government also imposes controls over private economic and business activities in the public interest.

### **Public Administration Provides Welfare Services**

The welfare services provided for the people include social security, old age pensions, welfare of the weaker sections, family planning, health, unemployment relief, poverty alleviation, housing, and so on.

### **Public Administration Promotes of Agriculture, Industry and Cultural Services**

In the cultural sphere, public administration undertakes certain functions such as provision of education, promotion of science and technology and arts and ideology, and so on.

### **Public Administration Ensures Maintenance of Political System**

Public administration is concerned with the maintenance of the nation's political system, and national unity. It is a continuous process in determining the activities of the government. To be brief, it is concerned with the preservation of the polity. The wide variety of functions performed by public administration is influenced by developments in the political, economic and social area. Administration is the management of programmes designed to serve the general welfare.

### **Public Administration Serves as an Instrument of Social Change and Economic Development**

Public administration is concerned with managing change in pursuit of publicly defined societal values. In the developing nations such as Africa, Asia, and Latin America, public administration acts as an instrument of social change and economic development.

The developing nations are mostly traditional agricultural societies without adequate basic amenities of good life. These nations are eager to achieve modernization of society and economic development and realize welfare goals. Without efficient administration, socio-economic progress cannot be achieved. It is expected today to be the accelerator of economic and social change.

### **Public Administration as Basis for Civilization**

Public administration has been described as the heart of modern civilization. The civilized life in which we live today depends upon the proper functioning of public administration. Civilized life implies security to life, liberty and property as well as enjoyment of the benefits that are the result of advances in modern science and technology. These are made available to people by public administration.

Without public administration, contemporary civilization cannot function; urban society would be unbearable, there will be no law and order; socio-economic development would be impracticable, international trade would be impossible, and egalitarianism will be unattainable. Thus, public administration is highly essential to preserve and promote humanistic civilization.

### **3.2 Reasons for the Growing Importance of Public Administration**

A number of factors have contributed to the significance of public administration in the modern society. These include the following.

### **The Scientific and Technological Development**

The scientific discoveries and technological advances have greatly contributed to the vast increase in the scope of the activities of public administration. The developments in modern science and technology have led to revolutionary changes in transportation and communication system. The invention of telephone, telegraph, railways, and airways has made government and large-scale administration possible. The introduction of mechanical devices in the office administration such as typewriters, teleprinter and calculators, photocopying machines, personal computers, fax and the electronic mail has brought even more changes that are revolutionary in the ways and methods of administration.

### **Industrial Revolution**

Industrial revolution, a consequence of the scientific inventions and technological developments, brought about certain changes in society. It led to the growth of large-scale industries and factory production, overcrowded industrial towns, and urban slums. The factory system also resulted in such evils as the growth of capitalism, large-scale unemployment, exploitation of labour, longer hours of work and lower wages, employment of children in hazardous occupations, health hazards, and so on. In the interest of socio-economic justice, governments in the developed and developing countries have been compelled to assume new responsibilities to set right the bad effects of the above evils.

### **Economic Planning**

Economic planning is another factor that has contributed to the increasing importance of public administration, particularly in the developing nations of Africa and Asia. Modern governments have resorted to planning as a method of achieving economic development and goals of welfare state. The Afro-Asian developing nations have undertaken development planning to reshape their economies and societies.

However, in the wake of the new liberalized economic reforms, planning, as a method of economic development and the administrative functions relating to it, are gradually being diminished.

## **War**

Wars have also contributed to the importance of public administration. In times of war, public administration is entrusted with the responsibility of mobilizing necessary manpower and resources for the purpose of war. Certain activities acquired by public administration during wartime may continue even after the termination of war. Thus, wars have their impact on the sphere of activities of public administration in providing goods and services for the people.

## **Calamities and Crises**

Natural calamities like earthquakes, floods, droughts, and cyclones have also enhanced the importance of public administration. In the event of occurrence of such natural calamities, the public administrators have to act quickly and undertake rescue operations to prevent loss of life and property of the affected people. Thus, crisis management is an important function of public administration.

In the Third World countries, very often, the public authorities have to manage the recurring crises resulting from social upheavals such as class and caste conflicts, communal riots, tribal and ethnic violence.

## **Rapid Growth of Population and Problems of Metropolitan Cities**

The rapid growth of population in almost all the countries of the world, especially in the developing countries, has complicated the problems of providing food, shelter, education, health and sanitation, transport facilities and the like to the people. Proffering solutions to these problems has placed additional responsibilities upon public bureaucracy. The responsibility for tackling these acute social and economic problems has become the responsibility of public bureaucracy and increased its sphere of activity.

## **Emergence of Welfare State**



The emergence of welfare state in modern times has added new activities and responsibilities to the existing functions of public bureaucracy. The welfare state is a social service state. Its motto is “promotion of human welfare and good life for the people.” In the interest of socio-economic justice, the positive welfare state acts as a protector, a dispenser of social services, a provider of essential commodities, a manager of key industries and banking services, and a controller and regulator of private economic enterprises and activities.

### **Developments in the 1990s and their Impact**

The new liberalized economic reforms in the 1990s – globalization, liberalization and privatization – have demanded the roll back of the welfare state. As a result, government has had to shed some of its functions and weight. Government is now being called upon to play more enabling role than the traditional role. Government no longer plays the role of direct provider of goods and services. Instead, government operates indirectly as enabler, allowing non-government agencies to operate directly in a wide range of social activities. Thus, the functions of the state have been reduced to the minimum.

### **SELF-ASSESSMENT EXERCISE**

What do you understand by welfare services in relation to the services public administration provides in the interest of the society?

### **New Agenda Items**

Because of major developments taking place throughout the world, people’s aspirations and needs keep changing. One significant trend is toward the steady emergence of a new political agenda items. These items include issues relating to environmental management, child labour and gender equality, social equity, human rights and ethnic minorities, aids, epidemic, and tribal development. These issues have emerged from societal demands articulated by new groups that look to government for protection and development.

Public administration cannot afford to ignore these burning social issues. Their increasing importance might impel governments to undertake more and more functions instead of shedding them.

#### **4.0 CONCLUSION**

The above analyses showed that the role of public administration is vital in the management of any type of problem or crisis evolving in any nation. This is because public administration is responsible for implementing the law and policies of government. Public administrators participate in policy formulation because the administrative task of public bureaucracy includes formulation of policies and plans, executing and monitoring programmes, laying down laws, rules and regulations, which affect human actions in almost all walks of life.

#### **5.0 SUMMARY**

The unit has thrown light on the significance of public administration, which has been identified as the basis of government. Public administration is also an instrument for implementing laws and policies, participation in policy formulation and a great stabilizing force in the society. It also provides continuity when there is change in governments and provides a wide variety of services. Public administration is an instrument of social change and economic development. The reasons for the growing importance of public administration and the new agenda items were also highlighted and discussed.

In the next unit, you will be taken through the discussion on the role and importance of public administration within a nation.

#### **6.0 TUTOR-MARKED ASSIGNMENT**

1. Identify and discuss the wide variety of services that public administration provides in the public interest.
2. State and explain the reasons for the growing importance of public administration.

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## **UNIT 3 ROLE AND IMPORTANCE OF PUBLIC ADMINISTRATION IN DEVELOPING COUNTRIES**

### **CONTENTS**

#### **3.1 Role and Importance of Public Administration in Developing Countries**

**3.1.1 Public Administration is to meet the Rising Expectations of the People**

**3.1.2 Role of Public Administration in Socio-Economic Development**

**3.1.3 Effective Performance of Traditional Functions and Developmental Effort**

**3.1.4 Public Administration Brings about Nationhood**

**3.1.5 Public Administration Sustains Democracy**

**3.1.6 The Impact of Developmental Activities on Public Administration**

## **4.0 Conclusion**

## **5.0 Summary**

## **6.0 Tutor–Marked Assignment**

## **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

Public administration is an institution of central importance in almost all the countries or societies of the world. It has emerged most impressively in the developing countries of Africa, Asia and Latin America after they attained independence. In these countries, the role of government and the nature of its tasks are no longer limited to minimum traditional functions of law and order, defence and revenue collections.

The governments in these countries are entrusted with developmental and nation building activities. Since the developing countries are engaged in rapid socio-economic transformation under the leadership of government, public administration necessarily has a crucial role to play.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- discuss the need for public administration to meet the expectations of the people
- explain the role of public administration in socio-economic development
- discuss the effective performance of traditional functions which support developmental effort
- discuss the impact of developmental activities on public administration.

## **3.0 MAIN CONTENT**

### **3.1 Role and Importance of Public Administration in Developing Countries**

The role and importance of public administration may be analyzed under the following headings.

#### **3.1.1 Public Administration is to meet the Rising Expectation of the People**

In the developing nations, the citizens, especially the poor, expect many things from government. The poor and the weaker citizens depend on government for improved cost and standard of living. In response to the rising expectations of the people, governments of the developing countries have assumed enormous responsibilities to improve the social and economic conditions of the people. Thus, public administration of the developing countries provides the following socio-economic services to its people.

- i. It provides minimum level of education, health care, safe drinking water, housing for the weaker sections and down trodden, slum improvement social security, and so on.
- ii. It takes care of the well-being of children, raising the status of women, reducing the disparities between the rich and poor.
- iii. It also undertakes anti-poverty programmes by creating employment opportunities for the unemployed.
- iv. The public bureaucracy also caters for the basic living of the poor by regulating the equitable distribution of the essential commodities like rice, wheat, sugar, edible oils and even tea, soap and salt. Thus, in the developing societies, bureaucracy plays an important role in the scheme of ordering social activities and in promoting social justices and equity.

### **3.1.2 Role of Public Administration in Socio-economic Development**

In the developing countries, the responsibility for formulation and implementation of developmental policies is placed on public bureaucracy. This responsibility presents the greatest single challenge to public administration of a developing country.

The bureaucracy has to perform the following functions in relation to developmental activities.

- i. Setting right developmental goals and priorities for agriculture, industry, education, health, communication, and so on.
- ii. Formulation and implementation of strategies and programmes for the development and modernization of the nation.
- iii. Mobilization of natural human and financial resources and their proper utilization for accomplishing developmental objectives.

- iv. Development of human resources to secure the necessary managerial skills and technical competence to carry out developmental tasks.
- v. Utilization of the advances in science and technology to raise productivity in industry and agriculture.
- vi. Creation of new administrative organizations and improving the capacity of the existing ones for developmental purposes.
- vii. Securing the support of the people for developmental activities by involving them in the process of developing and by creating in them appropriate attitude towards the socio-economic changes that are taking place in the society
- viii. Enhancing clean and green environment and ensuring protection of human rights.

### **SELF-ASSESSMENT EXERCISE**

What are the expectations of the developing countries from public administrators?

#### **3.1.3 Effective Performance of Traditional Functions and Developmental Effort**

The traditional function of government to maintain law and order is a prerequisite for development. If there is no peace in the society, there will be no development and progress. The peace in developing societies is frequently disturbed by the rising communal, ethnic, tribal and caste conflicts. Added to these are the terrorist activities. If these dark forces are not checked, they will come in the way of developmental activities.

Hence, in the developing countries maintenance of law and order has become extremely important for political stability and rapid growth of the economy. Furthermore, majority of the people in developing societies are most dependent on government for protection of life and survival. Maintenance of law and order, therefore, has to have the highest priority in government business of developing countries.

Developmental activities are dependent upon proper revenue administration because effective collection of revenue and other taxes due to government will generate funds for socio-economic

development tasks. The functions of maintenance of law and order and revenue collection are important for development to the extent to which they support developmental programmes and project.

#### **3.1.4 Public Administration brings about Nationhood**

As we all know, no nation can achieve socio-economic development without a sense of national unity. Most developing countries do not have it. Several divisive forces such as communal and ethnic conflicts, caste, feuds and regional rivalries often threaten the national unity, stability and progress in these countries or societies.

Therefore, the creation and preservation of national unity is a difficult and challenging task in the developing countries. To develop a sense of nation hood among the people of these countries, the bureaucrats have to resolve the sub-national and sub-cultural differences among the people. They have to manage crises resulting from social upheaval created by the various separatist terrorist and communal forces.

#### **3.1.5 Public Administration Sustains Democracy Survive**

In the developing countries, democracy is not strong enough to strike firm roots. To many citizens of these countries, democratic values and processes are quite new. They have no experience in managing democratic institutions. These countries, therefore need an administrative system that will help democracy survive with stability, balance and motivation to function smoothly.

The civil servants in these countries have an important role to play in maintaining democracy. They assist their political heads in policymaking function. Once the political heads make policies, it is again the duty of the civil servants to implement them faithfully and realize their objectives. Therefore, they have to play a crucial role in building up credibility and public faith.

#### **3.1.6 The Impact of Developmental Activities on Public Administration**

You should note that the new developmental activities and the administrative machinery created to carry them on have greatly expanded the scope of public administration both in its

volume and range, and have added to its significance as well. Its scope also extends to the activities relating to administrative reforms, which aim at strengthening administrative capabilities. The policies of globalization, liberalization and privatization, however, resulted in the minimal state and reduced the scope of public administration as an activity.

### **SELF-ASSESSMENT EXERCISE**

What are the things to be done by public administration to develop agriculture in the developing societies or countries?

## **4.0 CONCLUSION**

Public administration is an institution of central importance in almost all the countries in the world. In the developing countries, public administration is the process by which objectives are defined, plans and policies are formulated, institutions are created and managed, human energies are mobilized, resources are utilized, and changes are affected. The commitment of the developing nations towards economic development and social transformation through the instrument of public administration has naturally increased its importance.

There is great need in the developing countries to pay much attention to the development of vitality in the administration. It is not enough to have good policies without quality civil service to implement the policies effectively. Public administration must adapt to changing circumstances if it is to be a mechanism for development process.

## **5.0 SUMMARY**

This unit has thrown light on the role and importance of public administration in developing countries or societies. Public administration has to meet the rising expectations of the people and the role of public administration in socio-economic development was considered. The effective performance of traditional functions, which support developmental effort, developing a sense of nationhood and the impact of developmental activities on public administration were also highlighted and discussed.

In the next unit, you will be taken through the discussion on the elements of public administration.



## **6.0 TUTOR – MARKED ASSIGNMENT**

1. Identify and discuss the socio-economic services that public administration has to provide for the people in a country.
2. State and explain the functions that the bureaucracy has to perform in relation to developmental activities.

## **7.0 REFERENCES/FURTHER READING**

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## **UNIT 4 ELEMENTS OF PUBLIC ADMINISTRATION**

### **CONTENTS**

#### **1.0 Introduction**

#### **2.0 Objectives**

#### **3.0 Main Content**

##### **3.1 Elements of Public Administration**

###### **3.1.1 Planning**

###### **3.1.2 Organising**

###### **3.1.3 Commanding**

###### **3.1.4 Coordinating**

### **3.1.5 Controlling**

## **3.2 Need for Administrative Training**

## **4.0 Conclusion**

## **5.0 Summary**

## **6.0 Tutor–Marked Assignment**

## **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

You should bear in mind that public administration is the non-political bureaucratic machinery of the government for implementing its laws and policies in action. For instance, the collection of revenues, maintenance of law and order, running the railways and postal services, maintaining an army, running schools and hospitals, these are all acts of public administration.

Public administration involves making decision, planning the work to be done, formulating objectives and goals, working with the legislative, citizen and organizations to gain public support and funds for government programmes. It also involves establishing and revising organizations, directing and supervising employees, providing leadership, communicating and receiving communication, determining work methods and procedures, appraising performance, exercising controls, and other functions performed by government, the means by which the purposes and goals of government are realized.

Fayol indicates that the administrative activity is by far the most important and deserves most attention. He develops this aspect further and indicates that administration or administrative activity or public administration is made up of five elements. These elements are planning, organisation, commanding, coordinating, and controlling. This unit discusses these elements elaborately.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- identify and discuss the safeguards that can ensure the success of an organizational planning effort
- state and explain the administrative duties to be performed in an organisation
- define the requirements of the manager of an organisation
- discuss controlling and the managerial activities as spelt out by Fayol.

### **3.0 MAIN CONTENT**

#### **3.1 Elements of Public Administration**

##### **3.1.1 Planning**

Planning is a process of examining the future and drawing up a plan of action. Fayol also states that unity, continuity, flexibility and precision are the broad features of a good plan of action.

Success in implementing a planning subsystem is not easily attainable. As the size of the organisation increases, the planning task becomes more complicated, requiring more people, more information, and more decisions that are complicated. Several safeguards, however, can ensure the success of an organisational planning effort. These safeguards include top management support, effective and efficient planning organisation, an implementation–focused planning orientation, and inclusion of the right people.

##### **Top Management Support**

The top management in an organisation must support the planning effort, or else, other organisation members may not take the planning effort seriously. Whenever possible, top management should actively help to guide and participate in planning activities. Furnishing the planner with whatever resources are needed to structure the planning organisation, encouraging planning as a continuing process and not as a once – a – year activity, and preparing people for changes usually resulting from planning are clear signs that top management is solidly behind the planning effort. The chief executive must give continual and obvious attention to the planning process if it is to be successful. He or she must not be so concerned about other matters that planning is not given the emphasis it deserves.

##### **An Effective and Efficient Planning Organisation**

A well-designed planning organisation is the primary vehicle by which planning is accomplished and planning effectiveness is determined. The planner must take the time to design as efficient and effective a planning organisation as possible. The planning organisation should have three in-built characteristics. First, it should be designed to use established management systems within the company. Second, the planning organisation should be simple, yet complex enough to ensure a coordinated effort of all planning participants. Planning can be a complicated process requiring a somewhat large planning organisation. The planner should strive to simplify the planning organisation and make its complex facets as clearly understood as possible.

Lastly, the planning organisation should be flexible and adaptable. Planning conditions are constantly changing, and the planning organisation must be able to respond to these changing conditions.

### **An Implementation – Focused Planning Orientation**

The planning process result in different types of action, which help, achieve the stated organizational objectives, hence, planning should be aimed at implementation. As Drucker points out, a plan is effective only if its implementation helps attain organizational objectives. Plans should be developed and scrutinized after looking ahead to when they are to be implemented. Ease of implementation is a positive feature of a plan that should be built in whenever possible.

### **Inclusion of the Right People**

When planning, you must include the right people. Whenever possible, the planner should obtain input from the managers of the functional areas for which he is planning. These managers are close to the everyday activity of their segments of the organisation and can provide the planner with invaluable information. These managers probably also will be involved in implementing whatever plan is developed and, therefore, can provide the planner with feedback on how easily various plans are being implemented.

### **3.1.2 Organizing**

Here, organizing means building up a dual structure. It consists of human and material structures in order to achieve an undertaking. Fayol further indicates that an organizer or a manager has 16 managerial or administrative duties to perform. These duties are listed below.

- i. The manager should ensure that the plan is judiciously prepared and strictly carried out.
- ii. He should see that the human and material organizations are consistent with the objective, resources, and requirements of the concern.
- iii. The manager should set up a single, competent, energetic building authority.
- iv. He should harmonize activities and coordinate effort.
- v. He should formulate clear, distinct and precise decisions.
- vi. He should also arrange for efficient selection of personnel – each department must be headed by a competent, energetic man; each employee must be in that place where he can function effectively.
- vii. He should define duties clearly.
- viii. He should encourage a liking for initiative and responsibility.
- ix. The manager should have a fair and suitable recompense for services rendered.
- x. He should make use of sanctions against faults and errors.
- xi. He must see to the maintenance of discipline.
- xii. The manager should ensure that the individual interests are subordinated to the general interest.
- xiii. He should pay special attention to the unity of command.
- xiv. He should also supervise both material and human resources.
- xv. The manager must have everything under control.
- xvi. He must fight against excess of regulations, red tape and paper control.

### **SELF-ASSESSMENT EXERCISE**

What does organizing mean?

### **3.1.3 Commanding**

Commanding implies maintaining activity among the personnel of an organisation. Henri Fayol asserts that the manager, who has to command, should:

- have a thorough knowledge of his personnel
- eliminate the incompetent
- be well-versed in the agreements binding the business and its employees
- set a good example
- conduct periodic audits of the organisation and use summarized charts to explain further (Fayol heavily emphasized organisation charts)
- bring together his chief assistants by means of conferences where unit of direction and focusing of effort are provided for.

Because human element is of critical importance in administration, Fayol suggests six types of abilities, which an administrator or a manager must possess. These abilities include the following.

- i. **Physical qualities:** These include health, vigour and appearance.
- ii. **Mental qualities:** Ability to learn and understand, judgment, mental vigour and adaptability
- iii. **Moral qualities:** The moral qualities include energy, initiative, willingness to accept responsibility, tact, etc.
- iv. **General education:** This is general acquaintance with matters not belonging exclusively to the function performed.
- v. **Special knowledge:** This include technical, commercial, financial, managerial and so on.
- vi. **Experience:** This is the knowledge arising from the work involved.

### 3.1.4 Coordinating

Coordinating consists of working together and harmonizing all human activities and efforts. Henri Fayol recommends weekly meeting of heads of department and liaison officers to improve coordination. Coordination is the process of assembling and synchronizing different activities so that they work together toward the organization's objectives. This was Fayol's definition of the

process of pulling together of all the activities of the organization to make possible its working and its success. He stated that coordination requires three things.

- i. Each department should work together with other departments.
- ii. Each department, subdivision, and division should know its share of the common task.
- iii. Each department, subdivision, and division should adjust its working schedule to circumstances.

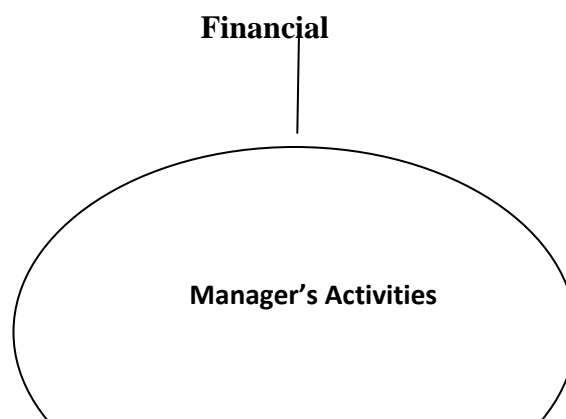
The question that follows is, “why these conditions are not always met?” Fayol discovered several reasons, some of which include the following.

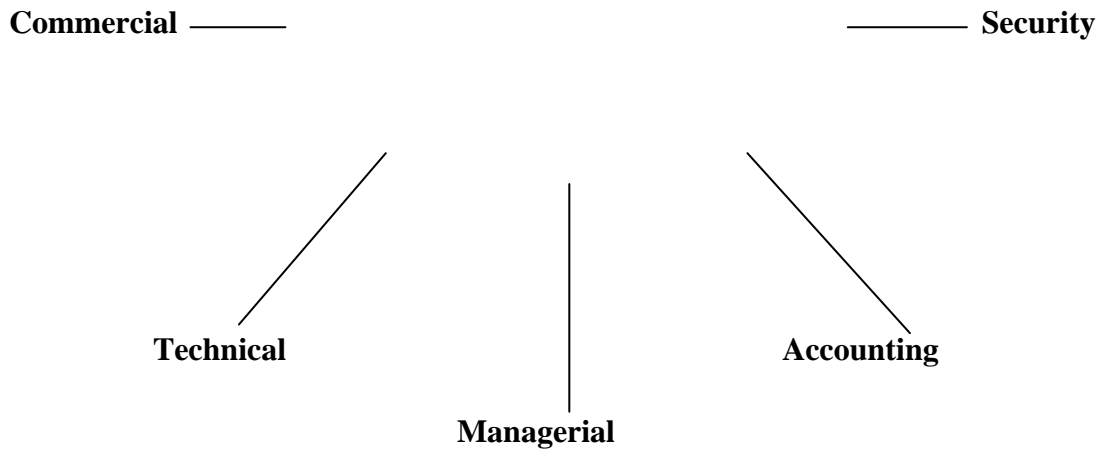
- i. A lack of communication between departments
- ii. A lack of communication even within departments
- iii. An inability to think about the general interest.

Fayol said that this attitude on the part of the personnel is so disastrous that it generates concern; it is not the result of preconceived intention but the culmination of non-existent or inadequate coordination. He said that the solution to this is that there should be weekly conferences of heads of department to coordinate plans and activities. Where conferences cannot be held weekly, he urged the liaison officers to link departments.

### **3.1.5 Controlling**

Controlling include verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established. The managerial activities, as spelt out by Fayol are depicted in figure 1.1.





**Fig 1.1 Managerial Activities**

- Planning
- Organisation
- Command
- Coordination
- Control

These are activities in industrial undertaken according to Henri Fayol.

### **SELF-ASSESSMENT EXERCISE**

Mention six qualities which an administrator or manager must possess.

### **3.2 Need for Administrative Training**

In this aspect, Henri Fayol seems to be the first writer in pleading for administrative training for all employees of all levels. Administrative ability cannot be developed through technical knowledge alone. Fayol opines that everyone needs some concepts of administration in the



home, in affairs of state, the need for administrative ability is in proportion to the importance of the undertaking, and for individual people, the need is everywhere greater in accordance with the position occupied. He becomes critical of civil engineering colleges in France for not including administration in their syllabi. He suggests the teaching of administration even in primary schools.

#### **4.0 CONCLUSION**

Planning, organising, commanding, coordinating and controlling (elements of public administration) are important elements or activities of administrators or managers in every organisation, be it a private or public organisation.

#### **5.0 SUMMARY**

In this unit, you have learnt the importance of the elements of public administration in all kinds of organisations in the world. The five elements of public administration and the need for administrative training were highlighted and taught.

#### **6.0 TUTOR-MARKED ASSIGNMENT**

1. State and discuss the managerial or administrative duties common to all types of organizations.
2. Identify and explain the abilities that an administrator or a manager must possess.

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## **UNIT 5 COMPARATIVE ANALYSIS OF PUBLIC AND PRIVATE ADMINISTRATION**

### **CONTENTS**

#### **3.1 Comparative Analysis of Public and Private Administration**

##### **3.1.1 Differences between Public and Private Administration**

##### **3.1.2 Anonymity**

#### **3.2 Similarities between Public and Private Administration**

#### **4.0 Conclusion**

#### **5.0 Summary**

#### **6.0 Tutor–Marked Assignment**

#### **7.0 References/Further Reading**

#### **1.0 INTRODUCTION**

As a universal process, administration is common to both public and private sectors. It involves the effective utilisation of human and physical resources to achieve specified objectives. Although administration is a cooperative group effort, which occurs in both public and private setting, its nature varies with the nature of the institutional setting, with which it is concerned. Based on the nature of the institutional setting, public administration can be distinguished from private administration.

Public administration is that part of the broader field of administration, which deals with governmental affairs and operates in a political setting. It relates to the activities carried out by central, state and local governments. Private or business administration on the other hand, consists in the management of private business enterprises owned and operated by private individuals. There has been an enduring debate on how public administration is similar to and different from private or business administration.

In this unit, you will learn the differences and similarities between public and private administration.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define public and private administration
- identify the differences between public and private administration
- explain the similarities between public and private administration.

## **3.0 MAIN CONTENT**

### **3.1 Comparative Analysis of Public and Private Administration**

Although, there are several aspects of public administration that are generic, it differs from private administration in certain respects. Different writers have different views on this issue but for this study, it might be useful to spell out the significant ways in which public administration differs from private or business administration.

### **3.1.1 Differences between Public and Private Administration**

The significant differences between public and private or business are as follows.

#### **Public Interest or Service Motive**

The main aim of public administration is to serve public interest with altruistic motive. Its driving force is the promotion of public welfare. It undertakes such expensive services as defence, law and order, public health, postal services, etc with service motive even if they result in financial loss to the public exchequer. These services are essential for the lives of the people in the society.

On the contrary, private business is almost invariably conducted for profit, which tends to become the driving force for private administration. In the business world, profit is viewed as a social and economic good, and service to the public is only an incidental benefit of the main business activity.

Public administration focuses on communal benefits, while those of private administration focuses on personal benefit.

#### **Political Direction**

Public administration operates within the political environment and under the direction of the ruling group of political leaders. Public policy and every aspect of administrative operations are affected by political factors. In a democratic society, public administrators' activities are to be carried out as decreed by the representative of the people.

In contrast, private administration is marginally affected by political factors. It is not subject to political direction, except in times of the gravest emergency. Its objectives generally do not depend up political decisions. The ends it pursues are of its own device.

#### **Legal Framework**

Public administration operates within a legal framework prescribed by the constitution, laws, rules and regulations. This legal system defines the jurisdiction, authority, legal rights and

obligations of public officials. They must always act within their legal powers while discharging their duties.

Private administration on the other hand is subject to less legal constraints. Business executives can usually do anything that is not forbidden by law. In other words, law tells the private administrator only what he cannot do, in public administration; the law tells him what he can do.

### **Red tape**

The greater legal accountability coupled with the rigid and complicated office procedures result in the existence of some red tape in public administration on the other hand, business administration is free from red tape. Private enterprises are flexible enough to shift direction, change procedures and revamp operations in accordance with changing market condition with a view to make profits.

### **Public Accountability**

Public administration differs from private administration by the way in which it is subject to public scrutiny and outcry. Government organisations operate in a goldfish bowl; they are constantly subjective to outside scrutiny by politicians, the media, and other private groups and individuals.

On the other hand, private administration is not responsible to the public or parliament for what it does or fails to do. Private enterprises are accountable at best to their shareholders but not to the public.

### **Equality of Treatment**

Public administrators should observe the principle of uniformity in its treatment of the public. A public official is under legal obligation not to practice any discrimination in his dealings with the public in the interest of fairness and equality. An official cannot show favour to some people and disfavour to others.

In private administration, customers are not treated alike. A private administrator need not worry much about equality and fairness.

### **Breadth of Scope and Impact**

Public administration differs from private administration in its breadth scope impact and consideration. Public administration is a large – scale administration. It is larger than any big business concern in terms of size, complexity, and diversity of activities. Government employs a large army of officials and spends huge amounts of money to carry out its numerous policies and programmes, which are intended to serve the needs of the public.

Contrastingly, the scope of activities of even the largest business enterprise is limited in terms of size and diversity. Its activities affect a limited number of people who are its customers.

### **Coercive Element**

The state is sovereign and public administration as its instrument deals with the coercive element in society. The public administrator can rely on the sovereign coercive power of the state in enforcing laws and policies. Private administration is not connected with the issue of sovereignty. Therefore, the actions of business firms cannot be enforced through legitimate coercive power of government.

### **External Financial Control**

The finances of public administration are controlled by the legislature, an agency external to the executive. Usually, the legislature acts as the manager of the nation's finances, and authorises the executive to raise and spend money.

In private administration, the finances of the business enterprise are under the control of the owner of the business himself. No external agency is allowed to control its finances.

Thus, in public administration there is difference between finance and administration which is absent in private administration.

### **The Principle of Efficiency**

In comparison to public administration, efficiency in private administration can be easily measured. This is because private business is almost invariably conducted for profit, and this forms an automatic measure of its efficiency. A private business enterprise is considered more efficient if it earns more profits. However, in most cases or instances, the test of profit cannot be applied to measure the efficiency of performance of public agencies.

There is no direct comparison between the government agency's costs and the value of its services to the public.

### **Monopolistic Nature and Essentiality of Public Services**

Public administration has monopoly in certain areas of activity such as national defence, law making, coinage and currency, and so on. For instance, government is sovereign and it alone can make laws, which are binding on all people. In this area of activity, government has no real competitors.

On the contrary, in the private business world monopoly is very rare. The private firms face markets in a far more direct way under competitive conditions. A business firm has to compete with other business firms producing goods or providing services, which are similar or substitutes.

#### **3.1.2 Anonymity**

In public administration, the officials always remain in anonymity while discharging their duties. A government official never acts in his personal capacity. He acts impersonally as an agent of government. He discharges his duties in the name of government. In parliamentary government under the principle of ministerial responsibility, the minister concerned is held responsible to the parliament for the work of the officials under him. The principle of anonymity does not apply to business administration. Very often, the private business concerns are named after the names of their proprietors, the proprietor is personally held responsible for his business activities and not responsible to anybody.

### **SELF-ASSESSMENT EXERCISE**

What do you understand by the term “private administration”

### **3.2 Similarities between Public and Private Administration**

The distinction between public and private administration should not be stretched too far. The differences between the two are one of degree rather than of kind. Administration is a kind of activity found in both public and business affairs. In recent times, the similarities between public and private administration are greatly stressed.

The important or significant similarities between public and private administration are listed below.

- i. Both public and private administration and organisations achieve results through the mobilisation and effective utilisation of human and material resources.
- ii. Both types of administrations are much alike because both are practical and provide services to the people.
- iii. In both types, the key to successful operation is the working relationships of human beings because administration is a cooperative group effort.
- iv. Both rely on common managerial techniques such as planning, organising, control, coordination, budgeting, and so on. Thus, the principles of general management and emphasis on efficiency and economy engage the attention of both types of administration.
- v. Both use common skills such as accounts keeping, file management, statistics, and so on.
- vi. The hierarchically organised bureaucratic structure is common to most large-scale organisations in both public and private sectors.
- vii. Both public and private administration adapts practices from other areas of administration. For instance, many personal practices in private industry such as the use of examinations in the selection process, pension plans for retiring employees were borrowed from public administration.
- viii. There are many gray areas where the line of separation between the public and private administration is not significant. For instance, a public organisation such as a milk dairy or a state transport undertaking has to function on business or



- commercial lines. It has to emulate some of the methods and practices of business management.
- ix. Unlike in the past, private business administration today is not very much private. Private enterprises have to operate, to some extent, within legal context. Private business enterprises are subject to governmental regulations in certain matters such as quality control and prices.
  - x. Today, profit making is also accepted as a laudable objective of public enterprises. Further, the bottom line for business is no longer merely for profit making. Big business houses are also accepting the responsibility for tackling social sector problems. This compels business companies to stretch their capabilities to produce innovations that have business as well as community pay offs.
  - xi. Public administration and private administration are not opposed to each other. Today, what is needed is public- private relationship and coexistence based on cooperation. Because of globalisation and privatisation, many countries in the world are practicing the concept of government by contract. Consequently, much of governmental operations are accomplished with the collaboration of numerous private groups and individuals.
  - xii. “Public” in public administration has also been expanded to include any administration that has considerable impact on the public.

In today’s fast changing world, there is a movement towards a blurring and mixing of the two thus the distinction between public administration and private administration is no longer a serious one. Over time, both types of administration have been changing in many ways.

### **SELF-ASSESSMENT EXERCISE**

Discuss the principle of red tape in public administration.

### **4.0 CONCLUSION**

In this unit, you learnt that public and private administrations are similar in every respect. Though there are differences between the two, they are similar in all important matters.

Public and private administrations have special values and techniques of their own which give to each its distinctive character. Public administration is distinct in that it reflects the peculiar characteristics of government activity and the political setting in which it functions.

Public administration cannot ignore what general administration has to teach, but at the same time, administration in a political setting has its own special features and problems for it must deal with politics and policy if it is to be realistic.

## **5.0 SUMMARY**

In this unit, you have learnt the similarities and differences between public and private administration. In the next unit, you will be taken through the different approaches to public administration.

## **6.0 TUTOR – MARKED ASSIGNMENT**

1. Identify and discuss the differences between public and private administration.
2. State and explain the similarities between public and private administration.

## **7.0 REFERENCES/FURTHER READING**

Basu, R. (2004). Public Administration: Concepts and Theories. (4th ed.) New Delhi: Sterling Publishers.

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## **MODULE 2: PUBLIC ADMINISTRATION IN NIGERIA**

**Unit 1: The Study of Local Government**

**Unit 2: Evolution of the Nigerian Local Government**

**Unit 3: The 1950s Local Government Reforms in Nigeria**

**Unit 4: The 1976 Local Government Reforms in Nigeria**

**Unit 5: Local Government in Nigeria Since 1984**

**UNIT 1: THE STUDY OF LOCAL GOVERNMENT**

## **CONTENTS**

### **1.0 Introduction**

### **2.0 Objectives**

### **3.0 Main Content**

#### **3.1 Local Government – Definitional Issues**

#### **3.2 Primary Purpose of Local Government**

#### **3.3 Features of Local Government**

#### **3.4 Theories of Local Government**

##### **3.4.1 Democratic- Participatory School of Thought**

##### **3.4.2 Efficiency-Services School of Thought**

##### **3.4.3 The Holistic Integrationists School of Thought**

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor-Marked Assignment (TMA)**

### **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

In this unit, student will learn the basic idea about local government. Definitions of local government, purpose of local government as well as the features of local government are the main issues discussed in this unit. Student will also gain an insight into the main theories that underpin the existence of local government.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define local government;
- discuss basic purposes of local government;
- examine the main theories of local government;
- discuss the main features of local government.

### **3.0 MAIN CONTENT**

#### **3.1 LOCAL GOVERNMENT: DEFINITIONS**

##### **What is Local Government?**

Local government is a formal structure of governance at the local level. A local government usually has a specified territory, population, institutional structure and autonomy. It is usually established by legislation promulgated by the upper tier of government but is allowed a reasonable latitude for initiative. Various definitions of local government as given by different scholars and institutions are presented below:

Local government is the lowest unit of administration to whose laws and regulations, the communities who live in a defined geographical area and with common social and political ties, are subject (Orewa, 1991). Barber (1974) says where a local authority has a legal personality with sufficient but limited powers of control over its staff, finances and functions devolved upon it by the central government; it can conveniently be called a local government.

The 1976 Local Government Reform Hand Book defined local government as: Government at the local level exercised through representative councils established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, and through devolution of functions to these councils and through the active participation of the people and their traditional institutions that local initiatives and responses to local needs and conditions are maximized.

The United Nations defines local government as a political sub-division of a nation (or in a federal system) or state, which is constituted by law and has substantial control of local affairs

including the power to impose taxes, or exact labour for, prescribed purposes. The governing body of such an entity is elected or otherwise locally selected.

The International Encyclopedia of Social Sciences (1976), defines local government as “a political sub-division of national or regional government which performs functions which nearly in all cases receive its legal power from the national or regional government but possess some degree of discretion on the making of decisions and which normally has some taxing powers”.

Local government has also been defined as the level of government below the central government in the case of a unitary state, or below the regional, provincial or state government in the case of a federation, which is obliged to provide a range of services set out by law, to its communities and has legal authority to do this (Orewa 1991; 24).

We can deduce from these definitions that local government is the lower level of government in a modern state, which has the power to make byelaws and regulations binding on the population within its jurisdiction. It also has the power to raise revenue and undertake assigned responsibilities as stipulated by the constitutions, statutes and laws establishing it. We can also infer from the foregoing that local government is a multi-dimensional concept. The dimensions as provided by Adetorise (2011:1-6) are the following:

### **Social Dimension**

From the social dimension, local government is basically a social institution. It is an organized social entity based on the feeling of oneness. Local government provides a platform for people in a locality to express and fulfill their human urge to interact and in the process of interaction, the feeling of convergence bring to the fore the commonality of basic needs of the people in the neighborhood of food, shelter, clothing, water, etc. It is these facets of their feeling of oneness that are a binding force not only among themselves but also between the local authority and the local people.

### **Economic Dimension**

Local Government is basically an economic institution with a foremost role to play in promoting the economic well-being the people of the locality. The economic dimension of the concept of local government relates to its economic viability. Thus, revenue generation becomes a primary function of local government. A local government that is not economically viable cannot do much to improve the economic conditions of the people in the locality.

### **Geographic Dimension**

Local government also has a geographic dimension. From the perspective of a specific and defined territorial jurisdiction over a particular human habitation, the local government may be conceptualised in geographic terms. The geography of local government, which includes physical, demographic and economic features, has its impact on its policies, administration and law. The geography of local authority offers an important dimension to the concept of local government. Its impact on local people and, therefore on local law, politics and administration can be all pervading. Hence, the decision makers need to have adequate acquaintance with local geo-demographic variants for rendering meaningful services to the local people.

### **Legal Dimension**

Local government is a legal institution in the sense that it is established by law of a competent and higher authority. This makes local government a miniature body-politic and a body corporate. In its former capacity, it is the agent of the state and, as such, represents public interest. In that capacity, it exercises a part of the powers of the state legally delegated to it within specified geographical boundaries.

### **Political Dimension**

Local government is also a political institution. Local government is basically a political mechanism for governance at the local level. Conceptually, local government is an integrant of democracy. When local government loses its democratic feature, it degenerates into local administration. When local administration imbibes democratic character, it then becomes local government. Without democratic norms there can be no self-governing institutions.

### **Administrative Dimension**

Local government has an administrative dimension. It has its local bureaucracy like other higher levels of government. They are basically of two types. There is the Unified Service which is region-wide or state-wide and managed by a single Local Government Service Commission. There the Localize Service which is restricted the individual local governments. Thus, local government is operationally an administrative organisation with the confluence of politics and technology. The degree of confluence in the local government is of a unique character. Sometimes, one cannot make out when the political, organisational and technological processes begin and end and how they intermingle.

### **3.2 PRIMARY PURPOSE OF LOCAL GOVERNMENT**

The unique needs of local populace which also justify the existence of local government are the following considerations:

To address the basic and unique needs of the people within a particular locality. Local governments are supposed to serve as a two-way channel of communication between the local population and the upper tiers of government (state and federal).

The existence of local governments permits the officials of state at the centre the time to concentrate on vital and complex national issues, living the local issues with the local officials. Local governments are supposed to mobilise the local people and resources for national development. Local governments exist to encourage greater public participation in governmental activities.

### **3.3 FEATURES OF LOCAL GOVERNMENT**

Now, let us consider some of the features of local government.

The essential features of local government according to Olowu (2000) are:

A local body should exist which is constitutionally separate from government and is responsible for a significance range of services; Should have own treasury, a separate budget and accounts, and its own taxes to produce substantial part of its revenue; Should have on qualified staff, with power to hire and fire, though there can be some officers seconded from government to fill top positions initially; Decision-making on policy and procedures in the hands of a council which



genuinely represents and is accountable to all parts of the local community; Central government administrators are to serve as external advisers and inspectors, but have no role either as councilors or officers of the local authority.

### **3.4 THEORIES OF LOCAL GOVERNMENT**

Theories of local government attempt to provide the justifications for the establishment of local government as a tier of governance. There are three basic propositions equivalent to a rationale for local government. The first is Democratic-Participatory School of Thought; the second is Efficiency-Services School of Thought and the third, the Integrationist School.

#### **3.4.1 DEMOCRATIC PARTICIPATORY SCHOOL OF THOUGHT**

The Democratic-Participatory School of Thought is of the view that the existence of local governments is basically for the purpose of promoting democracy and participation at the grassroots level, thereby bringing government nearer to the people.

This position is premised on the attempts to justify the existence or need for local government on the basis of its being essential to a democratic principle or for practical administrative purposes like responsiveness, accountability and control (Gboyega, 1987). Local government is perceived as a free institution that provides political education for those who participate in the act of decision-making. However, whether or not local government will promote sectional interest, political education as well as accountability will depend largely on the nature of the political arrangement within the political system.

#### **3.4.2 EFFICIENCY-SERVICES SCHOOL OF THOUGHT**

The Efficiency-Services School of Thought locates the rationale for local government in the provision of special services. This school of thought premised its arguments on the notion that some services such as defence and external affairs are provided by the central government for the purpose of maintaining common nation standards or because they are of immediate or of direct interest to the ordinary citizen. It is argued that there are certain concerns or interests, which only a section of the community has in common and it is convenient as well as advisable that only those who share this community of interests should administer them. Some interests are

peculiar to some localities; those interests will be best managed if they are under the purview of the people in those localities (Gboyega, 1987).

### **3.4.3 THE HOLISTIC INTEGRATIONISTS SCHOOL OF THOUGHT**

The argument of the holistic-integrationist school is that local government, if well nourished is in a far better position than the national government to stimulate initiatives, inculcate the feeling of national consciousness and encourage drive and experimentation in the people. This is because it can more easily identify available local skills, interests and available capabilities and capitalize on them (Ola, 1988). The following holistic-integrationist functions to be performed by local government were suggested by Sady in Ola, (1988:65 ): Decongesting government at the centre thereby freeing national leaders from onerous details and unnecessary involvement in local issues. Increasing peoples' understanding and enlightening people about economic (community) development. Making programmes to foster social and economic betterment at the local level more realistic and lasting. Training people in the art of self-government.

The argument is that local government exists in this holistic-integrationist model, chiefly, for these purposes. It can help to reduce congestion in the centre by being involved in implementing socio-economic programmes of the central government either as agents or as bodies to which these functions are delegated.

### **Self Assessment Exercise**

Discuss the main purpose of local government.

Mention the various dimension of the conception of local government

## **4.0 CONCLUSION**

As we can see from the discussion, local government means authority to determine and to execute matters within a restricted area inside and smaller than the whole state. It involves administering of services on a local basis by local bodies. Local government therefore, is a form of governance at the local level.

## **5.0 SUMMARY**

In this unit, you have learnt that local government is the lower tier of government. It exists for certain purposes and performs some functions and responsibilities. You have also gained an insight into the theories of local government. This unit ends with the summation of Gboyega (1987:3), local government, it is claimed, enables services of local importance only to be locally administered, provides education in citizenship, provides training in political leadership, makes available to the central government information about localities which is essential for adequately meeting their needs efficiently, and minimizes concentration of political power by diffusing it really.

## **6.0 TUTOR- MARKED ASSIGNMENTS**

Define Local government.

Discuss the main features of Local Government.

Examine the relevance of the propositions of the three schools of thought for the understanding of local government.

## **7.0 REFERENCES/FURTHER READING**

Adetoritse, T.D. (2011). Conceptualizing Local Government from a Multi-Dimensional Perspective. *Higher Education of Social Science*, 1 (1), 66-71. Barber, M.P. (1974) (3rd Edition) *Local Government*. London. Macdonald and Evans Ltd.

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## **UNIT 2: EVOLUTION OF THE NIGERIAN LOCAL GOVERNMENT**

### **CONTENTS**

#### **1.0 Introduction**

#### **2.0 Objectives**

#### **3.0 Main Content**

##### **3.1 Local Government under Colonial Rule**

### **3.2 Reasons for the Adoption of the Policy of Indirect Rule**

### **3.3 Characteristics of the Policy of Indirect Rule**

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor Marked Assignments**

### **7.0 References and Further Reading**

## **1.0 INTRODUCTION**

We need to recall our foundation knowledge of local government. We learnt in the previous unit about the nature and character of local government generally. Local government is defined as government at any level lower than the central authority in a given state. It can be describes as government at the grassroots level. Local governments are usually created by laws and statutes. Their assigned functions and responsibilities are written in the constitution or statutes as the case may be. What we shall be doing in this unit is to begin the discussion on the developments and trends of local government in Nigeria. This discussion will span through the next three units. What is important for us is to see how local government in Nigeria evolved and the stages of its growth and examine the dynamism of this development. In this unit however, student will learn about the policy of indirect rule, reasons for its adoption in the colonial Nigeria in three regions.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- discuss the feature of the policy of indirect rule;
- discuss the basic characteristics of indirect rule; 3. Examine how indirect rule was applied in the colonial Nigeria.

## **3.0 MAIN CONTENT**

### **3.1 LOCAL GOVERNMENT UNDER COLONIAL RULE**

The amalgamation of the Northern and Southern Protectorates of Nigeria took place in 1914. Two years later the Native Authority Ordinance, 1916, was passed to extend the legal basis of the native authorities to cover Southern Nigeria. Until then the hub of colonial local administration had been the “native court” which also served minor executive purposes. The ordinance of 1916 amplified the law and order functions of the native authorities which superseded the native courts as the main instruments of local administration. The native authorities were empowered to make orders regarding the following items:

Restricting the manufacture of native intoxicating liquors and the supply of such liquors to young persons; prohibiting or restricting the holding of drinking bouts; prohibiting or restricting the cultivation of poisonous or noxious plants, and the manufacture of noxious drugs or poisons; prohibiting any act or conduct which in the opinion of the Native Authority might cause a riot or a disturbance or a breach of the peace; preventing the pollution of the water in any stream, water course, or water hole, and preventing the obstruction of any stream or water-course; regulating the cutting of timber and prohibiting the wasteful destruction of trees; preventing the evasion of any tax, service or other obligations imposed by or under any Ordinance; requiring natives to report cases of infectious disease whether of human beings or animals and generally for the prevention of the spread of such disease; requiring natives to report the presence within the local limits of his jurisdiction of any property stolen or believed to have been stolen outside such local limits; and for any other purposes approved by the Governor.

Local government was known under colonial rule as the Native Administration System. The Native Administration System comprised four main interdependent parts:

The Resident who provided direction and control; the Native Authority, usually headed by a chief who enjoyed legitimacy under the indigenous political system, often supported by a council of elders; the Native Treasury; and the Native Court composed of representatives of the native administration.

These structures of the Native Administration System were created and sustained on the basis of a body of values and political beliefs which were articulated as the principles of Indirect Rule (Gboyega, 1987). These principles also regulated the relationships of these structures to one another and constrained their development and adaptation to changing socio-political conditions.

The British adopted the policy of Indirect rule in the governance of the interland of Nigeria. The policy implied in practice that the pre- colonial institution of governance were left in place but placed under the close supervision of British colonial officials. The policy was first introduced in the Northern Province and was subsequently extended to the south after the amalgamation. The system however, attained different levels of success.

### **3.2 REASONS FOR THE ADOPTION OF THE POLICY OF INDIRECT RULE**

The adoption of indirect rule was informed by a number of considerations. Okonjo in Gboyega (1987) identified certain problems that necessitated the adoption of indirect rule. These include:

1. The vast scale of the areas and population to be administered - In relation to the vast area and huge population size there were rather few civil European officers to undertake the business of administration.
2. At the time, Northern Nigeria was far from being completely pacified. Consequently, the troops that Lugard commanded had to be deployed every now and then to put down resistance of British colonial rule, and the fact that available Europeans lived under harsh climatic and poor hygienic conditions meant that they were not always available for duty thereby worsening the impact of their scarcity.
3. The communication system at the beginning of the 20th century in Northern Nigeria was exceedingly poor. Distances were wide and the roads (only means of transportation) were very bad. The difficulty of maintaining contact between headquarters and the field or districts meant that Residents had wide powers delegated to them. They in turn needed to delegate their powers to subordinates and since this did not exist, their position had to be filled somehow.
4. Indirect rule was said to have helped minimized the cost of administration. It would have cost a lot of money to employ more British officers even if the men were available. The traditional rulers became a dependent local class in whose interest British colonial rule was perceived to be successful. Adoption of indirect rule was meant to be an indication of goodwill to both the traditional rulers and their people that British rule was not to have the implication of a radical dislocation of their social existence.

Given the above reasons, Lugard saw the indirect rule system as expedient in the practical administration of Nigeria.

### **3.3 CHARACTERISTICS OF THE SYSTEM OF INDIRECT RULE**

Crowder and Ikime in Gboyega (1987:16-17) provided the summary of the identifying characteristics of what emerged as the system of native administration (indirect rule). These are:

#### **Legitimacy:**

As far as possible, pre-colonial dynastic lineages were continued.

#### **Territorial jurisdiction:**

The territorial jurisdiction of the traditional rulers was maintained; that is, the land boundaries of pre-colonial times were respected except where the chiefs or people by their own consent agreed to federate for purposes of greater efficiency, larger revenues, etc.

#### **Native Authorities:**

Chieftaincies were designated native Authorities, in which the chief might be sole native authority or the Chief in Council constitute the native authority. A native authority has specific functions:-

- (i) collection of taxes of which a fixed percentage was rendered up to the colonial administration;
- (ii) Control of a budget established to spend the taxes retained by the Native authority, which included initiating local development programmes, building and maintaining native authority schools and dispensaries, building and operating permanent markets, the construction of local feeder roads to join up with central government roads.

#### **Legal system:**

The chiefs and their traditional legal officers controlled the administration of law, including local police functions and the prisons, according to customary legal principles shorn of abuses and repugnant aspects as determined by the colonial government.

#### **Appointment of Officials to Native Authority:**



The Native authority controlled appointment and dismissal of its officials; the colonial authorities, however, had to sanction the appointment of the chief himself.

### **The Role of the Political Officer:**

Essentially the role of the political officer in the Native Authority system was as an adviser, almost as a lobbyist vis-à-vis the Native Authority in so far as local government affairs were concerned. The less sophisticated the Native Authority however, the more his role became that of supervisor rather than adviser. In matters of tran-Native Authority affairs, e.g. decisions made for the whole colony, the political officer could order rather than suggest action.

### **Native Authorities as Legislative Bodies:**

The Native Authorities were Legislative organs. With regard to legislation concerning traditional matters, the political officers would not interfere unless they were repugnant to 'human justice'. With regard to legislation concerning modern administration much of the legislation would originate from the political officers but be promulgated in the name of the Native Authority. In the Northern Province the system attained a level of success because the Hausa/Fulani emir enjoyed over whelming power in the pre- colonial time. Besides this, the emirate system had well developed traditional system of tax collection, a relatively efficient administrative system which enhanced the integration and control of the political system. There was also a highly developed judicial system which applied the Sharia code.

In a basically acephalous society like the Eastern region where there was no centralized political systems which were the foundation of the native authority, the colonial authorities had no choice than to create 'warrant' chiefs whose consequent lack of legitimacy and conflict with traditional socio-political structure provoked widespread protest in the eastern region. In addition, there was no indigenous system of taxation to provide financial support for the native authorities. Since the native administration could not survive without a native treasury to raise revenue for the native authority, the colonial government introduced direct taxation into the Eastern Region between 1927 and 1929. This action led to the famous Aba riot of 1929.

Furthermore, the attempt to apply the logic of indirect rule more fully in the Eastern region by substituting warrant chiefs for the British District Officers as presiding officers of the native

courts after 1922 added to the outrage felt by the citizens of the Eastern Region. These factors marred whatever achievements the native administration system could have realized in the Eastern Region.

In the Western Region, there were not as many obstacles to the introduction of indirect rule as witnessed in the Eastern Region. Prior to the colonial rule the Yoruba who were the largest ethnic group in the western region lived in kingdoms. The monarchical political organization featured centralized political authority under the leadership of a king aided by a council comprising lineage heads. The most famous of these kingdoms had a finely balanced distribution of powers between the monarch, the Alaafin, and the council, the Oyo-Mesi. The Alaafin's authority has spiritual and political dimensions and in spite of the claims of legend about the scope of that authority it was greatly limited by the necessity to carry along the Oyo-Mesi, the constraints of tradition and the desire to secure public order and welfare.

In addition to the existence of a relatively more centralized political structure, there was also a tradition of royal courts, a practice by which the king's court was the ultimate court of jurisdiction for all civil and criminal proceedings. Taxation which was a reason for protest with the introduction of the native administration system into Eastern Province was also difficult to introduce in the Western Province. Although tributary relations between paramount Kings and minor Kings existed before colonial rule the implications of organizing a treasury such as the systemization of taxation led to riotous protests especially in Abeokuta and Ogbomoso.

### **Self-Assessment Exercise**

Give reasons for the adoption of Indirect Rule in Nigeria

## **4.0 CONCLUSION**

Native administration system was said to be a political administration through the agency of indigenous institutions. Lugard found indirect rule expedient for the purpose of administration in Nigeria. The Native Authorities especially in the North were well suited to the purpose of the colonial enterprise. The system however, lasted only until the early 1950s, in the Eastern and Western regions where the social structures were less hospitable and receptive to the Native Authority structure.

## **5.0 SUMMARY**

We learnt in this unit how the policy of indirect rule was introduced and applied in the 3 regions of colonial Nigeria. We examined the major characteristics of the policy of indirect rule and form of its operation the Eastern, Western and Northern Nigeria. We observed that the operation of indirect rule met with varying degree of success in the three regions.

## **6.0 TUTOR-MARKED ASSIGNMENTS**

Discuss the major features of indirect rule

Critically examine the operation of indirect rule in the three regions of colonial Nigeria.

## **7.0 REFERENCES/FURTHER READING**

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## **UNIT 3: THE 1950s LOCAL GOVERNMENT REFORMS IN NIGERIA**

### **CONTENTS**

#### **1.0 Introduction**

#### **2.0 Objectives**

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##### **3.1 Reforms of Local Government (1950s)**

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### **7.0 Reference and Further Reading**

## **1.0 INTRODUCTION**

In the last unit, you were introduced to the nature of the native administration in Nigeria starting from 1900. We observed the different form of administration of the indirect rule in the Northern, Western and Eastern Provinces in Nigeria. You will recall that indirect rule in the three provinces met with different degree of success. Consequently, the regions witnessed spate of riots during the period of administration of indirect rule especially with the introduction of certain taxes. In this unit, you will learn about the reforms that came immediately after the indirect rule operation in the Provinces.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to;

- discuss various reforms that took place after indirect rule at the Regions;
- discuss the nature and form of the emerging local governments in the Regions.

## **3.0 MAIN CONTENT**

### **3.1 REFORMS OF LOCAL GOVERNMENTS (1950s)**

Beginning from 1947, the British imperial government announced a new policy of local governance in their colonial territories, this was reflected in the dispatch of the secretary of state for the Colonies –Arthur Creech Jones to all British colonial governors informing them of the need to emphasize the introduction of new reforms towards local governance which would emphasize efficiency in democratic governance.

In Nigeria, the introduction of a new constitution in 1951 facilitated the introduction of new models of governance in line with the 1947 dispatch.

### **Eastern Region**

The Eastern Region in 1950 replaced the Native Authority Ordinance by a Local government Ordinance. Under the former Ordinance, a number of Chiefs and elders were appointed by the Government to form the native authority council of the area. The Local government Ordinance of 1950 enabled the majority (80 percent) of the councilors to be directly elected. The structure of the local government was three-tier, comprising of county councils, district councils, and local councils. The county councils corresponded, in most cases, almost exactly in size to the erstwhile divisional native authorities, and performed major services and functions. The district and local councils covered smaller areas, the former covering a larger area than the latter, but both had powers and functions relative to their size.

In 1955, the minister for local government was empowered by the provisions of new local government law to ensure closer scrutiny and supervision of local government activities. The Local Government Law 1957 increased the autonomy of local authorities as the local government advisers (formerly district officers) were withdrawn and three provincial local government inspectors were appointed for the entire region thereby making regional government supervision even more remote. In 1958, the county councils were abolished and the district councils became all-purpose local authorities. Thus in the urban and municipal areas local government had only a single tier while rural areas had two tiers of authority – district and local authorities. In 1960, the Eastern Nigeria Local Government Law further altered the structure of local government as the urban and rural district councils were re-designated urban county and county councils respectively (Oyediran and Gboyega, 1979).

### **Western Region**

In the West, the local government law of 1952 initiated important reforms of the system. However, the element of the reform had to combine the influence and interest of Oba's and the chiefs. In response to the challenge posed by the chiefs, the regional government undertook the programme of political education to explain the new legislation. The system introduced by the legislation was based on the British-type three-tier structure. Divisional, district and local

councils were set up. The divisional councils were coterminous with administrative divisions and performed major functions. The districts council came next in status and performed middle range functions while the local council was for a small town or group of villages too small to have a district council. The local council performed only minor functions.

The local government systems in the Eastern and Western Regions were very similar in essential features. Underlying the two systems was a philosophical conception of local government which ascribed to local government higher ultimate political purposes than the mere delivery of social service and implementation of development projects. The ultimate political purposes served by local government as conceived in the two regions might be said to include political education for local and national leaders, diffusion of political power on an area basis, local self-determination and inculcation of the noble ideals of impartiality, protection of minority rights and integrity, all of which were considered essential to the evolution of a liberal democratic society.

### **Northern Region**

There were efforts to reform in the North, but the objective was not on the democratization of the system although the system was modified to accord contemporary trend. The native authority law of 1954 not only changed little of substance, merely consolidating existing arrangements, but it even retained the term 'native authority'. All the seventy native authorities which existed had traditional rulers as their heads. The law made provisions for five different types of native authorities, namely:

- a chief or other person in council;
- a chief or other person and council;
- any council;
- any group or persons;
- any chief or other person.

In most places, it was the chief and council pattern that was in place in which the chief played pre-eminent and predominant role. However, popular participation was encouraged through subordinate structures – there were village councils. Here popular participation was allowed though the emphasis in the North was not on democratization as was the case with the South.

In spite of the reforms undertaken, public complaints against local governments' performance continued - there were allegations of corruption, nepotism, inefficiency etc. Consequently, the various governments instituted studies within their local government area although there were differences in detail. The reforms in the North were similar in orientation. They all sought to reduce power from the hands of aristocrats and to provide a legal framework for popular participation. The military intervention in the Nigerian politics in 1966 marked the beginning of important changes in the system of local governance in the country.

### **3.2 LOCAL GOVERNMENT TO LOCAL ADMINISTRATION**

The South Eastern State and the Mid-Western State replaced the local government system it inherited with a new system called development administration. The term development administration was chosen as a result of the recommendation of an expert ad hoc committee which examined and advised government on the suitability or otherwise of the system of local government inherited before the war. The East Central State government adopted a different nomenclature for its system of local administration. The main objectives of the system of local administration as stated in the words of the Mid-Western State Development Administration Edict are to:

- provide a framework for effective co-ordination and execution of Government programmes and services in each division; and
- facilitate and encourage the participation of the people of each division in the control and management of their local affairs with the assistance and under the supervision of the government by enabling the people
- utilize local community efforts and organizations to raise funds and mobilize resources for the general development of their local area.

Even though the structures varied, they were designed to achieve the same purpose, that is, state government control of the administration and development of local communities. In the east Central State, a two-tier system of local administration was established. The upper tier was called divisional council. The lower tier which was the primary basis of the new system was called community council. They were constituted at the village group level very much in line with the traditional social and political units. For the South Eastern State two levels of development

administration were established – area development committee and urban or county development council. Each area development committee was made up of a number of villages and dealt with projects requiring the co-operation of more than one village. The county or urban development council covered a number of area committees and served as the centre for development administration.

In the Mid-Western State, development councils and development committees were established. As in all the other states, all members of development committees and councils were appointed by the military governor in the Mid-Western State. Each development committee had a ceremonial president (a traditional ruler) and a chairman and members. A chairman, chairmen of all development committees in the division, and between thirty and forty members constituted each development council. All staff and employees of development councils and committees were designated civil servants. The same was true of the South Eastern and East Central States.

In the Western State, by the time the military took over the control of government, divisional councils – the first tier of local government – had become most unpopular for some reasons:

- many local councils were too small to be viable politically and economically;
- local government institutions became the primary institutions for coercing local supports for the ruling political party;
- Committees proliferated and unnecessary meetings were frequently held in order to gain sitting allowances and to get more involved in day-to-day administration of councils.

By 1967 when the state was created all local government management committees were dissolved and their powers and functions transferred to divisional administrators designated sole administrators. In the late 1968 and early 1969, civil disorder broke out in several parts of the state because of the frustration experienced by the councils due to the absence of effective channels of participation and the neglect by the sole administrators. A commission was set up to investigate the civil disorder. One of the recommendations of the commission was that ‘government should undertake as a matter of urgency a review of the existing local government council structure with a view to finding out which councils are viable and which are not, and therefore... decide on measures to for ensuring that only councils viable and capable of fulfilling their statutory obligations remain’.



In 1973, a new pattern of local governance was introduced – the Council Manager System. The model sought to maximize viability and efficiency (the council under the old system were too small and too many). Accordingly, the 114 local government councils of various sizes and stature were merged and consolidated into thirty-nine single-tier local government councils. Each council was made up of a management committee out of which a standing committee was chosen. Another important aspect of the structure of the new system was the creation of area committees in each council area with varying populations of between 10 000 and 25 000 and with membership of between ten and thirty.

The process of popular representation in the native administration system in the Northern Region was strongly resisted in the 1950s in the name of efficiency and stability. But by 1963 government decided that all native authority councils should have at least some elected members, and by the time the military took over in January 1966, all native authority councils had some elected members. Certain policies of the new military regime quickened the gradual reduction in the power and influence of traditional rulers even before states were created in 1967. In February 1966, government announced that all native authority police, prisons and native courts would be taken over by the regional government. The chief justice of Northern Nigeria was asked to prepare plans for a phased takeover of these functions. By April 1968 all these functions were effectively taken over (Oyediran and Gboyega, 1979: 169 -191).

### **Self-Assessment Exercise**

Discuss the nature of development administration of the Eastern and Mid-Western state of the 1950s

## **4.0 CONCLUSION**

Native administrative system of the three regions experienced a change in terms of reforms. It has been observed however, that the replacement of local government with local administration was in essence not to stimulate local development but to strengthen military dictatorship. In spite of all the reforms complaints against local administration performance continued.

## **5.0 SUMMARY**

We have learnt in this unit the process of various reforms undertaken in the three regions shortly before and immediately after the military took over. We learnt how the policies of the new military regime affected the power of the traditional rulers in the scheme of the then local administration.

## **6.0 TUTOR-MARKED ASSIGNMENTS**

Examine the nature of the reforms in the Western region.

Discuss the nature of the reforms in the Eastern region; in what way(s) was the reform similar to that of the Western region?

## **7.0 REFERENCES/FURTHER READING**

Gboyega, A. (1987) Political Values and Local Government in Nigeria. Lagos. Malthouse Press Limited.

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## **UNIT 4: THE 1976 LOCAL GOVERNMENT REFORMS IN NIGERIA**

### **CONTENTS**

#### **1.0 Introduction**

#### **2.0 Objectives**

#### **3.0 Main Content**

##### **3.1 The 1976 Local Government Reforms**

#### **4.0 Conclusion**

#### **5.0 Summary**

## **6.0 Tutor Marked Assignments**

## **7.0 References and Further Reading**

### **1.0 INTRODUCTION**

The reform of 1976 was considered epochal and regarded as a turning point in the evolution of Nigeria local government system because it replaced all the different patterns of local government with a uniform multi-purpose model. It formally recognized the local government as the third-tier arm of government. In this unit, student will learn the details of the reform and see how it transformed the nature of local government in Nigeria.

### **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

Discuss the nature of the 1976 local government reforms;

Discuss the major functions assigned to local government under this reform.

### **3.0 MAIN CONTENT**

#### **3.1 THE 1976 LOCAL GOVERNMENT REFORMS**

The civil war and military dictatorship really hampered the systematic growth and development of local government system in Nigeria. Nevertheless, the military rulers of Nigeria in their quest for administrative reforms also pre-occupied themselves with the status of local government which had become mere appendages of military governors in the immediate post-war years (Odion-Akhaine and Yunusa, 2009). These were the antecedents to the 1976 Local Government Reform of Gen. Obasanjo.

The 1976 Local Government Reform was part of the military government transitional programmes inaugurated in 1975. The new military that came into office in 1975 pledged to return the country to civilian administration within a short period. It announced a programme for the disengagement of the military from political administration of which the re-organisation of local administration was a prominent part.

The reorganisation of local administration was an important feature of the programme for three reasons:

- Strong, representative local government was considered to be a pre- condition for the democratic system at the national level;
- The desire of the new government to decentralize power; and
- The desire to reap the benefits believed to be entailed by a decentralized system of administration such as sensitive local administration keenly attuned to local needs and purposes, more effective local control, greater efficiency, and the lessening of the load of administration at the state level (Gboyega, 1987:136-138).

The main reasons for the local government reforms were that a representative local government system was considered essential to a national democratic system of government; that strong local authorities with clearly defined functional responsibility in a power-sharing relationship with the state was an institutional safeguard against tyranny; that the reforms were necessary for greater efficiency and relevance in the provision of local services which would facilitate the integration of the national political system (Gboyega, 1987).

The highlight of the reform can be stated as follows:

- The reform provided for a single-tier structure for each local government with a minimum population range of 150,000 to 800,000. There was no maximum limit.
- A maximum of 25 percent nominated membership structure, the rest were to be elected chairman and at least two or three councilors, to be designated supervisory councilors were to be engaged full-time. The number of council members was pegged between 10 and 30 depending on population of the local area.
- The role of traditional rulers was clearly spelt out. They were to serve in advisory capacity through the traditional councils.
- The provision for a steady financial base through grants. This comes in forms of federal and state grants.
- Provision for increased internally generated revenue.

The reform assigned specified functions and assured local government of two sources of revenue; the independent sources and fiscal transfer from the state and the federal government. As regards the functions of local government the reforms identified them as follows:

- To make appropriate services and development activities responsible to local wishes, and initiatives, by devolving or delegating them to local representative bodies.
- To facilitates the exercise of democratic self-government close to the local levels of our society and to encourage initiative and leadership potential.
- To mobilize human and material resources through the involvement of members of the public in their local development.
- To provide a two-way channel of communication between local communities and government (both state and federal).

The reforms provided for democratically elected local council, in line with the provision and functions assigned to the local government. The reforms provided that local government councils be elected either directly or indirectly. In addition the councils have elected majorities, elect their own chairmen subject to government approval and take decisions by majority vote. The local government councils are single- tier authorities with primary and sole responsibility for exercising statutory powers of the local governments.

The major aspects of the 1976 reforms were written into the 1979 Constitution to ensure that the state governments do not go back on these reforms. The constitution guarantees a system of democratically elected local government; specifies a list of functions for local authorities and makes it mandatory for the states and federal government to make financial grants to local authorities. However, in spite of the significance of the 1976 local government reforms, it failed to achieve its objectives particularly during the second Republic.

Specifically, the 1976 reform and the subsequent 1979 constitution left unanswered what should be the definite role of traditional rulers. Again, the financial instability of the local government councils somehow reduced to mere structural decorations as they were persistently devoid of functional ability in relation to the various functions that they were charged with. Furthermore, the wards for the election of councilors were exceptionally large to the extent that some communities did not know their councilors (Bello-Imam, 2006). According to Bello-Imam, it is thus evident that the emergent structure suffered from various problems which tended to undermine the performance of local governments. thus, during the Second Republic, some of the state governments broke up or adjusted local government boundaries without due regard to the viability in order to carve out more favourable bases for their political survival.

## **Self-Assessment Exercise**

Examine the major highlights of the 1976 local government reform

## **4.0 CONCLUSION**

We have observed in our discussion here that the 1976 local government reform brought significant changes in the world of local government in the country. It provided for democratically elected local councils, assigned specific functions to be undertaken by local government and recognized local government as the third-tier of government. In spite of all these, it failed to achieve its objectives particularly during the second Republic.

## **5.0 SUMMARY**

What we have done in this unit is to discuss in detail the nature of the 1976 local government reform in Nigeria. We realized that in spite of the major significant of the reform, local governments were still bedeviled with serious problems.

## **6.0 TUTOR-MARKED ASSIGNMENTS**

Discuss in detail the major aspects of the 1976 local government reform.

Identify and discuss the functions specified for local governments by the 1976 reforms

## **7.0 REFERENCES/FURTHER READING**

Bello-Imam, I. B. (2006). "Structural Evolution of Local Government in Nigeria" in Ekpe, A.N. (ed) The Substance of Local Government Administration in Nigeria (Theory and Practice). Lagos. Asbot.

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## **UNIT 5: LOCAL GOVERNMENT SINCE 1985**

### **CONTENTS**

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#### **2.0 Objectives**

#### **3.0 Main Content**

##### **3.1 Local Government Since 1985**

##### **3.2 Functions of Local Government**

#### **4.0 Conclusion**

#### **5.0 Summary**

## **6.0 Tutor Marked Assignments**

## **7.0 References and Further Reading**

### **1.0 INTRODUCTION**

In the last unit, we were able to identify some of the problems associated with the 1976 local government reforms in Nigeria. The local government systems were over politicised with most state government opting for the committee system which negated the elective principle in favour of appointment of local government officials. In this unit, therefore student will further learn about the development in local government system in Nigeria after the failure in the operation of the 1976 local government reform.

### **2.0 OBJECTIVES**

At the end of this unit, you should be able to;

- discuss the system of local government starting from 1985; a
- analyse the functional responsibilities of local government as enshrined in the 1999 Constitution.

### **3.0 MAIN CONTENT**

#### **3.1 LOCAL GOVERNMENT SINCE 1985**

All the problems discussed previously negated the 1976 local government reforms. However, with the coming of the Buhari and Idiagbon military regime, all the new local governments created between 1979 and 1983 were dissolved. General Buhari and Idiagbon set up a 21 man committee headed by Alhaji Ibrahim Dasuki. The Committee was to;

- Evolve the most suitable mode of managing the local governments in the context of the present military administration;
- Re-examine existing structures, functions and financial resources available to local governments for the performance of those functions;



- Look into the accounting/management (staff) problems of local governments, including the standardization of the various departments of the council;
- Evolve proper place of traditional authorities in local governments;
- Propose how best to manage intergovernmental relations between local governments and ministry for local governments local service boards/commissions;
- Work out manpower development schemes for all cadres of local government relevant for the improvement of local governance administration in the country.

The Babangida administration that came in 1985 adopted the Dasuki report and consequently, a white paper on the report was issued in 1986. In the white paper, the military government accepted the recommendation that the structure of local government introduced in 1976 should be retained. It endorsed the pruning of the local councils to the 1976 figure and proposed that a management committee be set up to run the councils (Adeola, 2009). As part of the Babangida administration's efforts to return to civil rule by 1992, he set up a 15-member Political Bureau and instructs it to draw up a programme of action which reflected the wishes and aspirations of the people.

During the political debates, there were demands for a re-organisation of the federal structure so as to correct some of its perceived ills. Part of the Political Bureau report dealt with how to make the local government agents of national development. From the 304 local governments inherited, Babangida created 149 new ones thereby bringing the total to 453. The numbers of local government councils have risen to 774 presently.

In the 1979 Constitution, the functions and responsibilities of the federal government are listed in the Exclusive Legislative List as contained in Part I of the Second Schedule. In Part II of the same Schedule was a list showing the functions and responsibilities which are assigned concurrently to the federal and state governments. Section I of the Fourth Schedule contains the list of functions which are assigned exclusively to local government councils while Section 2 of that Schedule lists functions of the state in whose performance the local government councils can participate. The implications of these according to the Political Bureau are as follows: The functions and responsibilities of the federal and local governments are listed fully and state governments are assigned residuary functions and responsibilities. This is to say that the functions and responsibilities of state governments embrace the following:

- what accrues to them from the concurrent list of the Second Schedule;
- what accrues to them from the concurrent list of the Fourth Schedule and;
- whatever is not especially allocated to any level of government.

All these mean that any functions and responsibilities which are specifically allocated to any level of government are expected to be performed or carried out by it without reference to any other level of government. The operation of local government is guaranteed in section 7 (1) of the Constitution. The state governments are obliged by this same section to enact laws which provide for the establishment, structure, composition, finance and functions of such councils. All these provisions taken together according to the Political Bureau suggest the following:

- Local governments constitute a third-tier of government in the federal system;
- State governments must enact laws to bring local government councils into existence under democratic conditions;
- in taking action under item (ii) above, state governments must give to the local governments the functions and responsibilities which are provided for them specifically in the constitution;
- the responsibilities which the local governments should bear in respect of the functions concurrent to state and local governments will, presumably, be determined by agreement between these two levels of governments (The Report of the Political Bureau, 1987).

The institution of democratically elected local government councils has continued to be entrenched in the Nigerian Constitution. In the First Schedule, Part II Section 7 of the Constitution of the Federal Republic of Nigeria, 1999 is enshrined: The system of local government by democratically elected local government councils is under this Constitution guaranteed; and accordingly, the Government of every state shall subject to section 8 of this Constitution, ensure their existence under a Law which provides for the establishment, structure, composition, finance and functions of such councils.

- The person authorized by law to prescribe the area over which a local government council may exercise authority shall:- define such area as clearly as practicable; and
- ensure, to the extent to which it may be reasonably justifiable, that in defining such area regard is paid to:- the common interest of the community in the area,

- traditional association of the community, and administrative convenience.

It shall be the duty of a local government council within the state to participate in economic planning, development of the area referred to in subsection (2) of this section, and to this end a law enacted by the House of Assembly of the State shall establish an economic planning board. The government of a State shall ensure that every person who is entitled to vote or be voted for at an election to a House of Assembly shall have the right to vote or be voted for at election to a local government council. The functions to be conferred by Law upon local government councils shall include those set out in the Fourth Schedule to this Constitution.

### **3.2 FUNCTIONS OF LOCAL GOVERNMENT**

The main functions of a local government council are as follows as contained in the 1999 Constitution of the Federal Republic of Nigeria (4th Schedule) are as follow:

- (a) The consideration and the making of recommendations to a State Commission on Economic Planning or any similar body on: the economic development of the state, particularly in so far as the areas of authority of the council and of the state are affected; and proposals made by the said commission or body;
- (b) Collection of rates, radio and television licenses;
- (c) Establishment and maintenance of cemeteries, burial grounds and home for the destitute or infirm;
- (d) Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts;
- (e) Establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences;
- (f) Construction of maintenance of roads, streets, street lighting, drains and other public highways, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a state;
- (g) Naming of roads and streets and numbering of houses;

- (h) Provision of maintenance of public conveniences, sewage and refuse disposal;
- (i) Registration of all births, deaths and marriages;
- (j) Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a States; and
- (k) Control and regulation of:
  - out-door advertising and hoarding;
  - movement and keeping of pets of all description;
  - shops and kiosks;
  - restaurants, bakeries and other places for sale of food to the public;
  - laundries; and licensing, regulation and control of the sale of liquor.

2. The functions of a local government council shall include participation of such council in the government of a state as respects the following matters:

- (a) The provision and maintenance of primary, adult and vocational education;
- (b) The development of agriculture and natural resources, other than the exploitation of minerals;
- (c) The provision and maintenance of health services; and
- (d) Such other functions as may be conferred on a local government council by the House of Assembly of the state

### **Self-Assessment Exercise**

Discuss the responsibilities of local government assigned by 1999 constitution.

## **4.0 CONCLUSION**

The 1976 Reform was motivated by the desire to promote a culture of democracy in Nigeria; decentralize power and thereby prevent a reoccurrence of tyranny, and promote efficient provision of service at the local level. But as we observed in the last unit, local governments after 1976 were still confronted with problems. The Babangida administration that came in 1985 adopted the Dasuki report and accepted the recommendation that the structure of local

government introduced in 1976 should be retained. Subsequently the 1979 and 1999 constitutions clearly delineate the functions of local government in the country. However re-organisation of local government system in Nigeria still continues.

## **5.0 SUMMARY**

We have learnt in this unit; the further process of transformation of the local governments in Nigeria since 1984. We also know the functional responsibilities of the local governments as enshrined in the 1999 constitution which is still operational till today.

## **6.0 TUTOR MARKED ASSIGNMENT**

Highlight some of the changes experienced by Local governments in Nigeria since 1984.

Analyse the functional responsibilities of local government as provided by the 1979 Nigerian Constitution.

## **7.0 REFERENCES/FURTHER READING**

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## **MODULE 3**

**Unit 1 Different Approaches to Public Administration**

**Unit 2 Relationship between Politics and Administration**

**Unit 3 Scientific Management Theory**

**Unit 4 Classical Theory of Organisation**

**Unit 5 Human Relations Theory**

## **UNIT 1 DIFFERENT APPROACHES TO PUBLIC ADMINISTRATION**

### **CONTENTS**

**1.0 Introduction**

**2.0 Objectives**

**3.0 Main Content**

**3.1 Managerial Approach to Public Administration**

**3.2 Political Approach to Public Administration**

### **3.3 Legal Approach to Public Administration**

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor-Marked Assignment**

### **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

This unit introduces you to different approaches to public administration. The bulk of the literature on public administration deals mainly with three approaches. One sees public administration as essentially management, another emphasises its political nature, and the third approach focuses on its legalistic concerns and processes. Each perspective has a different set of values, offers distinctive organisational approaches for maximising these values, and each considers the individual citizen in different ways.

Waldo (n.d) points out that for each of the three constitutional branches, there is a body of doctrine, set of values, and collection of instruments and repertoire of procedures. For the executive branch, the cluster is administrative, managerial, bureaucratic, and the emphasis is upon effectiveness and efficiency. For the legislative branch, the cluster is political and policymaking and the emphasis is upon the values of representativeness and responsiveness. For the judicial branch, the cluster is legal, and the emphasis is on constitutional integrity on one side and substantive and procedural protections for individuals on the other.

Realistically, public administration indeed consists of varying mix of these three branches. These three approaches to public administration are discussed in this unit.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- discuss the managerial approach to public administration
- explain the political approach to public administration

- discuss the legal approach to public administration.

### **3.0 MAIN CONTENT**

#### **3.1 THE MANAGERIAL APPROACH TO PUBLIC ADMINISTRATION**

The managerial approach has its roots in classical approaches of Max Weber and Frederick Taylor. Under the managerial approach, public administration is seen in managerial terms and business. This approach tends to minimise the distinctions between public and private administration. For advocates of the managerial approach, public administration is essentially the same as big business and ought to be run according to the same managerial principles and values.

Frederick Taylor developed and advocated the premise that effective, efficient management could be reduced to a set of scientific principles. The managerial approach to public administration promotes an organisational structure that is universally identified as bureaucratic. In conveying the core of the managerial approach toward administrative organisation, Seidman writes that orthodox theory is preoccupied with the anatomy of government organisation and is concerned primarily with arrangements to assure that:

- each function is assigned to its appropriate niche within the government structure
- component parts of the executive branch are properly related and articulated
- authorities and responsibilities are clearly assigned.

Further, the managerial approach promotes an impersonal view of individuals be they employees or clients. Weber saw decimalisation as an advantage of bureaucracy because irrational emotions would not interfere with the bureaucrat's job performance. The scientific management movement and the managerial approach promoted this perspective, which tend to turn the individual worker into an appendage to a mechanised means of production.

Indeed, the managerial approach emphasised a scientific method in developing knowledge. Considering public administration as a science has led to generalisations about administrative behaviour.



Under the managerial approach, the work of executives was aimed at maintaining coordination and control. It consists of POSDCORB, an acronym that may well continue to describe the functions of the chief executive and heads of the organisational subdivisions.

- i. **Planning:** Planning in this context means working out in broad outline the things that need to be done and the methods for accomplishing them.
- ii. **Organising:** This consists establishing the formal structure of the enterprise.
- iii. **Staffing:** Staffing refers to the personnel function in an organisation.
- iv. **Directing:** This refers to decision-making and communicating order within an organisation.
- v. **Coordinating:** Coordination involves relating the various parts of the work in an organisation.
- vi. **Reporting:** Reporting involves providing information through record keeping, research and inspection.
- vii. **Budgeting:** Budgeting refers to the fiscal planning, accounting and control.

An important feature of Gulick's organisational theory was the idea that the organisation could be organised by:

- i. purpose
- ii. process
- iii. clientele or material
- iv. place

These are discussed below.

1. Organisation by purpose (such as education, health welfare) Its advantages include the following.

- i. It serves purpose better
- ii. The public prefers
- iii. It elicits more energy and loyalty from employees

Its disadvantages include the following.

- i. It requires substantial overlaps
- ii. It ignores new technologies
- iii. It loses sight of subordinate parts of work

2. Organisation by process (teaching, law, engineering, accounting) Its advantages include the following.

- i. It utilises technical skill maximally
- ii. It utilises automation maximally
- iii. It permits coordination
- iv. It fosters professionalism and career services

Its disadvantages include the following.

- i. It may be difficult to apply
- ii. The process may hinder purpose
- iii. It fosters arrogance and resistance to democratic control

3. Organisation by clientele or material (farmers, the poor, veterans) Its advantages include the following.

- i. It simplifies and allows coordination of contact with consumer
- ii. It eliminates duplication
- iii. It centralises information

Its disadvantages include the following.

- i. The clientele may take over
- ii. It sacrifices specialisation
- iii. It may be hard to apply (citizens fall into overlapping categories)

4. Organisation by place (state, region, rural and urban areas) Its advantages include the following.

- i. It allows greater coordination
- ii. It adapts total programme to area served
- iii. It cuts red tape in dealing with other governmental units (states, local)
- iv. It cuts costs for travel, and so on

Its disadvantages include the following.

- i. It makes it difficult to maintain uniformity
- ii. It encourages short-sighted management geared to local problems
- iii. It may make it difficult to specialise
- iv. It may be vulnerable to local pressure groups

Philosophically, operations management is related to a variety of contemporary managerial organisation techniques. Perhaps, Management by Objectives (MBO) Programme Evaluation and Review Technique (PERT) are the most common of these.

### **SELF-ASSESSMENT EXERCISE**

State the disadvantages of organisation by process.

### **3.2 Political Approach to Public Administration**

Some scholars claim that politics is central to the organisation of public bureaucracies. The political approach to public administration was perhaps most forcefully stated by Sayre. Public administration is ultimately a problem in political theory; the fundamental problem in a democracy is responsibility to popular control; the responsibility and responsiveness of the administrative agencies. Bureaucracies of the elected officials (the chief executives, the legislators) are of central importance in a government-based organisation, which is increasingly on the exercise of discretionary power by the agencies of administration.

Public administration was anything but devoid of politics. Once public administration is considered a political endeavour, emphasis is invariably placed on a different set of values than those promoted by the managerial approach. Efficiency in particular becomes highly suspect, because it has little to do with the bigger questions of government. The political approach to public administration stresses the values of representativeness, official responsiveness, and accountability through elected officials to the citizenry. These are viewed crucial to constitutional democracy and public administration. One can find many examples of governmental reforms aimed at maximising the political values of representativeness, responsiveness, and accountability within public administration.

Public administration organised around the political values of representativeness, responsiveness, and accountability tends to be different from the managerial approach to organisation. Rather than emphasising clear lines of functional specialisation, hierarchy, unity neutral administrative competence, the political approach stresses the extent and advantages of political pluralism within public administration.

Under the political approach, the structure of public administration becomes politicised, with different groups continually seeking representation. Over lapping missions and programmes become common as the administrative structure comes to resemble a political party platform that promises something to almost everyone without establishing clear priorities for resolving conflicts among them. Agency becomes adversary of agency and the resolution of conflict is shifted to the legislature, the office of the chief executive, and the courts. Moreover, the number of government agencies tends to grow over time, partly in response to the political demands of organised interests for representation. This approach to administrative organisation has been widely denounced as making government unmanageable, costly and inefficient, but as Seidman argues, it persists because administrative organisation is frequently viewed as a political question with stress on political values.

The political approach to public administration does not depersonalise the individual as does the managerial approach rather, it identifies the individual's interests as being identical to those of others considered to be within the same group or category. For example, farmers growing the same crops or located in the same state geopolitical subdivisions are considered alike despite individual differences among them. The same is true in any number of areas of public

administration that are engaged in implementing public policies. This tendency fits the political culture.

The political approaches often base its decisions on the opinions of the public, interest groups and the media. Elections, public opinion surveys, and news coverage are among the political approach's prime techniques for gaining the relevant information. Consequently, the proper approach to serving the public interest through administration is not necessarily a question for resolution by experts or science. Rather the public or organised segments of it ought to have a large role in determining what is in the collective interest. Indeed, public administration under political approach reflects public choice and interests.

### **3.3 Legal Approach to Public Administration**

The legal approach to public administration is less focused than the other approaches. It is rarely discussed as a coherent body of principles and premises. Nevertheless, it has recently emerged as a full – fledged way of defining public administration. It views public administration as infused with legal and adjudicatory concerns. This approach is defined from the writings of scholars, decisions of judges and relevant legislative statutes.

This approach is derived primarily from three interrelated sources. First, is the administrative law. As early as 1905, Goodnow defined administrative law as that part of law, which fixes the organisation and determines the competence of the authorities, which execute the law, and indicates to the individual remedies for the violation of his rights. Dimcok has also found the concept of administrative law adequate for defining much of the work of public administration. He noted that, to the public administrator, law is something very positive and concrete; he considers it as his authority. A public administrator customarily describes law as “my mandate.” It is his law, something he feels a proprietary interest in. To a public administrator, law does three things.

- i. It tells him what the legislature expects him to accomplish,
- ii. It fixes limits to his authority, and
- iii. It sets forth the substantive and procedural rights of the individual and group.

Having a positive view of his mandate, the administrator considers himself both an interpreter and a builder. He is a builder because every time he applies old law to new situations he builds the law. Therefore, law, like administration, is government in action.

Similarly, Davis argued that public agencies are best defined in terms of “law.” An administrative agency is a governmental authority, other than a court or a legislative body, which affects the rights of private parties through either adjudication, rule – making, investigating, prosecuting, negotiating, settling, or informally acting.

This approach is derived from the movement toward the judicialisation of public administration. Judicialisation falls within the purview of Goodnow’s definition of administrative law, but tends to concentrate heavily upon the establishment of procedures designed to safeguard individual rights. Thus, judicialisation brings not only law but legal procedure as well to bear upon administrative decision-making. Agencies begin to function more like courts and consequently legal values come to play a greater role in their activities.

Third is the constitutional law. In our own country as well as in many developed countries, judiciary has played an important role in defining the role of public administration.

The legal approach to public administration favours a structure that will maximise the use of adversary procedure. Such a structure must enable opposing sides to be given notice of the issues to be contested; to be afforded an opportunity to present evidence or information supporting their behaviour and intentions. Most importantly perhaps is that adversary procedure must afford each side a fair forum in which to challenge the evidence and information presented by the other.

The emphasis in the legal approach is on administrative adjudication, due process, substantive rights and equity. To a large extent, this approach is at odds with all the values embodied in the managerial and political approaches to public administration. This legal approach not only militates against efficiency, economy, managerial, effectiveness, but also representativeness, responsiveness, and political accountability. It is intended, rather, to afford maximum protection of the rights of private parties against illegal, unconstitutional or invidious administrative action and state authority.

## **SELF-ASSESSMENT EXERCISE**

According to Dimock, what are the three things that law does?

#### **4.0 CONCLUSION**

The bulk of the literature on public administration deals mainly with three approaches. Each of these approaches- managerial, political, legal emphasises different values and procedural and structural arrangements for the operation of public administration. Each views the individual citizen in a remarkably different way, and each adopts a different perspective on how to develop knowledge. These approaches are embedded in our political culture. They reflect the constitutional separation of powers and assignment of functions to different branches.

Public administrators are called upon to develop the economy, improve the society, enhance the capacity of political system and above all, protect and promote the public interest. This is certainly a huge task, which they have to carry on.

#### **5.0 SUMMARY**

In this unit, you have learnt about different approaches to public administration. The managerial approaches to public administration are considered along with the political approach to public administration. The legal approach to public administration was also highlighted and discussed.

In the next unit, you will be taken through the relationship between politics and administration.

#### **6.0 TUTOR-MARKED ASSIGNMENT**

Discuss the managerial approach to public administration in relation to the important feature of Gulick's organisational.

Explain the legal approach to public administration.

#### **7.0 REFERENCES/FURTHER READING**

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## **UNIT 2        RELATIONSHIPS BETWEEN POLITICS AND ADMINISTRATION**

### **CONTENTS**

#### **1.0    Introduction**

#### **2.0    Objectives**

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#### **3.1    Background to and Main    Elements of Politics and Administration Dichotomy**

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## **1.0 INTRODUCTION**

The debate on the relationship between politicians and administrators is no doubt one of the key issues that have engaged the attention of public administration scholars and practitioners. As Adamolekun (n.d) rightly said, there is hardly a basic textbook published since the discipline emerged as a distinct field of business at the turn of the century that does not devote some space to the subject.

The earliest writers on public administration in modern times, notably American writers, drew a sharp dividing line between administration and politics. Woodrow Wilson stressed that administration lies outside the proper sphere of politics and that administrative questions are not political questions. He argued from three premises that although politics sets the tasks for administration, its office should not be subjected to manipulation.

There are two sides to the debate. On one side, are the initiators of the debate who contended that politics and administration are two distinct spheres, and that each has its own group of functionaries. In other words, they contended that there is a dichotomy between politics and administration. On the opposing side, are those who maintain that there is no such dichotomy between politics and administration. This unit therefore examines the relationship between politics and administration.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- discuss the background to and main elements of politics and administration dichotomy
- explain the relationship between politics and administration
- discuss the challenges of politics and administration dichotomy
- explain the role of the government and administration in relation to federation and decentralisation.

## **3.0 MAIN CONTENT**

### **3.1 BACKGROUND TO AND MAIN ELEMENTS OF POLITICS AND ADMINISTRATION DICHOTOMY**

Scholars have attempted to draw a sharp dividing line between politics and administration. As administrative reforms were gradually introduced into the American public life, American writers on public administration began to modify their existing views on the dichotomy between politics and administration.

In our introduction, we stated that there is an existing view or debate on the dichotomy between politics and administration. So, it is important to trace the circumstance that led to this debate or views. In the early years of America, there was no system put in place to ensure that the execution or administration of the business of the government was done on a rational basis. The appointment of administrative staff was done by politicians under what was called the “spoils system” that is, a system giving offices to loyal members of the party in power, and not in accordance with merit or qualification.

The operation of the spoils system was an obstacle to the achievement of efficiency in public administration. Gradually, reaction against political corruption became so strong that a civil service commission was established and other progress was made in civil service reform in the 1880s. The reformists adopted the British civil service, especially, its rational approach to problems, its merit system and its concept of political neutrality as a model.

One of the leaders in the reform movement, Woodrow Wilson, in his paper on administration in 1887, summed up the viewpoint of the reformists as follows.

More important to be observed is the truth already so much and so unfortunately insisted upon by our civil service reformers; namely, that administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its office. This is the distinction of high authority.

Apart from emphasis on career civil service that must not be involved in partisan politics, the reformists advocated for career civil servants that would not be involved in policy formulation. Goodnow elaborated on the distinction between politics and administration, which are then in all governmental system. Goodnow identified two primaries or ultimate functions of government, viz: the expression of the will of the state and the execution of the will. There are also in all state

separate organs each of which is mainly busied with the discharge of one of these functions. These functions are respectively politics and administration.

The idea of a dichotomy between politics and administration and the treatment of public administration as a field of business, were strengthened by the Scientific Management Movement stated by Taylor (1911) at the turn of the century. The main emphasis of the scientific management was on efficiency and economy in organisation. This was to be achieved through management science, which involved the use of the scientific method to guide division of labour and assign each worker a proper task for suitable reward for their accomplishments. This results in increased productivity and efficiency. The claim of the scientific management movement is that there is one best way to achieve a given objective and that once the objective of an economic undertaking was defined, its management should be given full responsibility and authority to achieve it in the most efficient way. This can be achieved by the application of the scientific method to the specific problems of the specific fields, all served to strengthen the idea of politics and administration dichotomy.

### **3.1.1 Relationship between Politics and Administration**

As stated earlier, the advocates of the separation between politics and administration, Wilson and his school postulated their theory against the background of the political circumstance of their age. According to Woodrow Wilson in his article titled The Study of Administration, politics should begin and end where “administration begins and ends too.” He went further to say that administration lies outside the proper sphere of politics and that administrative questions are not political questions.

Gulick rejects the common contention of that time that politics and administration are separate and distinct. Gulick argues that such a separation is impractical, impossible, and undesirable. He maintains that administration is necessarily involved in both politics and the policy process. Efforts to eliminate politics from administration by setting up independent public agencies only frustrate efforts to establish an integrated government capable of planning. In summary, Gulick maintains that the old dichotomy between politics and administration has broken down, and argues that a new doctrine should be developed that permits the fullest possible use of the

expert in an appropriate framework of political and professional responsibility. While John Pfiffner saw the need for one not to meddle with the other, he however warned thus.

Let no apostle of political realism think that advocates of such a separation of powers be unaware of its doctrinal pitfalls. They do not advocate that it be embalmed into constitutional breakwaters designed to stand for centuries, as was the classical threefold division into legislative, executive and judicial functions.... There is no denial that in a considerable number of instance questions of policy will be closely intermingled with administrative action (Adebayo, 2000: p. 68).

John Pfiffner recognised that politics and administration cannot always be separated and isolated, but that one should not encroach upon the other in a meddlesome manner. He also recognised that the success to be attained in this direction will depend largely upon the extent to which partisan politics is kept out of administration and upon the assurance of tenure given to technical and expert personnel. This he emphasised will entail just as great an obligation for the administrative personnel to abstain from political controversy as for political officers to keep their hands off administration.

Based on the above viewpoints, it could be understood that the proponents are trying to avoid undue political influence on administrative process. However, there is no strict demarcation between politics from administration. There are some factors militating against the separation of politics from administration. These factors as quoted in Ekwealor, E.F. (2007: p.28) are as follows.

- i. The role of career official in defining policy options, analysing the environment, anticipating problems, and proffering suitable advice.
- ii. Their role in assembling, storing and retrieving data upon which decisions are based.
- iii. Their role in marshalling and deploying human and material resources to achieve policy objectives and in timing implementation of decisions.
- iv. Their role in interpreting the letter and spirit of laid down policy.

- v. Their biases and prejudices as human beings and political animals.

### **3.1.2 Challenges to Politics and Administration Dichotomy**

However, the greatest challenge to the theory of the dichotomy of politics and administration, political neutrality of public administration and management autonomy in policy implementation, came after the Second World War due to the following factors.

The first factor is that, there are certain changes in some western democracy, and in countries adopting western democracy, which tend to blur the distinction between politics and administration. For example, in many western European countries such as the United States of America, Africa, Asia and Latin America, many political leaders came from the rank of public service, civil or military. As WU (1978:341) in Ezeani (2006:p. 38) states, “if and when a civil servant is allowed to stand for election to palatial offices, even on such condition as resignation from civil service, he could become politicised and violate the principle of political neutrality.”

Secondly, there are instances of usurpation of policy-making power by the administrators. The factors, which strengthened management autonomy after the Second World War, are also the factors that enabled the administrators to usurp policy-making power. Wu is of the opinion that it is partly because of the gospel of efficiency and partly because of the increase in complexity, specialisation, and professionalisation that the specialist-administrators have increasingly gained political power.

The third factor is the demand by political leaders, critics of government and advocates of New Public Administration in the United States, especially, in the 1960s, to be responsive to public needs. The advocates of the New Public Administration prefer active participation of the administrators in responding to public needs. According to Frederickson (n.d), the New Public Administration adds social equity to the classical objectives as rationale; and that a fundamental commitment to social equity means involvement in politics and policymaking. Administrators are not neutral. This emphasis on responsiveness of public administrators is, therefore, incompatible with politics and administration dichotomy.

The fourth factor is the involvement in the policymaking and policy implementation processes of the people directly affected by it. In the United States, especially in the 1960s, this entails

decentralisation of services in the area of health, education, welfare, employment service, and so on. Experience shows that such decentralised units also heavily depend on the administrative staff (especially for their professional and knowledge inputs) and, as a result, the administrators play an active role in policy – making.

On the theoretical side, some public administration scholars have challenged the theory of dichotomy of politics and administration. Appleby (n.d) presented what could be called political approach to public administration. He boldly and persuasively described administration as the eight political processes. Appleby also argues that there is no such thing as policy-making being separated from policy execution. Administrators are involved in every step of the political process from necessary technical readjustments of previously enacted policies, to the creation and implementation process for a completely new and innovative approach to an immediate problem.

It is important to mention that the theory of the dichotomy between politics and administration is hinged on the assumption that ends are separable from means, policy decision from policy implementation or value from facts. This assumption has long been challenged in his definition of administration as the art of getting things done. He opines as follows.

The process of decision does not come to an end when the general purpose of our organisation has been determined. The task of deciding pervades the entire administrative organisation.... (Ezeani, 2006:p.40).

## **SELF-ASSESSMENT EXERCISE**

State the factors that militate against the separation of politics from administration.

### **3.2 Role of the Government and Administration**

The necessity of governmental activity arises when private actions, based on self-interest and guided by the unseen hand of the market, prove to be inadequate. Gulick (n.d) maintains that government should play a positive role in society by acting when private actions prove to be inadequate in serving the common good and that the administration can play vital part in the performance of the necessary governmental functions. The administrator's role is to understand and coordinate public policy and interpret policy directives to the operating services but with

unquestioned loyalty to the decisions of elected officials. Gulick urges administrators to fuse knowledge and skills with public desires, political forces, and common sense; evolve a course of remedial, structured action; and take steps to secure the authority to act.

The role of the state should be limited because of lack of wisdom, knowledge, and character among leaders, lack of administrative skill and technique; the vast number of variables involved in comprehensive action; and the absence of orderly methods of developing new ideas and programmes in a totalitarian state. Democratic government in a pluralistic society, according to Gulick, is superior to totalitarian government in its ability to generate new ideas, the presence of the corrective effort of free criticism, and the requirement of the common person's appraisal of the product.

### **3.3 Federation and Decentralisation**

Gulick also designs an ideal government with allocation of functions in which the chief executive, and special staff, draws the plans; the legislature accepts or rejects proposed policies; the executive carries out the adopted plan; and the public exercises general control through participation in political parties and pressure groups. This, Gulick believes, would be necessary for meaningful democratic control as responsibilities are more clearly defined and assigned.

He was concerned about the functioning of the federal system. Gulick complained that national legislators too often enact policies that ignore the necessities of state and local governments, while state and local governments sometimes take action as though there were no federal government (national problems). Gulick recommends pragmatic solutions for the federal system in which functions are divided into their local, state and federal aspects with responsibilities assigned accordingly. He argued that where divergence and local adaptation are required, responsibilities should be decentralised with the smallest unit capable of embracing the geographical extent of a problem and able to command the appropriate professional service assuming responsibility.

Frank Goodnow and Leonard White in their book *Politics and Administration*, in an attempt to make clear distinction between politics and administration, contended that there are distinct functions of government namely politics which deals with policies or expression of state will and

administration which has to do with implementation of these policies. It is the duty of the legislature and judiciary through the making of the policies and interpretation of these policies respectively to express the will of the state, whereas the executive branch implements these policies impartially and politically.

### **SELF-ASSESSMENT EXERCISE**

State briefly the argument of Woodrow Wilson in his article, the study of Administration on politics and administration dichotomy.

## **4.0 CONCLUSION**

Virtually, in every country today, it is no longer acceptable to separate policy-making by political actors from policy implementation by administrators. The present position is summarised below.

- i. Although the functions of policymaking and policy implementation are distinct and distinguishable, yet, they are so closely related to each other that they are difficult to separate.
- ii. Public servants have many other loyalties, which they may well place above their political overseers. Therefore, they do not give their individual loyalty to political elites, in simple master-servant relationships.
- iii. Like their fellow citizens, public servants have partisan prejudices, and their personal opinion does affect their work, despite several attempts to maintain their neutral pose.
- iv. By virtue of their function as advisers to political actors on policy matters, even under the classical model, public servants (especially the senior administrators) are often involved in policymaking. Their advisory role has two aspects.
  - a. Collection, computation and summary of information necessary for public decision;
  - b. Analysis of such information. All these have policymaking implications.



- v. Public administrators are increasingly performing policymaking functions directly. This is because it is impossible for the political actors (due to their small number) alone to handle the enormous problems for policy decisions confronting them. As a result, they are compelled to delegate to the civil servants a sizeable part of the decision-making power on matters having policy implications.
- vi. It has long been recognised that policy implementation itself has policy implications.

The way in which broad policies are translated into concrete action or programmes, the rules formulated for their implementation, and the interpretations given to such policies, programmes and rules often have great policy implications, sometimes even greater than the policies themselves.

- vii. Because of their possession of requisite technical knowledge and expertise, many public administrators are involved in devising policy in specific substance areas requiring technical knowledge.

## **5.0 SUMMARY**

In this unit, you have learnt about the relationship between politics and administration. You are now conversant with the different views on the relationship between politicians and administrators. There are two sides to the debate. On one side are the initiators of the debate who contend that there is a dichotomy between politics or policy and administration. For instance, Wilson argued that administration lies outside the proper sphere of politics. Administrative questions are not political questions.

On the opposing side are those who maintain that there is no such dichotomy between politics, and administration. What obtains in practice today, particularly, in the developing countries, is more of politics and administration interaction rather than dichotomy. This is based on the following reasons.

- i. Public servants, like other citizens, have partisan prejudices, and their personal opinions do affect their work.
- ii. By virtue of their functions as advisers to political actors in policy matters, public servants (especially the senior administrators) are often involved in policymaking.

- iii. Because of the enormity of tasks they have to accomplish, the political actors are compelled to delegate to senior civil servants sizeable part of the decision – making power on matters having policy implications.
- iv. It has long been recognised that policy implementation itself has policy implications and so on.

## **6.0 TUTOR–MARKED ASSIGNMENT**

Discuss the background to and the main elements of politics and administration dichotomy.

Explain the challenges to politics and administration dichotomy.

## **7.0 REFERENCES/FURTHER READING**

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## **UNIT 3     SCIENTIFIC MANAGEMENT THEORY**

### **CONTENTS**

#### **1.0     Introduction**

#### **2.0     Objectives**

#### **3.0     Main Content**

#### **3.1     Scientific Management Theory**

#### **3.2     Concept and Principles of Management**

##### **3.2.1 Taylor's Concept of Management**

##### **3.2.2 Principles of Scientific Management**

#### **3.3     Components of Scientific Management**

##### **3.3.1   Time and Motion Studies**

##### **3.3.2   Wage Incentive System**

##### **3.3.3 Functional Organisation**

### **3.3.4 Mechanics of Management**

### **3.4 Aims of Scientific Management**

### **3.5 Impact of Scientific Management**

### **3.6 Relevance of Scientific Management**

### **3.7 Criticisms of Scientific Management**

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor–Marked Assignment**

### **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

There are two major sub-groupings of classical approach, they are: the scientific management founded by Frederick W. Taylor and bureaucracy formulated by Max Weber. The scientific management coined by Louis Brandeis was perceived as a way to achieve greater efficiency in the management of public business.

The best known proponent of the scientific management movement is Frederick Winslow Taylor. He is generally acknowledged as the father of scientific management. Probably no other person has had a greater impact on the development of management. His experiences as an apprentice, a common labourer, a foreman, a master mechanic, and then the chief engineer of a steel company gave Taylor ample opportunity to know at first hand the problems and attitudes of workers, and the great opportunities for improving the quality of management. The objective of scientific management was to discover the basic principles of motion involved in the performance of physical tasks and then to determine the “one best way” of performing any task. A major contributor to this approach was Frederick Winslow Taylor, who saw scientific management as a mental revolution in which a scientific approach could be brought to bear not only on the performance of physical tasks but also on all social problems.

In 1911, Frederick W. Taylor published his famous work titled the Principles of Scientific Management. This book had three goals, the goals include the followings.

- i. To demonstrate the great losses by the United States of America as a result of the daily inefficiencies practised by its people.
- ii. To suggest that the solution to this problem lay in employing people of ability and in the practice of systematic management.
- iii. To prove that systematic management was based on definite rules, laws and principles.

According to Taylor, scientific management is not an efficiency device, nor does it belong to any group of efficiency devices. Scientific management is no new scheme for rewarding men, it is no bonus system, no piecework system, no premium system of payment; it is no new method of figuring cost, it is not one of the various elements by which people refer to it. It is not time study, nor man study; scientific management does exist and cannot exist until there has been a complete mental revolution on the part of the workmen working under it, as to their duties toward themselves and toward their employers, and a complete mental revolution in the outlook for employer, toward their duties toward themselves, and toward their workmen. In addition, until this great mental change takes place, scientific management does not exist.

## **2.0 OBJECTIVES**

At the end of this unit, you should able to:

- explain the concept and principles of management
- explain the components of scientific management
- describe the aims and impact of scientific management
- explain the criticisms and relevance of scientific management.

## **3.0 MAIN CONTENT**

### **3.1 SCIENTIFIC MANAGEMENT THEORY**

Scientific management theory views productivity as the major goal of an organisation. This school of management thought is strongly influenced by the rational systems of theoretical thinking. Frederick Winslow Taylor applied scientific methods to develop accurate measurements to determine what constitutes a day's work for each operation by establishment standards through studying the job to find the best way of doing it in the shortest time required.

## **3.2 CONCEPT AND PRINCIPLES OF MANAGEMENT**

### **3.2.1 TAYLOR'S CONCEPT OF MANAGEMENT**

Taylor views management as a process of getting things done by people operating independently or in groups. According to George in Sapru (2008: p.95) Taylor's approach to the management problem is direct and simple.

Define the problem, analyse the work situation in all its facets, apply measuring devices to all facets capable of being measured, experiment by holding all aspects of the job constant except one which would be varied, development of guide or principle of management from the observations and study, and finally, prove the validity of the principle by subsequent application.

Taylor's main thesis is that prosperity to the society can come only through the joint endeavour of the management and labour in the application of scientific methods. He calls for mental revolution on the part of both management and labour so that they might cooperate in the spirit of work harmony with a view to improving their respective lots—attaining high wages for labour and increased output at low costs for managements.

Frederick Winslow Taylor observed that management is neglecting its functions and pushing the burden of methods and output on labour. He suggested that management must do the work of planning, organising, controlling, determining methods and the like for which it is best suited.

### **3.2.2 PRINCIPLES OF SCIENTIFIC MANAGEMENT**

Taylor observes that what the employees want from their employers beyond anything else is high wages; and what employers want from their employees most of all is low labour cost of manufacturing. The existence or absence of these two elements forms the best index to either good or bad management.

Taylor laid down four underlying principles of scientific management as follows.

1. **The Development of True Science:** According to Taylor, the development of true science consists of a deliberate gathering together of mass traditional knowledge by the management, using motion study, time study, recoding it, tabulating it, reducing it, in most cases to rules, laws, and in many cases, to mathematical formula, which are applied to the work of the employees. The principle, therefore, entails the establishment of a large daily task, classified after scientific investigation as the amount to be done by a suitable, selected and trained person under optimum conditions.

The result of the development of a time science according to Taylor is immense increase in output by both the employer and the employee.

2. **The Scientific Selection and Progressive Development of the Workmen:** Taylor avers that the deliberate selection of the employees is the second of the great duties that devolved on the management under scientific management. The management must take a great deal of trouble in selecting the employees in order to ensure that employee possessed the physical and intellectual qualities necessary to achieve output. Taylor stated that it is the responsibility of the management to develop the workers by training them to enable them perform better, and then pay them higher wages than ever before.

The scientific selection and progressive development of an employee is the second of the great duties that devolve on the management under scientific management.

3. **The Bringing Together of the Science and the Scientifically Selected and Trained Men:** This principle calls for mental revolution on the part of the workers and management. Unless there is someone who will make the men and the science come together, they will stay apart. He noted that the greatest resistance to scientific management comes from the side of management. The workers, he noted are willing to cooperate in learning to do a good job for a higher pay.
4. **A Uniform Division of Work and Responsibility between Management and Workers:** This is the last principle of scientific management. Here, the management and workers should share equal responsibility – with each sector performing the work for which it is best suited. With this intimate cooperation, the opportunities for

discord and conflict are almost eliminated since the exercise of this authority is not arbitrary.

Thus, under scientific management, science would replace the rule-of-thumb, harmony would replace discord, cooperation would replace individualism, maximum output would replace restricted output, and each man would be developed to his greatest efficiency and prosperity.

In his quest for a science of management, Taylor discovered or implemented a series of innovations pertaining to the machinery of production, the organisational environment, and the people who use the machines. Some of these developments include the invention of mechanical devices, the development of cost accounting techniques, machine room layout and design, purchase and store methods, tool standardisation and room reorganisation, and mnemonic classification systems.

### **3.3 Components of Scientific Management**

Taylor's scientific management comprises mainly three components, these are:

- (i) time and motion studies
- (ii) wages incentive system
- (iii) Functional organisation.

#### **3.3.1 Time and Motion Studies**

Taylor attributed more than half of the problem of inefficiency to the management's ignorance of the proper time required to perform a task. Accordingly, a primary task for scientific management is to establish appropriate standards based on scientific investigations of tasks performed using optimal methods rather than simple observations of actual performance in the workplace. The primary tool of analysing this investigation is time – and – motion studies. The general procedures employed in time – and – motion studies is to break down physical activities into their component parts, specify the optimal routine for the performance of each component part, and discover the most efficient method for recombining the parts with the more complex task. For Taylor, the following steps are involved in the time – and – motion studies.



- i. The worker is provided with the best implements.
- ii. The task is divided into elementary units.
- iii. Useless movements are discarded.
- iv. The analyst watches a skilled employee perform the task with the help of a stopwatch.
- v. The elementary movements of the task are grouped in a proper sequence to maximise overall efficient task performance.
- vi. The proper method of task performance is recorded and the time required to perform the task is determined.
- vii. An allowance to the extent of 20 to 27 per cent should be added to the actual working time to allow for unavoidable delays.
- viii. Allowances should be made for the time it takes a new employee to learn the job.
- ix. Allowance should be made for rest required for a worker to recover from body fatigue.

The intent of time-and-motion study is to establish standards for the performance of a task, accounting for the capacity, speed, and durability of the worker. Thus, standards established are to be accepted only conditionally. Those standards are not to be altered, unless a new method of performing the task is discovered. This is required to prevent arbitrary changes in standards as productivity increases.

In his famous studies at the Bethlehem Steel Corporation, Taylor found that a group of 75 men were loading an average of 12 ½ tons of pig iron per man per day. On the other hand, a Dutch labourer called Schmidt, selected by Taylor, increased his output to 47 ½ tons per day for the three years of the study by following detailed instructions to handling of pig iron. Men were selected one at a time and trained to handle pig iron at the rate of 47 ½ tons per day and, in return, like Schmidt, they received a 60 percent increase in wages. Taylor drew attention to the need for the scientific selection of the workers.

### **3.3.2 Wages Incentive System**

As stated earlier, Taylor's incentive system is based on the established standards of work performance through time – and – motion studies. Under this, the worker is assigned a defined task with detailed instructions and a specified time allowed for performing the task.

When this has been accomplished, the worker is to be paid extraordinary wages for performing the task within the allotted time and ordinary wages if the time allotment is exceeded.

Taylor was against the method of award for day work, piece work, and task work with a bonus or differential piecework. He also objected to gain-sharing plans, such as those suggested by Towne and Halsey. In Taylor's views, factors such as special incentives, higher wages, shorter working hours, better working conditions, and individual reward far overshadow the importance of the specific method of payment.

Fredrick Winslow Taylor based incentives on prior standards of work performance with each worker rewarded on an individual basis and performance linked reward. Thus, under Taylor's incentive system, like other pay plans, success is rewarded by higher wages and failure is penalised by financial loss.

### **3.3.3 Functional Organisation**

#### **Concept of Functional Foremanship**

Frederick Taylor recognises the need for good supervision of a worker. To this purpose, he expanded his concept of functional foremanship. Taylor felt that under the previous practices, a military type of organisation had prevailed, stressing unity of command at each level of the organisation. Under this arrangement, foremen were often hired on a contract basis and simply charged for getting the work done, with little direction from the management. He found this arrangement to be deficient on two accounts.

- i. Such an arrangement demands an undue amount of technical expertise from management.
- ii. It expects too much from the foreman and, as a result, effectively precludes direct control by management over the workers.

Consequently, Taylor proposes both a decentralisation of authority from general management and a centralisation of authority from the foreman. In the process, he divides the tasks previously performed by the foreman and allocates them to a number of functional foremen.

The decentralisation aspect of Taylor's functional organisation is the establishment of a cadre of technical experts in positions of power in the organisation. Taylor introduced the idea of functional foremanship under which workers would be responsible simultaneously to eight different technical experts in positions of power in the organisation. This power is not to be vested in the top level of the organisation but in a planning department, and authority is to be exercised based on knowledge, not mere position. The experts in the planning department are to be relatively free from bureaucratic controls exercised from above. Organisational executives are to confine themselves to handling problems that cannot be handled in the planning department. The top executives are to have a general knowledge of all the steps necessary in the accomplishment of organisational activities. However, operational control for top executives is to be based on the exception principle.

In his system of management, Taylor favours the use of the exception principle, and lays down that management reports should be condensed into comparative summaries, recording only the exceptions that are both good and bad, to past standards or averages. This could help the manager looking at the progress of his shop.

The planning department is assigned a wide range of functions including performing time-and-motion studies, maintaining proper inventory levels, providing for the maintenance of equipment, analysing orders for machines or work, and establishing a system of classification for materials and equipment.

### **Foremen (Planning)**

Of the eight functional foremen, only four are to be assigned to the planning department, the route clerk, the instruction card man, the time clerk, and the disciplinarian.

- i. The route clerk has the responsibility to oversee the workflow, studies specific jobs and decides the best method of doing them, indicating the tools to be used, making a chart showing the course of work through the shop, and determining the order in which various jobs are to be performed.
- ii. The instruction card man is to study the drawings and worksheet made by the route clerk, prepare detailed instructions for the performance of each operation, and show the length of time required for each operation.

- iii. The time clerk would be responsible for preparing pay and written reports, reviewing time cards to determine eligibility for bonuses, and allocating work costs to the proper accounts.
- iv. The disciplinarian is to be responsible for reviewing disputes between workers and their supervisors, hiring and firing and looking into other personnel issues.

### **Foremen (Shop Floor)**

The other four functional foremen are the gang boss, the speed boss, the inspection foreman, and the repair boss. They are to serve on the shop floor. These foremen are to be responsible for the proper execution of the plan.

- i. The gang boss is to determine the job, organise the required machinery for the job, give instruction cards to the workers, and route the work through the shop.
- ii. The speed boss is to see to it that the job is performed in the prescribed fashion. In case of failure, the speed boss is responsible for ascertaining the causes and demonstrating that the work could be done in the allotted time.
- iii. The inspection foreman is to analyse the products and to ensure that they conform to standards.
- iv. The repair boss is to be responsible for the adjustment, cleanliness, and general care of the machines. In addition, the repair boss is to maintain a record of repairs and maintenance.

Taylor recommends that planning functions must be given special status in the organisation so that the jobs could run smoothly.

### **3.3.4 Mechanics of Management**

Taylor warns against confusing the mechanisms of management with the philosophy of scientific management, which results from combination of four great underlying principles of management. Taylor specifies the following as some of the mechanisms.

- i. Time study, with the implements and methods for properly making it.
- ii. Functional or divided foremanship and its superiority to the old fashioned single foreman

- iii. The standardisation of all tools and implements used in the trades, and of the acts or movements of workmen for each class of work.
- iv. The desirability of a planning room or department.
- v. Use of the exception principle in management
- vi. Use of the slide – rules and similar time –saving implements
- vii. Employing instruction cards for the workman.
- viii. Using the task idea in management, accompanied by a large bonus for the successful performance of the task.
- ix. Implementing the differential rate of payment.
- x. Employing mnemonic systems for classifying manufactured products as well as implements used in manufacturing.
- xi. Using a routing system.
- xii. Employing a modern cost system, and so on.

These mechanisms, Taylor observes, do not constitute scientific management in themselves but are useful adjuncts to scientific management.

Taylor stated that although, these three components that is, time–and– motion studies, wage incentive system and functional organisation are central to scientific management, yet these do not, in his opinion, capture the essence of scientific management. In Taylor’s view, scientific management is more than a series of expedients to increase efficiency. Instead, scientific management requires a mental revolution on the part of both management and workers.

### **SELF-ASSESSMENT EXERCISE**

What do you understand by the “instruction card man?” What does he do?

### **3.4 Aims of Scientific Management**

Frederick Winslow Taylor enunciated the following aims/objectives of scientific management. They are as follows.

- i. To gauge industrial tendencies and the market in order to regularise operations in a manner which will conserve the investment, sustain the enterprise as an employing agency, and assure continuous operation and employment

- ii. To assure the employee not only continuous operation and employment by correct gauging of the market, but also to assure a continuous earning opportunity while on the payroll by planned and balanced operations.
- iii. To earn through a waste-saving management and processing technique, a larger income from a given expenditure of human and material energies, which shall be shared through increased wages and profits by workers and management.
- iv. To make possible a higher standard of living because of increased income to workers.
- v. To assure a happier home and social life to workers through removal, by increase of income, of many of the disagreeable and worrying factors in the total situation
- vi. To assure healthful as well as individually and socially agreeable conditions of work
- vii. To assure the highest opportunity for individual capacity through scientific ways of work analysis and of selection, training, assignment, transfer and promotion of workers.
- viii. To assure by training and instructional foremanship the opportunity for workers to develop new and higher capacities, and eligibility for promotion to higher positions.
- ix. To develop self-confidence and self-respect among workers through opportunity afforded for understanding of one's own work specifically and of plans and methods of work generally.
- x. To develop self-expression and self-realisation among worker through the simulative influence of an atmosphere of research and valuation, through understanding of plans and methods, and through the freedom of horizontal as well as vertical contacts afforded by functional organisation.
- xi. To build character through the proper conduct of work.
- xii. To promote justice through the elimination of discrimination in wage rate and elsewhere.
- xiii. To eliminate factors of the environment, which are irritating, and the causes of frictions, and to promote common understandings, tolerances and the spirit of teamwork.

### **3.5 Impact of Scientific Management**

The scientific management has made the following specific impacts or contributions to both management and administration.

- i. It has led to professionalisation of management. Nwizu (n.d) rightly observed that the present practice in the modern industry of having a specialised and trained managerial cadre had its origin in Taylor's view.
- ii. It led to reduction in wastage of human and material resources utility of efforts.
- iii. Scientific management contributed to greater specialisation of activities, with proper design of jobs, specification of methods, and set time and motions studies and establishment of standards of job performance. All these have contributed to the private sectors.
- iv. Through scientific management, managers and administrators became aware of the importance of compensation and other incentives to workers in ensuring increased productivity.
- v. Scientific management brought about scientific selection of workers to ensure that only the right caliber of staff is selected. It also led to inception of efforts at formal training of workers in organisations.
- vi. The scientific management has greatly influenced both theory and practice of public administration.

Scientific management elevated management by planned system and design. It is important to note that the values and methods of scientific management were in tune with the movement for reforms of government and civil service such as centralisation of authority, and accountability, introduction of business methods to public administration and the consequent acceptance of efficiency as a primary goal of administration; establishment of merit systems; freeing public administration from partisan politics, etc.

### **3.6 Relevance of Scientific Management**

While Taylor's work is subjected to lot of criticism, it should be recognised that he wrote at a time of industrial growth and the emergence of complex organisations with new forms of technology. His main concern was with the efficiency of both workers and management. Taylor

believed his scientific management techniques would improve management–worker relations, and contribute to improved industrial efficiency and productivity.

Drucker claims that Frederick Winslow Taylor may prove a more useful prophet for our times than we yet recognize... Taylor's greatest impact may still be ahead... The underdeveloped and developing countries are now reaching the stage where they need Taylor and scientific management. But the need to study Taylor anew and apply him may be greatest in the developed countries (Sapru, 2008:p.109).

Drucker argued that the central theme of Taylor's work was not inefficiency but the need to substitute industrial warfare by industrial harmony. Taylor sought to do this through higher wages from increased output; and removal of physical strain from doing work the wrong way; development of the workers and the opportunity for them to undertake tasks they were capable of doing; and elimination of the boss by the duty of management to help the workers.

Taylor, in developing scientific management, made enormous contributions to the understanding and prescription for the management of organisations. Yet he is probably better characterised as a synthesiser than an innovator. In dealing with industrial unrest, scientific management promoted and called for a whole–hearted cooperation in place of the old tendency toward rugged individualism.

Further, scientific management, with its emphasis on research, planning, use of standards, and cooperation, encouraged management to take decisions based on the laws of the situation instead of individual guess and intuition.

The scientific management movement spread far beyond the borders of the United States, and gained wide recognition in Germany, England, France, Sweden and other European countries. In Russia, immediately after the revolution of 1917, Lenin referred to the Taylor system, as a combination of subtle brutality of bourgeois exploitation and a number of its greatest scientific management.

He and Trotsky sponsored a state–led scientific management movement aimed at promoting labour discipline and higher productivity.

## **SELF-ASSESSMENT EXERCISE**



State the fourth and fifth aims of scientific management enunciated by Frederick Winslow Taylor.

### **3.7 Criticisms of Scientific Management**

Scientific Management has been criticised on the following grounds.

- i. It lays much emphasis on economy, efficiency and material welfare to the neglect of the emotional and psychological needs of the workers.
- ii. Scientific management dehumanises employees. It considered the organisation as a machine and the human beings working in the organisation as parts of the machine. Workers were meant to do the work at a standardised rate. If they produced below the standardised rate, they were thrown out.
- iii. It encourages authoritarian leadership. This is because the traditional approach to public administration and management on which scientific management is based does not tolerate composite decision – making.
- iv. Scientific management recommends specialisation, which it assumes as the best way of getting things done. Yet, specialisation may be boring because of its repetitiveness and monotony.
- v. There is no one best way to carry out functions related to values.

For instance, what is the one best way to eliminate corruption in Nigeria? Or what is the one best way to be president of Nigeria?

- vi. Scientific management wrongly assumes that individuals first look for their own best interests before those of the group. The Hawthorne experiment shows that workers realise that they are disadvantaged and helpless unless they exist as a group.
- vii. The scientific management techniques have been severely criticised by the Marxists as mere efficient tools to exploit labour.

### **4.0 CONCLUSION**

The above discussion showed that the views and concepts generated by scientific management, though new and radical at that time, are widely applied in today; they are accepted as standards

for managerial practice. This acceptance is itself indicative of the total effect of scientific management.

The principles of Taylor's scientific approach to management appear to be relevant today. Many of Taylor's ideas are accepted by present – day managers. We can still see examples of management practices based on the philosophy of his ideas. Taylor gave a major impetus to the development of modern management thinking.

Although, the Marxists criticised scientific management based on the substantial increase in the profits of the enterprises where Taylor's experiments were carried out was not matched by corresponding increase in the wages of the workers. Still Taylor's scientific management approach is relevant and accepted today.

## **5.0 SUMMARY**

The unit has thrown light on the scientific theory of management. The concept and principles of management are considered alongside the component of scientific management. The aims, impacts, contributions, relevance and criticisms of scientific management were also highlighted and discussed.

In the next unit, you will be taken through the discussion on the classical theory.

## **6.0 TUTOR – MARKED ASSIGNMENT**

Discuss the components of scientific management by Frederick Winslow Taylor.

State and explain the aims of scientific management.

## **7.0 REFERENCES/FURTHER READING**

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## **UNIT 4 CLASSICAL THEORY OF ORGANISATIONS**

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## **1.0 INTRODUCTION**

Herbert Simon propounded the classical theory of organisation. Other contributors of early 20th century are administrative practitioners and theorists such as Henri Fayol, Luther Gulick, Lyndall Urwick, J.D. Mooney and A.C. Reiley. They were the French and American specialists in different fields who searched for ideal administrative structure. These early writers are known to belong to the classical school of thought in organisation theory.

The classical administrative theory grew out of Weber's bureaucratic theory and Taylor's scientific management approach. Though classical theory can be traced to Taylor's concern for functional foremanship and planning cells, it is sometimes considered an extension of Max Weber's bureaucratic theory. In this unit therefore, you will be conversant with some basic themes of classical theories, the main features of classical theory, Fayol's definition of management and its elements, Fayol's fourteen principles and then proceed to discuss the evaluation of Fayol's ideas, criticism of classical theory and the significance of the classical approach to the study of the public administration.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- discuss the basic themes of classical theory
- identify the main features of classical theory
- state the contributions of Henri Fayol to management studies
- explain the significance of the classical approach to organisation.

## **3.0 MAIN CONTENT**

### **3.1 CLASSICAL THEORY OF ORGANISATION**

The classical theory of organisation is also known as the structural theory. The most important concern of the classical theory is the formulation of certain universal principles of organisation. It deals primarily with formal organisational structure. The theory assumes that there are certain fundamental principles on which an organisation can be established to achieve a specific objective. The watchwords of this approach are efficiency and economy, as it conceives that these principles, if fully adopted, can lead to maximum organisational efficiency and economy. The structuralists were chiefly concerned with discovering the true basis on which work can be divided in an organisation and devising proper methods of bringing about the effective organisational coordination.

### **3.2 BASIC THEMES OF CLASSICAL THEORY**

The basic themes of classical theory include the following.

- i. There are set of basic principles to every organisation. These principles are immutable laws to manage an organisation.
- ii. The requisite personnel or workers have to conform to this preconceived plan.
- iii. The four basic principles of classical theory are impersonality, division of work, hierarchy and efficiency.
- iv. Organisational tasks can be defined based on these principles, and effective methods can be devised for better coordination, delegation and control of personnel.
- v. Classical theory advocated the use of authority as a system of controlling personnel.
- vi. The aim of this theory is the maximum organisational economy, efficiency and productivity.
- vii. The theorists had a dogmatic faith in their findings and found them as the only one best way.

### **3.3 Main Features of Classical Theory**

The classical theory of organisation is generally regarded as being covered by the standard works of Henri Fayol, Gulick Urwick, Mooney and Reiley. Their interest was chiefly concerned with formal organisational structure and the basic management process. They all believed in the existence of certain universal administrative principles. They also believed that the application of such principles could make organisations function more efficiently. The many points about

administrative organisations, which the early administrative theorists agreed on, were in use quite for sometimes before the Second World War.

The classical theory of organisation is also known as the “Formal Organisation Theory,” “Principles of Administration Theory”, “Structural Theory”, and the “Administrative Management Theory.” The main features of the classical theory are briefly noted as follows.

- i. The classical theory emphasises the anatomy of formal organisation. It views administration as a formal structural arrangement by which work is divided, arranged and coordinated for a definite purpose. The personnel, who are fitted into the structure, are treated as mere cogs in the organisational machine. The organisation chart is regarded as the basic tool for monitoring and controlling the entire administrative process.
- ii. Classical writers hold the generic view of administration, Henri Fayol and Lyndall Urwick, for instance, are of the opinion that the distinction between public and private administration does not exist. Henri Fayol opined, “We are no longer confronted with several administrative sciences, but with one which can be applied equally well to public and private affairs.” In other words, in the opinion of classical writers, administration is administration wherever it is found and whatever kind of work it undertakes. Therefore, public and private organisations share common administrative principles and processes and the distinction between them tend to minimise.
- iii. The classical writers believe that administration is governed by certain principles, which are said to be of universal applicability of all forms of organisation in all types of environments. Because of this belief, all the classical administrative theorists engaged themselves in evolving principles of management. Gulick advocated a set of 10 principles of organisation while Urwick propounded eight principles of organisation. Later he (Urwick) developed 29 principles by integrating the various principles developed by other classical writers.

The classical writers believed that these common operating principles of administration could guide administrators in creating effective organisation and improving administrative practice. An organisation built on these principles could achieve efficiency and economy. It is also their

belief that these principles could be built into a framework from which a general theory of administration would emerge.

- iv. The classical theory views public administration as a non- political, technical, organisation designed to implement public policies with efficiency and economy. To the classical writers such as Gulick, efficiency is not only the axiom number one in the value scale of administration, but also the ultimate good of all administrative activity. The objective of administration is to achieve the maximum results with the least expenditure of people and materials.
  - v. The classical writers upheld the distinction between the line and staff activities. Line activities are concerned with the fulfillments of the primary purpose of the organisation, while the staff activities are concerned with the provision of specialised advice and assistance to the line agencies. Thus, in the classical organisation theory, staff members are typically differentiated from line members by their advisory capacity to line personnel. The line people have considered the decision makers or order givers. For classical theorists, this distinction between line and staff people is fundamental
  - vi. According to classical thinkers, people are motivated to work by cash rewards such as increase in pay, and fringe benefits and the threat of punishment. They believed that more of such monetary rewards could keep people happy. The classical theory manifests four features.
- 1. Impersonality
  - 2. Division of work
  - 3. Hierarchy, and
  - 4. Efficiency

Further, it is marked by the following six philosophical characteristics.

- i. It is atomistic in the sense that it sees the individual in isolation from fellow men.
- ii. It is mechanistic because it does not explain the dynamics of organisation behaviour.
- iii. It is static because it has a formal declared pattern of relationship established by law

- iv. It is voluntary because it rests upon the native belief that the individuals are immune from the control either by the groups or by the social factors.
- v. It is rationalistic because tasks are performed according to methods determined by the principles of scientific work performance.
- vi. It does not take any note of non-economic incentives.

### **3.4 Contributions of Fayol**

As earlier stated, Henri Fayol is called the father of the management process or the functional management theory. As a French engineer, he first published his experiences in the book General and Industrial Management in 1916. The book arrived in England only when it was first translated to English in 1929. He tried to approach organisations through their general principles without making a distinction between industrial and public service organisations. According to him, management and administration are two sides of the same coin and need not be distinguished. Fayol's theory of the scalar chain, which is the synonym for hierarchy, is a kind of photograph of the framework. Fayol used these principles to explain the organisational behaviour. He did not consider these principles as immutable or one best way, but maintained that the principle is the light house fixing the bearings, which can only serve those who already know the way to the port. Fayol divided the industrial activities into six groups. These are as follows.

- i. The technical activities, which include production, manufacture and adaptation.
- ii. The commercial activities, which include buying, selling and exchange.
- iii. The financial activities that is, search for and optimum use of capital.
- iv. The security activities, which include protection of property and persons.
- v. The accounting activities, which include stocktaking, balance sheet, costs, statistics, and so on.
- vi. The managerial activities, which include planning, organisation, command coordination, control, and so on.

Fayol also explained the five elements of administration as follows.



- i. **Forecasting:** this involves forecasting a plan. This indicates the need for administration to plan for future, look ahead, and adapt plans for the prospective situations. He called it previous or purveyance.
- ii. **Organising:** this involves drawing the structure of the organisation in such manner that would facilitate the performance of basic activities in an optimal manner.
- iii. **Commanding:** this involves instilling sense of discipline in the subordinates through knowledge of the task and constant contact.
- iv. **Coordinating:** this involves building, harmonising and uniting all efforts and activities.

### **SELF-ASSESSMENT EXERCISE**

The classical thinkers believed that the people could be kept happy by motivating them to work by cash rewards such as increase in pay and fringe benefits and the threat of punishment. What are the features manifested by the classical theory in relation to above?

#### **3.4.1 Henri Fayol's Definition of Management and Its Elements**

Henri Fayol was the first to put forward a classic analysis of the nature of managerial activity, based on his own experience of doing the job in the mining and metallurgical combined industry.

He defines management in terms of the following five key functional elements.

**1. Planning:** It is the act of forecasting future and drawing up the plan of action.

**2. Organising:** It refers to structuring the human resources of the undertaking into jobs, departments and so on to enable them to put the plans into action. It also involves the use of material resources.

**3. Commanding:** It consists of setting the human resources into activity toward the organisation's objective. This is what we today call leading.

**4. Coordinating:** It involves unifying and harmonising all activities and efforts. It permeates the other four basic functions.

**5. Controlling:** It means, ensuring that everything occurs in conformity with established rule and expressed command. It serves to make certain that all operations are proceeding according to plan to accomplish the goals.

These five managerial activities are treated by Fayol as universal. In his opinion, these activities have to be performed by managers of both public and private organisation. Fayol's five functional elements have provided a system of concepts with which managers may clarify their thinking about what it is they have to do.

According to Fayol, a successful manager must possess leadership qualities, knowledge of the business and his workers, and the ability to instill sense of mission. A manager having these qualities can obtain the best performance from his work force. Knowledge of necessary administrative powers and functions that have to be performed would empower the manager to organise and run any undertaking. To Fayol, good administration is a process, which is distinct from the particular management task at hand. To put it differently, Fayol treated administration as a universal process, which is equally applicable to both public and private organisations.

In Fayol's theory, the organisation chart graphically depicts the essence of the organisation. According to him, such charts of managerial staff show each man's immediate superior and subordinates and are a kind of framework of the organisation at a given moment.

### **3.4.2 Fayol's Fourteen Principles**

**i. Division of Work:** It refers to specialisation of work or labour in both managerial and non-managerial jobs. Division of labour allows individuals to build up skills and increases organisation productivity.

**ii. Authority and Responsibility:** These refer to the right of a manager to give commands and require conformity to those commands. Responsibility must go with authority and must match authority.

- iii. **Discipline:** It implies that employees obey orders of management, if it provides good leadership.
- iv. **Unity of command:** This specifies that each employee should receive orders from only one superior. It eliminates conflicting lines of command.
- v. **Unity of direction:** This denotes that people engaged in a group of activities must have the same objectives in a plan.
- vi. **Subordination of individual interest to general interest:** This implies that the interest of one employee or a group of employees must be subordinated to the overall interest of the organisation.
- vii. **Fair remuneration for effort:** This principle states that since payment is an important motivator, it should be a matter for manager's constant attention.
- viii. **Centralisation or decentralisation:** This principle states that centralisation or decentralisation of an organisation should depend on the condition of the business and the quality or culture of its staff.
- ix. **Scalar chain:** This refers to the line of authority, from superior to subordinate, running from the top to the bottom of an organisation. This principle is necessary for unity of direction.
- x. **Order:** This principle states that both material order and social order are necessary for the proper and efficient working of the organisation.
- xi. **Equity:** It states that all employees should be treated with fairness, kindness and justice.
- xii. **Stability of tenure:** Stability of tenure among personnel is necessary for the successful running of the undertaking.
- xiii. **Initiative:** All personnel in an organisation must be allowed to show their initiative in some way. This represents a great source of strength for business, although it requires the manager to sacrifice some personal vanity.
- xiv. **Esprit de corps:** This is essential for management to foster the morale of its employees.

Henri Fayol used these principles to explain organisational behaviour. He did not believe that the principles of organisation and administration were immutable laws. They may, at best, serve as guidelines for managers in performing their duties. These principles have to be flexible and adaptable to varying situations because management deals with people in a wide variety of circumstances. The process of applying them would be more of an art than a science.

Fayol raised general management to the level of science. Unlike Taylor, he was not focused on the shop floor but found mismanagement or lack of clear principles of management as the reason for low efficiency and productivity. He defined management in terms of the functions of planning, organising, commanding, coordinating and controlling. There are two noticeable points in Fayol's, which is different from the "one best way" theorists. First, he never insisted that this list of principles is the final one. He believed that principles can be added and subtracted according to the requirement of the organisation. Fayol observed that every administrative rule or advice strengthens the human part of an organisation or facilitates its working and has its place among the principles for so long as experience proves it to be worthy of this important position. Secondly, unlike his contemporaries, Fayol is not rigid about the use of the term "principles." He opined that, "for preference I shall adopt the term principles while disassociating it from any suggestion of rigidity, for there is nothing rigid or absolute in management affairs, it is all the question of proportion." Seldom do we have to apply the same principle twice in identical conditions; allowance must be made for different changing conditions to allow for flexibility in propounding principles, which have made functional management a universally applicable theory.

This has also made Fayol a more acceptable theorist in management practices in contrast to the classical theorists. At least his two principles, initiative and the esprit de corps have an important place even in the modern organisation theory based upon psychology and behavioural sciences. His suggestion for the stability of tenure has also been the launcher for career services in contrast to the 'hire and fire' system prevalent in his time.

### **3.5 Criticisms of Classical Theory**

The classical approach to public administration is full of contradictions for which it has come under severe criticism. It has been criticised on many grounds. The following are some of the major criticisms brought against it.

### **Classical Principles are Synonymous with Proverbs**

Herbert Simon, a distinguished behavioural administrative theorist, is one of the critics of the principles of administration developed by the classical administrative thinkers from simple observations. He observed the classical theory that they are little more than proverbs in disguise. (A proverb is a popular saying, embodying some familiar truth based on common sense or practical experience. For example, “look before you leap,” but on the other hand, “he who hesitates is lost”).

Simon argued that, “like proverbs, the principles of administration appear in pairs. For almost every principle one can find an equally plausible and acceptable contradictory principle”. Let us consider the principle of unity of command as an example. Unity of command implies that each person in an organisation should receive orders from one boss to avoid confusion. However, this principle is incompatible with the principles of specialisation. The principles of specialisation lead to a situation in which their formal superiors also receive directives from the specialists in the headquarters. The result is dual chain of command, which violates the principle of unity of command. In a similar fashion, Taylor’s ‘function of foremanship’ also violates unity of command principle. These contradictions reveal the unreality of the principle of unity of command.

Simon revealed that other principles of administration are also contradictory. Some of the classical theorists argued that organisations could improve supervision and productivity, if they kept a low span of control. In the same way, he argued that organisations would improve their performance, if they minimised the number of layers in the hierarchy, thus reducing communication problems and cutting down on red tape. Thus, the principle of narrow span of control implying a tall hierarchy comes into conflict with the principle of minimising the number of supervisory levels of implying flat hierarchy.

According to classical theorists, specialisation leads to efficiency of the organisation. However, the principle of specialisation fails to inform the executive of exactly how to specialise to

promote efficiency. They also failed to state whether functional specialisation is better than area of specialisation or vice versa.

For all the reasons stated above, the administrative principles promoted by the classical theorist cannot claim the status of empirically tested scientific principles. They have little scientific validity. They can, at best, be regarded as administrative homilies comparable to folklore or folk wisdom. Considerable doubt also exists as to their relationship to actual behaviour in real administrative situations. For this reason, it is said that the so-called principles of administration are of no use as practical guides to the administrator. Therefore, Simon has characterised the classical administrative theory as narrow and one that lacks realism.

Furthermore, there is no unanimity among the classical theorists as regards the principles of administration. Thus, the contention of classical administrative theorists that public administration had already developed as a science with universally valid and generally applicable principles was largely discredited by Simon's attack against the classical approach.

### **Classical Theory Ignores the Human Factor and Informal Groups**

The classical theory of Gulick and Urwick ignored the interplay of individual personality and the influence of informal groups in the functioning of an organisation. It ignored problems stemming from human interactions in organisations. It did not give adequate attention to the social and psychological factors relating to human behaviour in organisations. It ignored virtually, all features of organisational life beyond the formal structure. It ignored the individual employee and his needs. Mayo's human relations approach revealed that the human, interpersonal, and informal factors are of crucial administrative consequence thus, Mayo's theory supplied a corrective to the mechanistic approach of Gulick and Urwick.

### **Classical Theory Treats Organisations as Closed Systems**

The classical theory treats an organisation as a closed system, completely unconnected with and not influenced by its external environment. In fact, organisations actually engaged in constant contact with their environment. An organisation and its environment influence each other. The environment of public or government agencies is complex and the connection between them and the outside world are highly significant. Government agencies, for example,

have to deal with legislative committees, interest groups, the press, the court system, individual citizens and others. The influence of this complex external environment on the decision making process of public agencies is highly significant. Therefore, it is said that organisations are considered cybernetic in their behaviour with regard to the external environment.

### **Over Simplification of Human Motivation**

The classical approach has over simplified human motivation to work. The classical theorists, in their naivety, believed that people are motivated only by cash rewards and threats of punishments have been questioned by the human relationists and behaviouralist. They have argued that group pressures, social incentives, nature of work, and the attitude of each employee towards it are also as important as pay and fringe benefits.

### **Other Criticisms**

The classical theory is accused of a pro-management bias, because it attached much importance to the efficiency and greater productivity of the organisation. It is also said that in the present day large, complex organisations, the distinction between line and staff have lost much of their clarity and significance because superior-subordinate relationships are becoming less authoritarian and more advisory.

### **Waldo's Attack**

Professor Waldo said that in many ways, the classical theory was crude, presumptuous, incomplete, wrong in some of its conclusions, naïve in its scientific methodology, and parochial in its outlook. In many ways, the classical theory was the end of a movement, not the foundation for a science of administration.

Thus, Simon and Waldo underpinned the orthodox approach to administration. Their criticism was successful in discrediting the claims of the orthodox administrative theory to the status of science. However, they were not successful in replacing it with a new one.

### **SELF-ASSESSMENT EXERCISE**

Discuss Henri Fayol's principle of scalar chain.

### **3.6 Significance of the Classical Approach**

Despite its limitations, the classical approach had an impact on the study and practice of public administration, especially in the USA. Federal Government and many state governments in the USA reformed their administrative studies. These reforms were based largely on classical tenets. This theory played a notable role in rationalising administrative structures and even stimulating production. Thus, the traditional emphasis in public administration stressed in both theory and practices a rationalised view of administration.

The classical approach has some value even today. Owing to its influence, such management techniques as reporting, accounting and budgeting have come to be used in public administration. Gulick's POSDCORB formula serves even today as a handy check list of the functions of managers both in public and private sectors. Administration of many governments is even at present structured in accord with the classical principles. Some techniques of personnel administration such as formal job described and position classification are cut from the classical mould. Therefore, the classical administrative theorists were errant, but important. Even today, some of their ideas and concepts are relevant.

The idea that administration was a separate activity and was worthy of intellectual investigation was first propounded by the classical writers. The classical approach formulated a set of concepts of administration that evolved a terminology, which has provided a base for subsequent research in the field of administration. The limitations of the classical theory stimulated further research in organisational behaviour, thus, becoming an important milestone in the development of organisation theories such as human relations, behavioural and social-psychological theories. In fact, the classical theory is regarded as the foundation of the 20th century administrative thought.

### **4.0 CONCLUSION**

In this unit, you have learnt that classical theory has played a notable role in rationalising administrative structures as well as stimulating production. The classical approach has some value even today. Owing to its influence, such management techniques as reporting, accounting, and budgeting have come to be used in public administration. We can also see that Gulick's POSDCORB formula serves today as a handy checklist in public and private sectors. There is no doubt that administration of many governments today or at present is structured in accord with



the classical principles. Even today, some of the classical ideas and concepts are still relevant in our organisation.

## **5.0 SUMMARY**

The unit has thrown light on the classical theory of organisation. The basic themes of classical theories are considered along with the main features of the classical theory. The contributions of Henri Fayol, his definitions of management and its elements, Fayol's 14 principles of management, the significance, and the criticisms of classical theory were also highlighted and discussed. In the next unit, you will be taken through the human relations theory or school.

## **6.0 TUTOR – MARKED ASSIGNMENT**

1. Identify and discuss Henri Fayol's 14 principles of management.
2. Evaluate the criticisms of the classical theory.

## **7.0 REFERENCES/FURTHER READING**

Basu, R. (2004). Public Administration: Concepts and Theories. (4th ed.). New Delhi: Sterling Publishers Private Limited.

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## **UNIT 5 HUMAN RELATIONS THEORY**

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## **1.0 INTRODUCTION**

The human relations approach is an attempt to improve some of the defects inherent in the classical management approach. This approach emerged from the result of the Hawthorne studies, which was conducted by Elton Mayo and his fellow researchers from Harvard University. The proponents of this school argue that since management involves getting things done with and through people, the study of management should be centered on interpersonal relations. The scholars of this school have a heavy orientation to social psychology. They believed that if the management of an organisation showed concern for employees, increased productivity would result.

The main concern of the human relations approach is the study of an individual as a socio-psychological being and what motivates the individual. In this school, there are scholars who lay emphasis on human relations and why the manager should develop the skill to understand and practice. The human relations school argued that organisations could be improved by making it less formal and by permitting more subordinate participation in decision-making. Elton Mayo is regarded as the founder of the human relations movement. Some of the major contributors to this group include Robert K. Merton, Argyris, Likert, Alex Balevas, McGregor, and Keith Davis etc. In this unit, you shall be made aware of the relevance of human relations theory.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- discuss the different stages of the Hawthorne experiments or studies
- explain the basic principles of the human relations theory

- state the differences between the Taylor's scientific management and Mayo's theory
- discuss the differences between the human relations theory and the classical theory
- identify and explain the significance of the human relations theory.

### **3.0 MAIN CONTENT**

#### **3.1 Human Relations Theory**

The rise of human relations school may be attributed to the scathing criticism of the mechanical and structuralists for having neglected the psychological and sociological aspects of organisation. Elton Mayo who spearheaded this humanistic challenge to the classicists called his approach a clinical one. He focused upon the social and psychological aspect of an organisation in his Hawthorne experiments.

##### **3.1.1 The Hawthorne Experiments/Studies**

The Hawthorne experiments were conducted at the Western Electric Company of the Bell Telephone Company at Hawthorne near Chicago. Elton Mayo, with his two other colleagues of the Harvard Business School, F.J. Roethlisberger and William J. Dickinson, conducted experiments which became the basis of all humanistic studies across the world. The relevant experiments for the students of public administration are as follows.

##### **3.1.2 The Great Illumination Experiment**

The famous earlier experiment ran from 1924 to 1927. The purpose of this experiment was to study the effects of illumination that is, lighting on workers' efficiency and productivity. Two teams of workers took part in these tests – the experimental group and the controlled group. Each group consisted of six women.

The researchers had assumed that an increase in illumination would lead to greater production per worker. As the amount of lighting was increased for the experimental group, efficiency

and productivity improved. However, to the surprise of the researchers, the workers turned out even more when the lighting was reduced. In fact, the workers did not stop working until the room became so dark that vision was actually impaired. The productivity of the controlled group working under a constant illumination also increased.

The research scientists were baffled by the seemingly anomalous results of this experiment. From a scientific management perspective, this was puzzling indeed. Eventually, the researchers concluded that to some extent, the workers were responding actually to the experiment itself rather than to the levels of illumination. This phenomenon gave rise to what is called the Hawthorne effect- the theory that workers perform more efficiently because special attention is being devoted to them.

### **3.1.3 Relay Assembly Test Room Experiment**

In 1927, the Harvard Industrial Research team directed by Elton Mayo took over the Hawthorne experiments, which had produced unexpected results in employee performance. Mayo and his colleagues undertook the Relay Assembly Test Room Experiment at the plant. Its objective was to determine the effect of changing work conditions on the efficiency and output of the workers as a group. The researchers also wanted to examine the role of fatigue and monotony on group productivity. In this experiment, the researchers segregated a group of six women who were assembling telephone relays and placed them in a test room. For two years the researchers studied the response of the women to various changes in their working conditions. As many as 10 changes such as shorter hours, varied rest pauses, refreshments and a number of incentives where the team spent a great deal of time with the work group discussing the changes before they were put into effect. Output increased each time a change was made. Yet, when the women reverted to their original working conditions with a 48-hour week, no refreshments, no rest pauses, and no other incentives, output rose again– indeed to the highest ever recorded at Hawthorne.

Another significant result was a decline in absenteeism of 80 per cent. Either under pleasant or unpleasant working conditions the response of the women in terms of productions moved in only one direction – up. This fact startled Mayo's research team. One conclusion drawn from this experiment was that production did not vary in direct relation to working conditions. The

conclusion eventually drawn from this important experiment was that attention and recognition in and of itself tends to generate a positive response. According to this study, attention centered on employees raised morale and hence also production, irrespective of what particular form that attention took. In other words, people responded more favourably to attention than they did to physical factors or to other material inducements.

In this experiment, the women had gained enormously in work satisfaction by the feeling that they were part of the team by the communication between the researchers and workers. Everyone in the group felt more valued and responsible for her performance and that of the group as a whole. This sense of cohesiveness and self-esteem was more important to performance than any number of improvements in the working environment.

Another important conclusion of this investigation was that worker– management conflict was the result of the basic emotional attitudes of the workers rather than the objective difficulties in the work situation such as insufficient task specialisation or inadequate wages. According to Mayo, workers were ruled by the logic of sentiment, whereas managers were activated by the logic of cost and efficiency. Thus, without understanding and compromise, conflict was inevitable.

#### **3.1.4 Bank Writing Observation Room Experiment**

In 1931, the Harvard researchers began their most important experiment in the famous bank writing room at the plant. The purpose of this experiment was to determine the effect of a piece–rate pay system on group productivity. For the purpose of this experiment, the researchers and the management put a small group of men engaged in making parts of telephone switches on a piece–rate system and observed their activities. Under this system, the management logically expected the workers to earn higher incomes by turning out more output. However, most illogically, the men did not produce as many pieces of work as they could, even though they were being paid in accordance with their output. They had developed a work culture of their own. They had become a cohesive and compact group with their own codes, rules and norms. Among these rules were prohibitions against doing too much or too little work. They informally established a standard level for daily output and decided not to exceed that fair range of

production. Contrary to the researchers and management's expectations of a great jump in productivity, the output of the men remained the same as before.

In this experiment, the male workers' reaction to the wage incentive plan of the management was not at all like that of rational economic men. Instead, they rationalised that plan as an attempt by the management to eventually cut some jobs or to reduce wage rates. Though the company assured the workers that such things would not happen, employees remained unconvinced. Taylor's scientific management could not explain the irrational behaviour of the employees. In this experiment, the employees work behaviour was very much influenced by group norms, group pressure and acceptance, and the concomitant security. One conclusion from his experiment is that people do not work simply to make money. It also made it clear that economic incentives and material rewards would never be as powerful as social norms and social controls in increasing productivity.

### **3.1.5 Major Findings of the Hawthorne Studies**

The following are the major findings and generalisation of the Hawthorne studies.

- i. The output or the amount of work of a worker is not determined by his physical capacity but by his social capacity.
- ii. Non-economic rewards and sanctions significantly affect the worker's behaviour.
- iii. A worker often does not act or react to management as an individual but as a member of groups.
- iv. Communication, participation, and leadership play a central role in worker's behaviour

Taken as a whole, the relations between workers and their supervisors and among the workers have significant influences on the behaviour of the workers. The significance of the Hawthorne investigation focused on discovering the informal organisation, which it now felt, exists in all organisations. It confirmed Mayo's earlier view that what he calls the "rabble hypothesis" about human behaviour (that is, each individual pursues his own rational self-interest) was false. Mayo emphasised that management must develop a new concept of authority and foster a new social order based on the individual's cooperative attitude.

### **3.2 Interview with Workers**

Following the seemingly anomalous results of the Hawthorne experiments the Harvard team conducted extensive interview with large numbers of workers to inquire into conditions in the plant. The researchers were interested in employees' attitudes about their jobs. They found themselves hearing about workers' dreams, their home lives, and other topics, which at first seemed extraneous. Through these interviews, the researchers understood that people create an impressive variety of interest, backgrounds, and concerns to work situations with them, the interview also programme revealed that the workers derive meaning and motivation from the social situations in work groups. They can have marked effects on the attitudes and behaviours of organization members. These interviews brought to light the existence and functioning of the informal organisation with the formal organisation. Mayo's generalisation is that work satisfaction depends to a large extent on the informal social pattern of the work.

The Hawthorne experiments discovered the psychological variables that affect workers and revealed the impact of the informal organisation on behaviour of employees in organisations. These studies also revealed the inadequacy of Taylor's scientific management and disproved his philosophy of self-interest.

### **3.3 The Basic Principles of Human Relations Theory**

The human relations movement was inspired in large part by the Hawthorne studies with which Mayo's name is forever linked. The confluence of Mayo's philosophy and the findings of various studies formed the human relations movement. This movement advocated more humanism, dignity and democracy in the work place.

The basic principles of human relations theory may be discussed as follows.

- i. Workers are essentially social beings. They must first be understood as people if they are to be understood as organisation members. Their attitudes and effectiveness are conditioned by social demands from both inside and outside the work plant.
- ii. Work is a group activity. The work groups enforce a standard level of productivity upon all members through its own codes and norm. Mayo said that human



- collaboration in work has always depended upon the evolution of a non-logical social code, which regulates between persons and their attitudes to one another. The small informal groups are found to be exceedingly significant in the functioning of organisations. They affect organisation members' perceptions and serves as medium of communications. Small informal group propagate norms – expected behaviours – about such matters as how groups deal with one another and with superiors, which types of formally prescribed actions will be resisted by employees, and how much will actually be performed.
- iii. Social rewards and sanctions are the strongest motivators on the job. The workers in the Hawthorne plant responded to the respect, recognition, affection, sense of belonging and security and the appeals to group loyalty provided by their fellow workers. These social and psychological factors were found to be more powerful as motivators than the management system of economic incentive and material rewards. Thus, non-economic factors played an important role in determining workers' morale and motivation. They are more important than the physical conditions under which the workers operate. The behaviours of workers cannot be separated from their feelings and sentiments. The general hypothesis, which main emphasis is on human relations theory, is that, motivation to work, productivity, and quality of work are all related to the nature of the social relations among the workers and between the workers and their boss.
  - iv. Mayo and his colleagues found that formal structure by no means described the totality of an actual, functioning organisation. The formal organisation is always supplemented by an informal organisation, a pattern of social relations that crops up outside of and sometimes in conflict with- those prescribed by organisation charts or management. In fact, Mayo's most important discovery was the existence of informal organisation within each formal organisation. Mayo explained that management could only succeed in leading an organisation's employees if the workers, in their informal groups, accepted that leadership without reservation. Organisations are therefore, social as well as technical entities.
  - v. The human relations theory emphasised the participative style of management or supervision and democratic system of administration. The Hawthorne experiments

made it clear that effectiveness and productivity of the workers will increase if there is effective communication between the management and the workers, and if the management is willing to allow the workers participate in decision making. This type of management requires every change in the work schedule and should be preceded by manager's close consultation with the informal work groups and their informal leaders.

The experiments also revealed that workers will do better if allowed to manage their own affairs without being told what to do. While the participative type of supervision wins the worker's acceptance of organisational objectives, the democratic system of administration would alienate the workers. The participative type of supervision coupled with democratic system of administration would lead to the highest level of workers' effectiveness and the resultant productivity.

The human relations approach is built on socio-psychological findings, theories and applications, which call attention to the fact that work environment, cannot function in terms of technical efficiency, profit and wages. Workers are very much influenced by friendships with colleagues, group pressures and standards, and the social environment. Thus, the essence of human relations approach was a focus on the organisation as a social system.

### **SELF-ASSESSMENT EXERCISE**

Discuss the findings and generalisation of the Hawthorne studies.

### **3.4 Frederick W. Taylor Vs Elton Mayo**

Elton Mayo's human relations theory is frequently presented as somewhat opposite to that of Taylor's scientific management. There are certainly some basic differences between the two approaches. The differences include the following.

- i. In Taylor's philosophy, productivity depends upon physical factors and monetary incentives, whereas in Mayo's theory, the informal work group norms could affect productivity in a positive way.

- ii. Taylor looked at workers as self-centered rational economic men.
- iii. They also differed as regards the sources of conflict between management and workers. Taylor traced the causes of such conflict to the objective difficulties in the work situation while Mayo thought that such conflict was the result of the basic emotional attitudes of the workers.

From the preceding discussion, one should not conclude that Mayo was against Taylor's scientific management theory. Mayo was really not against Taylorism. What he did was that he debunked Taylor's rigid application of scientific management.

In a sense, however, Mayo's human relations theory and Taylor's scientific management are allied. Both believed that friendly cooperation between workers and management would eliminate nearly all causes of conflict, dispute and disagreement between them. However, they suggested different methods to achieve cooperation and harmony. Taylor felt that high wages would generally suffice to elicit employee's cooperation and compliance. Mayo on the contrary, suggests such devices as participative style of supervision from the behavioural side of administration. He always insisted that the understanding of human factors such as workers morale was important to his system. In these aspects, Taylor's philosophy is related to that of Mayo's human relations. Both were motivated to improve the productivity of the American industry in the early twentieth century.

### **3.5 The Human Relations Theory Vs the Classical Theory**

The human relations theory is called the neo-classical theory because just as the classical theory, it also accepts efficiency, economy, and productivity as the legitimate values of organisation. However, to achieve these values, the human relations approach relies on techniques that are quite different from those of the classical approach. The human relation theorists seek to maximise the values of efficiency, economy, and productivity by eliminating the dysfunctions caused by overspecialisation, alienating hierarchical arrangements and general dehumanisation of the classical approach.

Thus, the classical and human relations theories are alike in their objectives but they differ in the methods and techniques adopted to accomplish those objectives. The human relations theory also differs from the classical theory in the following respects.

- i. The classical theory emphasises the formal organisation structure consisting of jobs and job descriptions as spelled out in organisation charts and manuals. In contrast, the human relations theory is concerned with the informal organisation, that is, the life of individual workers and workgroup within the organisation.
- ii. The, classical theory takes the atomistic view of man and views workers as various cogs in a machine. On the contrary, the human relations theory considers workers essentially as social beings who have the tendency to form the informal groups in the work situation.
- iii. In determining workers' motivation, economic rewards and physical conditions of work are regarded by the classical theorists as important factors. Contrastingly, the social-psychological, factors and sanctions are considered by the human relationists as important motivators to work.
- iv. The classical theory emphasises the authoritarian style of supervision, while the human relations theory lays emphasis on democratic and participative style of supervision.

The preceding discussion clearly shows that the classical and human relations approaches have taken two different views of organisations. If the classical theory viewed organisations as formal structures, the human relations approach emphasised informal relations within organisations. Neither of the two approaches is wholly right, although each is partially right. In reality, an organisation is both a formal structure and informal relations. These aspects of an organisation are not contradictory but allied to each other. It is good to recognise that informal organisations exist in all formal organisations and are not necessarily harmful, but may facilitate teamwork and collaboration.

Therefore, it would be in the interest of management to develop harmony between the informal social systems and the formal organisation by dealing effectively with the dynamics of informal groups and sentiments of the workers.

### 3.6 Criticisms of Human Relations Theory

Although human relations theory is an improvement over the classical theory, it is also not free from errors and defects. Mayo's human relations theory has been subjected to certain criticisms. These are highlighted below.

- i. The human relations theorists were accused of being preoccupied with increase in material wealth through greater productivity as the classical theorists. Mayo and his colleagues naively assumed that happy employees would be productive workers.
- ii. Mayo's Hawthorne studies, from which the human relations theory developed, have been attacked on the procedures adopted, the analysis of the findings and the conclusions drawn. For instance, Mayo's assumption that there is a natural community between workers and management has yet to be proved. In fact, the conflicts between the employers and employees are real, based on real class differences. One of the frequent attacks leveled against Mayo's philosophy is that he failed to appreciate the value of competition and conflict in assuring the freedom of workers. It is said of Mayo that he had a tendency to draw conclusions than the data supported. In addition, it is said that Mayo had failed to demonstrate any commonality of interest between workers and management.
- iii. Like the scientific management, the human relations theory is also one sided. If Taylor and his colleagues focused on organisations without people, Mayo and his team of researchers concentrated on people without organisations. The human relations theorists looked at organisation members, their motivation, satisfaction, and so on but neglected (or rather ignored) the roles of formal structure, technology, and conflict in influencing the behaviour of workers. Thus, Mayo's theory lacks capacity to explain the multifaceted organisational behaviour and relationships.
- iv. The human relationists have overdrawn the sweeping contrast between the formal and informal organisations and failed to synthesise these two aspects of organisation in a harmonious way. This is an important defect of Mayo's theory of human relations.

- v. The Hawthorne experiments of 1927 to 1932, conducted by Mayo and his colleagues, covered the behaviour of small groups only and did not deal with the entire organisation. The observations made by them about the behaviour of the small experimental groups in the Hawthorne plant may not be valid when applied to the entire organisation, and its behaviour may be at variance with the behaviours of the small informal groups within it. They lacked a theory that could explain the set of observations they had made about workers' motivation.
- vi. The Mayo's group thought that the benevolence of executives towards employees coupled with improved communications with the work groups would raise productivity and make the workers happy. The critics found this emphasis superficial and irrelevant to the needs of the workers. The researchers also thought that labour unions were driving management and workers apart, increasing conflicts, and preventing effective communication. However, the critics pointed out that union, in fact, protected the employees against executive power.

### **3.7 Significance of Human Relations Theory**

The Hawthorne studies and Elton Mayo's philosophy have tremendous impact on both management and academics.

- i. In the first place, despite their defects and limitations, the Hawthorne experiments were significant in stimulating an interest in the human factors. In the words of Stephen P. Robbins, from a historical perspective, the Hawthorne studies began a new direction – recognition that human beings are a complex and influential input into organisational performance. The Hawthorne conclusions led to a new emphasis on human beings as key contributors to the organisational efficiency, productivity, and goal attainment. According to Carol Kennedy, Mayo's contribution to management thinking was seminal. It revealed the importance, in hard bottom-line terms, of human emotions, reactions, and respect for the business of managing others. The Hawthorne studies constituted the first systematic research to expose the human factor in work situations and their impact led to a fuller realisation and understanding of human beings as workers in organisations.

- ii. Central to the understanding of the human factor was the discovery of the informal group as an outlet for the aspirations of the worker. The informal groups could be encouraged to greater productivity by being led to do it themselves through interest and respect on the part of their managers. These groups are found to be exceedingly significant in the functioning of organisations. In the words of F.A. Nigro and L.G. Nigro, the Hawthorne studies... established the informal group as a major explanation of behaviour in organisation and extended the conceptual horizons of organisation theory to include a huge range of social psychological variables. The human relations raised the status of informal work group equal to that of formal organisation as an administrative and managerial concern. Obviously, human relations promoted a particular vision of human nature in organisational settings; it urged cooperation over competition and interdependence over individualism. In fact, the Hawthorne studies allowed Mayo and the others to test social theories that stressed values as the bases of human social action.
- iii. Mayo's Hawthorne studies pioneered the whole concept of proper management-worker communication. He emphasised the importance of an adequate communicating system, particular upwards from workers to management. It is a new idea because of the respect for the individual it required between bosses and workers. Mayo explained that management could only succeed in leading an organisation's employees if the workers in their informal groups, accepted it as authority and leader without reservation.

Mayo's key concept of management-worker communication laid the foundation for the work of later management thinkers and writers such as Peter and Waterman and the 1950s school of sociologists headed by Chris Arguris, Frederick Hertzberg and Abraham Maslow. These writers and social psychologists like Douglas M.C. Gregor, and Rensis Likert belong to the humanist school of administration.

The above-mentioned writers accepted wholly the human relations component in administration but carried it still further, arguing for a more humanitarian approach to the whole administrative problem. The humanistic theory has given importance to the development of human personalities in the organisation. The writers of this school covered such areas of research

as work–group behaviour, need satisfaction, job satisfaction, motivation, leadership, and so on. They have used psychological and sociological concepts and research in analysing organisations. Among psychologists, the studies switched the future emphasis from fatigue to group processes.

- iv. Lastly, the human relations approach to organisation theory has made some valuable contributions to administrative thought as well. It literally created the humanist school of administrative thought, finally convincing the field that social leadership skills for managers were at least as important as technical knowledge. The new administrator needed to strive toward social consolidation with workers.

According to Nesta Gallas and Laurence J.O. Toore, Jr., in their human relations approach, attention to the social psychology of bureaucratic life, its discovery of the informal organisation, its development of a more complex and realistic model for human nature and its innovative approach to organisational design, this school of theorists improved markedly on the ideas of its predecessor.

Although, the human relations heyday (1930s to 1950s) was over, the research and theory building continue today on many of the issues first raised in the Hawthorne studies in the late 20s and the early 30s. The human relations approach has great impact initially on business administration, and later on public administration. Indeed, it is regarded as a major development in the American administrative through the period 1900–1939. This approach marked a major turning point in the history of administrative theory and practice.

### **SELF-ASSESSMENT EXERCISE**

State the differences between Taylor's scientific management theory and Elton Mayo's human relations theory.

## **4.0 CONCLUSION**

The human relations theory of organisation rejects formal institutionalisation and considers the informal day-to-day functioning of the structure as more revealing than the mechanistic study of structure and principles of organisation. However, it must be stated that these two approaches are not mutually exclusive but rather supplement each other. There cannot be informal organisation



without a formal one, from where the former can operate. Informal organisation is a self-evident fact and a functional necessity, which no formal structure can completely choose to ignore.

The formal organisation theory gives only a partial and incomplete picture of organisational dynamics. The complete picture of an organisation emerges only when the formal theory is supplemented with the informal theory. Undue emphasis on one will lead to distorted view of organisational reality and undermining of the advantages of both.

## **5.0 SUMMARY**

The unit has thrown light on the human relations theory of organisation. The Hawthorne experiments is considered along with the basic principles of human relations theory, interview with workers, Taylor's scientific management and Mayo's human relations theory were discussed. The human relations theory and the classical theory were also evaluated. The criticisms and the significance of human relations theory of organisation were highlighted and discussed.

In the next study unit, you will be taken through the discussion on the systems theory of organisations.

## **6.0 TUTOR-MARKED ASSIGNMENT**

1. Identify and discuss the relevant experiments for the students of public administration
2. State and explain the basic principles of human relations theory.

## **7.0 REFERENCES/FURTHER READING**

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### **MODULE 3**

**Unit 1      The Systems Theory or Approach**

**Unit 2      Management by Objective**

**Unit 3      Essentials of Planning and Managing by Objectives**

**Unit 4      Planning and Forecasting**

**Unit 5      Centralisation and Decentralisation**

### **UNIT 1      THE SYSTEMS THEORY OR APPROACH**

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**2.0 Objectives**

**3.0 Main Content**

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**3.2 Some Key Concepts of Systems Theory or Approach**

**3.3 Components of Systems Theory**

**3.4 Organisations as Open and Closed System**

**3.4.1 Open Systems**

### **3.4.2 Closed Systems**

## **3.5 Systems Theory to Policy Analysis**

## **3.6 Limits of Systems Theory to Policy**

## **4.0 Conclusion**

## **5.0 Summary**

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## **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

Systems theory or approach is one of the important concepts in modern management. It deals with change and interrelationships in complex organisations. A critical aspect of the theory is interdependency. A change in one part of the system must affect other parts of the system. For example, a managerial decision to increase out-patient care in a hospital affects nursing and treatment resources as patients need change.

The systems theory perceives the organisation as more than an economic unit that makes rational use of people, machines and materials to increase efficiency and productivity or profits. It recognises the organisation as a fusion of parts, processes, and goals that make a living, changing, human enterprise. The fusion parts are people, machines, and material resources. The processes that unite them together include planning, organising, staffing, influencing, and controlling – the managerial functions. These processes link the parts and aim at achieving the organisational goals.

The systems concept frees management from the narrow efficiency oriented view of the organisation; it incorporates many variables that affect the system and influence managers' actions. The concept gives managers more leverage for adjusting the system and a more realistic picture of their impact on it.

In this unit, attempt is made to present the systems theory or approach to management based upon the general systems theory.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define the term “system” and give an example of a system
- differentiate between concepts and components of systems theory or approach
- explain organisations as open and closed systems
- explain systems approach to policy analysis and the limits of systems approach to policy.

## **3.0 MAIN CONTENT**

### **3.1 The Origin and Development of the Systems Theory or Approach**

The systems theory or approach has its own theoretical relevance and practical utility. In fact, no management can overlook the system approach. The practicing managers always take into account a large number of interacting influences and variables in performing their jobs. An organisation represents a system which itself operates within a politico-administrative system. This, in turn, interconnected with various other systems, and each has within it a number of subsystems.

More recently, studies have focused on the analysis of organisations as systems with a number of interrelated subsystems. The systems approach is not new and has been used in the natural and physical sciences for a number of years.

One of the founders of this approach was the biologist Ludwig Von Bertalanffy who used the term “systems theory” in an article published in 1951. He is generally credited with having developed the outline of general systems theory. The systems approach to organisation has

arisen, at least in part, therefore, from the work of biologists, Miller and Rice who have likened the commercial and industrial organisation to the biological organism.

Using a general systems theory or approach, Boulding classified nine levels of systems of increasing complexity according to the state of development and knowledge about each level. Organisations are complex social systems and are more open to change than lower level simple, dynamic or cybernetic systems. Boulding felt there were large gaps in both theoretical and empirical knowledge of the human level and the social organisations level of systems, although advancement has now been achieved with recent theories of organisational behaviour.

It may be mentioned here that the classical approach emphasised the technical requirements of the organisation and its needs – less importance to the people. The human relations approach emphasised the psychological and social aspects, and the consideration of human needs – more importance to social aspects, and the consideration of human needs – more importance to people.

The systems approach attempts to reconcile these two earlier approaches and the work of the formal and the informal writers. Attention has been focused on the organisation as a whole, interrelationships of structure and behaviour, and the range of variables with the organisation. This approach encourages managers to view the organisation both as a whole and as part of a larger environment. A system may be defined as an organised group of parts, components, or subsystems linked together according to a plan, to achieve specific objectives. An organisation is looked upon as a system comprising parts, each of which contributes to the operation of the organisation and is dependent on the others for its own needs. The system of parts is self-adjusting to disturbances, which hinder the fulfillment of organisational objectives.

The first to see management in the context of systems was Chester I. Barnard. He considered the executive as a component of a formal organisation, and the latter as part of an entire cooperative system involving physical, biological, social and psychological elements. Barnard's inclusion of physical (materials and machinery), biological (people as discrete beings who breathe air and need space), and social (group interactions, attitudes, and beliefs) elements in the systems in which the manager operates in perhaps a more accurate portrayal of the managerial

subsystems than the usual social psychologists' view of this subsystem as related only to the social system.

Barnard saw the need for cooperative action in organisations; he believed that people's ability to communicate, and their commitment and contribution to the achievement of a common purpose were necessary for the existence of cooperative systems.

### **3.2 Some Key Concepts of Systems Theory**

Many concepts of a typical systems theory are finding their way into the language of management. As managers, we should be familiar with the systems vocabulary, so that we can keep pace with current developments. The following are some key concepts of systems approach.

**1. Subsystems:** The parts that make up the whole of a system are called subsystems and each system in turn may be a subsystem of a still larger whole. Thus, a department is a subsystem of a plant, which may be a subsystem of a company. The company may be a subsystem of a conglomerate or industry, which is a subsystem of the national economy as a whole, which is a subsystem of the world system.

**2. Synergy:** Synergy means that the whole is greater than the sum of its parts. In organisational terms, synergy means that as separate departments within an organisation cooperate and interact, they become more productive than if each had acted in isolation. For instance, it is more efficient for each department in a small firm to deal with one financing department than for each department to have a separate financing department of its own.

**3. Open and closed systems:** A system is considered open if it interacts with its environment; it is considered closed if it does not. All organisations interact with their environment, but the extent to which they do so varies. An automobile plant, for example, is a more open system than a monastery or a prison.

**4. System boundary:** Each system has a boundary that separates it from its environment. In a closed system, this boundary is rigid; in an open system, the boundary is more flexible. The system boundaries of many organisations have become increasingly flexible in recent years.

**5. Flow:** A system has flows of information, material, and energy (including human). These come into the system from the environment as inputs (raw materials, for example), undergo transformation process with the system (operations which alter them), and exist in the system as outputs (that is, goods and services).

**6. Feedback:** Feedback is the key to system controls. As operations of the system proceed, information is fed back to the appropriate people or perhaps to a computer so that the work can be assessed and, if necessary, corrected.

Systems theory highlights the dynamic and interrelated management task. Thus, systems theory provides a framework within which we can plan actions and anticipate immediate and far-reaching consequences, and at the same time it enables us understand unanticipated consequences as they may develop. From a systems perspective, general managers can easily maintain a balance between the needs of the various parts of the organisation and the needs and goals of the enterprise as a whole.

### **3.3 Components of Systems Theory**

Systems are often drawn in form of flow charts or block diagrams. The system is a combination of inputs, transformation, and outputs. This input transformation – output chain is sometimes called the cycle of events.

**1. Inputs:** Inputs refer to human and other resources such as energy, machinery, raw materials, component parts, and information – that are necessary to operate and maintain the system or subsystem. People provide both physical and mental energy required to operate business systems. Production inputs are those inputs that undergo transformation and become a part of the system's outputs. Maintenance inputs, in contrast, are those inputs that facilitate the functioning of the system but do not directly become a part of the system's output. Maintenance inputs are often crucial for human resources, since these are the factors that motivate the

members of the organisation to remain with the organisation and to perform their tasks in an efficient manner.

**2. Transformations:** Transformations are the operations involved in converting inputs into outputs. All systems exert influence upon and essentially change the inputs they receive. A manufacturing facility such as Republic Steel has complex mechanisms for converting iron ore, coal, and limestone into finished steel. The telephone subscription department transforms telephone change-of-address requests by subscribers into written instructions for its mailing department. This process of change is sometimes labelled the throughput of the system.

**3. Outputs:** Outputs are the products of the system. They are the results of the transformation

Two forms of outputs exist: direct and indirect, both must be considered in assessing an organisation. The direct outputs are those for which the system was originally established. Indirect outputs can be equally important. Organisations occupy a place in their physical, economic, and social environments, their activities affect these environments. For example, Gulf Oil, in the process of producing petroleum products employs thousands of people, provides financial support to television programming on the public broadcasting system, and seeks to avoid polluting the physical environment thus providing jobs, aiding public broadcasting, and trying to practice conservation are indirect outputs at Gulf. For you to understand a system fully, it is necessary that you understand both its direct and indirect outputs.

### **3.4 Organisations as Open and Closed Systems**

According to Von Bertalanffy, there are two basic types of systems:

Open systems and Closed systems.

#### **3.4.1 Open Systems**

The open system is constantly interacting with its environment. A plant is an example of an open system. Constant interaction with the environment influences the plant's state of existence and its future. In fact, the environment determines whether the plant will survive.



Moreover, open systems, especially social systems, tend toward increased elaboration and differentiation. In other words, open systems will, as they grow, tend to become more specialised in their elements and elaborate in their structure, often creating a new supra-system with wider boundaries. Thus, in a growing business, more specialised departments are created; and elaboration of the system may occur through acquisition of sources of supply, expansion of product lines, or the creation of new sales offices, districts or government branches.

### **Characteristics of an Open System**

The following are the key characteristics of an open system.

- i. **Exchange of information:** An open system exchanges information, energy or material with its environment.
- ii. **Transformation of inputs:** An open system converts inputs into outputs plus the energy and the materials used in the operation of the system.
- iii. **The outputs:** An open system exports a product or service to the external environment
- iv. **Steady state:** An open system is required to achieve a steady state or dynamic homeostasis in which it ingests enough inputs from its environment to offset its output.
- v. **Feedback:** If an open system is to achieve dynamic equilibrium, it must have feedback. This feedback tells whether the system is achieving its equilibrium and is not in danger of being destroyed.
- vi. **Equifinality:** An open system can achieve the desired results in various ways by means of a concept or process referred to as equifinality.
- vii. **Differentiation and elaboration:** An open system, as it grows, tends to become more specialised in its elements, and to elaborate its structure with wider boundaries.

In a dynamic environment, the business organisation is not a closed system; it is an open system. There is continual interaction with the external environment, which it belongs to.

### **3.4.2 Closed System**

Closed systems are not influenced by and do not interact with their environments. They are mostly mechanical and have necessary predetermined motions or activities that must be performed regardless of their environment. A wall clock is an example of a closed system. Regardless of its environment, a wall clock's wheels, gears, and so forth must function in a predetermined way if the clock as a whole is to exist and serve its purpose.

The classical approach emphasised the technical requirements of the organisation and its needs –“organisations without people.” It was mainly concerned with the closed system. Such a closed system approach confined itself to the internal relationship and consistencies within the organisation. The classical theorists ignored the effect of the environment. If an organisation does not respond to exchanges in the environment, it will become a closed system and the business may be faced with the danger of entropy. Entropy is the ultimate state reached in the degradation of the matter and energy of the universe.

### **SELF-ASSESSMENT EXERCISE**

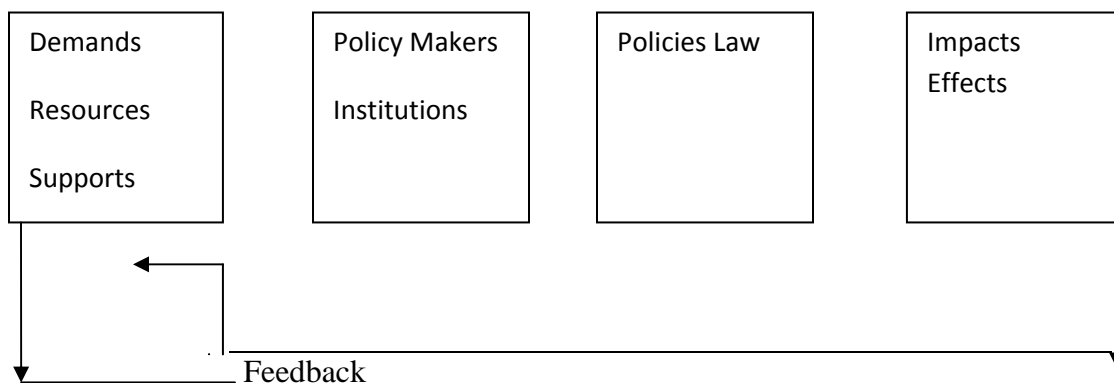
When can a system be considered open or closed system?

### **3.5 Systems Theory to Policy Analysis**

The policymaking process has been regarded as a black box, which converts the demands of the society into policies. A government organisation or an enterprise does not of course exist in a vacuum. Rather, it is a part of a larger system such as the economic system, the industry to which it belongs, and society. Thus, the enterprise receives inputs, transforms them, and exports the outputs to the environment, as shown in the figure below. However, this simple model needs to be expanded and developed into a system of operational management that indicates how the

various inputs are transformed through the managerial functions of planning, organising, staffing, and controlling.

Clearly, any business or government organisation is an open-system model with interactions between the enterprise and its external environment. This is shown diagrammatically as follows.



**The Diagram Represents a political System**

**Fig. 1.2: Diagram Representing a Political System**

David Easton, in his analysis of political systems, argued that the political system was that part of the society engaged in the authoritative allocation of values. The systems approach to political analysis is shown in the diagram above. This diagram gives an idea of what political scientists have in mind when they describe a political system.

Inputs are seen as the physical, social, economic and political products of the environment. They are received into the political system in the form of both demands and supports. Demands are the claims made on the political system by individuals and groups to change some aspect of the environment. Demands occur when individuals or groups, in response to environmental conditions, act to effect public policy.

The environment is any condition or event defined as external to the boundaries of the political system. The supports of a political system consist of rules, laws, and customs, which provide a basis for the existence of a political community and the authorities. These supports are rendered when individuals or groups accept the decisions or laws. Supports are the symbolic or material inputs of a system (such as obeying laws, paying taxes, or even respecting the national flag) that constitute the psychological and material resources of the system.

At the heart of the political system are the institutions and personnel for policy – making. These include the chief executive, legislators, judges and bureaucrats. In the systems version they translate inputs into output. Outputs, then, are the authoritative value allocations of the political system, and these allocations constitute public policy or policies. The systems theory portrays public policy as an output of the political system.

It is the task of the chief executive or managers to perform the inputs in an effective and efficient manner to produce outputs. Of course, the transformation process can be viewed from different perspectives. Thus, social systems theorists analyse the transformation by focusing on social interactions and those advocating decision theory see the transformation as sets of decisions. Communication pervades the total managerial process; it integrates the managerial functions and links the enterprise with its environment.

The concept of feedback indicates that public policies may have a modifying effect on the environment and the demands generated therein may also have an effect upon the character of the political system. Policy outputs may generate new demands and new supports, or withdrawal

of the old supports for the system. Feedback plays an important role in generating suitable climates for future policy.

### **3.6 Limits of Systems Theory to Policy**

The systems theory is a useful aid in understanding the policymaking process. Thomas Dye says that the value of the systems model to policy analysis lies in the several questions that it poses. The question may include the following.

- i. What are the significant dimensions of the environment that generate demands upon the political system?
- ii. What are the significant characteristics of the political system that enable it to transform demands into public policy and to preserve itself over time?
- iii. How do environmental inputs affect the character of the political system?
- iv. How do the characteristics of the political system affect the content of public policy?
- v. How does public policy affect, through feedback, the environment and the character of the political system?
- vi. How do environmental inputs, affect the content of public policy?

The usefulness of the systems model for the study of public policy is, however, limited owing to several factors. It has been argued that this input – output model appears to be too simple to serve as a useful aid to understanding the policymaking process. This model, it is alleged, employs the value-laden techniques of welfare economics, which are based on the maximisation of a clearly defined social welfare function.

Another shortcoming of the traditional input–output models is that it ignores the fragmentary nature of the black box. The missing ingredients in the systems approach are the power, personnel, and institutions of policy–making. Lineberry observes that in examining these, we will not forget that political decision–makers are strongly constrained by economic factors in the environment in the political system.

The Estonian model also ignores an important element of the policy process. The policy–makers (including institutions) have considerable potential in influencing the environment within which they operate. The traditional input–output model would see the decision–making system as

facilitative and value-free rather than causative that is, as a completely neutral structure. In other words, structural variations in the systems are found to be having no direct causal effect on public policy.

Further, it is argued that both the political and bureaucratic elite fashion mass opinion more than the masses shape the leadership's views. The concept of "with inputs" illustrates this point. Thus, policy changes may be attributed more to the political and administrative elite's redefinition of their own views than a product of the demands and supports from the environment. Quite often, policy initiation does emerge from the bureaucracy.

In the western democracies, the bureaucracy's role in the shaping of policy direction is largely technical and minimal. The policy direction remains still largely in the traditional domain of the political elite. On the other hand, in a developing country like Nigeria, where the state's objective are not fully articulated and clear, the bureaucracy easily capitalises on the process of policy selection out of alternative policy strategies. It does participate in the formulation of a public policy in addition to performing purely technical tasks.

Finally, the extent to which the environment, both internal and external, is said to have an influence on the policymaking process is influenced by the values and ideologies held by the decision – makers in the system. It suggests that policymaking involves not only the policy content but also the policy – makers' perceptions and values. The values held by the policy – makers are fundamentally assumed crucial in understanding the policy alternatives that are made.

### **SELF-ASSESSMENT EXERCISE**

What is a system? Discuss the first three characteristics for an open system.

## **4.0 CONCLUSION**

In this unit, you have learnt that the systems approach has been valuable in both theory and practice. It offers the advantage of analysing any problem in the organisation in terms of the relationship between technical and social variables within the system. This approach enables managers to see the critical variables and constraints and their interaction with one another. It forces scholars and practitioners in the field to be constantly aware that one single

element, phenomenon, or problem should not be treated without regard for its interacting influences with other elements.

The system approach views the organisation within its environment and emphasises the importance of multiple channels of interaction. Criticisms of earlier approaches to organisation are based in part on the attempt to study the activities and problems of the organisation solely in terms of the internal environment.

## **5.0 SUMMARY**

This unit has thrown light on the critical variables and constraints and their interaction with one another in an environment. The origin and development of the systems approach, some key concepts of systems approach, components of systems theory and organisations as open and closed systems were considered.

The systems approach to policy analysis and limits of systems approach to policy were also highlighted and discussed.

## **6.0 TUTOR-MARKED ASSIGNMENT**

1. State and discuss the key concepts of systems approach.
2. Discuss organisations as open and closed systems.

## **7.0 REFERENCES/FURTHER READING**

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## **UNIT 2     MANAGEMENT BY OBJECTIVES (MBO)**

### **CONTENTS**

#### **1.0 Introduction**

#### **2.0 Objectives**

#### **3.0 Main Content**

#### **3.1 Management by Objectives (MBO)**

##### **3.1.1 Characteristics of MBO**

#### **3.2 Factors Necessary for a Successful MBO Programme**



### **3.3 Basic Steps of MBO**

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### **3.7 How MBO Improves the Effectiveness of the Individual and the Organisation**

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### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor-Marked Assignment**

### **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

A tool that aids in translating broad organisational goals into specific, individual objectives is Management by Objectives (MBO). The term “management” by Objectives (MBO) was popularised as an approach to planning by Peter Drucker in 1954 in his book *The Practice of Management*. Since that time, MBO has spurred a great deal of discussion, evaluation, and research. Many MBO type programmes have been developed, including “management by results,” “goals management,” “work planning and review,” “goal and controls” and others. Despite differences in name, these programmes are related.

MBO refers to a formal, or moderately formal, set of procedures that begins with goal setting and continues through performance review. The key to MBO is that it is a participative process, actively involving managers and staff members at every organisational level. By building on the

link between the planning and controlling functions, MBO helps to overcome many of the barriers to planning.

The starting point for MBO is a positive philosophy about people and what makes them want to work. According to Douglas McGregor, there are two sets of assumptions about how people are motivated to work. In the traditional view, people regard work only as necessary for survival and will avoid it whenever possible. According to this view known as Theory X, managers have to be strict and authoritarian because subordinates would otherwise accomplish little.

MBO advocates, on the other hand are likely to hold a much more optimistic attitude toward human nature, known as Theory Y. This theory states that, people want and are eager to work, derive a great deal of satisfaction from work under the right circumstances, and can do a good job of it too. MBO aims to take advantage of this willingness and ability to work by showing managers how to provide a climate that will bring out the best in all staff members.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define MBO and state its characteristics
- discuss the factors necessary for a successful MBO programme
- identify the basic steps, process and the purpose of MBO
- explain the problems of evaluating MBO programmes
- evaluate MBO as a management tool
- explain how MBO improves the effectiveness of the individual and the organisation.

## **3.0 MAIN CONTENT**

### **3.1 Management by Objectives (MBO)**

Successful Management by Objectives (MBO) has been defined by George Odiorne as a management process whereby the supervisor and the subordinate, operating under a clear definition of the common goals and priorities of the organisation established by top management, jointly identify the individuals major areas of responsibility in terms of the results expected of him or her, and use these measures as guides for operating the unit and assessing the contributions of each of its members.

The phrase “successful Management by Objectives” has become part of the language of managers worldwide. In almost all types of organisation– from churches to the military and from multinational corporations to the family – owned grocery store, managers are familiar with the term “successful Management by Objectives.”

### **3.1.1 Characteristics of MBO**

This management approach, (successful Management by Objectives), has been popularised mainly through the writings of Peter Drucker and basically has three characteristics. They are as follows.

- i. All individuals within an organisation are assigned a specialised set of objectives, which they aim to achieve within a normal operating period. These objectives are mutually set and agreed upon by individual and their managers.
- ii. Performance reviews are conducted periodically to determine how close individuals are to attaining their objectives.
- iii. Rewards are given to individuals based on how close they come to reaching their goals.

### 3.2 Factors Necessary for a Successful MBO Programme

Certain key factors are necessary for an MBO programme to be successful. The factors include the following.

- i. First, appropriate goals (objectives) must be set by top managers of the organisation. Each MBO goal is based on these overall objectives. If overall objectives are inappropriate, individual MBO objectives also would be inappropriate, and the related individual work activity is nonproductive.
- ii. Second, managers and subordinates must jointly develop and agree on each individual goal. Both managers and subordinates must feel that the individual objectives are just and appropriate if each party is to use them seriously as a guide for action.
- iii. Third, employee performance should be conscientiously evaluated against established objectives. This evaluation helps to determine if the objectives are fair and if appropriate means are being used to attain them.
- iv. Fourth, management must follow through on the employee performance evaluations and reward employees accordingly.

Management by Objectives (MBO) involves setting specific, measurable goals with subordinates and then periodically discussing their progress. In some organisations, MBO is the only method used for appraising the performance of supervisory personnel. MBO can be used with any employee to make certain that objectives are established and agreed on and to ensure that each employee gets timely feedback on his or her performance.

### 3.3 Basic Steps of MBO

MBO essentially has four basic steps. They are as follows.

- i. **Precisely defining the job that needs to be done:** Top-level management usually sets the overall goals, while supervisors usually set specific departmental goals.
- ii. **Establishing Goals:** The supervisors and the workers together set attainable, specific objectives to be achieved over a set period.

- iii. **Evaluating Results:** At the end of the period, the supervisors evaluate how well the objectives have been met.
- iv. **Providing Feedback to the Subordinates:** The subordinates are informed of their progress, and the process of setting objectives begins again.

## **SELF-ASSESSMENT EXERCISE**

Define MBO and describe its main characteristics.

### **3.4 Purpose of Management by Objectives (MBO)**

The primary purpose of MBO or the reasons for using MBO is to improve the effectiveness of the individual and of the organisation as a whole. It also guides the management process itself. As a framework for organising thought and activity, Management by Objective forces managers to answer the question posed by Peter Drucker that, “what are the purposes and nature of our organisation, and what should they be? After that question has been answered, clear objectives were established, along with priorities and measures of performance. Then, an environment is created in which employees exercise self-direction and self-control by monitoring their results and taking corrective action as needed.

### **3.5 Evaluation of MBO**

Do Management by Objectives concepts work? Stephen J. Carroll and Henry L. Tosi reviewed the research on three key concepts; these include specific goal setting, feedback on performance, and participation. This was to determine if optimism about MBO was justified.

#### **Goal Setting**

The evidence clearly showed that, when it comes to goal setting, nothing succeeded like success. Individuals who determine their own goals tend to aim for an improvement on past performance. If they achieve this improvement, they again set themselves a higher goal. If they fail to reach their target, however, they tend to set more conservative levels of aspiration for the next period.

The research also suggests that when employees are given specific goals they reach a significantly higher performance level than those who are merely asked to do their best. However, if employees feel that goals are impossible rather than challenging, performance is likely to decrease.

Although most of the research Carroll and Tosi reviewed was not performed in organisations with established MBO programmes, the research does indicate that MBO should improve performance if the goals are realistic and accepted by the employees involved. The actual degree of improvement, however, depends on many factors, such as the individual employee's experience with success or failure in reaching goals and how difficult the actual goals are.

### **Feedback on Performance**

There was also clear evidence that providing feedback about performance to employees generally led to better performance. In addition, the periodic review process was found to have positive effects on employees' attitudes, creating feelings of friendliness, confidence in management, and a more tolerant acceptance of criticism. Several studies showed a relationship between the quality of the feedback and the degree of improvement that is, the more specific and timely the feedback, the more positive the effect. The manner in which the feedback is provided also affects performance. The feedback should be given in a tactful manner, particularly if it conveys a failure to meet objectives. Otherwise, hostility and reduced performance can result.

### **Participation**

Most research studies on participation indicate that subordinates who participate in setting their own goals are likely to show higher performance levels than those who have goals set for them. In one well-known study conducted at General Electric, subordinates who had more influence in setting objectives showed more favourable attitudes and higher levels of achievement. On the other hand, subordinates who had little influence showed defensive behaviour and, in some cases, lower levels of performance.

The research shows that there are at least two ways in which setting goals can lead to higher performance. First, participation can lead to a greater likelihood that goals will be accepted, and

accepted goals are more likely to be achieved. Second, setting goal can lead to the setting of higher goals, and higher goals lead to higher performance.

Carroll and Tosi also concluded that, in addition to its impact on performance, the very process of participation leads to increased communication and understanding between managers and subordinates.

### **3.6 Problems of Evaluating MBO Programmes**

The major reason for the lack of studies of entire MBO programmes is the difficulty of conducting such research. To be most useful, a study should be set up as a controlled field experiment in which the performance of similar groups differing in respect to a limited number of variable factors could be compared. It is an inexperienced manager who would permit an outsider to perform any form of experiment in his or her organisation.

Even if such support could be obtained, it would still be difficult to control even the most important variables, which could affect the results of the experiment. Because considerable time may have to elapse before improvements from MBO implementation become visible, the problems of controlling key variables becomes more severe and the chance that other changes and events will influence the results increase.

### **3.7 How MBO Improves the Effectiveness of Individual and the Organisation**

Management by Objectives is a widely acclaimed method for integrating each employee's efforts into the overall company or organisation plan. The system has three purposes. The purposes are as follows.

- i. To permit subordinates to participate in setting their individual goals.
- ii. To provide a sense of direction for all employees so that they see the relationship between their jobs and the objectives of the company.
- iii. To provide management with a system for evaluating each individual's performance. The success of an MBO programme requires management's total

support, positive attitudes by all organisational members, and precisely defined corporate objectives.

### 3.8 Making MBO Effective

MBO should not be considered a panacea for an organisation's planning, motivation, valuation, and control needs and it is certainly not a simple process that can be quickly and easily implemented. However, many organisations use some forms of MBO. Recognition is of the advantages of having some mechanism for managerial goal setting and evaluation and for the integration of personal goals with those of the organisation.

As many of us will encounter some kinds of formal objective setting programme in our organisations, we should review some of the elements required for MBO effectiveness. These, as highlighted below, can be seen as the key steps required of the highest-level manager involved in the programme.

- i. **Demonstrate continuing top-level commitment:** Initial acceptance and management makes concerted efforts to keep the system alive and wholly functioning. Managers who find it difficult to set and review objectives may revert to more traditional and authoritarian approaches. Top managers must be aware of these tendencies and provide continuing support to keep the programme a vital part of the organisation's operating procedures.
- ii. **Educate and train managers:** For MBO to succeed, managers must understand it and have the appropriate skills. They must be educated on the procedures and advantages of the system and the skills required – and should be helped to understand the benefits MBO provides to the organisation and to their own careers. If managers remain resistant, an MBO programme will not succeed.
- iii. **Formulate objectives clearly:** Managers and subordinates must be satisfied that objectives are realistic and clearly understood, and that they will be used to evaluate performance. It may be necessary to train managers in the skills of setting useful, measurable goals and communicating them effectively.



- iv. **Make feedback effective:** An MBO system depends on participants who know where they stand in relation to their objectives. Setting goals is not a sufficient incentive; regular performance review and feedback of results are necessary.
- v. **Encourage participation:** Managers must realise that participation by subordinates in mutual goal setting may imply some reallocation of power. Managers must be willing to relinquish some direct control over their subordinates and encourage subordinates to take more active roles in defining and achieving their own objectives. Some managers are uncomfortable with this seeming loss of power, but an MBO programme can be effective only if they give up some control.

### **SELF-ASSESSMENT EXERCISE**

Mention the three key concepts reviewed by Carroll and Tosi during their evaluation of MBO.

## **3.9 Advantages and Disadvantages of MBO**

### **3.9.1 Advantages of MBO**

Research has shown that there are many advantages in the use of MBO in organisations. Some of the major advantages include the following.

- i. It allows subordinates to help plan and control their own performance, which results in a stronger motivation to do the best possible job.
- ii. It helps to integrate company goals of profit productivity, market standing, human resources, social roles and technical growth.
- iii. It is one of the best ways to integrate activities and balances organisational objectives.
- iv. It is a useful performance technique where participants are evaluated based on their contribution to overall goals rather than on such characteristics as personality traits.

One of the strategic advantages of MBO, especially in Nigeria, is to aid personnel development. This is an individual need, which is integrated in the organisation's objectives. Raia emphasised the importance of personnel development when he pointed out that its importance lies in its potential to improve current performance, to combat technological and managerial obsolescence, to prepare the individual for additional responsibility and advancement, and to increase his level of motivation and commitment to his total set of job objective. Goal setting is the most important aspect of MBO followed by the advantages.

Raia has summarised the steps necessary for establishing the goals. The important points to note include the following.

- i. The objectives must be related to organisational goals and strategic
- ii. The objectives have to be quantified or measured
- iii. They must be realistic in order to be achievable
- iv. There must be ample resources to make their attainment possible
- v. There must be appraisal on performance to know what objectives are being met
- vi. Objectives need be put into writing to make sure they are clear; concise and intelligible.
- vii. The objectives must be communicated to all who are to be involved in their accomplishment and must be given the opportunity to integrate their own goals into the overall objective.
- viii. All objectives must be in the key areas of company performance and must be made current by constant review.

### **3.9.2 Disadvantages of MBO**

Management by objective does not of course solve all an organisation's problems. Appraisal of subordinates is a particularly difficult area, because it involves status, salaries, and promotions. Even in the best MBO programme, the review process might well cause tension and resentment. Not all accomplishments can be quantified or measured. Even if achievements (or their lack) are measurable – such as the total number of sales in a subordinate's area – the subordinate may not be responsible for them. For example, sales may drop despite the subordinate's best efforts because of some unexpected move by a competitor. The changes MBO requires in a manager's

behaviour may also cause problems. In MBO, the emphasis is shifted from judging subordinates to helping them. This is a difficult shift for many managers to make.

Most of the problems are recurring ones faced by organisational members whether or not they have an MBO programme. However, two categories of weaknesses are unique to organisations having formal MBO programmes. In the first category are weaknesses inherent in the MBO process. These include the considerable time and effort involved in learning to use MBO techniques properly and the paperwork usually required. In the second category are weaknesses that theoretically should not exist but that frequently seem to develop even in properly implemented MBO programmes.

This second category includes several key problems that must be controlled if the programme is to be successful. These key problems are highlighted below.

- i. Management style and support: If top managers prefer a strong authoritarian approach and centralised decision-making, they will require considerable reeducation before they can implement an MBO programme.
- ii. Adaptation and change: MBO may require many changes in organisational structure, authority patterns, and control procedures. Managers must support these changes. Those who participate only because they are forced to go along with the organisation may easily doom the programme to failure.
- iii. Interpersonal skills: The manager's goal setting and review process require a high level of skill in interpersonal relations. Many managers have neither previous experience nor natural ability in these areas. Training in counseling and interviewing may be required.
- iv. Job descriptions: Framing a specific list of individual objectives and responsibilities is difficult and time consuming. In addition, job descriptions must be reviewed and revised as conditions within the organisation change. This is particularly critical during the implementation stages, when the impact of the MBO system itself may cause changes in duties and responsibilities at every level.
- v. Setting and coordinating objectives: Setting challenging, yet realistic, objectives is frequently a source of confusion for managers. There may be problems in making the objectives measurable, in finding a happy medium between targets that are too

- easy and those that are impossible – and in describing the objectives clearly and precisely. In addition, it may be difficult to coordinate the overall objectives of the organisation with the personal needs and objectives of individuals.
- vi. Control of goal achievement methods. Considerable frustration can result if one manager's efforts to achieve goals are dependent on the achievement of others within the organisation. For example, production-line managers cannot be expected to meet a target of assembling 100 units per day if their department is being supplied with parts for only 90 units. Group goal setting and flexibility are needed to solve this type of problem.
  - vii. Conflict between creativity and MBO: Tying performance evaluation, promotion, and compensation to the achievement of objectives may be counterproductive and tends to discourage innovation. If managers fail to try something new and possibly risky because their energies are devoted to their specific MBO objectives, some opportunities may be lost. To guard against this danger, Odiorne argues that a commitment to innovation and change should be part of the process of establishing goals.

#### **4.0 CONCLUSION**

In this unit, you have learnt that the key to effective MBO programmes probably lies in the assumptions, beliefs, and attitudes of managers and subordinates. MBO techniques work well when managers hold Theory Y assumptions and subordinates' actions and attitudes are consistent with those assumptions. Theory Y managers and subordinates are an ideal combination for MBO.

However, other combinations of managers and subordinates will occur. If managers accept and subordinates fit the Theory X assumptions, successful MBO implementation is very unlikely. Managers may try to use the techniques, but their belief that they will not work will be bolstered by the subordinates discomfort with the new procedures.

In some cases, the outcome probably depends upon who changes. The MBO procedures and the managers' positive view of subordinates may help Theory X style- subordinates develop to the point where they fit Theory Y assumptions. In this case, an MBO programme would have good

chance of success. In the situation where success can result if the manager conscientiously applies MBO techniques, even though he or she believes they might not work, positive reactions of subordinates might then cause the manager to reevaluate some basic assumptions.

A successful MBO requires several steps. First, top management must openly support the programme and must establish overall organisational goals. These goals must take into consideration the future economic outlook, the organisation's strengths and weaknesses and its opportunities and problems. Finally, statements of goals should be clear, concise, and consistent with policies, procedures, and other plans adopted by the organisation, firm or company.

## **5.0 SUMMARY**

The unit has thrown light on the concept of Management by Objectives (MBO) techniques. Planning is the first step in managing an organisation and can be seen as the manager's most fundamental responsibility at all levels.

MBO is one approach to planning that helps to overcome some difficulties in managing an organisation. Essentially, MBO involves managers and subordinates jointly established specific objectives and periodically reviewing progress toward meeting those targets. MBO is based on Theory Y assumptions that, given the proper conditions, people will find satisfaction in work and will accept responsibility for their own performance.

The basic elements of effective MBO programmes are as follows.

- i. The commitment of top managers to the MBO system
- ii. Subordinate participation in setting objectives
- iii. Autonomy in implementation of plans, and
- iv. Periodic review of performance. MBO is continuing to gain acceptance even though it requires a great deal of time and energy, because it appears to result in improved performance and high morale.

## **6.0 TUTOR-MARKED ASSIGNMENT**

1. Identify and discuss the key steps required of the highest-level manager involved in a programme in order to make MBO effective.
2. In a properly implemented MBO programme, there are weaknesses that theoretically should not exist but they frequently seem to develop in the programme. State and discuss the key problems that must be controlled if the programme is to be successful.

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## **UNIT 3      ESSENTIAL OF PLANNING AND MANAGING BY OBJECTIVES**

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## **1.0 INTRODUCTION**

In designing an environment for the effective performance of individuals working together in a group, a manager's most essential task is to see that everyone understands the group's mission and objectives and the methods for attaining them. If group effort is to be effective, people must know what they are expected to accomplish.

Planning involves selecting missions and objectives and deciding on the actions to achieve them; it requires decision making that is, choosing a course of action amongst all alternative plans thus providing a rational approach in achieving reselected objectives. Planning also strongly implies innovation; it bridges the gap from where we are and where we want to be.

It is also important to point out that planning and controlling are the inseparable "Siamese twins" of management. Any attempt to control without planning is unimaginable. Plans furnish the standards of control.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- analyse the various types of plans and show how they relate to one another



- outline the logical steps in planning and see how these steps are essentially a rational approach in setting objectives and selecting the means of reaching them
- describe how verifiable objectives can be set for different situations
- explain the nature of objectives
- outline the evolving concepts in MBO.

### **3.0 MAIN CONTENT**

#### **3.1 Essentials of Planning and Managing By Objectives**

##### **3.1.1 Types of Plans**

Plans can be classified as follows.

- i. Missions or purposes,
- ii. Objectives or goals
- iii. Strategies
- iv. Policies
- v. Procedures
- vi. Rules
- vii. Programmes,
- viii. Budgets

##### **3.1.2 Missions or Purposes**

The terms, “missions or purposes” are often used interchangeably. Missions or purposes identify the basic purpose or function or tasks of an organisation or an enterprise or an agency. Organisations should have a mission or a purpose. In every social system, enterprises have basic functions or tasks assigned to them by the society.

For example, the purpose of a business generally is the production and distribution of goods and services. The purpose of a state highway department is the designing, building, and operation of a system of state highways. The purpose of the courts is the interpretation of laws and their applications. The purpose of a university is teaching, research, and providing services to the community.

Some writers have attempted differentiating between mission and purpose. While a business, for example, may have a social purpose of producing and distributing goods and services, it can accomplish this by fulfilling a mission of producing certain lines of products. The mission of an oil company may be to search for oil and to produce, refine, and market petroleum and petroleum products, from diesel fuel to chemicals. It is true that in some businesses and other organisations or enterprises the purpose or mission often becomes fuzzy. For example, many conglomerates have regarded their mission as synergy, which is accomplished through the combination of a variety of companies

### **3.1.3 Objectives or Goals**

These terms, objectives or goals are also used interchangeably in this unit. Objectives or goals are the ends towards which activity is aimed. They represent not only the end of planning but also the end towards which organising, staffing, leading, and controlling are aimed. The nature of objectives and management by objectives will be discussed at length later in this unit.

### **3.1.4 Strategies**

For years, the military used the word “strategies” to mean grand plans made in the light of what it believed an adversary might or might not do. While the term still usually has a competitive implication, managers increasingly use it to reflect broad areas of an organisation’s operation. In this unit, strategy is defined as the determination of the basic long– term objectives of an organisation and the adoption of courses of action and allocation of resources necessary to achieve the goals.

### **3.1.5 Policies**

Policies also are plans; they are general statements that guide thinking in decision-making. You should note that not all policies are statements. They are often merely implied from the actions of managers. The chairman or president of a company, for example, may strictly follow – perhaps for convenience rather than as policy, the practice of promoting from within, the practice may then be interpreted as policy and carefully followed by subordinates. In fact, one of the problems

of managers is to make sure that subordinates do not interpret as policy, minor managerial decisions that are not intended to serve as patterns.

Policies define an area within which a decision is to be made. Policies also ensure that the decision is consistent with, and contribute to an objective. Policies help decide issues before they become problems, make it unnecessary to analyse the same situation every time it comes up, and unite other plans, thus permitting managers to delegate authority and still maintain control over what their subordinates do.

There are many types of policies. Examples include policies of hiring only university trained engineers or administrators, encouraging employee suggestions for improved cooperation, promoting from within, conforming strictly to a high standard of business ethics, setting competitive prices, and so on.

### **3.1.6 Procedures**

Procedures are plans that establish a required method of handling future activities. They are chronological sequences of required actions. They are guide to action, rather than to thinking, and they detail the exact manner in which certain activities must be accomplished. Procedures often cut across department lines. For example, in a manufacturing company, the procedure for handling orders may involve the sales department (for original order), the finance department (for acknowledgement or receipt of funds and for customer credit approval), the accounting department (for recording transaction), the production department (for order to produce the goods or the authority to release them from stock), and the shipping department (for determination shipping means and route).

A few examples illustrate the relationship between procedures and policies. Organisation or company policy may grant employees' vacations, procedures established to implement this policy will provide for scheduling vacations to avoid disruption of work, setting rates of vacation pay and methods for calculating them, maintaining records to ensure each employee of a vacation, and spelling out the means for applying for leave.

### **3.1.7 Rules**

Rules spell out specific required actions or no actions, allowing no discretion. They are usually the simplest type of plan. “No smoking” is a rule that allows no deviation from a stated course of action. The essence of a rule is that it reflects a managerial decision that a certain action must or must-not-be-taken. Rules are different from policies; policies are meant to guide decision-making by making off areas in which managers can use their discretion, while rules allow no discretion in their application.

### **3.1.8 Programmes**

Programmes are complex goals, policies, procedures, rules, task assignments, steps to be taken, resources to be employed, and other elements necessary to carry out a given course of action; they are ordinarily supported by budgets. They may be as major as an airline’s programme to acquire a N400 million fleet of jets or a five – year programme to improve the status and quality of its thousands of supervisors. Alternatively, they may be as minor as a programme formulated by a single supervisor to improve the morale of workers in the parts manufacturing department of a farm machinery company.

### **3.1.9 Budget**

A budget is a statement of expected results expressed in numerical terms. It may be called a quantified plan. In fact, the financial operating budget is often called a profit plan. A budget may be expressed in financial terms; in terms of labour hours; units of products, or machine hours; or in any other numerically measurable terms. It may deal with operation, as the expense budget does; it may reflect capital outlays, as the capital expenditure budget does; or it may show cash flow, as the budget does.

However, making a budget is clearly planning. The budget is the fundamental planning instrument in many organisations or companies. It forces a company to make in advance whether for a week or for five years – a numerical compilation of expected cash flow, expenses and revenues, capital outlays, or labour – or machine – hour utilisation. The budget is necessary for control, but it cannot serve as a sensible standard of control unless it reflects plans.

### **SELF-ASSESSMENT EXERCISE**

In your own words, define the term “planning.”

### **3.2 Steps in Planning**

The practical steps listed below are of general application. In practice, however, one must study the feasibility of possible course of action at each state.

#### **3.2.1 Being Aware of Opportunities**

Although it precedes actual planning and is therefore not strictly a part of the planning process, an awareness of opportunities in the external environment as well as within the organisation is the real starting point for planning. All managers should take a preliminary look at possible future opportunities and see them clearly and completely, know where their organisation stands in the light of its strengths and weaknesses, understand what problems it has to solve and why, and know what it can expect to gain. Setting realistic objectives depends on this awareness. Planning requires a realistic diagnosis of the opportunity situation.

#### **3.2.2 Establishing Objectives**

The second step in planning is to establish objectives for the entire enterprise or organisation and then for each subordinate work unit. This is to be done for the long term as well as for the short range. Objectives specify the expected results and indicate the ends of what is to be done, where the primary emphasis is to be placed, and what is to be accomplished by the network of strategies, policies, procedures rules, budgets, and programme.

Organisation objectives give direction to the major plans, which by reflecting these objectives, define the objective of every major department. Major departmental objectives in turn control the objectives of subordinate departments, and so on down the line. In other words, objectives form a hierarchy. The objectives of lesser departments will be more accurate if subdivision managers understand the overall organisational objectives and the derivative goals. Managers should also have the opportunity to contribute ideas for setting their own goals and those of the organisation.

#### **3.2.3 Developing Premises**

The next logical step in planning is to establish, circulate, and obtain agreement to utilise critical planning premises such as forecasts, applicable basic policies, and existing company plans. Premises are assumptions about the environment in which the plan is to be carried out. It is important for all the managers involved in planning to agree on the premises.

In fact, the major principle of planning is that the more thoroughly individuals, charged with planning, understand and agree to utilise consistent planning premises, the more coordinated an organisation's planning will be. Forecasting is important in planning. It may include the following questions. What kinds of markets will be available? What volume of sales? What prices? What products? What technical developments? What costs? What rates? What tax rates and policies? What new plants? What policies with respect to individuals? What political or social environment? How will expansion be financed? What are the long – term trends?

### **3.2.4 Determining Alternative Courses**

The fourth step in planning is to search for and examine alternative courses of action, especially those not immediately apparent. There is seldom a plan for which reasonable alternatives do not exist and quite often, an alternative that is not obvious may prove to be the best.

The main problem is not finding alternatives but reducing the number of alternatives so that the most promising may be analysed. Even with mathematical techniques and the computer, there is a limit to the number of alternatives that can be thoroughly examined. The planner must usually make a preliminary examination to discover the most fruitful possibilities.

### **3.2.5 Evaluating Alternative Courses**

After seeking out alternative courses and examining their strong and weak points, the next step in planning is to evaluate the alternatives by weighing them in the light of premises and goals. One course may appear to be the most profitable but may require a large cash outlay and have a slow payback; another may look less profitable but may involve less risk; still another may be better for the organisation or company's long-range objectives.

There are many alternative courses in most situations and so many variable and limitations to be considered that evaluation can be exceedingly difficult.

### **3.2.6 Selecting a Course**

This is the point at which the plan is adopted, the real point of decision- making. Occasionally, an analysis and evaluation of alternative courses will disclose that two or more are advisable, and the manager may decide to follow several courses rather than one best course.

### **3.2.7 Formatting Derivative Plans**

When a decision is made, planning is seldom complete and a seventh step in planning is indicated. Derivative plans are almost invariably required to support the basic plan.

### **3.2.8 Quantifying Plans by Budgeting**

After decisions are made and plans are set, the final step is giving them meaning, (as indicated in our discussion on types of plans), and to quantify them by converting them into budgets. The overall budget of an organisation represents the sum total of income and expenses, with resultant profit or surplus and the budgets of major balance sheet items such as cash and capital expenditures. Each department can have its own budgets, usually of expenses and capital expenditures, which tie into the overall budgets.

If it is well prepared, budgets become a means of adding the various plans and set important standards against which planned progress can be measured.

## **SELF-ASSESSMENT EXERCISE**

Identify and discuss the types of plans.

### **3.3 Objectives**

As earlier stated, objectives are important ends toward which organisational and individual activities are directed. Since writers and practitioners make no clear distinction between the terms goals and objectives, they are used interchangeably in this unit. Within the context of the discussion, it will become clear whether the objectives are long term or short term, broad or specific. The emphasis is on verifiable objectives, which means that at the end of the period, it

should be possible to determine whether the objective has been achieved. The goal of every manager is to create a surplus (in business organisations, this means profit). Clear and verifiable objectives facilitate measurement of the surplus as well as the effectiveness and efficiency of managerial actions.

### **3.3.1 The Nature of Objectives**

Objectives state results and overall objectives need to be supported by sub-objectives. Thus, objectives form a hierarchy as well as a network. Moreover, organisations and managers have multiple goals that are sometimes incompatible and may lead to conflicts within an organisation, within the group, and even within individuals. A manager may have to choose between short-term and long-term performance, and personal interest may have to be subordinated to organisational objectives.

### **3.3.2 How to Set Objectives**

Without clear objectives, managing is haphazard. No individual and no group can perform effectively and efficiently unless there is a clear aim.

### **Quantitative and Qualitative Objectives**

Objectives must be verifiable to be measurable. This means that one must be able to answer this question: “At the end of the period, how do I know if the objective has been accomplished?” For example, the objective of making a reasonable profit (see table above) does not state how much profit is to be made, and what is reasonable to the subordinate may not be all acceptable to the superior. In such a case of disagreement, of course the subordinate loses the argument. In contrast, a return on investment of 12 per cent at the end of the current fiscal year can be measured; it answers these questions: how much of what? When?

Many a times, stating results in verifiable terms is more difficult. This is especially true when it involves the objectives for staff personnel and in government. For example, installing a computer system is an important task, but to install a computer system is not a verifiable goal. However, suppose the objective is to install a computerised control system (with certain specifications) in the production department by December 31, 2009, with an expenditure of not more than 500 working hours. Then goal accomplishment can be measured. Moreover, quality can also be



specified in terms of computer downtime, such as the systems shall be operational 90 percent of the time during the first two months of operation.

### **3.4 Evolving Concepts in Management by Objectives**

MBO is now practiced around the world. Despite its wide application, it is not always clear what is meant by MBO; some still think of it as an appraisal tool; other see it as a motivational technique; still others consider MBO a planning and control device. In other words, definitions and application of MBO differ widely. In this unit, we define management by objectives as a comprehensive managerial system that integrates many key managerial activities in a systematic manner and is consciously directed towards the effective and efficient achievement of organisational and individual objectives.

This view of MBO as a system of managing is not shared by all. While some still define MBO in a very narrow, limited way, we prefer to see it as a comprehensive goal-driven, success-oriented management system. Besides being used for performance appraisal, as an instrument for motivating individuals, and in strategic planning, there are still developments (staffing as well as individual and organisation developments), career planning (building on personal strengths and overcoming weaknesses), and other managerial activities important for a specific position. These various managerial activities need to be integrated into a system.

## **4.0 CONCLUSION**

In this unit, you have learnt that planning and managing by objectives are vital in the quest for managerial innovation. The mission or purpose identifies the basic purpose, function, or tasks of an organisation. Objectives or goals represent not only the end of planning but also the end towards which organising, staffing, leading, and controlling are aimed.

Therefore, it is important for managers to combine short-range and long-range plans to contribute to the achievement of the organisation. Much waste arises from decision about immediate situations that fail to consider their effects on more remote objectives. The importance of integrating the two types of plans can hardly be overemphasised. At times, short-range plans are made without reference to long-range plans; this is plainly a serious error.

Responsible managers should continually review and revise immediate decisions to determine whether they contribute to long-range programmes. Subordinate managers should be regularly briefed on long-range plans so that they will make decisions consistent with the organisation or company's long-range goals. Doing this is far easier than to correct inconsistencies later, especially since short-term commitments tend to lead to further commitments along the same line.

## **5.0 SUMMARY**

The unit has thrown light on the essentials of planning and management by objectives. Planning involves selecting the missions and objectives as well as the actions to achieve them. It requires decision-making, which means choosing a future course of action amongst all alternatives. There are many types of plans, such as missions or purposes, objectives or goals, strategies, policies, procedures, rules, programme and budgets. Once an opportunity is recognised, a manager plans rationally by establishing objectives, making assumptions about the present and future environment, finding and evaluating alternative courses of action, and choosing a course to follow. Next, the manager must make supporting plans and devise a budget. These activities must be carried out with attention to the total environment. Short-range plans must of course be coordinated with long-range plans.

Objectives are ends toward which activities are aimed. Objectives are verifiable if it is possible, at the end of the period, to determine whether they have been accomplished. Objectives form a hierarchy, starting from corporate mission or purposes going down to individual objectives. Managers can best determine the number of objectives they should realistically set for themselves by analysing the nature of the job and how much they can do themselves and how much they can delegate. In any case, managers should know the relative importance of each of their objectives.

Management by objectives (MBO) has been widely used for performance appraisal and employee motivation, but it is really a system of managing. MBO results in better managing and it often forces managers to clarify the structure of their organisations, encourages people to commit themselves to their objectives, and helps develop effective control.

Some of its weaknesses are that managers sometimes fail to explain the philosophy of MBO, which emphasises self-control and self-direction to subordinates, or give those guidelines for their objective setting. In addition, objectives themselves are difficult to set and may become inflexible despite changes in the environment. People, in their search for verifiability, may overemphasise quantifiable goals.

## **6.0 TUTOR-MARKED ASSIGNMENT**

1. Select an organisation of your choice and identify its purpose or mission, even if it is not formally stated by the enterprise.
2. In your organisation, what does your superior expect from you in terms of performance? Is it stated in writing? If you write down your job objectives and your boss writes down what he or she expects from you, would the two be consistent?

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## **UNIT 4 PLANNING AND FORECASTING**

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### **1.0 INTRODUCTION**

Planning is not a new concept. Planning requires the ability to foresee long–run consequences of proposed actions and to formulate actions to bring about a desired future state. Planning is based on forecasting– systematic anticipation of the future. Forecasting is information, on which we base our planning premises. We gather that information using two methods such as environmental scanning and internal project. Environmental scanning looks at the external factors that affect the organisation’s future; internal projection, is the internal operations that affect that future.

Forecasting is the process of predicting future environmental happenings that will influence the operation of the organisation. Although sophisticated forecasting techniques have only been developed rather recently, the concept of forecasting can be traced at least as far back in the management literature as Fayol. The importance of forecasting lies in its ability to help managers better understand the future makeup of the organisational environment, which in turn, helps them to formulate more effective plans.

### **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define planning and forecasting
- discuss forecasting as a critical planning ingredient
- evaluate the economic variable and control in relation to forecasting today

- describe environmental forecasting, internal projection and forecast in general.

### **3.0 MAIN CONTENT**

#### **3.1 Planning and Forecasting**

##### **3.1.1 Forecasting: Critical Planning Ingredient**

Forecasts are estimates or predictions of future events or outcomes of a specified future period. While most firms focus upon sales or production forecasts, planners may attempt to predict technological breakthroughs, economic changes, or variations in the legal or societal environments. Such forecasts play critical roles in the planning process and their accuracy is reflected in the accuracy of plans that are developed.

The forecasting process is a difficult undertaking for most organisations. One management writer has pointed out that there are only three certainties.

- i. The future will not be like the past.
- ii. The future will not be what we think it is going to be.
- iii. The rate of change will be faster than ever before.

Even though such predictions involve uncertainty, forecasts are the foundation for all organisational production, financial, personnel, and marketing planning. They also provide the basis for the establishment of performance standards. Actual performance is then compared with these standards. Without such standards, comparisons would not be possible since inadequate performance cannot be recognised without some definitions of adequate performance.

Forecasts may be short-run or long-run. Long-run forecasts attempt to predict such variables as company sales for five, 10 or even 20 or more years in advance. Such forecasts are quite general and typically are not used to predict the sales of specific products. Short-term forecasts attempt to predict sales, production, or other variables for one year or less, often by specific territories, product lines, or divisions. Such forecasts are used to regulate production, materials purchases and inventory. They also aid in planning cash requirements and establishing sales quotas.

Any forecast attempts to include both facts and executive judgement. Most forecasting techniques attempt either to limit the areas in which judgement must be totally relied upon or to improve the quality of judgement by reinforcing it with concrete data.

### **3.2 Forecasting Methods**

Forecasting methods may be divided into two broad categories. The categories are:

- (i) qualitative (or subjective) and
- (ii) quantitative.

Quantitative methods are based on statistical techniques and used to produce numerical forecasts. They include such techniques as statistical trend extensions based upon past data, statistical correlation, computer simulations, econometrics, and mathematical programming.

Qualitative methods may produce numerical forecasts, but they rely heavily upon the subjective predictions of key executives, estimates by the field sales officer; surveys of customer attitudes, opinions, and intentions; and the expectations of experts in the industry who might participate in attempts to predict future events.

Each method contains advantages in assessing an uncertain future. It is, therefore, not surprising that most organisations use a combination of methods in their attempts to produce more accurate predictions of future events.

While managers are not expected to be experts in every forecasting technique, they should be thoroughly familiar with the strengths and weaknesses of each and sufficiently knowledgeable to determine situations in which one group of techniques is superior to another. In most instances, the choice of forecasting method will depend upon its purpose and the way in which it will be used.

### **3.3 Forecasting Today**

Forecasting is a rapidly growing science. In his introduction to *The 2000*, a book that talks about sophisticated forecasting techniques, Daniel Bell wrote: “Machiavelli argued that half of

men's actions are ruled by chance, the other half governed by men themselves. This is an effort to change the balance". This is what forecasting is all about moving from chance and no control to prediction and improved control.

### **3.3.1 Economic Variables and Control**

Commenting on the troubles of pay television in 1983, John Sei, Vice President of planning at Showtime, observed, "People just did not do their homework in terms of the economy and what consumer would buy." All planning is about an adjustment to four basic economic variables. The variables include the following.

- i. The international climate
- ii. The national climate
- iii. Industry conditions
- iv. The status of the organisation itself

The extent of that adjustment – the control over these variables depends on the size of the organisation. The larger it is, the greater its control. For instance, general motors has more control over the automobile industry than, say, a dressmaker has over the clothing industry. Of course, any firm has the greatest control in its home territory – within its own operations. In order to achieve this control, its managers must be informed; they have to be able to recognise industrial, national, even international trends.

Forecasting was not extensively used until the depression of 1930s. At that time, managers became acutely aware of business cycles. More and more organisations began to analyse the economy to anticipate trends and to estimate those trends' effect on their operations. This is to help them formulate plans that maximise the benefits of an expanding economy and minimise the drawbacks of a shrinking one.

### **3.3.2 Organisation**

The formality of forecasting ranges among organisations from simply reading newspapers to using staff experts to analyse and interpret the relationship of current and future conditions to



company operations. In part, the degree of formality reflects the organisation's industry. The more remote the organisation is from the ultimate consumer, the more difficult the forecasting and the more essential are formal forecasting procedures.

In some organisations, one executive is responsible for preparing forecasts with a staff of trained specialists. In 1970, General Electric set up its strategic business unit – a group responsible for forecasting the corporation's relationships to its markets, the government, and society. The unit director aptly described the difficulty of that forecasting as, "The crunch situation is that all of your knowledge is about the past and all your decisions are about the future." Other organisations, rather maintain a costly staff of specialists, or hire outside consultants. Still, others work with both, using outside consultants to double check and widen the scope of staff forecasting.

However, in the formal setup, individual managers are still responsible for keeping up with current conditions and for understanding their organisation's forecasts. Remember, these forecasts are the basis of everything we do– not just planning, but all the other managerial functions as well.

### **3.3.3 Planning Premises**

You should note that when we use assumptions about the future to plan, we are using those assumptions as planning premises. When those premises relate to events outside the organisation say public policies, consumer tastes, business cycles they are external planning premises. When they relate to events within the organization capital expenditures, production scheduling sales budgeting they are internal planning premises.

## **Control**

We can distinguish premises by the extent of control.

- i. **Controllable planning premises:** These controllable planning premises include policies, programmes and activities that are entirely regulated by management. The level of production output, for example, is a controllable premise.
- ii. **Semi-controllable planning premises:** The semi-controllable planning premises are partially regulated by management. Market share is a semi-controllable premise. Here, we try to acquire as much of the industry's total sales as possible, limited only by competitors' activities.
- iii. **Non-controllable planning premises:** These are the premises over which managers have no control; the general business cycle is most important. All firms are affected by it, but there is relatively little any one firm can do about it. Population trends are another element beyond our control as, frequently, is government legislation.

Of course, even if we cannot completely control an element, it is important to realise that when we can predict it and its effects on the organisation, we can at least plan to deal with it as effectively as possible.

### **Relevance**

To be relevant, forecasts must also be up to date. We must eliminate premises that are no longer important and odd ones that are new. Because different stages of development demand different types of planning information, we must recognise these shifting needs.

### **SELF-ASSESSMENT EXERCISE**

Forecasting methods may be divided into two broad categories. State the two broad categories and briefly discuss them.

## **3.4 Environmental Forecasting**

If the future could be forecast with accuracy, planning would be relatively simple. Managers would need only to take into account their human and material resources and their

opportunities and threats, compute the optimum method of reaching their objectives, and proceed with a relatively high degree of certainty toward it. In practice, forecasting is much more complicated.

### **3.4.1 Values and Areas of Forecasting**

Forecasting has values listed below.

1. First, the making of forecast and review by managers compel thinking ahead, looking to the future, and providing for it.
2. Second, preparation of the forecast may disclose areas where necessary control is lacking
3. Third, forecasting, especially when there is participation throughout the organisation, helps unify and coordinate plans. By focusing attention on the future, it assists in bringing singleness of purpose to planning.

The environmental areas that are frequently chosen for making forecasts include the economic, social, political/legal, and technological environments.

### **3.4.2 Forecasting with the Delphi Technique**

One of the attempts to make technological forecasting more accurate and meaningful is the Delphi technique. This technique, developed by Olaf Helmer and his colleagues at the RAND Corporation, has a degree of scientific responsibility and acceptance. A typical process of the Delphi technique is as follows.

- i. A panel of experts on a particular problem area is selected, usually from both inside and outside the organisation.
- ii. The experts are asked to make (anonymously, so that they will not be influenced by others) a forecast as to what they think will happen, and when, in various areas of discoveries or developments.
- iii. The answers are compiled, and the composite results are fed back to the panel members.
- iv. With this information at hand (but still with individual anonymity), further estimates of the future are made.

- v. This process may be repeated several times.
- vi. When there is the convergence of opinions, the results are then used as an acceptable forecast.

You should note that the purpose of the successive opinions and feedback is not to force experts to compromise but rather, by bringing additional information inputs to bear, to make opinions more methodically informed. It is thus hoped, and experience has verified this hope, that an informed consensus among experts will be arrived at.

### 3.5 Environmental Scanning

We scan the environment to obtain information about events external to the organisation. This external information, more than internal operating information, forms the basis of our strategic planning. Through scanning, then, we developed broad strategies, long-term policies, plans of action, operating programmes, and a frame of reference for annual budgets.

#### 3.5.1 Scanning Models

Liam Fahey and William King have identified three external scanning models. They include irregular, regular, and continuous.

- i. **Irregular scanning:** Irregular scanning is a crisis reaction to an unanticipated competitors' new product. When one network is successful new show triggers a frantic search by the other networks for clones of the same programme, we are seeing irregular scanning at work. Irregular scanning is reactions following an unanticipated event.
- ii. **Regular scanning:** Regular scanning is periodic, comprehensive, and systematic. It is a review of what the organisation considers key environmental issues. For example, twice a year the fashion industry scans the European collections for new styles. Regular scanning is productive— it precedes a known event.
- iii. **Continuous scanning:** Continuous scanning is the ongoing monitoring of competitive activity, political and regulatory trends in government, social values, and other environmental variables. Like regular scanning, continuous scanning is proactive. However, continuous scanning is systems-oriented and structured

organizationally with a permanent staff that coordinates information from conventional planning groups in the organisation. It is this organisational structure that distinguishes the continuous model from irregular and regular scanning, which draw existing planning groups for ad hoc assignments. Continuous scanning is oriented toward the long term; toward broad, long range strategies rather than narrow, short-range decisions.

The continuous model is permanent in the sense that it gives us information over multiple planning periods. At the same time it gives us information at regular intervals within the planning cycle. Because of its wide system, the model involves all managerial levels and functions in the planning process.

### **3.5.2 Issues and Problems**

Environmental scanning is in its infancy. The need now is for greater competence – for improved scanning techniques and for the organisational structure and personnel to apply them. Still, even with today's imprecise methods, scanning is an invaluable tool, one that does not have to be elaborate or expensive to be effective; it does not require formal expertise to carry out. Almost all organisations should engage in forecasting, unfortunately only very large firms do. Scanning system, then, can contribute directly to an organisation's health and survival. Yet, linking scanning activities to the operational planning process is a persistent problem, even for large organisations. Many organisations are yet to achieve the significant success among all phases and aspects of strategic planning and operations.

## **3.6 Internal Projection**

From internal planning premises, we develop the organisation's immediate operations that are under the control of management and are therefore less susceptible to the uncertainty of external operations. Internal premises tend to be short-range, specific, and linked closely to operations.

### **3.6.1 The Sales Forecast**

The sales forecast is the most important premise of internal planning, the foundation of all-internal planning. The forecast is a projection of expected sales – an estimate of sales volume

extending six months, a year, or even longer into the future. It is a prediction of the revenue side of the income statement.

In making a sales forecast, we look at our organisation as a single unit within its industry. Our scope here is narrower than the general business or industry projections developed through environmental scanning, although these can give us critical input. Narrowed scope makes sales forecasting difficult. It is far easier to project industry volume than company volume, which constantly shifts within the industry's overall production. This is because competition is an uncontrollable variable.

### **3.6.2 Other Internal Planning Premises**

The sales forecast is not the only internal premise; there are many others. Capital needs and investments (particularly in fixed assets) play a major role in the organisation's future direction, so also is the basic managerial policy about products, prices, labours, and financing. Remember that these policies can limit effective planning by their definition of the organisation's nature and character. Of course, we can change policies, but not before, we include them in our planning premises.

## **3.7 Forecasts in General**

### **3.7.1 Shortcomings**

Anytime we set up a system or a mechanism for doing things, we run several risks of blind acceptance of inflexibility and conformity. If we do not stop to question the logic of a forecasting system, we may find out basic assumptions at odds with the real world. If we rely on past accuracy, we may find ourselves unprepared for the large deviations that can suddenly appear. If we do not allow new ways of thinking to affect the process, we may find an inbred conformity in our projections. And most critical of all, if we allow the system to specify what we hope to learn, we may find ourselves learning just anything, whether it is valid or not.

Still, forecasting is crucial to the organisation's survival; we cannot do without it. However, we have to recognise the shortcomings of this or any system, and through constant evaluation work towards refining it.

### 3.7.2 Accuracy

You should note that no prediction is infallible, but three general factors influence the accuracy of our predictions. They include time frame, experience and generality.

- i. **Time frame:** The length of a forecast period has a significant effect on its accuracy. Short-term forecast is more accurate than long-term ones.
- ii. **Experience:** Obviously, the more experience we have in forecasting, the more accurate our forecast. This applies generally to the system as a whole and specifically to any premise. Certainly, we can forecast the sales of old, established product lines more accurately than those of new lines with no previous history.
- iii. **Generality:** Industry wide forecast is easier to make and more accurate than companywide ones. In the same way, companywide forecasts are easier to make and more accurate than those for a particular product or territory. The more general we are, the more accurate our forecasts.

### 3.7.3 Costs

You should be aware that forecasting does not have to be expensive. Many forecasting data are available just for the asking at little or no cost. Even the smallest firms can use external sources – the same sources used by the largest firms.

When information is not readily available, cost does become an issue. As industries and companies vary, so do their informational needs. The factors here are business cycles, production schedules, and markets. An organisation in a seasonal industry is going to need forecasts designed specifically for it. A firm with length production schedules – the time from production order to sale –and firm that supply a wide market rather than a narrow one is going to need special forecasts as well. The point is that the costs of forecasting are as high or as low as the organisation's needs.

### SELF-ASSESSMENT EXERCISE

Identify the general factors influencing the accuracy of our predictions.

## **4.0 CONCLUSION**

In this unit, you have learnt that planning and forecasting are very vital in the management of an organisation. Therefore, it is essential for organisations to foresee and prepare for the future. Today, we have information and data readily available on many subjects for which forecasts and external planning premises are needed.

In virtually everything managers do, forecasting is a contingency process. The techniques we use depend on why we are making a forecast– how we are planning to use it. For different stages of a product's life cycle, for example, we would use different forecasting methods.

## **5.0 SUMMARY**

This unit has thrown light on the planning and forecasting in an organisation. Planning premises are the anticipated environment. They include assumptions or forecasts of the future and known conditions. More recently, environmental forecasting has become important. One approach to forecasting is the Delphi technique developed by the RAND Corporation.

To plan effectively, managers must make knowledgeable assumptions about the future. Forecasting is the basis of those assumptions. It is a projection of how the international, national, industrial, and organisational climates will affect the organisation, tempered by the organisation's control of those variables. Our planning premises, then, are twofold: external and internal to the organisation.

External forecasting is environmental scanning, a general and long-term process. It uses three models– the irregular, regular and continuous – to react to or prepare for contingencies in the external environment.

Where environmental scanning is geared toward general, long-term strategy, internal projection is more specific, related more toward operations. As critical as forecasting is to the modern organisation's health and survival, it is still an imprecise science; a new and evolving mechanism that demands constant re-evaluation and refinement. More importantly, it is only a tool – a



means to an end, not the end itself. Until we can integrate forecasting into the planning process, from strategy formulation to policy making, it cannot begin to work effectively for us.

In the following unit, which is the last in this course material, you will be taken through the discussion on centralisation and decentralisation of authority in an organisational setting.

## **6.0 TUTOR – MARKED ASSIGNMENT**

1. “The future is a moving target. Forecasting can improve your aim”. Discuss.
2. Using data available in your school library and internet, work up a simple sales forecast for the clothing industry for next year. Be sure to list your sources of information.

## **7.0 REFERENCES/FURTHER READING**

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## **UNIT 5 CENTRALISATION AND DECENTRALISATION**

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## **7.0 References/Further Reading**

## **1.0 INTRODUCTION**

In this unit, you will be exposed to centralisation and decentralisation of authority in the management of organisations. One of the major problems of modern administration is reconciling the national integration, unified planning and the need for a strong and effective

defence that pull in the direction of centralisation, with the growing demand for regional autonomy and political commitment to take democracy to the grassroots, which pull in the opposite direction.

Other factors, which strengthen the cause of centralisation, are the vastness of the geographical area of many states, huge population and the increasing scope of the states' activities, which often necessitate a great degree of centralisation and concentration of powers in the hands of the central government. Centralisation stands for concentration of authority at, or near the top of the administrative hierarchy, decentralisation, on the other hand, means devolution of powers from above, implying dispersal of power among a number of subordinate officials or administrative units.

The orthodox approach to public administration addresses the question of centralisation and decentralisation from the perspective of efficiency and economy. The issue is essentially a problem of relationship between higher and lower levels of organisation in the matter of making decisions. Thus, it relates to the organisational structuring. This issue is also a matter of relationship between the headquarters of an organisation and its field stations. This unit examines the meaning of centralisation and decentralisation and their relative merits.

## **2.0 OBJECTIVES**

At the end of this unit, you should be able to:

- define centralisation and decentralisation
- state the need for centralisation
- discuss the forms and types of decentralisation
- highlight and discuss the factors affecting centralisation and decentralisation.

## **3.0 MAIN CONTENT**

### **3.1 Centralisation and Decentralisation**

Centralisation is an overloaded apex of the pyramid. The chief executive retains all authority with himself and the rest of the pyramids simply follow the orders of the top boss.

According to L.D. White, the process of transfer of administrative authority from a lower to higher level of government is called centralisation, the converse is decentralisation.

In the words of Henri Fayol, “Everything which goes to increase the importance of the subordinate’s role is decentralisation; everything which goes to reduce it is centralisation.” He opines that the choice of centralisation or decentralisation depends on the condition of the business and the culture of its staff.

Centralisation inclines toward power and domination. Decentralisation, on the other hand, inclines towards competition and self-determination. The centralising tendency is also known as centripetal (moving or tending to move towards a centre) a tendency wherein authority travels upwards towards the head. Decentralisation tendency is also known as centrifugal (moving or tending to move away from a centre) a tendency, which takes power downward towards the lower end.

### **3.2 Meaning of Centralisation**

In the words of L.D. White, the process of transfer of administrative authority from a lower to a higher level of government is called centralisation. It signifies the concentration of authority and decision-making power at the top of the administrative pyramid. The top level may be the chief executive or the headquarters. In a centralised system, the field agencies are merely executing and implementing agencies without any power to act on their own initiative. They have to obtain prior permission of the headquarters in making decision on all matters. Thus, centralisation inclines power and domination of the headquarters over field stations.

#### **3.2.1 Reasons for Centralisation**

The reasons for centralisation are as follows.

A. **Personality Factors:** The personality factors include the followings.

- i. There is lack of confidence and trust in the aptitude of employees at the subordinate level. The chief executive feels that he is not adequately trained to handle it.

- ii. The insecure personality of the chief executive puts him into a persecution complex and he feels that the subordinates may conspire against him
- iii. The “I am the best” syndrome with most chief executives leads them to a situation of narcissi.

**B. Political Factors:** The political factors are as follows.

- i. The nation building process adopted by most developing nations involved a speedy recovery from the stagnating colonial administrative system. Sharing power was looked upon as an obstruction to speedy disposal of business.
- ii. Urban bias was another dominating stand in policies formulated in the Nehru period. The urban-rich in the society tried to control policies for improving urban infrastructure in contrast to village development.
- iii. Military budget and defence spending in the post Second World War period led to thorough centralisation of power at the top. Technology and security issues were thought of as undebatable in public forums like parliament.
- iv. Legacy of colonialism continued to haunt Nigerian administration and sincere administrative reform was undertaken towards the empowerment of local authorities in dealing with public concerns

**C. Economic Factors:** The economic factors include the following.

- i. The big budget policies of present times do not allow much time for the public scrutiny of expenditure in the parliament. Generally, not more than 12 per cent of the budget is discussed in the Nigerian parliament and the situation is more or less the same in other countries. The rest of the budget is passed without discussion. Thus the financial ministry continues to celebrate its concentration of financial power
- ii. Foreign aid is decisive in directing large infrastructural projects in the host country to the benefit of the funding country. These projects may not fit exactly into the requirements of the region. Thus, the government conceals several reports or facts about the project by retaining its exclusive right over them
- iii. The control over the social security spending in every budget is phenomenal in every country. Most of these programmes of social security can only be implemented locally but local governments account for an extremely meager share of grants. In developing countries, they account for less than 15 per cent grants in contrast to the

developed countries where they generally get more than 30 per cent on an average and touching close to an encouraging 45 per cent in Denmark and 41 per cent in Finland.

### **3.2.2 Advantages of Centralisation**

Centralised system of administration has the following advantages.

- i. The centralised administrative system achieves effective control over the entire administration system
- ii. It ensures uniform policies, methods and procedures of administration throughout the organisation
- iii. It makes the local offices adhere to policies laid down by the headquarters without any deviation
- iv. In this system, the effective central control of administration checks the abuse of authority and misuse of administrative powers by various officials and agencies in the organisation.
- v. It controls expensive duplication of work and thus secures economy in carrying out administrative operations.

### **3.2.3 Disadvantages of Centralisation**

Centralisation has the following disadvantages.

- i. Centralisation centres “apoplexy at the top and anemia at the extremities.” It results in congestion of business at the top. The heavy concentration of authority at the higher levels of administration makes the middle and lower levels powerless and hence weak.
- ii. It becomes clear that the overburdened central authority may suffer from incapacity to bear the burden of responsibility at the time of stresses and strains. It may suffer from administrative bottlenecks in taking effective action appropriate to the situation.

Further, in a centralised administrative system, the field offices are not allowed to use their discretion and act according to the particular situation facing them. This kind of situation creates frustration in the field staff.

- iii. Centralised administrative system leads to autocratic control over subordinates and rigidity in approach to problems
- iv. Over-centralisation leads to delay in arriving at a conclusion because the file has to move up and down the hierarchy and because of lack of initiative for the field officers.
- v. In a centralised system, many at times, the central authority makes decisions without any knowledge of local conditions and needs, which differ from locality to locality. As a result, administration becomes irresponsible to local problems and requirements.
- vi. Centralised administrative systems do not provide any opportunity for the people to participate in the administration of the affairs of the country.

### **SELF-ASSESSMENT EXERCISE**

In your own words, define centralisation and decentralisation of authority in a public organisation.

### **3.3 Meaning of Decentralisation**

According to L.D. White, the process of transfer of administrative power from a higher to a lower level of government is called decentralisation.

Decentralisation implies the establishment of relatively autonomous field and regional offices and delegation of decision – making powers and functions to them. The underlying belief in decentralisation is that conditions, problems, and the people are not the same everywhere. Therefore, in a decentralised system of administration many decisions are arrived at the field, without any reference to the headquarters. Local personnel have great initiative to adopt the broad general national policies to the varying local situations and conditions.

Decentralisation necessitates delegation of authority, but it is not synonymous with delegation. Decentralisation signifies the central authority divesting itself of certain powers, which are given away to the autonomous local authorities. Delegation, on the contrary, implies transfer of certain specified functions by the central to the local authority. Here the local authority acts as an agent of the central authority, which retains the right to issue directives or revise decisions taken by the local authorities.

### **3.3.1 Forms of Decentralisation**

There are mainly two forms of decentralisation: horizontal and vertical. Horizontal decentralisation is the dispersal of power at the same level or amongst equals. The dispersal of authority or power amongst ministers or amongst secretaries or amongst the institutions at the same level is horizontal decentralisation. Vertical decentralisation is a down ward movement of authority or power to the subordinate or local government or village association. It signals the weakening of centralisation as it represents the real decentralisation. It includes the following.

**1. Deconcentration:** The first stage (next to decentralisation) is deconcentration. It is simply “passing the buck” to subordinates because chief executive is too busy to handle overload.

**2. Delegation:** This stage comes after deconcentration. The chief executive has to get a specific job accomplished and so he authorises a subordinate official working under him to act in a certain manner. The degree of delegation prescribe the limits within which official should act. The superior official can withdraw all authority anytime in a reversible process.

**3. Devolution:** It is the strongest form of a measure against centralisation. It is irreversible and is complete decentralisation. The subordinate officials obtain the legal authority to design and execute local developmental programmes and projects.

Based on its exhaustive studies, the Human Development Report 1993 brought out certain conclusions. The conclusions include the following.

- i. Most Third World countries have only attempted deconcentration. The real decentralisation in the form of devolution has not been achieved so far.



- ii. Wherever countries have obtained devolution/decentralisation, the results have been encouraging for efficiency, productivity and people's participation.
- iii. Decentralisation often sets better priority ratios and therefore prevents wastage occurring through overlapping of similar jobs in different situations.
- iv. Decentralisation should be accompanied with better coordination to reduce regional differences.
- v. Effective decentralisation is not possible without reforming the existing power structure in every state.

These five conclusions or characteristics link decentralisation to an effective and speedy disposal of administrative undertakings with a personal sense of commitment and involvement.

### 3.3.2 Types of Decentralisation

There are two broad types of decentralisation. They are political and administrative decentralisation.

- i. **Political Decentralisation:** Political decentralisation implies the creation of new levels of government such as autonomous local authorities within states. Hence, federalism provides a good example of political decentralisation. It divides political authority between the national government and the states and between the states and local bodies as in Nigeria: Hence, political authority is not centralised in the national government but shared by other governmental levels. The reasons for this arrangement are political. An important dimension of political decentralisation is association of the people with the administration. This requires dispersal of political and administrative authority among various units of government at different levels – central, state and local.
- ii. **Administrative Decentralisation:** Administrative decentralisation means delegation of administrative responsibility, authority and discretion to administrative units having jurisdiction over at least one programme of functions in a geographic area. For instance, the existence of a field office or regional office of an administrative agency is an evidence of administrative decentralisation.

Administrative decentralisation may be territorial or functional. Territorial decentralisation means creation of area administrative units such as districts, division, zones, circles, etc, and vesting them with adequate decision-making powers and function within prescribed limits. Administrative units exercise some sort of independent powers and functions to meet the special needs of their respective areas in these areas. Territorial decentralisation involves the problem of relationship between the headquarters and numerous field agencies.

Functional decentralisation involves the ceding of decision-making power by the central authority in respect of technical or professional matters to the appropriate technical or professional bodies of the organisation.

### **3.3.3 Advantages of Decentralisation**

Decentralisation has definite advantages. Some of them are as follows.

- i. Decentralisation takes administration and decision-making centres close to the people and thus makes government services available to the citizenry at their doorstep.
- ii. It offers wide opportunity to the people to participate in the administrative process. Effective popular participation in government strengthens democracy at the grassroots level and secures local popular support to administrative programmes and action. Hence, most administrative theorists regard decentralisation as the virtual equivalent of democracy itself.
- iii. It is also defended on grounds of promoting managerial values of efficiency, economy and effectiveness.
- iv. It reduces the burden of workload, decision making and control at headquarters and thus relieves its top administrators of many matters of routine type. This gives its personnel more time to concentrate on formulating policy, shaping programmes and examining major issues facing their organisation.
- v. The field offices are in a better position to know the special needs of their clientele and respond to them very effectively. Thus, decentralisation may facilitate and foster more rapport with the organisations' clientele.

- vi. It stimulates quicker and more flexible decision-making closer to the scene of action and thus improves the decision – making process. The decision– makers can take into account those factors affecting their particular situation and act accordingly.
- vii. It creates in the field officials a feeling that the headquarters has great confidence in their competence and ability to meet the challenging tasks of their job. Such a feeling is conducive to the development of leadership qualities in the field officials.
- viii. It can adapt administrative policies and programmes to suit the varying conditions and problems of people of different areas in the country.
- ix. It reduces paperwork for both the headquarters and field offices and thus the problem of communication overload is alleviated.
- x. In a decentralised administrative system, it is possible to make experimentation on new policies and programmes without committing the whole organisation to an untried course of action.

While decentralisation seems to benefit subordinates and sub-units, it can improve conditions at the centre as well.

### **3.3.4 Disadvantages of Decentralisation**

Decentralisation has the following disadvantages.

- i. Decentralisation complicates coordination and control of the activities of various field offices and other administrative units.
- ii. Decentralised administrative system is expensive because it involves duplication of work.
- iii. If an organisation lacks centralisation in housekeeping services (for example, purchase and supply of stationery), it may also experience a lot of expensive and injurious duplication.
- iv. Parochialism, local narrow – mindedness, absence of a uniform national policy is other important defects of decentralisation.

The preceding discussion shows that both centralisation and decentralisation have their respective merits and demerits. Overall, the advantages of decentralisation outweigh the advantages of centralisation. However, in practice, neither complete centralisation nor complete

decentralisation is found in any administrative organisation. They are by no means absolutes. They are matters of degree. The degree to which an organisation centralises or decentralises its authority depends on a number of factors.

### **SELF-ASSESSMENT EXERCISE**

Identify and define the forms of decentralisation.

### **3.4 Factors Affecting Centralisation**

Various factors affect centralisation. The following factors favour centralisation.

- i. The first is the factor of responsibility. If the officials at the headquarters are held responsible for every action, they do not delegate discretionary authority to field officials. Thus, the factor of administrative responsibility favours centralisation and obstructs decentralisation of authority.
- ii. A newly established agency without any well settled political and procedures of work inclines toward centralised administrative system.
- iii. Political commitment to common and uniform policies for the whole country such as raising strong and effective defence, free and compulsory education and compulsions for planned economy pull in the direction of centralised administration.
- iv. Periods of crises and stress may necessitate centralisation. A crisis may occur in an organisation when it undertakes new activities or introduces sharp changes in previous policies. In such a period, the headquarters wants to exercise centralised control until the crisis is over.
- v. Information revolution caused in administration by the increasing use of computers and data processing machines favours centralisation.

### **3.5 Factors Affecting Decentralisation**

According to James W. Fesler, the age of the agency, stability of its policies and methods, competence of its field personnel, pressure for speed and economy, and administrative

sophistication are some of the important factors that favour decentralisation. The factors are as follows.

- i. A sufficiently old administrative agency with fairly well settled procedures and precedents of work tends toward decentralisation.
- ii. Decentralisation is necessitated if an administrative organisation performs a variety of functions, which are highly complex and technical in nature.
- iii. If the field officials have uniform general policies in the different regions of the country, it will favour decentralisation of authority.
- iv. The pressure for speed and economy in the administration of affairs inclines towards decentralisation.
- v. The pressure of political parties and influential politicians upon government to create opportunities for popular participation in the administration of certain programmes, such as developmental schemes in Nigeria requires decentralisation.
- vi. Further, there is the need to develop and strengthen grassroots democratic institutions. These bodies would provide powerful argument for decentralised administrative system.

#### **4.0 CONCLUSION**

The degree to which an organisation centralises or decentralises its authority is determined by several factors. As Nigros pointed out, in general, although the advantages of decentralisation are stressed in the newer organisation theories, decentralisation is not thought of in absolute terms but depends on the situation. Centralisation may be considered necessary at particular times but then it is gradually decentralised.

As Paul Appleby pointed out, nothing can be decentralised until it has first been centralised. Headquarters policies must first be defined, or there will be as many as policies as there are field offices. An organisation can be both centralised and decentralised; it may have uniform policies that field officials are required to follow, but discretion may be given them to develop solutions for local problems within the framework of headquarters' directives.

Furthermore, programmes are not static. Headquarters may be dissatisfied with the nature and scope of services offered at the field level and may find it necessary to assume direct

responsibility for field programmes until they are functioning satisfactorily. In practice, an effective organisation should follow the judicious combination of centralisation and decentralisation that offers the maximum degree of efficiency and economy.

## **5.0 SUMMARY**

The unit has thrown light on centralisation and decentralisation. The definition and meaning of centralisation and decentralisation and the reason for centralisation were considered along with the advantages and disadvantages of centralisation. The meaning, forms and types of decentralisation, advantages and disadvantages, factors favouring centralisation and factors favouring decentralisation were also highlighted and discussed.

## **6.0 TUTOR-MARKED ASSIGNMENT**

1. State and explain the reasons for centralisation of authority.
2. Discuss the advantages of decentralisation of authority.

## **7.0 REFERENCES/FURTHER READING**

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