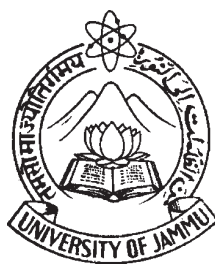# *Directorate of Distance Education*

UNIVERSITY OF JAMMU
JAMMU

Self Learning Material
M. A. POLITICAL SCIENCE

PUBLIC ADMINISTRATION

SEMESTER I   **COURSE NO. POL-104**

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M. A. POLITICAL SCIENCE

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M. A. Political Science under Non-CBCS

Semester-I

Session December 2022, 2023 & 2024

Course Code : POL - 104

Public Administration

Credits : 6 (Six)   **Max. Marks : 100**

Internal Assessment : 20   Time 3 Hours   **Semester Exam : 80**

Objectives of Course : This course is designed to educate about the evolution, growth, dynamism and vitality of the public administration for the practice of statecraft. The learners will also be familiarized about the organizational structures, operating principles of and various methods to study the discipline of public administration. The course intends to impart theoretical and practical knowledge about the steel-frame of state constituted by the administrative structures and processes and the impact of contemporary conditions on them.

Learning Outcomes : The learners will acquire skills to understand the working of administrative structures as a part of statecraft. The knowledge acquired by students about the liaison, control and monitoring mechanism deployed by the state to regulate the functioning of administrative structures will help them to understand the process of policy implementation and evaluation.

4.3   Definition of Budget : Its Formulation, Process and Execution

4.4   Agencies of Financial Administration : Legislature, Executive, CAG and Parliamentary Committees.

NOTE FOR PAPER SETTER

●   The Question Paper shall be divided into two sections. The first section will carry eight short questions of which students will be required to attempt five questions. The upper words limit for the answer of each question will be 200 words. Each question carrying 4 marks.

●   The Second section will comprise eight questions of which students will have to attempt four questions on the basis of **'WITHIN UNIT'** choice. The upper words limit for the answer of each question will be 850 to 1000 words. Each question will carry 15 marks.

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M. A. Political Science, Semester I
Public Administration
Introduction

Administration, though as old as society, began to attract attention as an activity and as an intellectual discipline only since the later part of 19th century. The complex nature of the modern state resulted in an enormous expansion of the functions of government. Such expansion generated a compulsive need for an in-depth study and comprehensive research into various aspects of the administrative phenomenon.

Prehistoric evidence unearthed at archaeological digs suggests that the rudiments of a bureaucratic social order were in place 19,000 years ago. Bureaucracy predates, by many millennia earliest experiments with democracy, the emergence of the globe's great religions, and the dawn of civilization itself. Bureaucracy may not be basic to the human conciliations, but it is basic to human society. However, as soon as primitive men began to act jointly with their fellows, they started to plan, organize and coordinate. All these make administration the oldest of profession.

Dating back to Antiquity, Pharaohs, kings and emperors have required pages, treasurers, and tax collectors to administer the practical business of government. Prior to the 19th century, staffing of most of the public administration was rife with nepotism, favouritism, and political patronage, which was often referred to as a "spoils system". Public administrators have been the "eyes and ears" of rulers until relatively recent times. In medieval times, the abilities to read and write, add and subtract were as dominated by the educated elite as public employment. Consequently, the need for expert civil servants whose ability to read and write formed the basis for developing expertise in such necessary activities as legal record-keeping, paying and feeding armies and levying taxes. As the European Imperialist age progressed and the militarily powers extended their hold over other continents and people, the need for a sophisticated public administration grew. But as an academic discipline of study, Public Administration is of recent origin and is still growing further with the change in the environment of Public Administration and also due to its inter-relationship with other

disciplines. Therefore, Public Administration, which deals with the science of getting things done in the most efficient manner in the public sector, will sometime to be a popular study that will generate much interest. And for a long time to come, government and governmental agencies will continue to dominate the scope of human activities in the country.

Ancient Indian Wisdom on Statecraft

One of the outstanding contributions of ancient Indian wisdom to statecraft is Kautilya's *Arthasasthra*. It ranks in importance with *Manusmriti* and *Kamashastra* and forms a triad in dealing with the three imperatives of the social philosophy of that time - *Dharma, Kama, and Artha.* Though it is titled as *Arthasasthra* - science of economics - it actually deals with various aspects of political administration and management of state. It also deals with statecraft focusing on King, law and justice, foreign policy, war, espionage, financial and personnel administration, etc., The treatise is considered as a counterpart of Machiavelli's *The Prince* both in importance and contribution to the art and science of state administration and governance.

Facets of Administration

The seminal contributions of academics and practitioners to the development of various facets of administration and dissemination of knowledge pertaining to it caused the germination of various theories. Public administration is "centrally concerned with the organization of government policies and programmes as well as the behaviour of officials (usually non-elected) formally responsible for their conduct". Many unelected public servants can be considered to be public administrators, including heads of city, county, regional, state and federal departments such as municipal budget directors, human resources (H.R.) administrators, city managers, census managers, state mental health directors, and cabinet secretaries. Public administrators are public servants working in public departments and agencies, at all levels of government.

Administrative Theory

Administrative theory is based on conceptualization of experience of administrators or observation of the operational situations in administration; it may be derived or reinforced from the comparative studies or they may be ideas and opinions of intellectuals. Because of the integrated nature of the social sciences, developments in other disciplines help in the conceptualization in administration as well. Thus, theoretical or practical developments in other social sciences influence theoretical base of Public Administration and vice versa.

Lorenz von Stein, an 1855 German professor from Vienna, is considered the founder of the science of public administration in many parts of the world. In the time of Von Stein, public administration was considered a form of administrative law, but Von Stein believed this concept to be too restrictive. Von Stein taught that public administration relies on many pre-established disciplines such as Sociology, Political Science, Administrative Law and Public Finance. He called Public Administration an integrating science, and stated that Public Administrators should be concerned with both theory and practice. He argued that Public Administration is a science because knowledge is generated and evaluated according to the scientific method.

The Beginnings of the Study

Woodrow Wilson, who became the President of USA in his later years, was among the earliest thinkers to outline the concept of Public Administration as a separate discipline of study. Woodrow Wilson integrated history, philosophy and the concept of the good society (culture) in a way to make order for students of Public Administration. Wilson's seminal essay "The Study of Administration" published in the *Political Science Quarterly* in 1887, laid foundation for a systematic study of public administration. The classical organizational and administrative formulations are also variously termed as structural, mechanistic, formal, engineering, and empirical approaches. They are classical in the sense that they are in use for 'quite some time'. They are labelled so very differently because the classicists attempted to propound simple principles of general application possessing characteristics of formality, symmetry

and rigidity. The concepts and principles formulated by Henri Fayol, Frederick Taylor, Max Weber and Gulick and Urwick come under this classical perspective.

The inadequacy of classical administrative theoretical formulations to explain the totality of administrative phenomena led to more extensive researches into the working of human organizations. The principles and concepts developed by the classicists could not explain the behaviour of individual employees. The latter researches, variously called human relations, behavioural, social psychological, systems, etc., went beyond classical formulations and concentrated on human motivation and behaviour. These theories focus on understanding human behaviour at the work including motivations, conflicts, group dynamics, etc., which are critical for organizational and administrative analysis. They viewed employees as individuals, resources and assets and not as machines as classicists seem to have believed. Mary Parker Follett, Elton Mayo, Chester Barnard, Herbert Simon, Abraham Maslow, Douglas McGregor, Chris Argyris, Herzberg, Rensis Likert, etc., come in this category of post classical theorists.

After the Second World War many Afro-Asian countries attained independence and faced and continue to face challenging tasks of development. The Western administrative models and practices were found wanting in many respects when they applied to these countries. It is in this context the need for developing entirely new concepts was felt and the result was the emergence of development and comparative public administration, which emphasize cross-cultural and cross-national administrative studies.

This Study Material

In this background, this paper on Public Administration aimed to provide basic theories and concepts that are essential for understanding broader contours of developments in the discipline. For your convenience these theories, concepts, and issues organised into four units. Unit I provides basic understanding and in-depth analysis on the evolution, ecology and approaches to the study of the discipline of

public administration. Part II deals with the basic principles of organization include hierarchy, authority, span of control, centralization and decentralization etc. It emphasized on the concept and types of Chief Executive with examples from Indian administration. Part III of the material discussed the core concepts of administration, particularly on administrative behaviour and presented the contributions of Simon, Maslow, Herzberg and McGregor. Part IV is on the finance administration and describes the role and importance of financial administration and agencies of the financial mechanism and explains the various stages of budget from formulation to implementation.

Those of you who are interested to go beyond this study material to enhance the knowledge, a list of reference books given in the following pages.

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Course Title: **Public Administration**
Unit – I: **Basic Concepts**

1.1 EVOLUTION AND GROWTH OF THE DISCIPLINE OF PUBLIC ADMINISTRATION: MEANING, NATURE AND SCOPE

- Prof. Y. Pardhasaradhi

STRUCTURE

1.1.0 Objectives

1.1.1 Introduction

1.1.2 Public Administration: Meaning and Essence

1.1.2.1 Meaning of the term "Public"

1.1.2.2 Meaning of "Administration"

1.1.3 Public Administration: Origin and Evolution

1.1.3.1 Evolution of the Discipline

1.1.3.2 Public Administration as a Profession

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1.1.0 OBJECTIVES

After going through this lesson you will be able to:

- Understand the meaning of Public Administration

- Comprehend the origin and evolution of Public Administration as a discipline

- Know various definitions related to Public Administration

- Understand the nature and scope of Public Administration; and

- Comprehend the basic characteristics of the Public Administration

1.1.1 INTRODUCTION

The importance of Public Administration has tremendously increased with the increase in state activities. The state is no longer regarded as a preserver of the status quo. The centuries old nation of police state which was to be responsible only for the maintenance of law and order and the policy of non interference in the day-to-day activities has completely lost its relevance. The modern state has undertaken the new role of accelerator of economic and social change as well as a prime mover and stimulator of national development. With this change in the ends of modern state, the purposes of public Administration have also assumed a different dimension and orientation. Its functions have enormously increased in number, variety and complexity and its methodology has grown from the trial and error stage into an orderly discipline with an organized, ever increasing body of knowledge and experience.

Today, we see great bulk of administrative departments coming into being. For instance, a new born baby, from birth to grave, remains under the purview of Public Administration because his/her birth as well as death must be registered with the local authorities. There are a number of welfare agencies which provide all necessary benefits to the child. Everybody needs the services of the Post Office and we wonder at the vast organization which is needed to provide this service. There are employment exchanges, rationing offices, government mints, agriculture departments, industries departments, department of foreign relations, etc which affect almost every citizen in one way or the other.

What does all this indicate? The administrator's position within an establishment or organization is therefore strategic and pivotal. It is true to say that the place of administration has come to be clearly recognized in every sector of human endeavour as being the keystone to the success and indeed to the very existence of the enterprise. Being concerned with the planning, co-ordination, supervision and control of the enterprise or establishment with which it is involved, the science of administration appears to have become an essential instrument in the uplifting of human welfare.

1.1.2   PUBLIC ADMINISTRATION: MEANING AND ESSENCE

All of us are familiar with the words "Public" and "Administration" which we keep hearing from people, whether they are laymen or scholars and they have different notions about the two terms. The meaning of the two terms is explained below.

1.1.2.1   Meaning of the term "Public"

The word "Public" is a very popular term and it is anything that is related or remotely associated with government. It is also a collective term referring to a large number of people. Anything for the public is for the common good or societal good rather than for any private individual interests. It is different from the word "private". For example, a public property belongs to the whole society and not for any particular individual. It is taken care of by the government. Similarly, we have public transport, public health, public distribution system, public education, public schools, etc. These public

institutions are not for making maximum profits but to make such public goods and services accessible to the common man or poor who cannot afford to lead a rich and luxurious life. Such institutions come under the domain of the government. The goods and services are subsidized by the government. They have to take care of the interests of the individuals as a whole. Thus, the word Public has several meanings.

Quite often, though unfortunately, the term "public" is also used in a derisive sense by associating it with anything that is corrupt and inefficient, slow and rigid. A public property is nobody's property. For example, whenever people get angry, they start destroying public property to draw the attention of the government. The sense of belongingness is absent in people when it comes to public property.

1.1.2.2   Meaning of "Administration"

Next, we come to the term "Administration." It means cooperative human effort in order to achieve some common goal or goals. It is a group activity found in any type of institutional setting such as hospitals, educational institutions like schools or a university, business firm or a government department. People working in such organizations have to come together, formulate their respective policies and implement them to realize their goals. But, when the term "administration" is associated with the term "public", it means any type activity which is undertaken by the government or organizations associated with it at various levels such as central, state or local.

1.1.3   PUBLIC ADMINISTRATION: ORIGIN AND EVOLUTION

While tracing the roots of public administration, we have to distinguish between two important aspects. Public Administration as an activity and public administration as an academic discipline taught in colleges and universities.

As an activity, Public Administration is timeless as it was found in some form during the ancient time in various countries like China and India, thousands of years ago However, during the ancient and medieval times, it was in a rudimentary form, performing certain bare essential functions which were necessary to sustain the society. There was a complex centralized administrative system under the Mauryan and Gupta dispensations in India during the ancient time. The King or Emperor was assisted by

various ministers and officials belonging to the departments of finance, military, endowments or priestly class, etc. During the medieval time, there was a well organized administration under the Mughal Empire. When India came under the colonial yoke of the British Empire, the functions of public administration included only those relating to maintenance of law and order, collection of taxes, and defence from external enemies. The British government did not care for the welfare of the people or the development of the society.

But today, in the modern era, public administration has come to influence every citizen at every turn of his life, even from the time before he/she is born and continues even after the death of the individual. For example, before the time of delivering the birth, the woman is admitted in a government hospital, after he/she is born, a birth certificate has to be taken in some municipal office, and when he dies, the government office has to issue a death certificate. The government has to look after the health, well being and education of the child. It has to provide jobs to the adults. Therefore, there is a saying that public administration influences an individual from the cradle to the grave.

As a subject of study or as an academic discipline, Public Administration is of recent origin may be just one hundred years old. It was Woodrow Wilson's essay on the Study of Administration in 1887 which laid the foundations for Public Administration to grow as an academic discipline, initially in the United States. It can be stated that the subject acquired more importance as a field study since 1970s in India. It is studied as an independent discipline in some universities in India and abroad and in many universities it is studied as a part of Political Science.

1.1.3.1 Evolution of the Discipline

As mentioned earlier, Public Administration, as a subject of study is of recent origin. It blossomed with the growth of modern industrial civilization (after the Industrial Evolution) which required more complex organizational systems to undertake both regulatory and welfare activities. It can be stated that a serious study of Public Administration started with the publication of Woodrow Wilson's essay on 'The Study of Public Administration" in 1887 in the *American Political Science Quarterly*. He was indeed a pioneer who has set the tone for its systematic study. The earlier writers stressed the dichotomy of Politics and Public Administration. With the publication of

L.D. White's book *The Introduction to the Study of Public Administration* in 1926 and later Willoughby's book *Principles of Public Administration*, a beginning was made in the study of the principles of public administration. During this period, the discipline seems to have reached its 'reputational zenith' in 1946. F.M. Marx's book *The Elements of Public Administration* almost buried 'dichotomy' between Politics and Public Administration. From 1956-1970 Public Administration was treated as an administrative science. In other words, the 'universality of administration' was realized irrespective of being public or private. Today Public Administration has come to its own with a more balanced emergence of the discipline. It is neither Political Science nor Business Administration. Its locus is public policy and its focus (the specialized 'what' of the field) is on management theory and various techniques with more attention on the dynamics of administration. The three defining pillars of public administration are: Organizational Behaviour and the behaviour of people in public organizations, the Technology of Management; and the Public Interest as it relates to individual ethical choice and public affairs.

1.1.3.2 Public Administration as a Profession

We have, now, several well-established and recognized professions like law, medicine, engineering and accountancy. Is Public Administration such a profession? To examine this, we must first know what a profession means and what its features are. A profession is a calling in which one professes to acquire knowledge, which is used either in instructing, guiding or advising other. In other words, it is an employment (whose duties being not mechanical) requiring some degree of learning. The important features of a profession are:

1. Acquiring a special knowledge after a long formal education and or training;

2. Commitment to use knowledge to serve others;

3. Feeling responsibility towards the profession;

4. Common values and approaches (professional ethics);

5. Need for professional organization which determines norms and practices and exercises some control on the practitioners.

6. Criteria for efficiency and conduct;

7. The professional organizations controlling the syllabi of teaching and training;

8. Legal recognition of such professions, and professional organizations by the government; and

9. The existence of systematic and scientific body of knowledge.

Based on these features, it can be stated that public administration has not yet become a profession. It is first necessary to make the study of public administration profession-oriented so that those who completed the study of the course of Public Administration can straightaway join public service at various levels. Before that, more research on various aspects of public administration should be pursued and its knowledge more systematized. More and more case studies also should be undertaken. There should be many more interactions between the academics and practitioners of public administration. In view of the noticeable trends e.g., organization of numerous training programmes covering public administration and management, growth of professional organizations and increase in the research output in applied public administration, it may be stated that public administration is on the threshold of becoming a profession.

The study of Public Administration is very important for practitioners. Through its systematic study, one gets an acquaintance with the knowledge of the administrative machinery (apart from the theoretical concepts) and its numerous activities. This knowledge helps in getting the co-operation and participation of people in running the administration smoothly.

1.1.4 PUBLIC ADMINISTRATION: DEFINITIONS

Public Administration consists of two words 'Public' and 'Administration'. The word "administration" is derived from two Latin words 'ad' and 'ministraire', which means to serve, to manage affairs or to look after people. According to John A. Veig

"Administration is determined action taken in pursuit of a conscious purpose". Felix A.Nigro defines: "Administration is the organization and use of men and materials to accomplish a purpose". Herbert A. Simon has pointed out that "Administration in its broadest sense consists of activities of groups co-operating to accomplish common goals". An analysis of the definitions clearly indicates that in every act of administration, a common purpose and a collective or group effort are inherent. There is no administration if there is only a common purpose without a collective effort or vice-versa. Hence administration is called a 'technology' of social relationships. Administration is a generic term. In other words, it is a root from which several branches sprang up. It can be stated that wherever there is a type of collective activity involving men and material, there is administration. So, there are different administrations like revenue administration, military administration and private administration.

However, in Public Administration the word 'public' is used mainly to denote government. This can be justified on the ground that the government is the only organization or institution, which serves all people belonging to a given territory. Although in common parlance Public Administration means government administration at central, state or local level, in recent times, it is increasingly felt that the ambit of Public Administration is not confined to just government administration. The word 'public' is defined with a broader meaning. In that way, public administration is more and more concerned with public affairs. Thus, the frontiers of public administration are expanding.

From the very beginning Public Administration as an academic discipline, faced a sort of 'definitional crisis. In other words, there is no unanimity among scholars as regards what Public Administration is and what it is not. It would not be possible here to give all the definitions given by eminent writers. A few definitions are given below by way of illustration. Different definitions projected Public Administration in different ways depending upon how it is perceived.

1.1.4.1 Definitions

Some of the definitions of public administration given by various scholars are given below.

According to Woodrow Wilson, "Public Administration is a detailed and systematic execution of public law. Every particular application of law is an act of administration".

In the words of L.D. White, who wrote the first textbook on Public administration in 1926, "Public Administration consists of all those operations having for their purpose the fulfilment or enforcement of public policy as declared by competent authority".

Dwight Waldo defines Public Administration, as "the art and science of management applied to the affairs of the state".

According to Luther Gulick, "Administration has to do with getting things done. Public Administration is that part of the science of administration which has to do with government, and these concerns itself primarily with the executive branch, where the work of the government is done, though there are obviously problems in connection with the legislative and judicial branches".

"By public administration is meant in common usage, the activities of the executive branches of the National, State and Local Governments". (H.A. Simon) "Public Administration consists of getting the work of government done by coordinating the efforts of the people so that they can work together to accomplish their tasks…. It also involves managing, directing and supervising the activities of thousands, even millions of workers so that some order and efficiency may result from their efforts". (Pfiffner).

"Administration is concerned with 'what and 'how' of the government. The 'What' is subject matter, the technical knowledge of a field, which enables the administrator to perform his tasks. The 'how' is the technique of management, the principles according to which co-operative programmes are implemented successfully. Each is indispensable; together they form the synthesis called administration" (Marshall E. Dimock) Administration signifies the organization, personnel, practices and procedures essential to effective performance of civilian functions entrusted to the executive branch of the government. (John A. Veig).

1.1.5 NATURE AND SCOPE OF PUBLIC ADMINISTRATION

1.1.5.1 Nature of the subject

When we analyze the nature of the academic discipline Public Administration, we come across two views regarding it. They are integral and managerial views. According to the integral view, administration is the sum total of all the activities such as manual, clerical, managerial and technical. These activities are undertaken keeping in view, certain objectives. The activities that fall within the ambit of administration include the services rendered by the errand boy, the foreman, the gatekeeper, the sweeper and the activities of the higher officials such as secretaries of government departments and general managers or managing directors of public sector organizations. This view was put forth by L. D. White. He said administration comprises of all those activities having for their purpose the fulfilment or enforcement of public policy. Examples include the delivery of a letter, removal of litter from a public park, sale of government land, negotiating a treaty, etc.

In contrast to the integral view, the managerial view states that administration comprises only those activities performed by senior managers. In other words, it considers only the work of those employees performing managerial functions in a public enterprise. The managerial view was expressed by Herbert Simon, Smithburgh and Thomson. In this case, administration is associated with managerial techniques. Administration is a specialized activity, comprising of organization of men and materials for a specified purpose. The techniques include planning, organization, staffing, coordinating, reporting and budgeting (POSDCORB).

However, it must be remembered that there is an element of truth in both the managerial and integral views. Both cannot be rejected outright.

1.1.5.2 Scope

An analysis of the several definitions indicates that Public Administration could be viewed as an activity of implementing public policy or could be viewed in terms of a broader integrated political and administrative process involving the states of anticipation, conception and formulation of public policy to its implementation and

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management. We would further study this aspect under the scope of Public Administration.

As an Activity

As an activity, what does Public Administration include? There are two views regarding its scope. They are the wider or integral view and the narrower or managerial view. According to the integral view, Public Administration includes all the activities of the three branches of government viz., executive, legislature and judiciary. The legislature frames the laws, the executive implements the laws and the judiciary interprets the laws. Accordingly, Public Administration is the sum total of all the activities undertaken in pursuit of and in fulfilment of public policy. L.D. White adopts this view as could be seen from his definition. Luther Gulick, on the other hand has taken a different view. He views the scope of administration as confined to activities of executive branch only. Similarly, there are two views regarding the scope of what constitutes, 'administration', all the activities performed by the officials from top to bottom or only managerial activities performed by the top few. In fact, today, we find public administration increasingly concerned with policy formulation as well as implementation. Many of the amendments to the Acts are initiated and formulated by the civil servants. Judicial pronouncements or court judgments have to be enforced by the administration. In this way, Public Administration is nothing less than the whole government. It can thus be concluded that the scope of Public Administration as an activity embraces the area and activity under the jurisdiction of Public Policy, (It can be stated that public policy is that which relates to what the Government does or chooses not to do). In fact, it is felt that the scope is not restricted to government institutions only. Aided educational institutions (funded and controlled by the government) and co-operative institutions (funded and controlled by the government) and co-operative institutions (which are also considerably financed by the government), which have to do with public welfare, come under the purview of Public Administration. In this connection, it is worth quoting Felix A. Nigro who summed up the features of Public Administration as:

    1.   A co-operative group effort in a public setting.

2. Covers all the branches-executive, legislative and judicial and their relationships.

3. Has an important role in the formulation of public policy and is thus a part of the political process.

4. Is more important than, and also different in significant ways from private administration.

5. As a field of study and practice, has been much influenced in recent years by the human relations approach.

6. Is closely associated with numerous private groups and individuals in providing services to the community.

As a Subject of Study

There are also two views regarding the scope of Public Administration as a subject of study viz., POSDCORB view and subject matter view.

POSDCORB view stresses the importance of managerial tasks. In other words, administration consists of managerial tasks. This view is held by writers on business and industrial administration like Henry Fayol and L.Urwick. It was Luther Gulick who coined the acronym **POSDCORB** to describe clearly the managerial tasks; each letter of this acronym stands for one managerial activity.

P **Planning,** which is preparation for action.

O **Organisation,** which is the structure through which the objectives are realized. It involves division of work co-ordination i.e., cutting and sewing together.

S **Staffing,** which is the entire gamut of personnel management form recruitment to retirement.

D **Directing,** means issuing orders and instructions for the guidance of the staff.

Co	**Co-ordination,** means all-important activity of interrelating various parts of the work and eliminating overlapping and conflict.
R	**Reporting,** means keeping both the superiors and subordinates informed about the ongoing works.
B	**Budgeting,** about all aspects of the entire gamut of financial administration.

For a long time, it was felt that the **POSDCORB** activities constituted the core of Public Administration. But it was later realized that they were neither the whole of administration nor even the important part of it. They are only housekeeping activities. They are best tools of administration. The substance of administration is something different. Even those **POSDCORB** activities are also influenced by the subject matter of administration. Under emphasis on the means or tools to the detriment of substance is to miss the very heart of administration. Hence the subject matter view of administration arose. This lays stress on the activities or services i.e., the subject matter of administration. These services have important techniques of their own.

In conclusion, it can be stated the **POSDCORB** view and subject matter view is not mutually exclusive. In a way they are complementary to each other. As is the case of all applied social sciences, the scope of public administration consists **POSDCORB** of the theory part and the applied part consists of the studies or concrete application of administrative theory to various fields such as revenue administration, agricultural administration so on.

1.1.6 CHARACTERISTICS OF PUBLIC ADMINISTRATION

The nature of Public Administration implies in its characteristics. What are its principal characteristic features? At the outset, it may be mentioned that Public Administration to day is vast and large-scale organization. The spectacular increase in the range and volume of its functions and activities necessitated the increase in size. The number of personnel engaged directly in the tasks of Public Administration in certain countries runs into several lakhs. For example, there are about seven lakhs of Government employees in Andhra Pradesh. In other words, apart from the scale of its operation,

even from the standpoint of public personnel employed, it is a vast organization. In the words of Nicholas Henry, this burgeoning bureaucracy is a phenomenon of Public Administration. Public Administration is often monopolistic because, in the field of its activities, there are not many competitors. In such areas like post and telegraphs, police, currency and coinage functions, there is near monopoly of Public Administration, or in other words, the government. Furthermore, the activities of Public Administration are characterized by a sense of urgency. It cannot brook any delay.

Uniformity in its treatment of the citizens is the unique feature of Public Administration. Giving favoured treatment or special treatment to a chosen few is not public administration, but private administration. In private companies, those who pay more get better or special services. Public accountability is another characteristic feature of public administration. The question of administrative accountability is implicit in both policy formulation and implementation. Public Administration's activities are regulated by elaborate rules and regulations necessitating elaborate record keeping and having regard for precedents. This tends to make it bureaucratic with the attendant evils and flaws.

The motto of public administration is public service. This consciousness of community service makes Public Administration public or people oriented. Public interest and public welfare are its prime objectives. Lastly, it can be stated that public administration is a universal process, which characterizes all collective effort. Without it, no government whether in developed of developing countries, can survive.

1.1.7 LET US SUM UP

In conclusion, it can be stated the Public Administration is increasingly concerned with anything that is associated with government and also with public or government policies (in their formulation as well as in their implementation) and is serving the public interest and public welfare to a greater extent than ever before. As an activity, it is more than three thousand years old while as an academic discipline, it is 127 years old. In the context of the expanding frontiers of Public Administration, it is a broad-ranging and amorphous combination of theory and practice. Its purpose is to promote a better or superior understanding of the government and its relationship

with the society it governs, as well as to encourage public policies attuned to effectiveness, efficiency and the deeper human requirements of the citizens. Further, Public Administration is a universal process without which no government in a country can serve. It is the executive arm of the government. It is different from private administration in many respects.

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M.A. Political Science, Semester I
Course Title: **Public Administration**
Unit – I: **Basic Concepts**

1.2 ECOLOGY OF PUBLIC ADMINISTRATION: SOCIAL, CULTURAL, POLITICAL CONTENT COMPARATIVE & DEVELOPMENT ADMINISTRATION

- Prof. Y. Pardhasaradhi

STRUCTURE

1.2.0   OBJECTIVES

After going through this lesson, you will be able to:

- Understand the concept of Ecology in Public Administration

- Comprehend the three Models of Organization

- Know the features of Prismatic Model; and

- Understand Administration System in Transitional Societies.

- Understand the concepts of Comparative & Development Administration

1.2.1   INTRODUCTION

The ecological approach to the study of public administration originated in the wake of emergence of the third world countries after World War II and increasing realization of irrelevance of most of the western organization theories to the study of administration in the underdeveloped third world countries. The third world nations which were liberated mostly after the Second World War had experts from the United States as consultants. In spite of their advice and consultancy, the political systems started crumbling and the administrative systems became ineffective and inefficient. Their economic conditions started getting into deeper crisis. The western scholars were puzzled with the conditions that prevailed in the Third World. It is these developments that gave rise to new concepts and explanations. It is in the wake of this new awareness that the concept of ecology was developed. Fred W. Riggs, the pioneer of the concept of ecology, was a Chinese born and American trained scholar. Riggs visited Thailand,

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Philippines and India to understand the phenomenon of underdevelopment and the process of change. It is his observations that led to the formulation of the concept of ecology. Riggs raised the basic questions about the relevance of the western organization theories to the developing countries. The second question that he raised was why the theories which have been capable of explaining the western societies have not been able to explain the phenomenon in the third world countries. Most of these intellectual exercises are a response to these two questions.

Riggs pointed out that each society has certain unique characteristics which influence the working of any of its subsystem. He found that most of the western theories looked into 'inside' the organization but not its relations with 'outside' the system. The outside refers to the general socio-economic environment. This was one of the reasons why large scale transplantation of ideas and institutions has taken place without any regard to the socio-cultural setting in which these ideas or organisations have to operate. He found the cause in the incompatibility of the western models to the needs and demands of the third world nations.

1.2.2   CONCEPT OF ECOLOGY

The concept of ecology is drawn from the concept of environment as used in biology. In biology, it was established that for the growth of a particular plant, there is a need for a particular climate, cannot grow in a different environmental setting. On the same analogy, each society has its own economic structure, history, values cultural modes, political processes, etc. The characteristics of the larger social system and the cultural climate like the physical climate in the environment shape the ideas and the institutions. As a plant cannot grow in a different environment, an institution also cannot thrive in a different social setting.

The concept of ecology, unlike earlier approaches, takes a very wide conceptual framework and adopts a systems approach to the understanding of the organization phenomenon. In spite of concentrating on a subsystem, the concept of ecology takes a holistic view of the organization. This is the reason why Riggs sought to categorize

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the broad systems at a micro level and attempted to apply those characteristics to the micro sub-systems such as bureaucracy, market, association, etc. He took the global systems as a frame of reference to his categorization for the three major systems, viz., fused, prismatic and diffracted. It is these three models that one has to appreciate to understand the concept of ecology.

1.2.2.1 The Three Models of Organization

The fused societies refer to the traditional social systems where the ascriptive values dominated the society. The ascriptive values in these societies determine the place and the role of an individual and his achievements. Applying the structural-functional criterion, it is pointed out that the traditional social systems are largely underdeveloped systems. There is low level of differentiation in the structures and the functions. In other words, in fused societies one structure performs multiple functions or one function is performed by multiple structures. The specialization of one structure performing one function is largely absent. In this context, a King performing the legislative, executive and judicial function or a church performing ecclesiastical, charitable, and educational and health functions are the striking examples. It is this low degree of differentiation that accounts for low level of efficiency and expertise of institutions in a traditional society. In contrast, in a diffracted society, there is high degree of differentiation in both the structure and the functions. The place and role of an individual is determined by achievement and not by virtue of his birth in a particular family. Such societies are largely dominated by rational norms and secular value.

The developing societies, whose social structure remained basically traditional, borrowed the institutions from the advanced industrial societies. But they could not transplant these structures, norms and values associated with them effectively in their own soil. The modernity of these institutions encountered the traditionalist of the social system. As a result, the outward appearance of the institutions comes in conflict with internal processes and actual working of the system. To explain and clarify this phenomenon, the ecological approach borrows the conceptual framework from the "light theory" in Physics. The Sun ray combines in itself all the seven colours

(VIBGYOR). This symbolizes the structural functional fusion into one structure. The ray in its multicoloured form appears in a diffracted form when it passes through a prism. These colours indicate the clear cut differentiation of the structures and the functions. The developing societies are compared with a prism which is capable of facilitating the diffraction of the sun ray. In other words, the sun ray undergoes the process of change in the prism. Therefore, the developing societies are described as prismatic societies.

The prismatic societies exhibit certain unique characteristics which are a result of increasing interaction between modernity and tradition. The ecological approach postulates that this interaction produces characteristics such as formalism, overlapping and heterogeneity. Riggs not only describes these characteristics but applies them to all the subsystems in the society.

1.2.2.2   Features of Prismatic Model

Formalism, heterogeneity and overlapping are the features of Prismatic society. Let us discuss these features in some detail.

Formalism

Formalism refers to the gap between what is stated and what is practically done. In every society, the degree of formalism is determinate by its own socio-economic conditions. While in some societies, the degree of formalism is high, in certain other societies, it may be less. The incidence of formalism is more in prismatic societies when compared with fused societies of diffracted societies. In fused and diffracted societies, the realism is higher and the gap between the stated objective and real performance is relatively lesser. An explanation for the incidence of formalism lies more in the conflict between the tradition and modernity which is widely prevalent in prismatic societies. From the Indian society, we can cite a number of examples from the socio-economic system which highlights the wide spread formalism.

On the political front, formalism is one the major causes for breakdown of the framework. There is a widespread incidence of constitutional formalism. Constitutional

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formalism refers to the gap between the constitutional principles and their actual intention. A number of examples can be cited in this regard. The Chief Minister of a State should be the leader of the majority party and he should get duly elected to that office. But there are a number of instances where they get nominated by the central leadership. The cabinet system of government is based on the principle of collective responsibility, but substantial power is appropriated by the office of Prime Minister at the central level and Chief Minister at the State Level. Another example is the role of the legislature. The legislature, according to the Constitution, is a lawmaking body. A perusal of the proceedings of the legislature would reveal that the legislators spend most of their time in matters which are not related to the question of lawmaking. The legislators hardly go to the legislature fully prepared. As a result, the policy making power is appropriated by either the political executive or the bureaucracy. These examples illustrate the presence of formalism in Indian society and its prismatic character.

Heterogeneity

The prismatic society suffers from a high degree of heterogeneity too. Owing to the presence of diametrically opposite views and conflict between modern and traditional values, the social change sometimes is inconsistent and puzzling. The heterogeneous character of prismatic society is so evident when one looks at the most sophisticated modern transport like aeroplane and continued dependence of some of the rural people on bullock cart for transport. On the cultural front, we find the ultramodern western life styles and also extremely tradition – oriented lifestyles. On the one hand, we have hospitals and modern equipment and also quacks that depend on hunches and superstitions. The contrast can also be seen in the case of analysis by research organizations and also the presence of astrologers predicting the social and individual event.

The heterogeneity caused by these conflicting styles, practices and ideas contributes to the increasing confusion in the society. It is these conditions that make planning ineffective and priorities distorted. The system in general gets subjected to pressures and counter – pressures, pulls and counter-pulls and the heterogeneity leads to conflict

in the implementation of developmental programmes. For example, while that stated goals promise help to the weaker sections, the actual fruits reach the better off sections.

Heterogeneity leads to poly-normativism. In a poly-normative situation, neither individual nor the institutional behaviour is governed by a set of uniform and clearly articulated norms. For instance, the behaviour of a mother-in-law symbolizes the heterogeneity in our social situation. The mother-in-law would plead not only for Joint Family but would resist any demand from the daughter-in-law for separation from the joint family. The mother-in-law would argue and carries on a vicious propaganda that her daughter-in-law is contributing to the disintegration of their family. The same mother-in-law would be unhappy if her own daughters were to live in a large family and perform the traditional role of a daughter-in-law. She would plead with her daughter and son-in-law to come out of their joint family and live separately from their parents. She would not hesitate to highlight even the virtues of a nuclear family. Since she has not been able to make a clear cut choice, she would apply one norm to their daughter and an equally opposite norm to her daughter-in-law. This is the predicament prevailing in prismatic situations.

Overlapping

Overlapping basically refers to the duplication and repetitiveness in the functions and the structures. In fused societies, traditional structures perform almost all kinds of functions and in a diffracted society, the differentiation of the structures and functions reach a point where one structure performs one function. It is the combination of these two trends that causes the overlapping of the functions. A religious organization like Church in the Vatican or the Lord Venkateshwara temple in Tirupathi would not only perform the ecclesiastical function but certain socio-cultural functions such as running of educational institutions, hospitals, provide transport, develop other temples, etc.

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1.2.3 ADMINISTRATIVE SYSTEM IN TRANSITIONAL SOCIETIES

1.2.3.1 Sala Model – Administrative and Legal

The characteristics that are present in the larger prismatic society are reflected in all the sub-systems of a society. The administrative sub-system is no exception. In the fused society as pointed out earlier, highly personalized and inscriptive values exist. Here the administrative system is known as chamber. In a diffracted society the administrative system is governed by impersonal and modern values, and it is known as office or bureau. The administrative system in a prismatic society is a product of these two conflicting systems. As a result the office does not work in the same fashion as it does in diffracted society. Therefore, ecological approach maintains that to use the term office to describe the administrative system of a prismatic society is highly misleading as the description of a modern office would not be able to explain the working of an 'office' in prismatic society. This is partly on account of lower degree of development in terms of structural-functional differentiation and partly because of the impact of larger system on it. Therefore, Riggs prefers to use the word 'Sala' in the place of 'office'. About the origin of the term 'Sala', there are two interpretations. One believes that it has Spanish origins. The word in the Spanish language refers to government office, religious conference, a room, a pavilion, etc. The other interpretation traces its origins to the Sanskrit word Shala which is also used to describe different and varied structures and functions. The words such as 'pathashala' 'narthanashala' 'pakashala' etc., indicate that the same description is used for drawing room, dancing place, kitchen and school. In the Riggsian analysis, it is an indication of absence of structural functional differentiation. Therefore, he describes the Indian office system as 'Sala' because of the multiplicity of functions that it performs. The predominant characteristics of Sala reflect the major characteristics of prismatic society, viz., formalism, heterogeneity and overlapping. Here, and attempt is made to discuss these characteristics as applied to the office system.

The Sala is a product of conflict between different values. This is typical of prismatic heterogeneity. As it is not governed by a set of homogenous norms, it leads to poly-

normative situation. In the office system, the functioning of administration is more normative and systematic. In contrast, in the 'Sala' the response is not uniform. This is considered as one of the reasons why the observance of rules and regulations is more an exception these rules. Sometimes because of the heterogeneous character, contradictory rules and procedures coexist. For instance, in the Indian Sala Model, it is very common that the rules are violated. An example that can be cited is the case of open competition and reservation system. While merit is accepted as the criterion to enter the public service, there are also reservations to various social categories where the merit is not the criterion. This is a result of divisions and disparities in the society. A number of such instances can be cited to establish that the administrative culture is largely characterized by the poly-normativism.

With regard to the overlapping in the 'Sala', there are innumerable instances of administrative overlapping. In India, we can observe how the function of education is being performed by not only the governmental agencies but also by local bodies such as municipalities and panchayati raj, voluntary agencies, religious organizations and also private persons. Within the governmental setup, there are varied types of schools. This stretches from running of model schools to a single teacher school in a village. Thus, the multiplicity is the character of Sala Model. One of the major areas of controversy in the Indian administrative system has been the clear out demarcation of functions. There is a continuous debate about the claims and counterclaims of different departments on a particular function. It is this absence of clear-cut demarcation that gives rise to the passage of a file through a number of departments for their comments. Travel of the file upwards and downwards is also partly on account of the large scale overlapping of functions. Therefore, Riggs considers that administration in a prismatic society does not normally follow the methods of an office and therefore, he describes this as a characteristic of Sala Model. Riggs also finds Western nomenclature inadequate to explain either cultural or economic activities. Therefore, he describes the cultural associations as Clects and markets as Bazaar Canteen. Here a brief discussion of these two subsystems in made.

1.2.3.2 Clects -Cultural

In a diffracted society there are a number of clubs and professional associations which cater to occupational, cultural or social needs of its members. In fused societies, there are certain sects based on narrow and familiar loyalties. For instance, the caste system in India can broadly be categorized as a sect. Riggs describes that most of the modern types of associations in prismatic societies have sectarian interests. Therefore, they can neither be called clubs nor sectarian groups. He coined the term clect taking 'cl' from the word 'club' and 'ect' from the word 'sect'. Thus, clect is a cultural subsystem of a prismatic society.

1.2.3.3   Bazaar Canteen Model-Economical

In a diffracted society the market prices and determined by supply and demand. The relation between the producers, seller and the consumers tend to be impersonal. The price, therefore, is fixed on certain systematized norms. In a prismatic society, the market does not perform a similar role. The seller may charge higher price to a stranger and lower price to a friend. Sometimes, the prices are also determined by the capacity of the consumer to bargain. Bargaining and charging price to the same commodity do not fit in the market system. Therefore, the market in a prismatic society is described as a Bazaar as it has its own distinct characteristics. Riggs also gives the example of certain canteens where the food items are sold at a subsidized rate. In certain canteens they may collect higher price to meet some other welfare function. Therefore, he describes the economic subsystem as a Bazaar Canteen model in a prismatic society. This indicates how the macro trends in the larger social system influence all the subsystems in a transitional society. However, this theory is subjected to severe criticism and a lot of debate is going on in the administrative literature. Here certain important criticisms that are levelled against this approach are discussed.

1.2.4   CRITICAL APPRAISAL

The critics pointed out that the ecological approach over emphasizes the importance of the environment and its influence on the administrative subsystem. If administration

reflects the general conditions and characteristics in the society, where from does the change originate? This approach seeks to establish that there is a continuous equilibrium between the larger system and the subsystem. The equilibrium oriented model stands more for stability rather than change. In a developed society, the equilibrium may have a positive impact, but in a developing society where society has to be transformed, equilibrium is not only negative but counterproductive. The ecological approach is criticized on the following grounds.

The administrative structures are entrusted with a heavy responsibility of brining about change in all facets of the community. In fact, the whole discussion on development bureaucracy revolves around the concept of change. The critics of the 'ecological approach do not look at the administrative system as a change agent. The social system that emerges from such an analysis is mostly of static character and affected by the changes outside the bureaucratic system. Thus, it almost establishes the fact that the administration is more a victim of its environment than a viable instrument which can control and change the environment.

The categorization of the societies into fused, prismatic and diffracted is based on the values inherent in a capitalist system since the characteristics of diffracted model are entirely that of a capitalist system. The analysis very clearly indicates the supremacy of the diffracted model over the other models. To that extent, this approach suffers from ethnocentrism.

Hann-Been Lee felt the prismatic and sala models are not very useful to study social changes in the process of development. He said Riggisian models are equilibrium models and they only facilitate in preserving the system but not introducing any change in the system. Hence, Lee came to the conclusion that the Riggisian models are not very useful when the objective of administration is to change the system, rather than its maintenance of the system. Similarly, Daya Krishna criticized the Riggisian models on the ground that they are based on certain assumptions and not on empirical evidence. The assumptions are questionable, he said. When the fused and diffracted societies are imaginary, all the societies are classified as prismatic at various levels of low,

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middle and high. But when there are no scales to measure the levels of 'prismatism', the words 'low', 'middle' and 'high' have no relevance. Furthermore, Daya Krishna pointed out that when change is inevitable in the society, diffracted model is impracticable. A diffracted society represents the equilibrium state and it preserves the status-quo in the society. He also said Riggs failed to take into consideration, the role of external forces on the process of development. When Riggs assumed that the United States is also set to become a prismatic society, Daya Krishna said there is no logic in the three-fold classification of the societies in the background of the concept of development. If the United States is categorized as a prismatic society and the economically background Egypt, a diffracted society, Daya Krishna feels that all developing countries would continue to be prismatic societies. As Riggs considered differentiation and integration as important components in development, it is very hard to identify the desirable level of differentiation and integration required for development. Daya Krishna also criticizes Riggs for not taking into consideration the social aspects besides the scientific and technological reasons for differentiation. The contention that social equilibrium will be disturbed only because of scientific and technological reasons is not very convincing.

Michael Monroe in his criticism said Riggs examined the conditions in developing countries while taking into consideration American standards and the values and concepts of western countries. Riggs only concentrated on the negative characters of a prismatic society and did not highlight the positive aspects of prismatic society. Ramesh Arora said overlapping exists equally in diffracted societies as in prismatic societies but the reasons my be different. He said a prismatic society has also positive aspects like providing healthy competition among the various administrative sub-systems and increase in the efficiency in the administration.

In order to explain his concepts extensively, Riggs used the terms from physical sciences and life sciences. The terms such as fused, prismatic, diffracted, and clect are too confusing to a reader. The same concepts should have been explained in simpler and common vocabulary. This made a critic to remark that the "contribution of Riggs to

administrative theory is confusions". His theory is full of jargons which confuse the scholars and students.

1.2.5 COMPARATIVE PUBLIC ADMINISTRATION (CPA)

Comparative Public Administration is the youngest discipline among the family of social sciences. As an academic discipline, it came into existence in the post Second-World War period. Even though literature on public administration in the pre-War period lacked cross-cultural component, it was not devoid of a comparative element. Besides, it provided necessary background for the growth and development of the discipline in the post-War period. Therefore, it would be pertinent to analyze the early literature from that perspective. The comparative study of administrative system has grown up with the comparative study of politics. Both share common characteristics such as: general outlook identified by behaviouralism, effort to be interdisciplinary in interests and techniques and efforts to arrive at concepts and theories that can be analyzed in cross-cultural and cross-national contexts. However, the study of comparative politics has placed emphasis upon voting behaviour, political attitudes, the activities of interest groups, and so on. It is only now when the concern has come to rest more on the performance of government and the processes of policy making, that the focus of inquiry has been shifting back to institutions. Bureaucracy, being the institution most clearly associated with performance has become the focus of study.

1.2.5.1 Origins of CPA

Before the passage of the Pendleton Act in 1883, spoils system was prevailing in the US. This Act replaced spoils system for selection to the civil services by merit criterion. The passage of this Act was the result of assassination of President Garfield by one of his disgruntled supporter whom the former failed in providing a job. His assassination was followed by political and administrative turmoil in America. While the relevance of spoils system as a method of recruitment was being debated, Woodrow Wilson published his seminal essay The Study of Administration in 1887. In his writing, Wilson floated the idea that certain administrative practices of European countries need be studied and even could be borrowed by the U.S.A., "without adopting their

autocratic spirit". He argued that "if I see a murderous fellow sharpening a knife cleverly, I can borrow his way of sharpening the knife without borrowing his probable intention to commit murder with it". He was interested in gaining more and more knowledge about the administrative systems of European countries and to borrow certain good practices from their administrative systems for incorporating them in the administration of the United State of America. Thus, Woodrow Wilson, the father of public administration, may also be regarded as a pioneer for introducing this element in the study of public administration.

1.2.5.2 Definition

Comparative Public Administration was described by the Comparative Administration Group of the American Society for Public Administration as "the systematic study of political systems with the aim of developing scientific theories, which could be applied to diverse cultures and national settings and the body of factual data, by which it can be examined and tested" (CAG, 1963). Riggs (1973) noted in his definition, that the term "comparative" should be used only for empirical, homothetic studies. He outlines three trends in the comparative study of Public Administration:

   i)   From normative approach towards more empirical approaches;

   ii)   Shifts from ideographic (individualistic) toward homothetic (universals);

   iii)   Shift from a predominantly non-ecological to an ecological basis for the study of Public Administration.

From this definition, it is apparent that the focus of comparative public administration was a major developmental issues faced in American public administration. According F.W. Riggs (1973), the first trend observed from the definition is fairly well established and the other two trends are perhaps only fast emerging.

1.2.5.3 Post Second World War Phase

This literature was restricted to the study of western administrative systems, which represented the same culture. Highlighting the inability of this literature to provide the

discipline of public administration and the status of a 'science', Robert Dahl emphasized the importance of comparison as a pre-requisite for the development of a science of public administration. This provided much needed direction to the discipline and the scholars got motivated to transcend the national boundaries while conducting research in public administration. Thus, dissatisfaction of the scholars with the parochial nature of traditional literature may be stated as an important reason for the growth of the discipline of comparative public administration during the post-War period.

Secondly, during the war period, both sides annexed some of the colonies of the rival forces in the Afro-Asian and Latin American continents. These annexations provided an opportunity to the practitioners of administration to get an exposure to the administrative systems of the annexed countries. They, however, found that the administrative systems of the annexed territories differed a great deal from that of their native system and when they tried the established principles of administration evolved in the western setting, they could not succeed. This evoked an urge among the scholars to study the administrative systems of the countries outside Europe and America.

Thirdly, after the Second World War, several countries of Asia, Africa and Latin America became independent by throwing away the yoke of imperialism. The newly emerged countries were greatly exploited and at the dawn of their independence, they were facing enormous problems like those of poverty, unemployment, hunger, ill-health, illiteracy, agricultural and industrial backwardness, lack of infrastructure, to name a few.

Fourthly, in the post war period, a number of agencies came forward to extend financial support to the institutions and scholars engaged in conducting research abroad, particularly in the developing countries. The Ford Foundation and the Agency for International Development were prominent among them. These agencies were interested to know more about the administrative problems of the emerging countries. This gave impetus to research efforts in comparative public administration.

With financial assistance from the Ford Foundation, the Comparative Administrative Group (CAG) contributed significantly in the study of administrative system of developing countries. Thus, favourable opportunities existed for those interested in conducting research in the field of comparative public administration during the 1950s and 1960s.

1.2.5.4 Scope of CPA

It is as quite difficult to describe the scope of comparative public administration, as that of public administration for, the scope of comparative public administration in coterminous with the scope of public administration. This is because whatever one administrative structure does in one environmental setting is comparable with its counterpart in another environmental setting and is thus, comparable. But now the question arises as to what should be included in the scope of comparative public administration. One may highlight the following broad areas, though the list is, by no means, exhaustive:

1. *Polity*: Irrespective of the nature of State and of the form of government, the polity of a country has always deep imprint on the administrative system. The political leadership, political ideology and the style of functioning of the chief executive are most prominent areas in this connection. Therefore, a comparative analysis of various countries of all the above said areas can be conducted and therefore, constitute an integral part of the scope of comparative public administration.

2. *Social Welfare*: Social welfare covers the problems pertaining to food, housing, health, education, social security, social welfare, employment etc. Various administrative systems devise structures to discharge these functions. The structures performing these functions in diverse environmental settings are comparable and thus fall in the purview of comparative public administration.

3. *Economy:* It deals with the activities of various sectors of the economy viz., industry, agriculture, foreign trade and commerce, public enterprises etc. for ensuring a prosperous and stable economy. All the administrative structures involved in discharging these functions across the globe in different environmental settings can be compared with one another.

4. *Education:* Elementary education is regarded as an important obligation of the administration in almost all the countries of the world. To this end, administrative structures are created by it. Therefore, a comparative analysis of these structures working in one cultural setting may be conducted with their counterparts rooted in another cultural setting. Resultantly, such comparisons also constitute a part of the scope of the comparative public administration.

5. *Defence:* The administration is also obliged to take effective measures in the field of defence as well, for, the stability and progress of a country depends upon how much effectively its policies in the field of defence are. These policies include both maintenance of internal order and defending its external boundaries. Therefore, a comparative analysis of the defence strategies adopted by the administrative systems of various countries is an integral part of the scope of comparative public administration.

6. *Management of Financial Affairs*: Analysis of the entire financial managements of two different administrative structures operating in diverse environmental settings also comes in the fold of comparative administrative studies. This includes the realm of taxation, circulation of money, borrowings, debt structure, foreign exchange and the like.

7. *Administrative Efficiency*: Another area that can be compared in the field of public administration pertains to the efficiency of two administrative structures embedded in diverse environmental settings. It may be found out as to which administrative structure is operating in a more efficient manner in comparison with the other. In this field it may also be compared

as to which one of the two administrative structures possesses more capability in the sense of realising the tasks before it.

8. ***Environmental Protection***: Environment pollution had already become a major threat for the world towards the close of the previous century. Hence, protection and maintenance of the environment in modern times has been recognised as an important obligation of the administration the world over. Consequently, various steps taken to this end by the different administrative structures operating in diverse environmental settings also fall in the ambit of comparative public administration.

9. ***Development of Infrastructure***: The acid test of a country's development and progress is that how efficiently it has developed its infrastructure. Thus the comparative analysis of the different administrative structures related with the construction & maintenance of roads, high-ways, power generation, irrigation, transport and means of communications etc. are engaged in this task in diverse cultural settings can be undertaken and hence, such analyses become part of the scope of comparative public administration.

10. ***Local***: Effective, efficient and well-developed local administration is regarded as the sine-qua-non of the political maturity and development of a country. Hence, comparative public administration also takes into its fold those studies of local bodies that are taken up in diverse cultural settings.

1.2.5.5 CPA - Summing Up

The scope of the discipline of public administration has increased tremendously as the comparative perspective has been added to its fold. This perspective incorporates comparative study of the administrative systems that operate in diverse social, economic, political and cultural milieu. Comparative public administration also studies the administration in historical perspective i.e., conducting comparative studies of the

administrative systems in diverse temporal settings. It utilizes empirical tools which help in making a comparative analysis of different structures operating in different countries for discharging certain common functions. It is now apparent that comparative public administration was viewed as a developmental issue embedded in specific cultures and political settings, . As such, the study of the principles of public administration is inadequate. Therefore, for public administration to be regarded as scientific, it must have pure and applied aspects, as contained in the meaning of comparative public administration.

1.2.6 DEVELOPMENT ADMINISTRATION

After the Second World War, the newly emerged independent Third World countries faced immense problems such as poverty, illiteracy, poor health, low agricultural and industrial productivity and social instability. The governments of these new nations assumed an array of developmental functions with a view to solve the various problems faced by them and take their societies on the path of modernity. Thus, the idea of 'development administration' was born with the above-stated pragmatic concern. As Mohit Bhattacharya says, "The idea of 'development administration' as directly government-led effort to intervene in the process of socio-economic transformation was born at this juncture of Third World history."

1.2.6.1 Origin of the Concept

The term 'development administration' was first coined by an Indian scholar V.L. Goswami in 1955. In that year, he published his journal article titled "The Structure of Development Administration in India." However, George F. Grant, an American closely associated with the Tennessee Valley Authority, is regarded as the father of the concept of 'development administration'. He said that he, along with another scholar Egbert de Vries, had started using the term 'development administration' in 1955 or 1956. According to Prof. Kuldeep Mathur, the concept of development administration, for all practical and academic purposes, is essentially Western in origin. Its genesis lay in the Western model of development in which administration was the vehicle through

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which modernization could be brought about in developing nations. In the 1960s, the CAG recognized development administration as a semi-autonomous sub-field of comparative public administration. From the mid-1960s onwards, the writings of a number of American scholars such as Weidner, Riggs, Ferrel Heady, Irving Swerdlow, Alfred Diamant and many others have laid the intellectual foundations of development administration and contributed to its growth and popularity. Since then, development administration has become a dominant issue as well as a kind of administrative ideology in the developing countries.

1.2.6.2 Meaning and Definitions

Development administration concentrates on developing nations and the developmental plans, policies, programmes and projects undertaken by their governments to bring about speedy socio-economic change. As Pai Panandikar says, development administration is mainly "administration of planned change." He observes that its essence is "holistic change undertaken through integrated, organized and properly directed governmental action." Thus, as Martin Landau says that it is the "engineering of social change." His accent is also on planned change. Its image is transformational, directive and cross-cultural. Development administration employs modern techniques, both social and technical, in the pursuit of developmental objectives. By implication, development administration involves the strengthening of administrative capabilities.

Definitions

Writers on development administration have defined it in different ways. For instance, Montgomery and Fainsod have defined it in a narrow sense. On the other hand, Riggs and Weidner have used the term development administration in a broader sense. We shall now quote some of the definitions here.

(I)	According to Montgomery, development administration is concerned with "carrying planned change in the economy or capital infrastructure and to a lesser extent in the social services, especially health and education."

(2)   According to Merle Fainsod, development administration "embraces the array of new functions assumed by developing countries embarking on the path of modernization and industrialization." It "ordinarily involves the establishment of machinery for planning economic growth and mobilization and allocating resources to expand national income."

(3)   According to Riggs, development administration "refers to the administration of development programmes, to the methods used by large-scale organizations, notably governments to implement policies and plans designed to meet their developmental objectives."

(4)   Edward Weidner defines development administration as "an action- oriented, goal-oriented administrative system." Development adminis-tration, he says, is concerned with "the process of guiding an organization towards the achievement of progressive political, economic and social objectives that are authoritatively determined in one manner or another." It is "concerned with maximizing innovation for development." Innovation means the "process of planned or intended change in the direction of modernity or nation-building and socio-economic change." From an examination of the various definitions quoted above, it becomes clear that development administration is concerned with achieving national development in poor Third World countries.

1.2.6.3 Two Aspects of Development Administration

Development administration has two aspects:

(1)   Administration of development.

(2)   Development of administration.

The first refers to the administration of developmental programmes that aim at socio-economic transformation of society. The second involves the reforming and strengthening of administrative capabilities. These two aspects of development administration are interrelated and interdependent. Their simultaneous presence is needed for the success

of developmental programmes in the Third World countries. According to Riggs, the reciprocal relatedness of these aspects involves a chicken and egg type of causation. Administration cannot normally be improved very much without changes in the environmental constraints that hamper its effectiveness; and the environment itself cannot be changed unless the administration of developmental programmes is strengthened. Thus they are intertwined.

1.2.6.4 Issue of Developmental – Non-developmental Dichotomy

Since all public organisations have goals, they could (by virtue of having any goal-orientation) claim to come under the scope of development administration. This poses the problem of distinguishing between the developmental and the non-developmental public organisations. It has been recognised that development administration is generally similar to the "traditional" (apparently non-developmental) public administration in so far as how rules, policies and norms are implemented by government organisations. On the other hand, it is contended that a developmental administrative system differs from a non-developmental one in its objectives, scope, complexity and degree of innovation in its operation.

In attempting to explain such differences, Swerdlow (1963) has used examples of an urban renewal programme (apparently developmental) and the running of a city water department (apparently non-developmental).

A popular contention in developing nations appears to be that developmental processes start only after political freedom has been achieved. Thus, distinctions are generally made between a colonial and a non-colonial bureaucracy. Such distinctions generally overlook the fact that even in the colonial period, a country may have had developmental programmes and plans, such as in undivided India (contemporary India, Pakistan, Bangladesh) had in the early 1940s, and that it is equally plausible that a country with self-government may be unable to initiate programmes which could truly be called "developmental". It would be an over-generalisation to claim that a colonial administration is a "law and order" administration, while public administration under

self-rule is a developmental administration. It is well recognised that maintaining law and order, curbing communal violence and countering terrorism takes priority in most emergent nations, while the development efforts generally suffer due to a variety of factors.

Often in an administrative system, some organisations are termed (or treated) as developmental, while others are not. There could be certain structures, such as developmental planning units and development banks, which seem, by definition, to relate particularly to development programmes. However, this does not imply that there exist any purely non-developmental agencies.

When rigid distinction is made between developmental and non-developmental activities and some particular officials are designated as "development officials", there is a danger that the morale of other (non-developmental) officials could go down. In allowing such a dichotomy to result in an emphasis on "new" institutions for development, planners may neglect the real adaptation of "existing" institutions to changing environmental conditions.

It is worth recognising, for example, that the success of taxation, customs, excise, defence, intelligence organisations, law and order is fundamental to the success of developmental organisations and activities. Contemporary India, Pakistan, Sir Lanka and Bangladesh have to apportion a large chunk of financial resources on internal and external security. This is done at the cost of development. These countries could have scored a higher level of socio-economic development had they experienced a more stable and secure environment.

Another factor contributing to this apparent dichotomy is a conception or impression that development administration is concerned solely with the administration of developing countries. It is almost impossible to find totally developmental real-life situations, although most programmes in developing countries have acquired a developmental thrust. In the literature on development administration, there has been a heavy emphasis on the study of bureaucracies in "developing" nations and relatively

little attention has been paid to bureaucracies in "developed" countries.

With the political, economic and socio-cultural systems of "developed" countries passing through a period of turbulence, it is imperative that developed nations also increasingly focus on the problems of managing multidimensional change and the issue of enhancing the capabilities of administrative systems to respond appropriately (and positively) to the challenges of environmental transformations. In contemporary western nations, continuing socio-economic and political development has thrown up new administrative problems.

Development administration, by its very nature, is innovative (Katz, 1970). However, this should not imply that there are some administrative systems which lack innovation completely and, therefore, are entirely non-developmental. What this means is that an administrative unit devoted to the attainment of developmental goals is likely to need greater innovation and creativity than the one engaged primarily in "routine" administrative activities. In present-day India, Pakistan, Bangladesh and Sri Lanka, increasing innovative systems are employed to curb economic offences, cyber crimes, terrorism and insurgency. The devices adopted by the governance system in enhancing the capability of the internal security and the financial systems are mind-boggling. In fact, latest developments in information technology are being employed to systematically update the "regulatory" (or the so-called "non-developmental") administration. There is bound to be international cooperation in this realm in all South Asian countries.

It should be clear, then, that distinctions between developmental and non-developmental administrations couldn't be made. Too often a dichotomy, which makes sense in ideal-type terms, is assumed as paralleled by absolute differences which are associated with specific concrete organisations. Like the politics–administration dichotomy, the error in making such distinctions lies in the attempt to separate completely where differences lie only in degree of emphasis; as with "warm" and "cold" water in that what is "developmental" in one setting might not be so in another. Nothing is either fully developmental or non-developmental "except as thinking makes it so". Nevertheless, as the term "development administration" is used in literature it refers to

those administrative systems or organisations which are centrally concerned with the achievement of progressive socio-economic and political goals and are innovational in attitudes and operation.

Furthermore, administrative systems of all developing nations are considered to be engaged in the dynamics of development administration, though the developed nations cannot be kept outside the ambit of development administration.

1.2.6.5 Nature of Development Administration

A brief reference to the nature of development administration is not out of place here:

1. Development administration is relatively a recent development, a post -Second World War phenomenon. It is a by-product of comparative study of public administration. It has a distinctive identity in relation to developing countries.

2. It is rooted in the field since most of the developmental activities take place at the field level away from the headquarters.

3. It emphasizes decentralization of authority. It enables the field units to take decisions on the spot in response to people's demands.

4. It focuses on the participative, responsive and accountable management. It is its distinguishing mark and constitutes its essence.

5. It is ecological in nature because the outcome of any developmental activity is conditioned by its environmental factors-social, cultural, economic and political.

6. It is closely linked with politics. The impulse for socio-economic change comes more often from the political leadership of the nation. The 'what' and 'how' of development are political questions which are usually decided by political leadership.

1.2.6.6 Scope of Development Administration

With the de-emphasis on the dichotomy between development administration and non-development administration, the scope of development administration as a discipline (as well as a profession) has increased enormously in recent years. The discipline (or the study of development administration) has focused on the progressive goals of administrative systems and has strengthened the ideological orientation of public administration. Values have taken a central place in the analysis of development administration. Secondly, these progressive goals are being studied in a very wide context involving political, economic, social, cultural and technological systems. The students of development administration are examining the variegated dimensions of political, economic, social, cultural and technological development in an objective manner. Thirdly, development administration analysis is not confined to national boundaries; it transcends them and has become cross-national and cross-cultural in its approach and orientation. Fourthly, its expanding intellectual network has enveloped a number of branches of public administration that have their origin in various functional administrative areas. For example, areas such as industrial, agricultural, educational and health administration and the continually growing intellectual network of development administration would encompass irrigation and social welfare administration.

Therefore, development administration (going beyond the issues of large-scale transformation in developing countries), helps in strengthening the empirical base of public administration as a discipline and makes it more "rigorous". Its ideas and lessons can be successfully utilised for facilitating the process of all-round development.

Little wonder then that development administration, during the past four decades, has influenced governance at national as well as international levels. In Asia, Africa and Latin America, the concerns of holistic transformation of societies has penetrated into the philosophy and practices of governance. The interdependence of political, economic, social, cultural and technological development has become a widely accepted truth. This has made the strategies of national transformation increasingly multi-faceted and

ecological in orientation. The administrative system, being the crux of the governance system, has become an integral component of any process of change. It is impossible to conceive of "development" in any realm without first examining the requisite role of the administrative system. What lends sustainability to the process of development is a sound administrative system that provides vitality and viability to the change process.

The process of nation building has become closely intertwined with the process of institution-building as a result of the thrust of development administration. Whether it is urbanisation, rural transformation, educational development, health improvement, women's welfare, childcare or technological growth, no organised development is possible without systematic planning, programming, coordinating, human resource management and administration of non-human resources. The dimension of effectiveness in the process of governance has taken a crucial place. Undoubtedly, this is a clear impact of the sprawling scope of development administration.

Development administration has paved the way for a new humane administration. It has propelled the promotion of enterprising and inspiring leadership that generates a motivational climate and induces the best among the personnel forming the network of development organisations. This has led to expansion in the scope of development administration. With the emergence of strong faith in the philosophy of liberalisation, globalisation, privatisation and public-private partnership, the scope of development administration is transcending the public (government) systems and influencing the functioning of the emergent modified private sector. In times to come, the scope of development administration is bound to expand even further.

1.2.7   LET US SUM UP

The discipline (or the study of development administration) has focused on the progressive goals of administrative systems and has strengthened the ideological orientation of public administration. Values have taken a central place in the analysis of development administration. Secondly, these progressive goals are being studied in a very wide context involving political, economic, social, cultural and technological

systems. The students of development administration are examining the variegated dimensions of political, economic, social, cultural and technological development in an objective manner. Thirdly, development administration analysis is not confined to national boundaries; it transcends them and has become cross-national and cross-cultural in its approach and orientation. Fourthly, its expanding intellectual network has enveloped a number of branches of public administration that have their origin in various functional administrative areas. For example, areas such as industrial, agricultural, educational and health administration and the continually growing intellectual network of development administration would encompass irrigation and social welfare administration.

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1.3 POLITICS-ADMINISTRATION DICHOTOMY : NEW PUBLIC ADMINISTRATION

- Dr. Durga Rao

STRUCTURE

1.3.0   Learning Out comes

1.3.1   Politics – Administration Dichotomy

1.3.2   New Public Administration (NPA)

1.3.1 Ist Minnowbrook Conference- September 1968

1.3.2 IInd Minnowbrook Conference - September 1988

1.3.3 IIIrd Minnowbrook Conference - September 2008

1.3.3   Summary

1.3.4   References

1.3.0   Learning Out comes

After reading this chapter you will be able to know

- The concept of Politics – Administration Dichotomy and its implications

- The concept of New Public Administration (NPA)

- An overview of Ist Minnowbrook Conference, IInd Minnowbrook Conference and IIIrd Minnowbrook Conference

1.3.1 Politics – Administration Dichotomy

The discipline of Public Administration as a distinct field of systematic study cannot claim to have a long history of trajectory. However, with the growing importance of government in the wake of expanding public functions, a need was felt by practitioners and academicians alike for the better management of public affairs through scientific study and analyses. This need was keenly felt in USA by Woodrow Wilson as a result he wrote and published his essay 'The study of Administration' in the Political Science Quarterly in 1887. Wilson wrote: "There should be a science of administration which shall seek to strengthen and purify its organization and to crown its duties with dutifulness". This essay laid the foundation for a separate, independent and systematic study of public administration. Hence, Wilson is regarded as the 'Father of Public Administration'.

Wilson's contribution to Public Administration can be seen from four interlinked standpoints:

a) His advocacy of a 'Science of Administration';

b) His emphasis on nature of administration by distinguishing administration from politics;

c) His prediction for private business administration;

d) His initiative for need of comparative study of administration.

The notion of politics-administration dichotomy was originated in the late nineteenth and early twentieth century. It was first raised by Woodrow Wilson and this separation has acquired the name after him i.e., The Wilsonian Dichotomy. He argued that politics and administration are two separate field of study. He argued that politics deals with the or contemplate matters of policy making whereas administration looked into the

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matters after the implementation of policy decisions. According to him, the field of administration is the field of business. It was removed from the hurry and strife of politics. Administration lies outside the sphere of politics. He further said that politics is the special province of the statesman and administration that of the technical officials. His principal argument was that administrators should concentrate on the functioning and management procedure of the government rather than on substituting their judgement for that of elected officials. It was this basic idea that came to be called Politics-Administration Dichotomy. He was critical of the fact that American administrative practice was devoid of any scientific method. By contrast, he thought administrative science was well developed in Europe in the hands of the French and German academics. Wilson felt that the reason for slow growth of science of administration in America was the reigning concept of popular sovereignty. To him, more important than the debate on constitutional principles was the need for the systematic analysis of administration leading to the development of 'science of administration'. Because of this, he wrote that "It is harder to run a constitution than to frame it". The real challenge was not how authority would be defined, but how it was to be actually used on regular basis by administrators who must operate the on-going functions of the government and implement the new policies.

Thus, the politics-administration dichotomy rests on the structural-functional approach, bifurcating the government authority between elected and administrative officials along with functional lines. Wilson's rudimentary ideas have gradually evolved into a model of public administration that had a tremendous influence on the intellectual identity of the discipline until mid 1940s. As a result of substantive critiques, the politics administration dichotomy has lost some of its theoretical and normative appeal and consequently gives rise to the development of alternative models. The fading primacy of the dichotomy has not ended the controversy over the role of public administration in the political process. This long standing controversy is important to both academics and practitioners because it relates intimately to identity of the discipline as well as the future development of the public administration profession.

According to Patrick Overeem, the meaning of dichotomy refers to the three aspects-its content, purpose and its relevance. The content refers to the way in which the dichotomy has been and can be conceptualized. The purpose refers to what the dichotomy has been or can be intended for? He suggested that dichotomy has a distinction in thought as well as separation in practice so these are not similar. He purposes that the politics administration dichotomy can be intended to make four different claims in terms of its Theoretical, Practical, Descriptive and Prescriptive aspects. Whereas the relevance considers whether and why the dichotomy has been and can be endorsed or accepted. Therefore, some scholars have accepted the dichotomy whereas some refused and opposed the notion of politics administration dichotomy.

The politics administration dichotomy was accepted and supported by Frank J. Goodnow and Leonard D. White. In 1900, Goodnow published his book 'Politics and Administration: A Study in Administration' in which he further expanded the wilsonian theme. As compared to wilson's rhetorical and analoguous essay Goodnow's book was much more sober, rigorous and coherent. It was quite practical its approach to public administration. He insisted on the importance of knowing the actual working of government rather than its formal setup and argued that the constitution cannot be understood without knowing or having the knowledge of administrative system. Like Wilson, he was oriented on the reforms and improvement of public administration. According to him, the spoil system resulted from the 'failure to distinguish administration from politics.

Thus, he considered politics and administration as two different functions and contends that in all kinds of governments "the action of the state as a political entity consists either in operations necessary to the expression of its will, or in operations necessary to the execution of that will". In other words, "Politics has to do with the policies or expressions of the state will and administration has to do with the execution of these policies". Goodnow defined administration as the function of executing the state will, he later specifies a more institutional meaning of administration. He posted that politics

and administration are functionally and institutionally different. He observes that administration consists of two parts, namely, the administration of justice and the administration of government. The first category comprises the judiciary, which must necessary be free from political interference. He argued that not only the administration of justice, but also most parts of the administration of government should be performed independently and remains exempt from political control. The only part of administration left to direct political supervision is the administrative subfunction that was of purely executive work. This means that a large part of administration remains unconnected to politics.

Goodnow not only separates administration from politics, but he also subordinates administration to politics. The subordination was limited to only a small part of public administration; the rest was considered independent. Later on, although Goodnow recognized the importance of political control over some part of administration, he warned against its extension too far. Thus, Goodnow's dichotomy contains both the subordination of administration to politics and the separation of other parts of administration from politics. Like Wilson, he emphasis on the separation aspect than on subordination. Goodnow repeatedly argued that one cannot understand administration without understanding politics and vice-versa. On the contrary, like Wilson he aimed not only at a theoretical distinction, but also as a separation between them in practice because of his reformist purposes.

Later on, in 1926, Leonard D. White released "An Introduction to the Study of Public Administration" which was recognized as the first textbook on the subject of public administration. It reflects the theme of that period i.e. politics-administration dichotomy along with highlighting that economy and efficiency should be the watchwords of Public Administration. With this publication, the discipline on public administration as a subject picked up academic legitimacy and as a result, the American universities started to offer courses of instruction in public administration.

1.3.2 New Public Administration (NPA)

The New Public Administration (NPA) was evolved to denote the academic advancement which took place in the discipline of public administration as a result of Minnowbrook Conferences. The concept of NPA was born because of turbulence and urgent problems in America during 1960s. There was social disturbance during the 1950s and early 1960s. This social disturbance was coupled with the other aspects of economic crisis; political violence; conflict among forces and declines in the fidelity of institutions has led the turbulence situation. Dwight Waldo in his article Public Administration in a time of Turbulence observed that the period of 1960s was surrounded by numerous societal problems but neither the theory nor the practice of public administration responding in an appropriate way to tackle the situation.

Further there was also deep sense of dissatisfaction among practitioners regarding the existing state of discipline and especially its obsession with efficiency and economy- the salient feature of traditional public administration. The mainstream public administration was preoccupied with management ideas, issues and principles. The objective was to maximize economy and efficiency. The course content and practice of public administration was found irrelevant and un-useful to the vital problems of society. The public administration on 1960s in United States came under the influence of younger generations which was dissatisfied with contemporary status of public administration. Thus the rejection of old ideals and acceptance of new ideals changed the public administration in terms of theory and practice and provided an impectus for a new approach called New Public Administration.

The major landmarks in the emergence and growth of New Public Administration were:

I. The Honey Report on Higher Education for Public Service, 1967;

II. The Philadelphia Conference on the Theory and Practice of Public Administration, 1967;

III. Publication of an article entitled Public Administration in a time of Revolution, 1968 by Dwight Waldo;

IV. The Minnowbrook Conference, 1968;

V. Towards A New Public Administration: The Minnowbrook Perspective, 1971 (edited by Frank Marini);

VI. Publication of Public Administration in a time of Turbulence, 1971 edited by Dwight Waldo;

VII. Publication of George Frederickson's book entitled New Public Administration in 1980.

1.3.2.1 Ist Minnowbrook Conference- September 1968

The Minnowbrook Conference was the most significant development which led to emergence of NPA. The conference was held at Minnowbrook, a small conference centre owned by Syracuse University in September 1968 under the leadership of Dwight Waldo.

In the conference 33 young scholars and practitioners assembled to critically examined the field of public administration and develop measures for the future of discipline i.e., to redefine the focus of public administration theory. The objective of the first minnowbrook conference was to discuss how public services can better respond to the turbulence and critical problems at that time.

The nature of the conference was contentious, confrontational and revolutionary but theoretical. Frank Marini and Fredrickson summarised the theme of the conference as relevance, anti-Positivism, dissatisfaction with the discipline, personnel morality and ethics, innovation, improved human relations, responsiveness, social equity etc. Some of the themes/goals identified in this conference were so relevant that they have become important aspects of the present day administration. These are explained below:

1. Relevance: Public Administration had always emphasised on efficiency and economy. It gave sheer importance to the tools and techniques. According to NPA, these tools and techniques should be based on social context and should consider the social problems, woes and worries. Public Administration should not remain the ivory tower. It should be linked and located in the practice i.e., firmly rooted in the society. Thus, NPA has brought the discipline more close and relevant to the realities of society.

2. Values: NPA explicitly announced its basics normative concern in administration analysis. It openly rejected the value-neutral concept of the orthodox public administration. NPA advocated that administration should work for the disadvantaged, under-privileged and marginalized sections of the society. Thus, values should be imbibed in the organisation.

3. Social Equity: NPA advocated that the realization of social equity should be the objective of public administration. It means that public administration should become the champions of the weaker section of the society. They should use their discretions in administering the plans and programmes to protect and promote the interest of the marginalized and the poor.

4. Change: The social equity can be attained through social change. Thus, there is an urgent need to address the ever widening social gap. The NPA emphasizes that public officials should become active agents of social change and non-believers in status-quo. It suggests innovations in administrative machinery for bringing social transformation.

5. Client- focus: The NPA advocated a client-focused approach. It stressed not only on providing the goods and services to their clients but also giving them a voice in how, what and when these services are to be provided.

A number of scholars have expressed their ideas on NPA. They are:

According to **Robert T. Golembiewski-** NPA has three anti-goals and five-goals. The anti-goals are those goals which were rejected by Golembieski and they were:

i. Anti-Positivist: The positivists believed in facts and devoid of normative (values). But he belived that values has a lot to do with the administration.

ii. Anti-Technical: Technical refers to mechanistic approach i.e., man is like machine or a cog in the wheel. Golembieski was against the technical views.

iii. Anti-hierarchical: Hierarchy means authoritarian, top-down and rigid and he was against hierarchic structures.

The five goals outlined by the Golembieski were similar to general goals of the NPA. He simply added one more goal. They were Relevance, Values, Social equity, Change and Progressive approach.

Frederickson observed that New Public Administration should emphasize on – a) Change and Administrative responsibilities b) Rationality c) Worker's participation, d) Structure e) Education and Training.

He remarked that "the newness is in the way the fabric is woven, not necessarily in the threads that are used. And the newness is in arguments as to the proper use of fabric, however, threadbare". All the ideals say democratic participation, structure, decentralization and policy orientation etc., has existed from before. The only difference is that how they are being used and defined make the difference. Previously all these ideas did not give a coherent look to public administration. But after the Minnowbrook conference, a new coherent and fresh look had been given public administration and thereby defining its status, roles and responsibilities.

Criticism: Though NPA movement brought public administration closer to political science, it was criticised as anti-positivist, anti-theoretic and anti-management by Golembiewski.

Robert T. Golembiewski describes it as " revolution or radicalism in words and status-quo in skills or technologies.

Dunn and Fozouni argued that NPA was illusory and had just created a myth of revolution in the field of public administration.

Carter and Doffey doubts whether the social quity is actually getting recognized as an established objective of public administration, apart from the prevailing objectives of efficiency, effectiveness and accountability.

1.3.2.2 IInd Minnowbrook Conference - September 1988

The second Minnowbrook Conference was held in September 1988, that is exactly twenty years after the first one. The Minnowbrook II, unlike I, was attended by scholars from different disciplines such as economics, policy analysis, law, urban studies etc. The conference focused in analyzing the changes that had taken place in two decade-1968-1988 and to define the future status, roles and responsibilities of public administration.

The decade of 1970s was known for crisis-fiscal crisis and legitimacy crisis. The notion of ;welfarism' or big state was challenged by New Right Philosophy. The New Right Philosophy advocated for rolling back of the state i.e., minimal state. Under welfarism, the state has become so big that it became unmanageable. On the contrary, there were a number of governments which adopted the New Right Philosophy and doing well such as United Kingdom under Margaret Thatcher and United States under Ronald Reagan. These developments provided incentives to cynics and critics. In this background, the Minnowbrook II took place.

The Minnowbrook II was chaired by Fredrickson. According to him, The second Minnowbrook conference was designed to compare and contrast the changing role of public administration. Its nature was more civil, more practical, more pragmatic, less radical and more respectful to seniors professionals. It laid emphasis on leadership, constitutional and legal perspective, technology, policy and economic perspectives.

Some of the major ideas of Minnowbrook II were similar to that of Minnowbrook I such as social equity, democratic values, acceptance of heterogeneous nature of workforceetc. The additional ideas of Minnowbrook II were- (a)The state should act as a facilitator rather than a provider, (b) The third party governance, contracting out, outsourcing, voluntarism, mergers, acquisitions, liberalization, privatization and

globalization-market governance, (c) The values of public purpose came to be steadily replaced by emerging values of private interest.

The public administration and governance has witnessed many challenges and changes after Minnowbrook-II. The notable among those are:

i. The NPM approach to governance, a normative conceptualization of public administration has emerged.

ii. The publication of David Osborne and Ted Gaebler 'Reinventing Government' in 1992- redefined the functions of the government and favoured an " Entrepreneurial Government" for bringing radical changes with the focus on de-bureaucratization, democratization and decentralization of the administrative processes for the citizens interest.

iii. The advent of Liberalization, Privatization and Globalization has made the public administration as 'Enabler' or 'Facilitator'.

1.3.2.3   IIIrd Minnowbrook Conference - September 2008

During the last two decades, the world has recognised various extraordinary changes and it is argued that public administration is reasserting its role and leading the way in addressing the contemporary problems. Therefore, the goal of Minnowbrook III was to "critique the current state of public administration, public management and public service and examine the future of the field".

Minnowbrook Conference III is an academic get-together of scholars of public administration across the world under the chairmanship of Rosemary O'Leary at Syracuse University on the theme of '**The future of Public Administration, Public Management and Public Service around the World'**.

The focal areas of the conference are:

i. Academics-Practitioner relations: It examines how the academic field of public administration is concerned with the practical aspect of public administration. Therefore,

there is a need to create appropriate links to connect academics (theory) and practitioners (practice) in order to ensure the relevance and legitimacy of public administration.

ii. Democratic performance management: ensures performance of the organisation in terms of efficiency, effectiveness, and democratic values such as equity, accountability and transparency .

iii. Financial management: Financial resources are the life blood of the organisation. It determines the effectiveness of public service delivery networks, performance, entrepreneurial activities and to undertake reforms.

iv. Globalization/Comparative perspectives: Globalization has its impact both on the theory and practice of public administration. Now, the policy issue that was domestic, national and international was not confined to national boundaries only. Therefore, Minnowbrook III, advocates to move the field of public administration with a Global Perspective in changing scenario.

v. Law, Politics and Public Administration Management: Public administration and its relationship with management and law has been considered in all the three Minnowbrook conferences. Thus, there is a need for integrated approach in order to resolved the issues which the earlier minnowbrooks conferences were unable to resolved.

vi. Leadership: There is a need to develop public leadership which is distinct from leadership and which strives for common good, for the purpose of certain public values. Therefore the conference provides certain propositions relating to the leadership.

vii. Methods/Interdisciplinary Networks, Performance Measurement: There is a need of intellectual diversity of public administration, both in terms of methods and theory, and the relevance of the discipline. There have been policy networks, collaborative networks and governance networks with which public administration has been able to deliver goods and services to its citizens.

Public Administration values and theory; Social equity and justice; Transparency and Accountability; Information Technology and Management are the other core concerns of the conference.

The conference was held in two phases- First phase: 3rd -5th September, 2008 and second phase: 6th -7th September, 2008.

- **Phase I -** The first phase, a 'pre-conference workshop' was attended by 56 young emerging scholars. The scholars were asked to present their views. Based on the presentation, they agreed upon the following ideas- values and ethics, information technology and management, leadership, administrative ethics, globalization and comparative public administration.

- **Phase II -** In phase II, the established and experienced scholars assembled. It was more of discussions than presentations. The topics for discussion were taken both from old and young scholars. Out of 300 proposals submitted, 80 were accepted. The major outcome of phase II was the definition of Public Administration- 'Public Administration is a socially embedded process of collective relationships, dialogues and actions that promote human flourishing for all'.

The paper/articles of both phases are published in a book titled: The Future of Public Administration around the World: The Minnowbrook Perspective edited by Rosemary O'Leary, David Van Slyke and Kim in 2010.

1.3.3   Summary

The notion of politics-administration dichotomy was originated in the late nineteenth and early twentieth century. It was first raised by Woodrow Wilson and this separation has acquired the name after him i.e., The Wilsonian Dichotomy. He argued that politics and administration are two separate field of study. He argued that politics deals with or contemplate matters of policy making whereas administration looks into the matters after the implementation of policy decisions. According to him, Administration lies

outside the sphere of Politics. His principal argument was that administrators should concentrate on the functioning and management procedure of the government rather than on substituting their judgement for that of elected officials. It was this basic idea that came to be called Politics-Administration Dichotomy.

The concept of New Public Administration emerged because of turbulence and urgent problems in America during 1960s. Dwight Waldo in his article Public Administration in a time of Turbulence observed that the period of 1960s was surrounded by numerous societal problems but neither the theory nor the practice of public administration responding in an appropriate way to tackle the situation. The course content and practice of public administration was found irrelevant and un-useful to the vital problems of society. The public administration of 1960s in United States criticised by younger generations and provided an impetus for a new approach called New Public Administration. So far, three conferences were conducted under the banner of New Public Administration. They are Ist Minnowbrook Conference- September 1968, IInd Minnowbrook Conference - September 1988 and IIIrd Minnowbrook Conference - September 2008.

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1.4 NEW PUBLIC MANAGEMENT : THEORIES OF GOVERNANCE : NEW PUBLIC SERVICE

- Dr. Durga Rao

STRUCTURE

1.0   Learning outcomes

1.4   New Public Management

      2.1.1 New Public Management Perspective

      2.1.2 Basic Theme

      2.1.3 Thrust areas of NPM

      2.1.4 Features/Principles of NPM

      2.1.5 Impact of NPM

2.2 New Public Service (NPS)

2.3 Theory of Governance

2.4 Summary

2.5 References

2.0 Learning Out comes

After reading this chapter you will be able to know

- The concept of New Public Management, its basic theme, thrust areas and impact

- The concept of New Public Service and its postulates

- Various nuances of Theory of Governance

1.4   New Public Management (NPM)

Globalization has a significant impact on the public administration emphasising on reinventing public administration with a management perspective. From 1980s onwards, an objection has been posted to administration to reduce dependence on bureaucracy, reduce expenditure and seek to explore new ways of delivering public services. NPM movement prescribes a set of reform measures of organising and offering the services, with market mechanism, to the citizens. The domain of government has been expended to private and non-profit sectors as well. Bureaucracy was considered to be too unwiedly, ineffective, inefficient, unresponsive and unable to compete and tackle the problems. An aggregate of several factors has given rise to NPM Perspective. These can be an increase in the government expenditure, Influence of neo-liberalism, Impact of New Right Philosophy, Public Choice Approach and Washington consensus. The evolution of NPM movement was one of the significant aspects in the discipline of public administration. Its focus was on:

i.   Restructuring Government along with the market forces;

ii.   Emphasising on performance evaluation and quality improvement and;

iii.   Focusing on effective provisions of service and creating value for money for the customers.

Thus, NPM is an acronym to describe a vast range of contemporary administrative changes. Rather it is an umbrella term which represents the world wide government restructuring programmes that took place in developed countries in 1970's and in developing countries in 1990's. NPM was a response to the changes because of Liberalisation, Competitiveness and technological advancement and changes. It subsumes activities such as reforms, renewal initiatives, refreshment and rethinking.

2.1.1 New Public Management Perspective

During the period of 1980s and 1990s, it is commonly accepted that governments from all over the world became bloated and ineffective due to the various function performed by public sector and government become incapable to perform and manage the states affairs effectively. David Osborne (1993), one of the pioneers of New Public Management (NPM) movement argued that the outmoded way of doing business in an environment of technological and social changes, is the main reason for organisational ineffectiveness. He advocated reinvention of government in terms of organisation, size and nature for making governments effective and efficient.

The NPM perspective came into existence in the 1990s. It was represented as the second reinvention in the discipline of public administration. With the publication of David Osborne and Ted Gaebler book in 1992 entitled 'Reinventing Government' heralded the birth of the New Public Management. It was recognised by various names such as Managerialism by Pollitt, Entrepreneurial Government by Osborne and Gaebler. It was also called post-bureaucratic model.

From 1980s onwards, the society has changed not only by changes in technology, but also by social change as well. Now, organisations must be lean, fast on its feet, responsible to its citizens, capable enough to adjust to constant change and tried to improve productivity continually. In other words, organisations need to be entrepreneurial. This can apply to private, public and non-profit sector.

2.1.2 Basic Theme

NPM aims at achieving the 3Es- Economy, Efficiency and Effectiveness. It emphasises on the important role of the 'market' as against the 'state' as the key regulator of society and economy. Thus, NPM suggests a series of shifts in the way in which the public sector should be organised and managed to meet the new challenges of Liberalisation, Privatisation and Globalisation. The pivotal theme of NPM summarised by Osborne and Gaebler was that "We don't need more government; we need better government. To be more precise, we need better governance. Governance is the act

of collectively solving our problems. Government is the instrument we use. The instrument is outdated and it is the time to remake it".

The formation of NPM perspective has following directions:

i. It focuses on entrepreneurial management that is opposite to traditional bureaucratic administration;

ii. NPM explicitly sets the standards and measures performance;

iii. It emphasises on output control;

iv. It focuses on the importance of disaggregation and decentralization;

v. There is a shift in the promotion of competition in the effective delivery of public services.

2.1.3 Thrust areas of NPM

i. Downsizing the Bureaucracy;

ii. Minimal State;

iii. New ways for delivering public services;

iv. Delivery of high quality services, that is quality improvement;;

v. Formulation of welfare policies;

The emphasis of NPM is on managerial autonomy, quality improvement, contracting out, output targets, innovation, competence, accountability, market-orientation, flexibility, performance appraisal, competition, cutting of cost, choice, responsiveness, information technology, debureacratisation, financial incentives, decentralization, downsizing and entrepreneurialism.

According to Hays and Kearney, some core principles of NPM are - Privatization, Debureaucratisation, Decentralisation, Downsizing and Manageralism.

2.1.4 Features/Principles of NPM

Ted Gaebler and David Osborne tried to find the answer of the question that: How a bureaucratic form of organisation can take and transform it into an entrepreneurial system? They travelled around more than five years and examined the entrepreneur public organisations and asked them a question that- what has they changed in their system that has changed everything else? Thus, they identified ten principles that emphasise on how public organisational structure transform and move from centralised to decentralised, from monopolies to competition, from bureaucratic to market mechanism, from funding inputs to outcomes/results. Out of ten principles, they found only 6 principles in practice as: Catalytic Government, Competitive Government, Mission-Driven Government, Result-Oriented Government, Customer-Driven Government and Enterprising Government. The other four principles are equally important as: Decentralization, Community-Owned Government, Anticipatory Government and Market-Driven Government. These 10 principles can be used to address many problems in an organisation. Thus, by incorporating these principles in organisation can help the managers in developing new ways to address the existing problem.

In 1992, David Osborne and Ted Gaebler came out with a publication of 'Reinventing Government'. The publication became an instant success in 1990s. This book was not born out of some theory, ideology or institutions rather it emerge out as a by-product of studies of actual practices of government agencies in America. It provided prescriptions, explanations and descriptions relating to the best practices in American administrative system. The book became a model to address the 21st century governments. It suggested a ten-point programme called 'Ten Commandments' which comprised of ten chapters of the book. The chapters came to be known as Entrepreneurial Government (EG). These are explained below:

1.   **Catalytic Government:** Government should steer rather than row which means in traditional bureaucratic model in order to solve a problem, bureaucracy was created and staffed by civil servants and they delivered the

public service. This was an expensive way to do business. There are various available alternatives also. Osborne and Gabbler identified 36 alternatives to traditional public service delivery. Its difficult to change large organisation if efficient employees will be retained in the office. Thus, Government needs to separate steering from rowing so that those who are steering have some flexibility.

2. **Community-owned Government:** The government should take out the control form bureaucrats and let the community take its decisions. Thus, government should empower and strengthen the citizens, families and communities to solve their problems themselves.

3. **Competitive Government:** The government should inject competition among stakeholders in service delivery by rewarding efficiency and economy. This increases performances by providing effective cost efficient services which reduces cost.

4. **Mission – driven Government:** The public organisations are driven by rules and budgets. Thus, entrepreneurial organisations tend to minimise the rules and focus on their mission. In other words, it means transforming the government from rule-oriented to mission/goal oriented.

5. **Results–oriented Government:** The government 'should measures the results of what an agency does and ties incentives in achieving those results. It should measure the performance of its agencies mainly in terms of outcomes and not inputs.

6. **Customer–driven Government:** The best way to tie spending to results is to give the resources to the customers and let the customer choose the service provide. The providers are responsive to their customer and they compete for lower costs and raise quality. The government should regard its clients as customers.

7. **Enterprising Government:** The government should emphasise on the earning money rather than spending.

8. **Anticipatory Government**: The government should identify and prevent problems rather than cure. Thus, the government should prevent needs from arising in the first place and not just deliver services to meet ends.

9. **Decentralised Government:** The government should decentralise authority, that is, disperse authority from higher to lower levels. It means empowering employees, pushing decisions down from one level of government to another. It involves a shift in working pattern from hierarchical control to participatory management and teamwork.

10. **Market – oriented Government:** The government should opt to transform from bureaucratic mechanism to market mechanism. Thus, it leverage change through market forces (demand and supply).

2.1.5 Impact of NPM

In pursuing the above goals, the governments in different parts of the world have used a number of mechanisms. They are:

i. Creation of autonomous public organizations

ii. Reducing the size of government

iii. Reducing budgets and welfare expenditure

iv. Corporatization of government organization

v. Performance measurement and evaluation

vi. Privatization of public undertakings

vii. Contracting out services to private agencies

viii. Encouraging people's participation in administration

ix.   Decentralization of authority

x.   Reforming Civil Service structure

xi.   Declaration of Citizen's Charters

2.2   New Public Service (NPS)

Over the past decade, the NPM has swept the nation and the world. The New Public Management focused on the clusters of ideas, arguments and practices (including reinventing and neo-managerialism) that seek to use private sector and business approaches in the public sector.

The New Public Management approach has considered the public managers as the entrepreneurs and privatized government by imitating not only the practices but also incorporates the values of the business. It was necessary for the public managers to acquire skills that go beyond the capacity for controlling or steering society in pursuit of policy solution to focus more on managing or arranging assets, negotiating and resolving complex problems of the society in partnership with the citizens. The proponent of NPM approach has developed their ideas in contrasts with the traditional public administration. In this comparison, the NPM movement will flourished and appreciated. Denharth and Denharth argued that its better to contrast the NPM with the "New Public Service" which focuses on the role of public administration in the governance process that places citizens at the center.

The NPS approach is the most coherent approach to the study of public administration in 21st century. The roots of NPS movement comprises of the components of democratic citizenship, community and civil society, organizational humanism and discourse theory. The New Public Service emphasize on a set of norms and practices that uphold democracy and citizenship as the basis for public administration theory and practice. The article entitled "The New Public Service: serving, not steering" (2000) by Janet V Denhardt and Robert B. Denhardt compiled set of seven core principles and advocated the notion of New Public Service. There are number of

principles or lessons that New Public Service suggests for New Public Management and for the old public administration. These principles are not mutually exclusive rather they are mutually reinforcing. Among them, the seven most common principles are of pivotal importance. Thus, by incorporating the seven principles of the New Public Service, the public servant can help citizens in articulating and meet the shared interests rather than to attempt to control or steer the society.

Seven principles of New Public Service by Denhardt and Denhardt:

1.   Serve rather than Steer;

2.   The public interest was the aim, not the by-product or seeks public interest;

3.   Think strategically and act democratically;

4.   Serve citizens, not customers;

5.   Recognize that accountability isn't simple;

6.   Value people, not just productivity;

7.   Value citizenship and public service above entrepreneurship.

As Denhardt and Denhardt (2002) suggest, "In a democratic society, Values such as efficiency and productivity should be placed in the larger context of democracy, community and public interest. There is a need to evolve the concept of a New Public Service which focuses on serving the citizens than steering, thinking strategically, acting democratically, valuing citizenship and public service above entrepreneurship, and ensuring accountability not just to market but also to constitutional law, community, citizens interest and professional standards". The NPS approach supplies a structure for many voices calling for reaffirmation of democratic values, citizenship and service in public interest.

Thus it is concluded that from the theoretical perspective, the NPS offers an important and viable alternative to both the traditional bureaucratic and managerialist models. It is an alternative that has been built on the basis of theoretical exploration and practical

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innovations.

2.3   Theory of Governance

Although, the term governance exists in English language for a long period of time, its emergence as a fashionable and challenging concept in a range of disciplines and research programmes is very recent. The contributions of scholars in explaining governance since 1990s led to the development of a general theory of governance. Also the concepts of globalisation and democratization are the twin forces that are responsible for the emergence of governance as theory. Globalization and democratization symbolize our growing awareness and interdependence where the expectations of citizens pressurized established systems of collective decision-making, and brought forth demands for new patterns of rule. Governance appeared to be the ideal word for describing that new pattern of rule.

Globalisation refers to the development of a global market in which patterns of production and consumption are organised by transnational companies and other related organisations, operating across national boundaries. Global finance markets and patterns of international trade in turn influence the shape of national economies. In the industrialised countries these forces are experienced in terms of sweeping changes in the economy with old style industrial jobs declining and new style service and high technological jobs emerging. Consumers in these countries observe an increasing amount of goods coming from outside their national boundaries as their economies are brought into the grip of a global market to a greater degree than before. In the non-industrialised parts of the world consumers face new economic demands and some new opportunities. Democratisation is another great force of change the world witnessed recently. Less than three in ten nations in the world were democratic countries in 1974, but 20 years later that number grew to six in ten. Most importantly, these newly established democracies have not only survived and but also joined by few more countries at the beginning of the 21st century. This is because of the fact that the idea of democracy has gained universal appeal. As the rise of democracy requires space for governance, it laid out conditions for governance practice. Thus, the pressures created by these

forces (globalisation and democratization) created new dynamics and changed governance practices that have emerged as a focus of attention.

Theory of governance offers a valuable and challenging dimension to the understanding of our cotemporary social, economic and political world as its sole focus is on the practice of collective decision-making. It seeks to understand the way we construct collective decision-making. A discussion on the definition on governance given by Vasudha Chhotray and Gerry Stoker (2009) is important for understanding the theory of governance. They defined that "governance is about the rules of collective decision-making in settings where there are a plurality of actors or organisations and where no formal control system can dictate the terms of the relationship between these actors and organizations". There are four elements in this definition viz. rules, collective, decision making and plurality. Rules embedded within a governance system can stretch from the formal to the informal which influence the way a group of people determine what to decide, how to decide, and who shall decide. Collective decisions are, rather obviously decisions taken by a collection of individuals. Collective decisions involve issues of mutual influence and control. As such governance arrangements generally involve rights for some to have a say, but responsibilities for all to accept collective decisions. Decision-making can be strategic but it also can be contained in the everyday implementation practice of a system or organisation. Deciding something collectively requires rules about who can decide what, and how decision-makers are to be made accountable. Plurality refers to the notion that no formal control system can dictate the relationships and outcomes in a society. All the stakeholders are entitled to enjoy sufficient quantity or quality of resources (authority and coercion) to control the decision-making process. The concept of plurality signifies the notions of negotiation, signals, communication and hegemonic influence rather than direct oversight and supervision.

Governance is a practice undertaken by human agents who are constrained by bounded rationality – limited by their information processing capacities – and restricted by conflicting power positions and perceptions. Governance is about coordination and decision-making in the context of a plurality of views and interests. Conflict and dissent

provide essential ingredients to a governance process. Achieving coordination and building consensus among conflicting views and interests is further constrained by limits of human capacities posed by bounded rationality. Governance provides us with effective ways to cope with the limitations of human cognition, understanding and bounded rationality.

Governance also refers to new ways of engagement by the state and its institutions with non-state actors that either brings modification in the existing structures and/or processes or creation of new structures and/or processes. Thus the engagement of the institutions of the three actors of state, market and civil society in the network of relationships is central to the conception of governance. What is important in this conceptualization is the redefinition of the role played by government in giving space to market and civil society. The role of the state is redefined as 'facilitator' and 'promoter' in this network of interactions as opposed to its traditional role of 'provider'. Governance protagonists justify this diminution of state power and empowerment of market and civil society on at least, two counts. One, governance deepens democracy as it enables the participation of all stakeholders in decision making. Two, governance relieves already overburdened governments from spending scarce resources as it mobilises the resources, technology and man power from non-state actors for addressing various public problems. It doesn't mean that the role of the state is diluted in the network of governance. Rather the role of the state is redefined to facilitate other actors. Still, the role of state is central in the network of governance.

Governance is also conceived as a yardstick to measure the capabilities of institutions of each country based on certain criteria and rank them accordingly. The notions of 'good governance' and 'poor governance' emerged for ranking countries based on their performance in governance measures. Good governance implies reforms in administrative structures, rules and procedures, autonomy, accountability, legal framework for development, transparency, decentralisation and participation of concerned stakeholders in democratic decision making. It helps in building human capacities to achieve well being and sustainable development. The notion of 'Good

Governance' has been conveyed as 'the panacea for the developmental problems of countries' by international organisations like United Nations and World Bank. For World Bank (1992), "Good Governance is central to creating and sustaining an environment which fosters strong and equitable development, and it is an essential complement to sound economic policies". According to United Nations, Good Governance "promotes equity, participation, pluralism, transparency, accountability and the rule of law in a manner that is effective, efficient and enduring".

On the other hand, Poor Governance implies centralized decision making; rigid bureaucratic structures; corrupt and rent seeking attitude of public servants; Lack of integrity and erosion of public trust in government; Absence of transparency and accountability; elite capture and weak participation of non-state actors in governance. It erodes the individual, institutional and community capacities to meet the needs of sustainable development. World Bank (1992) identified the following attributes of poor governance.

➢ Failure to make a clear separation between what is public and what is private, hence, a tendency to divert public resources for private gain

➢ Failure to establish a predictable framework of law and government behavior conducive to development, or arbitrariness in the application of rules and laws

➢ Excessive rules, regulations, licensing requirements, and so forth, which impede the functioning of markets and encourage rent-seeking

➢ Priorities inconsistent with development, resulting in a misallocation of resources

➢ Excessively narrowly based or non-transparent decision making (pp. 9).

With these indicators or parameters, governance helps individual countries to measure their performance. World Bank developed World Governance Indicators (WGI) for measuring the governance of 214 countries. They are (1) Voice and Accountability (2) Political Stability and Absence of Violence; (3) Government Effectiveness; (4)

Regulatory Quality; (5) Rule of Law; and (6) Control of Corruption. These indicators are aggregate indicators and cover 32 individual data sources collected from a variety of sources like survey institutes, NGOs, think tanks, International Organisations and private sector agencies of both developed and developing countries. Ever since their inception, developed countries, especially Scandinavian countries like Finland, Sweden and Denmark top these indicators and developing countries exist at the middle and bottom levels in the rankings.

The notion of Governance and World Governance Indicators is also not without criticism. Scholars especially from developing countries viewed it as the imposition of the renewed version of the development model of the developed countries on developing countries through aid giving agencies such as World Bank. Moreover, the logic that the institutional capacities of countries can be measured and countries can be ranked accordingly is questioned as these countries are not uniform in any of the parameters with which the governance is measured. As evidential from the rankings, the rankings are always skewed towards developed countries as they are based on the indicators that only align with the development model of the west.

2.4 Summary

This chapter discusses the concepts of New Public Management, New Public Service and Theory of Governance. New Public Management aims at achieving the 3Es-Economy, Efficiency and Effectiveness. It emphasises on the important role of the 'market' as against the 'state' as the key regulator of society and economy. New Public Management suggests a series of shifts in the way in which the public sector should be organised and managed to meet the new challenges of Liberalisation, Privatisation and Globalisation. The New Public Service emphasize on a set of norms and practices that uphold democracy and citizenship as the basis for public administration theory and practice. The roots of NPS movement comprises of the components of democratic citizenship, community and civil society, organizational humanism and discourse theory. Contrary to the idea of New Public Management, in New Public Service, the public servant shall help citizens in articulating and meet the shared interests

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rather than to attempt to control or steer the society with the help of seven principles. Theory of governance offers a valuable and challenging dimension to the understanding of our cotemporary social, economic and political world as its sole focus is on the practice of collective decision-making. It seeks to understand the way we construct collective decision-making. According to the theory of governance, governance is a practice undertaken by human agents who are constrained by bounded rationality – limited by their information processing capacities – and restricted by conflicting power positions and perceptions. Governance is about coordination and decision-making in the context of a plurality of views and interests. Conflict and dissent provide essential ingredients to a governance process. Achieving coordination and building consensus among conflicting views and interests is further constrained by limits of human capacities posed by bounded rationality. governance provides us with effective ways to cope with the limitations of human cognition, understanding and bounded rationality.

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M.A. Political Science, Semester I

Course Title: **Public Administration**

Unit – II: **Principles of Organisation and its Structure**

2.1 HIERARCHY, AUTHORITY AND SPAN CONTROL

- Prof. Y. Pardhasaradhi

STRUCTURE

2.1.0 Objectives

2.1.1 Introduction to Hierarchy

        2.1.1.1 Meaning

        2.1.1.2 Importance

        2.1.1.3 Features

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2.1.2 Authority

        2.1.2.1 Concept of Authority

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        2.1.2.3 Types of Authority

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2.1.0   OBJECTIVES

After going through this lesson, you will be able to understand:

- Meaning and Importance of Hierarchy in Public Administration

- The Concept, elements and types of Authority

- Meaning, Importance and Limitations of Span of Control

- Relationship between Span of Control and Hierarchy

2.1.1   INTRODUCTION TO HIERARCHY

The principles of administration propounded by Luther Gulick and Lyndall Urwick are very important for the proper running of organizations. After stressing on the importance of structure as a designing process, Gulick and Urwick made efforts in enunciating certain principles like unity of command, span of control, hierarchy, etc These are useful for describing and classifying various administrative situations. They are like working rules of conduct. For these scholars, structure of an organization and the principles based on which the structure is designed are very important. They opined

that the principles as a framework of thought and arrangement of ideas help in the development of a science of administration. Let us go through these principles in detail.

2.1.1.1 Meaning

Few organizations function without a hierarchy. L.D. White states that hierarchy consists in the universal application of superior-subordinate relationship through a number of levels of responsibility reaching from top to bottom of the structure. The Hoover Commission on Administrative Reforms recognized hierarchy as one of the means of control of the higher authority over the lower. In administrative theory, hierarchy means a grading into successive levels or steps. In other words, it means a graded authority. J.D.Mooney and Reiley defined it as a scalar process, which is derived from the word scale meaning ladder. Just as there are steps in a ladder, there are several levels in hierarchy.

2.1.1.2 Importance

Organization begins with a purpose. In order to achieve that purpose, it divides its jobs into various functional units. These units are further divided into sub-units only one reaches the base. In an organization, which is arranged hierarchically, authority descends from the top to the bottom step by step or level by level. In hierarchy one has to ascend or descend step by step. There are several levels of authority and responsibility. Every employee has to obey the orders of superior and issue orders to his subordinates. Thus, hierarchy becomes a means of communication and a chain of command across various levels of authority. The principle of hierarchy demands that no intermediate level be skipped or jumped while dealing with higher or lower levels. This is known as functioning 'through proper channel'. Thus, all communications should come from the immediate superior or the immediate subordinate whichever is relevant. Every officer retains the necessary authority with him and delegates the rest to his subordinate. Thus, hierarchy gives rise to different levels of decision-making. With the help of hierarchy, the chief executive can send orders to any level in the organization and allocate responsibility.

2.1.1.3 Features

From the above discussion the following features of hierarchy emerge:

Firstly, the entire administrative function is divided into units and sub-units. Secondly, these units are organized in the form of a pyramid, one below the other. Thirdly, authority is distributed to various levels.

Illustrative Explanation

The principle of hierarchy can be illustrated as follows:

In the above diagram, A is the head of the organization. 'B' is 'A's subordinate. C is the immediate subordinate of B and also subordinate to A. Thus, if we go down the line, F is the immediate subordinate of E and also subordinate to A. Thus, orders flow from top to bottom, namely, from A to B, B to C, C to D, D to E and E to F and communications go from bottom to top, namely F to E, E to D and so on. The same is true on the other side of the triangle B, C, D, E, and if F has to communicate to K, it has to travel through E, D, C, B and A, and descend from A to K step by step. FAK in this diagram represents the line of authority linking the whole organization. The travel of orders from A to F step by step in an ascending order, and the flow of communication from F to A in a descending order are called communication 'through the proper channel.

This principle can also be explained with the following example:

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COMMUNICATIONS		ORDERS
C		
O	Section Officer	O
M	(Superintendent)	
M ↑		R
U		
N		
I ↑	Asst. Section Officer	D
C	(Senior Assistant)	
A		E
T ↑		
I ↑	Typist cum Assistant	R
O	(Junior Assistant)	
N ↑		S
S		

If the Section Officer wants to issue an order to the Junior Assistant, it has to go through the Asst. Section Officer/Senior Assistant and them only to the Junior Assistant. Similarly, a proposal from the Junior Assistant to the Section Officer should travel through the ASO/Section Assistant to reach the Section Officer. Unity of command is the essence of the principle of hierarchy. All Authority and responsibility is concentrated in one point (A) and the line of authority runs upward and downward from it. This means that though authority and responsibility belong to the Chief Executive they can be delegated down tile ladder in tile hierarchy. Every post in an organization has a place in the hierarchy.

2.1.1.4 Advantages

The principle of hierarchy is one of the universal principles of organization. No organization can escape from it. It integrates the various 'units of an organization, which are divided for the purpose of division of work.

Secondly, hierarchy facilitates communication upwards and down in an organization, because of a hierarchical pattern every employee knows from whom he has to receiver orders and to whom he has to give orders.

Thirdly, the rule of 'through proper channel' ensures adherence to procedure and avoids short-circuiting. Everything moves upward or down award through the proper channel. This makes the process of communication easy.

Fourthly, it establishes a number of subordinate levels below the top level. Each subordinate level acts as a centre at which a specified matter or issue is decided by the exercise of delegated authority. Thus, the employees of the organization are trained to make decisions and guide their subordinates. At the same time, it relives the Chief Executive from less important matters and promotes a sense of belongingness among the subordinates.

Lastly, hierarchy clarifies the position of each employee in the organization.

In short, hierarchy facilitates communication, ensures delegation of authority, provides different levels of decision-making and fixes responsibilities of individuals. It also works as a device of control.

2.1.1.5 Limitations

The principle of hierarchy suffers from the following disadvantages:

Firstly, every paper has to move step by step either upwards or downwards. At every step it may take a certain amount of time. The waiting of a paper at every level of the hierarchy must be due to non-availability of the person concerned or his preoccupation. Hence, the rigid application of hierarchy leads to delay in the disposal of work.

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In order to avoid delay likely to be caused by adhering to the principle of hierarchy, short-cuts may be found in actual practice without violating it entirely. Henry Fayol suggested that a bridge can be thrown across the formal lines of authority of the hierarchy so that subordinate officers in one department may contact their opposite numbers in other departments directly. The F and K in the diagram may deal with each other directly without the prior permission of their superiors. But, they should keep their superiors duly informed of what transpired' between them.

'Level jumping' and throwing of bridges across the formal lines of authority to reduce, if not eliminate, the delay likely to be caused due to the scalar principle is possible if proper confidence and loyalty between superiors and subordinate is established. Urwick observes that "Every organization must have its scalar chain just as every house must have its drain but it is as unnecessary to use this channel frequently as the sole means of communication, as it is unnecessary to pass one's time in the drain".

2.1.1.6 Application

Before we close the discussion on this principle, let us examine whether authority is exercised through the principle or not.

According to some critics like Earl Lathem, it is wrong to think that superior officers exercise authority over the subordinates indiscriminately. It may be said that the subordinates obey the orders of their superiors because the latter possesses superior knowledge due to their rich experience. Sometimes, it is true that the subordinates possess more information due to their handling of the problems, than the superiors do. For this reason, their decisions would be accepted by their superiors.

2.1.2   AUTHORITY

2.1.2.1 Concept of Authority

According to Weber, there may be many kinds of leadership, but those who possess leadership need not necessarily posses the power and authority. This may also depend on the factors that influence the social relationship of human groups. In this context

Weber differentiates between power and authority. He observes that a person could be said to possess power, if in a social relationship, his 'will' would be enforced despite resistance. Weber defined power as the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance'. It manifests itself when a command of definite content elicits obedience on the part of specific individuals'. In contrast, authority is a state of reality where a person willingly complies with legitimate commands or orders because he considered that a person by virtue of his position could issue directives to him. Thus, authority is 'the probability that a command with a given specific content will be obeyed by a given group of persons'. Unlike in "Power" this is willing obedience on the part of clientele to legitimize 'authority'.

2.1.2.2 Elements of Authority

Weber identified five essential elements of authority i.e,

1. An individual or a body of individuals who can rule.

2. An individual or a body of individuals who are ruled,

3. The will of the rulers to influence the conduct of the ruled and an expression of that will or command.

4. Evidence of the influence of the rulers in terms of the objective degree of command, and

5. Direct or indirect evidence of that influence in terms of subjective acceptance with which the ruled obey the command.

Thus, in authority we may find the rulers (those who give orders), the ruled (those who receive orders), the will of the rulers (the command or an administrative order) and the acceptance (obedience of the ruled). This would explain that authority is primarily based on the premises of its 'acceptance' which may provide legitimacy to the very authority itself. An organization thus can rule or administer when it has

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legitimacy. With different forms of belief in the legitimacy of authority were associated different structures of authority and hence organizational forms.

2.1.2.3 Types of Authority

Weber classified authority into three pure types, on the basis of its claim to legitimacy. They are:

1. Traditional authority;

2. Charismatic authority; and

3. Legal rational authority.

Traditional Authority

Traditional authority rests on "an established belief in the sanctity of immemorial traditions and the legitimacy of the status of those exercising authority under them". In this kind of system, the command might be obeyed because of reverence for old established patterns of order, customs, traditions, conventions, beliefs, etc. This is a pure type of feudal patrimonial regime, under which the organization consists of house hold officials, relatives, favourites, henchmen and loyal retainers. This may also present an 'unstructured form' with superior-subordinate relations dominating behaviour while there is an absence of any rationally set norms of behaviour. The system retains its legitimacy as the customs, traditions etc., are respected in the organization.

Charismatic authority

Charismatic authority rests on the popular belief structure in which the leader survives on the devotion of his followers. The obedience in this case was justified because the person giving the order had some sacred or altogether outstanding characteristic. The leader may be a prophet, a hero or a demagogue, claims legitimacy by virtue of his magical powers or heroism or other extra-ordinary qualities, rather than formal stipulations or prescribed norms or the dignity of one's position. In this system, no specified procedures govern the behavioural pattern of the administration. Max Weber

explains, "In contrast to any kind of bureaucratic organization of offices, the charismatic structure knows nothing of a form or an ordered procedure of appointment or dismissal.

It knows no regulated and expert training of the holder of charisma or of his aides. It knows no agency of control or appeal, no local bailiwicks or exclusive functional, jurisdiction: nor does it embrace permanent institutions like our bureaucratic department, which are independent of persons and of purely personal charisma". Since the 'charismatic' leader chooses disciples on the basis of their loyalty instead of their qualifications and abilities, the followers also continue to be loyal as long as the leader retains his charisma. Any change in the pattern may cause the breakdown of the system.

Legal – Rational Authority

Legal authority, which Max Weber calls legal – rational authority rests on "a belief in the legality of patterns of normative rules and rights of those elevated to authority under such rules to issue command". Under this system, men might believe that a person giving orders was acting in accordance with his duties as stipulated in a code of legal rules and regulations. The persons who receive orders obey only the law and not the person in a superior position, who give orders. The receivers are obliged to obey the order – givers, only in so far as they are acting in accordance with duly enacted laws.

Thus, the whole system of organization, including all those who occupy various positions from top to bottom are also subjected to same principles that govern the organizational behaviour.

In conformity with the above, Weber explains five related beliefs on which legal authority depends. In brief, they are:

1. That a legal code can be established and this can claim obedience from members of the organization.

2. That the law is a system of abstract rules which are applied to particular

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cases and that administration looks after the interests of the organization within the limits of that Law.

3. That the man exercising authority also obeys this impersonal order.

4. That only the person as a member of the organization obeys the law.

5. That obedience is due not to the person who holds authority but to the impersonal order which has granted him this position.

Weber discusses these three pure types of authority i.e. Traditional, Charismatic, and Legal, in detail, while giving many illustrations about their varying behavioural patterns.

He states that these forms though they existed independently under various regimes are also found in combination at times. With the passage of time and in the changing contexts of socio – economic formations, Weber maintains that one type of authority tends to acquire the characteristics of the other resulting in modifications in the structures and behaviour. Of all the three types of authority, Weber preferred the legal – rational type of authority, which characterized the modern organizations. Weber designed the model of bureaucratic organization based on this legal rational concept of authority.

2.1.3 SPAN OF CONTROL

2.1.3.1 Meaning

Span of control means the number of subordinates an officer can effectively control and direct. It also means the number of subordinates an officer can direct. It can also be said that the span of control means, in simple words, the work of the number of persons a supervisor is known as his 'Span of Control'. 'Span of Control' is dependent upon 'Span of Attention'.

2.1.3.2 Importance

We know that hierarchy or 'scalar principle' involves a number of steps or tiers one

above the other. How ma ny such levels that an organization should have depends upon the total number of employees at the lower level to be supervised effectively by the superior officer. This establishes the fact that there is a close relationship between hierarchy and span of control. Hence, the levels or tiers in hierarchy should be established after taking into consideration the span of control of a superior officer. If a superior officer is expected to control larger number of persons than he can actually control, the result is delay and inefficiency. Hence, there is a need for the principle of span of control. No organization can function without taking into account the principle of span of control. If the span exceeds the capability of the individual, it results in the breakdown of the organization.

2.1.3.3 Limits

There are limits both physical and mental, to human capacity. Hence, a supervisor cannot control more than a certain number of subordinates. There is no agreement among the writers about the exact limit of the Span of Control. Sir Ian Hamilton put the limit at 3 or 4. Lord Haldane and Graham Wallace felt that a supervisor could supervise 17 to 12 subordinates. Urwick made a difference with regard to Span of Control between higher and lower levels. According to him, a supervisor cannot supervise directly more than 5 to 6 subordinate at the higher levels, whereas at the lower levels, where the work is routine in nature, the span of control varies from 8 to 12. According to a survey conducted by Wallace in 1937, the span of control of a chief executive differed from country to country. A chief executive in Japan had 13 departments under him, in Canada, Germany and Italy 14; in France 17; in Russia 19 or 20; in England 25; and in U.S.A. about 60. Though the number was not uniform, nowhere did the administration break down. Thus various writers feel that the span of control can be between 3 to 15. Though attempts have been made by many writers to search for the "ideal number" of persons a supervisor can supervise, they have not been able to give such an ideal number.

2.1.4 RELATIONSHIP BETWEEN SPAN OF CONTROL AND HIERARCHY

The levels of an organization should be decided keeping in view the span of control. If the number of employees of an organization is 1,000 and the span of control is 17, the number of levels would be 4 as shown below:

Chief Executive

17 Supervisors

170 Supervisors

1700 Workers

On the other hand in the same organization if the span of control is 5, the organization should have 6 levels as shown below:

Chief Executives

2 Supervisors

8 Supervisors

40 Supervisors

200 Supervisors

1700 Workers

Span of control is a universally accepted principle. The number of subordinates one should have under him is debatable but not the principle as such.

There are two opinions on the number of levels an organization should have. If the number or levels is more, the span of control will be less, and supervision will be more. This has some problems. If the number of levels is more, the number of supervisors will increase resulting in an increase in the expenditure. It also increases the distance between the Chief Executive and the work place. Since communications

have to pass through many levels they may undergo change in form and content thus complicating the decision-making process.

On the other hand, if the levels are less, work may be expedited. The number of supervisors will decrease and it facilitates more delegation of authority. The advantage of this is that the morale of the employees will be increased and they may work with more interest. They also get trained in shouldering responsibility. However co-ordination becomes a problem. Hence, in many organizations the span of control is kept at a minimum and the levels are increased.

2.1.5 FACTORS INFLUENCING SPAN OF CONTROL

Span of control depends on certain factors. According to Luther Gulick, span of control varies with the following factors:

    i.   Function

    ii.   Time, and

    iii.   Space

Let us discuss these factors in some details:

    i)   Function refers to the work to be supervised. A supervisor can supervise a large number of subordinates with homogeneous functions. For example, an engineer can supervise a group which is heterogeneous in nature, supervision becomes difficult, and the span of control decreases. For example, it is difficult to supervise the work of doctors, engineers, typists etc., simultaneously in an effective manner, because, it requires knowledge of all the areas. It takes time to change from one mental frame to another.

    ii) Time refers to the age of the organization. In old and established organizations, practices become perfect and things get established. Such organizations can run themselves. In such organizations, supervision can be more rapid and span of control greater. Whereas in newer organizations,

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new problems demand the attention, time and energy of the supervisors. Hence, subordinates depend heavily upon the supervisors and the span of control will be less.

iii)   Space refers to the place of work. If all the subordinates are under the same roof along with the supervisor, supervision becomes easier and quicker. If the subordinates are at a distance, it becomes difficult for the supervisor to exercise effective supervision, because he has to deal with them individually. Hence, if the number of subordinates to be supervised is under the same roof, supervision is easier.

2.1.6   SUMMING UP

Hierarchy is a universally accepted principle of organization. It emphasizes the need for organic links between the superior and subordinates. It is a ladder of authority with various steps. Communications and orders should go up or come down from each step. Any jumping of levels would result in confusion and disorder. As a principle of organization, it facilitates communication upwards and downwards, ensures adherence to procedures and relieves the Chief Executive from less important matters. Delay is the main disadvantage of this principle. However, this can be reduced by resorting to 'level jumping' in case of urgent matters. According to this principle, an officer at the first level would exercise his authority upon the officers at other levels.

Unity of Command explains that no employee should be subjected to the orders of more than one immediate superior officer.

In spite of criticism against it, the principle of Unity of Command cannot be neglected. It can, however, be practiced fully only if the superior officer is competent enough to issue orders to his subordinates in all matters. Since, this is not possible or practicable duality or multiplicity of command would continue in administration.

Span of Control means the number of subordinates an officer can effectively control. It depends upon the span of attention of a superior officer. If the span of a

supervisor is more than that which the supervisor can exercise, it leads to inefficiency and delay. If the span exceeds, it results in the breakdown of the organization. Span of control also affects the levels in hierarchy. It has two limits, mental and physical. There is no 'ideal number' of persons a supervisor can supervise. Span of control varies with function, time and space. It also varies with the personality of the superior, nature of delegation of authority, subordinates and techniques of supervision etc.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit – II: **Principles of Organisation and its Structure**

2.2 CENTRALIZATION, DECENTRALIZATION AND DELEGATION OF AUTHORITY

- Prof. Y. Pardhasaradhi

STRUCTURE

2.2.0 Objectives

2.2.1 Introduction

2.2.2 Meaning and Definition

2.2.3 Issues of Centralization

2.2.4 Facets of Decentralization

2.2.5 Factors Influencing Centralization and Decentralization

2.2.6 Advantages and Disadvantages of Centralization and Decentralization

2.2.7 Delegation

2.2.8 Summing Up

2.2.0   OBJECTIVES

After going through this lesson, you will be able to know:

- Meaning of Centralization and Decentralization

- Factors influencing Centralization and Decentralization

- Advantages and disadvantages of Centralization and Decentralization

- The Concept of Delegation, elements of delegation, principles, forms and importance and hindrance of delegation

2.2.1   INTRODUCTION

One of the problems of an organization including that of a public organization is the issue of centralization and decentralization. In fact, this is one of the dilemmas facing the government and the administration today. While the compulsion of socio-economic planning, the requirements of national integration and consideration of defence strategy, pull towards centralization, the regional and local pressures for autonomy and the political consideration of greater participation by the people favour decentralization. We are thus confronted with contradictory pulls and pressures. The decision to split the L.I.C. (Life Insurance Corporation) of India into five autonomous corporations explains the pull towards Decentralization. On the other hand the establishment of the SAIL (Steal Authority of India Ltd) as a holding company for all the public sector steel plants explains the pull towards centralization. The Planning Commission symbolized the trend towards centralization, while "Panchayati Raj" epitomizes the trend towards decentralization.

2.2.2   MEANING & DEFINITION

The issue of centralization and decentralization revolves round the location and the extent of power of decision-making in the organizational set-up. Broadly speaking, an organization is said to be centralized, if most of the power of decision-making is vested in the top level or levels of the organization of its headquarters so that the

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lower level / levels of the organization or its field offices respectively have to refer most of their problems to them for decision-making. A decentralized organization is one in which the lower levels or the field offices are empowered to decide most of the matters which come up to them, reserving comparatively a few bigger and more important problems for the higher ones. No system of administration can be described or designated as fully centralized or fully decentralized. If it is fully centralized, there would be nothing for the lower levels to do, except to transmit problems. Such an organization will fall under the weight of its problems. On the other hand, if it is fully decentralized, there is no need for the headquarters. It would be a contradiction in terms. Further it would result in nothing less than anarchy. Thus, the distinction between centralization and decentralization is not absolute, it is relative.

Before proceeding further in this discussion of centralization versus decentralization, it would be quite appropriate to understand the meaning of the terms and their definitions. Essentially, centralization denotes concentration of authority at the top or in the higher levels of the organization. Decentralization, on the other hand, denotes dispersal of authority among the lower levels of the organization or its field offices. According to L.D. White, "the process of transfer of administrative authority from a lower to higher level of government is called 'centralization' and the converse, decentralization. Decentralization according to David Lilienthal means three things. (1) the greatest number of decisions should be taken in the field; (2) it should facilitate active co-operation by the people; (3) the co-ordination of the various agencies work in the field should be done in the field itself. That way, decentralization means divesting power to authorities situated below which are representative.

Henry Fayol admirably explained the meaning of centralization and decentralization in a nutshell. He said, "Everything that goes to increase the importance of the subordinate's role is decentralization, everything which goes to decrease it is centralization". According to Fesler, whether a public organization leans towards centralization or decentralization depends on a variety of factors namely, (1) the importance of matters or issues on which field officials have decision-making authority; (2) the extent of

central consultation with field officials in matters that are formally decided at the headquarters; (3) the extent and frequency with which field officials must refer matters to the headquarters; (4) the number and the particular nature of central regulations or orders pertaining to decision-making in the field; (5) the provision for appeals to the headquarters against the decisions of the field and (6) the calibre of field officials.

2.2.3 ISSUES OF CENTRALIZATION

The issue of centralization versus decentralization has five aspects relating to: (1) Superior and Subordinate Officers; (2) Head Office and Component parts of the organization; (3) Headquarters and Field Offices; (4) Chief Executive and Functional Department and (5) Officials and non-officials. The first two are administrative, the third is geographical, the fourth is functional and the fifth political. To amplify further, it can be stated that if subordinate officers in an organization are vested with a large measure of decision-making authority, it is an administrative aspect of decentralization. Another administrative aspect of decentralization is to vest more decision-making authority in the component parts compared to the headquarters. In a field office, it becomes a geographical aspect of decentralization. For instance, the trend towards vesting more authority in the zones and divisions of the Railway administration is a geographical aspect of decentralization. If functional departments are vested with more authority compared to the chief executive, it is a functional aspect of decentralization. It means leaving the power of decision/making in respect of technical or professional matter, largely to the concerned units. Similarly, in an organization, if more authority is vested with non-officials compared to officials, it is a political aspect of decentralization. For example, the Panchayat Raj set up in the various States in India. The converse of it can be described as centralization.

2.2.4 FACETS OF DECENTRALIZATION

Often, the word decentralization, devolution, delegation and deconcentration are used interchangeably. However, there is a subtle distinction between these words. All the three terms, decentralization, devolution and deconcentration imply transfer of authority. However, "Deconcentration is based on administrative action, devolution on political

and legal and decentralization on political, legal and administrative action". In decentralization, there is the divesting of authority to subordinates, while in delegation, certain specified functions and powers are delegated to the subordinates with a right to a take them back or overrule them at any time. According to one expert "if decentralization tends to seek justice to the subordinate, delegation does to the superior. For, under decentralization what was due to the subordinate by virtue of his authority of knowledge is resituated, while under delegation, the superior seeks to provide himself with a relief". Some illustrations will make the distinction more clear. Panchayati Raj is an example of decentralization, while State governments in India clamouring for more powers from the Centre amounts to seeking devolution. The District Collector, being vested with authority over development departments in the district, is an example of deconcentration. The Commissioner of Police delegates power to permit holding of public meetings to the Assistant Commissioner of the concerned area. This is an example of delegation.

2.2.5 FACTORS INFLUENCING CENTRALIZATION AND DECENTRALIZATION

There are certain factors, which govern the issue of centralization and decentralization. They area:

    (1)   Responsibility factors;

    (2)   Administrative factors;

    (3)   Functional factors; and

    (4)   External factors.

As heads of public organizations or departments are vested with the ultimate responsibility for their efficient functioning, they generally, tend to concentrate important powers in themselves. Necessarily, the factors of responsibility act as deterrent to decentralization. It is well known that authority and responsibility go together. There are several administrative factors e.g., age of the organization, stability of the organization and competence of the field staff which have a bearing on centralization

and decentralization. In an old administrative agency, where administrative procedures and precedents are well established and norms of administrative behaviour crystallized, it is easier to decentralize than in others. In newer organizations, a certain amount of centralization is inevitable. Stability of policy naturally facilitates decentralization. Frequent changes in policy, as for instance in the case of land ceilings administration, facilitates centralization. The competence of field staff has vital bearing on decentralization. The more competent the field staff, the greater the propensity to decentralization. According to some writers, administrative sophistication also facilitates decentralization. In other words, the head of the organization should view the problem intelligently with a constructive approach for securing the co-operation of others in the organization. Regarding functional factors, it can be stated that the extent of decentralization depends on the nature of the functions entrusted to the organization. If the function is one of national importance, it requires some sort of uniformity; it facilitates a function like agriculture crop insurance requiring diversity; it facilitates decentralization. Further, in multi functional organizations, there is greater scope of decentralization than in   uni-functional organizations. Lastly, some external factors like people's participation and safeguarding regional interests facilitate decentralization.

2.2.6   ADVANTAGES AND DISADVANTAGES

After studying the factors governing centralization and decentralization, it would be quite appropriate to study the advantages and disadvantages of centralization and decentralization.

2.2.6.1 Centralization

After the Industrial Revolution, and in the context of enormous advancements in the field of science and technology, centralization in administrative organizations is growing despite professed concern for decentralization. V.Subrahmaniam called this as the rhetoric of decentralization and reality of centralization in the modern world. In the first place is technology which works in three complementary ways by conquering distance first, by making execution more mechanized, and by helping to process a

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mass of information through the computer and cybernetics. In other words, through the availability of swift means of communication, distance is no longer an inhibiting factor in the move towards centralization. Secondly, the history of all imperial conquests followed by nationalist liberation movements showed the centralization of the decision-making power in few hands. Thirdly, in the context of competitive world economy and the requirements of developing countries, centralized economic planning became inevitable.

Advantages

There are several advantages of centralization. Firstly, centralized supervision, regulation and control result in economy and efficiency as there would be reduction in the overhead costs. As centralization provides for greater controls, it is felt that administrative abuses would be fewer. Secondly, centralization ensures a sort of uniformity and standardization throughout the jurisdiction. In other words, it ensures that the work is done in more or less the same manner in an area, in accordance with the general policies and principles that have been laid down. Thirdly, whenever the importance and urgency of a program is felt, it is usually centralized. In other words, it is placed under the charge of the central government or the higher levels of the organization. Fourthly, under modern conditions, financial considerations facilitate centralization. Smaller jurisdictions are not considered financially viable, i.e., they cannot support themselves financially. Fifthly, in the context of national economic planning, centralization is inevitable. In India, it is part of experience that state governments have to act at the behest of the Union Government even in matters relating to minor irrigation, electricity, land reforms and so on even when they have Constitutional authority over these subjects. Sixthly, the considerations of defence strategy and national integration facilitate centralization. The establishment of the N.C.C., as the second line of defence on a national basis and the proliferation of central police forces like B.S.F and C.R.F explain the phenomenon. Besides, the Central Government gives grant-in-aid to the State Governments and other public organizations, like the Universities. In order to ensure proper utilization of these grants, a certain amount of central control is inevitable. This facilitates centralization.

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Disadvantages

Despite the advantages of centralization as listed above, centralization suffers from a number of disadvantages. First, it results in congestion of business at the top. In other words, there is heavy concentration of authority at the higher levels of the administration resulting in bottlenecks and consequent delays. Further the flexibility of approach in taking decisions is lacking in centralization. In a centralized system decisions are taken at a point far distant from the people and the places which are going to be affected. That tends to make the administration wooden in its approach. In addition, centralization does not facilitate people's participation. Even the co-operation of the people would be less forthcoming in a centralized system. Centralization thus, is not an unmixed blessing. Several thinkers are of the opinion that over – centralization has been the bane of Indian administration.

2.2.6.2 Decentralization

Advantages

As regards decentralization, several advantages can be cited in its favour. In a decentralized system, administration is closer to the field of operation and nearer to its clientele. Naturally, decisions and programmes can be adapted to suit the requirements of local conditions. That there is no scope for congestion of business at the top in this system is self-evident. Therefore, there are less of delays and other evils of bureaucracy like 'red-tapism'. Further, administration can be in touch with the people through peoples' co-operation and participation. In addition to all these, co-ordination of work in the field can be done in the field. Decentralized administration would be more participative in character and people-oriented in outlook. It gives an opportunity to develop resourcefulness and self-respect among subordinate administrators who, have to defend themselves, to take their own decisions and shoulder their own responsibilities." In other words, it develops initiative and dynamism among the lower level functionaries of an organization to boldly take decisions with a sense of responsibility. Further, in this system, a sort of experiment in decision-making and implementation is possible without committing the entire organization to one particular

line of action. According to Charlesworth, decentralization has more important justification than a mere administrative efficiency. It bears directly upon the development of a sense of personal adequacy in the individual citizen; it has spiritual connotations.

Disadvantages

However, decentralization too, has its disadvantages. A decentralized system breeds localism and parochialism. Problems are viewed from the immediate local angle: the national perspective usually gets lost. Too much of decentralization may lead to anarchy. Co-ordination of operations becomes difficult. The calibre of public officials at the lower level of the administration is generally low and naturally decentralization leads to inefficiency. Moreover corruption and inefficiency are more perceptible in a decentralized system and people get disgusted with the administration further decentralization. If the function is one of national importance it requires some sort of uniformity; it facilitates a function like agriculture crop insurance requiring diversity; it facilitates decentralization. Further, in multifunctional organizations there is greater scope of decentralization than in uni-functional organizations. Lastly, some external factors like people's participation and safe guarding regional interests facilitate decentralization.

2.2.7 DELEGATION

2.2.7.1 Introduction

All organizations are based on the principle of hierarchy, which binds different levels and units of the organization with a continuous chain of authority. In a scalar organization, all authority legally belongs usually to the head of the organization. However, if the organization has to work efficiently, authority has to be given to every employee to enable him to do his job. The problem faced by the head of the organization is therefore, to make authority, in necessary measures available to his subordinates without himself parting with it completely. This process of converting specified authority, yet retaining the ultimate authority is known as "Delegation".

The process by which a manager shares some of his work and authority with his subordinates is known as 'delegation of authority'. One of the important features of an organization is that it involves group effort to achieve specified objectives. The organization consists of managers and non-managers, headed by the chief executive. Each manager is given authority in accordance with his tasks and responsibilities. He is also required to get work done by his subordinates.

2.2.7.2 Elements of Delegation

Delegation takes place when a manager passes on to his subordinates some of his tasks or functions, together with the necessary authority to perform the tasks or functions. The manager who delegates some of his authority also holds his subordinates answerable for due performance of the assigned tasks. Thus, the process of delegation involves the assignment of tasks or functions, entrustment of authority and imposition of accountability by a manager with respect to his subordinates. It is a process of sharing of tasks and authority between a manager and his subordinates. The subordinates to whom authority is delegated by their manager are empowered to decide and act on his behalf in respect of certain tasks assigned to them.

Delegation of authority, has, thus three interrelated elements.

a) *Assignment of tasks and duties***:** In the process of delegation, every superior has to define the jobs to be performed by his subordinates. He must also define the results expected. He has further to decide on the allocation of duties to the subordinates.

b) *Grant of authority*: Grant of authority implies giving the right to subordinates to decide and act, to use necessary resources and represent the superior. Every subordinate needs authority to carry out the tasks and perform the duties assigned to him.

   Managers at all levels derive authority granted by their superiors. In turn, each manager confers a part of his authority on his subordinates.

c) *Creation of responsibility and accountability*: Along with the tasks to be performed and grant of authority, the subordinates are cast with the responsibility or obligation to carry put the duties assigned. They have also to give an account of the results achieved in terms of the standards of performance laid down. The subordinate's responsibility to the superior is absolute. It cannot be delegated or shifted. Due to this responsibility, the subordinate is accountable or answerable for the performance of his tasks and duties.

Authority is delegated, responsibility is created and accountability is imposed. Authority flows downwards. Responsibility and accountability flow upwards. Responsibility arises out of authority, while accountability arises out of responsibility.

2.2.7.3 Importance of Delegation

Delegation of authority is a very important part of the organizing function. It is by means of delegation of authority that the organization functions. The importance of delegation of authority may be outlined as follows:

1. *Reduces work load of managers*: Delegation of authority permits a manager to share his work load with his subordinates. By passing on some of his own work to the subordinates, the manager is able to concentrate on more important aspects of his work. Since delegation of authority takes place at all levels of the organization, it facilitates proper division of managerial work and its assignment to all managers in a systematic manner. The primary effect of delegation is decongestion of work.

2. *Basis of Superior-subordinate relations*: Delegation of authority is the process by which superior-subordinate relations are established among managers.   The flow of authority from - the top management to lower levels is directed and regulated' by the process of delegation. It gives meaning and content to the flow of authority and to the managerial jobs.

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3. *Improves manager effectiveness*: The manager who delegates authority can perform much more than the one who does not. This is because the manager who delegates can get some work done by his subordinates and is able to concentrate on important matters which need his attention take appropriate decisions and act accordingly. The manager increases his own effectiveness and that of his work unit by enlisting the cooperation and skills of his subordinates.

4. *Motivates subordinates*: Delegation of authority implies grant of authority to the subordinates along with responsibility. As a result, subordinates have a sense of importance, apart from getting some independence. They are motivated to work for higher performance. They are also likely to utilize their abilities and skill is to do their job well. They derive job satisfaction because of the authority they enjoy and the rewards they get for higher performance.

5. *Develops managers*: Delegation of authority is a source of development of managers. It opens up opportunities for managers to acquire leadership and other skills and competence. They are required to exercise their authority to handle situations and to solve managerial problems. They are also required to get things done by their subordinates, by motivating and guiding them. Through the experience and competence acquired, managers are prepared for taking up higher responsibilities in course of time.

6. *Facilitates organizational growth*: Delegation of authority at all levels of management facilitates the growth of the organization. This is because division of labour enables the organization to create more managerial jobs for assuming additional work load of expansion and growth. New departments can be created and managers can be appointed, who will have delegated authority to manage them.

2.2.7.4 Principles of Delegation

Delegation is always governed by certain principles. Unless these principles are observed, delegation cannot be made effective. The following principles are generally

observed at the time of delegation of authority:

1.   *Delegation should be done in a clear manner*: There should be no ambiguity about the authority that has been delegated. Policies regulations and procedures should be well defined as to give no misunderstanding, to the subordinates using discretionary powers.

2.   *The delegate must know exactly how much authority has been delegated*: The orders of delegation should be issued in written form, so that the persons whom powers have been delegated, should be clear about the limits of delegation.

3.   *The authority is delegated to get certain results by performing particular activities***:** The authority delegated to a subordinate should be adequate to assure his ability to accomplish the task assigned to him. The delegatee should be given the authority to use his discretion and the delegate should not expect him to act according to his own wishes. The subordinates should be granted all the authority and responsibility they can handle.

4.   *Authority and responsibility should be co-equal*: Authority entrusts a subordinate the right of taking and enforcing decision to achieve the assigned activities while responsibility places the obligation upon him to perform these activities by using this authority. Authority without responsibility lacks an ultimate purpose, and likewise, responsibility without authority to carry on assigned activities has a hollow ring.   Hence authority and responsibilities should go together on the basis of parity.

5.   *Total responsibility of the superior*: As total responsibility cannot be delegated, the superior cannot avoid his responsibility for the overall activities assigned to   him merely by delegating his authority to his subordinates. The subordinates are always responsible to the superior for the activities assigned to him. No superior can avoid his overall responsibility.

6.   *Delegation is based on the principle of unity of command***:** This implies

that a subordinate should be responsible to a single superior and should get the authority from him. The direct relationship between the superior and subordinate eliminates confusion and ambiguity. Responsibility to a single superior lessens the problem of conflict in instructions and creates a feeling of greater responsibility for results. Contrary to this, in the case of multiplicity of command, responsibility cannot be fixed accurately and the authority of the superior is undermined.

7. *"Keeping the communication open"*: These words emphasize that even after getting the delegated assignment, the subordinates should be allowed to meet and consult the administrator whenever he feels the need for the same. The administrator should always be ready to guide the subordinate. He should not grumble when a subordinate commits a mistake in connection with the delegated job but should rather come to his rescue by providing necessary help and guidance.

8. *Delegation should be succeeded by appraisal*: When a delegated assignment is completed, it should be followed by an appraisal of the subordinate's performance. As authority is pushed downward, top management must exercise a restraining hand, so as to be sure that the interests of the programme are not jeopardized by conflicting policies. For this purpose, systematic reporting system should be introduced. It will provide an opportunity to the superiors to review the progress of subordinates.

9. *Delegation should be properly planned and be systematic*: Authority and responsibility for each position in the management of an organization should be spelt out and delegation should be made to a position rather than an individual.

In spite of the above mentioned principles of delegation, it can be said that delegation is a difficult process, which is not based on any precise principles. The above narrated principles are only guides to action, and they are not prescriptions for all situations.

2.2.7.5 Forms of Delegation

Delegation can be of several forms, viz., permanent or temporary, full or partial, conditional or unconditional, formal or informal, direct, immediate and indirect, downward, upward and outward. A brief explanation of the different forms of delegation is given below:

a) *Permanent or Temporary*: Delegation may be permanent or temporary in nature. In case of permanent delegation, the powers are delegated forever, subject to normal conditions. Only in extraordinary circumstances, this kind of delegation might be revoked. Temporary delegation implies delegation of powers for a short period of the accomplishment of some end. When the end is achieved, the delegation also ends.

b) *Full or partial*: Delegation is full when no conditions are attached to the delegation, and the person, whom powers are delegated, has the full authority to decide and take action. It is partial when the decision taken by him is to be approved by the delegating authority. For example, when a diplomat is sent abroad with full powers to negotiate, it is full delegation but when he is required to get advice or approval before making the final negotiation, it is partial delegation.

c) *Conditional and Unconditional*: Delegation can be conditional, and unconditional. Delegation is conditional when some conditions are imposed on the person, on whom the delegation is conferred. It is, unconditional, when the subordinate is free to act without any reservation. For example, when the decision of the subordinate is subject to confirmation and revision by the superior, it is conditional delegation, but when he is authorized to act at his discretion the delegation is unconditional.

d) *Formal and Informal*: Delegation may be formal or informal. Delegation is formal when it is embodied in some written rule, bye-law, or order, or note. Much of the delegation of work found in the departments and other

organizations is informal. It is based on custom, or understanding, and though it is understood by all concerned, it is not formally recorded. Just as no Constitution can be wholly written, so also no scheme of delegation' in any organization can be written or recorded in its entirety, because new adjustments are constantly being made.

e) **_Downward, upward, outward and lateral_**; According, to the direction in which a delegation, takes place, a distinction may be made between delegation downward, upward, outward and lateral. Delegation downward is by a superior to a subordinate and this is the most frequent form of it. Delegation upward occurs where the delegator delegates authority over himself to a representative e.g., delegation of authority by the electorate 'to a president, to rule over it. Delegation outward means delegation to some outside organization, not subject to the direct control of the delegator, e.g., under the recent Bhoodan legislation in some of the states, the power to distribute the land to the landless has been vested in ad hoc committees nominated by Shri Vinoba Bhave. These committees are outside the official hierarchy. Lateral delegation implies delegation at one's own level.

f) **_Direct or Immediate or Indirect or Mediate_**: Delegation may be direct or immediate or indirect or mediate. In direct or immediate delegation, no third person or intermediate link intervenes between the two parties to the delegation. It is the usual form of delegation. In case of indirect or mediate delegation, delegation is made through some third person or intermediate link. Such delegation is rather rare but two instances of it given by Mooney are the election of the President by the people of U.S.A. through a college of electors and the election of the Pope in which the council of cardinals intervenes between the congregation and the Pope.

2.2.7.6   Advantages

Delegation is a functional imperative for all types of organizations. In fact, it is inevitable

for any group functioning which necessitates division of work and authority. Delegation is one of the main ways of division of authority. The major advantages of delegation are the following:

1. Without delegating powers, where necessary, it would be physically impossible for the head to carry on the entire tasks of the organization by himself. The chief executive or superior officers have to devote their time and energy to the most important executive and managerial tasks. Much of the routine tasks are performed by the lower staff which passes on the most important business to the chief executive. Delegation "takes much of the weight of routine and unimportant work off the shoulders of the chief executive. Effective leadership is made possible only through the process of delegation .The primary benefit of delegation is, thus decongestion of work.

   In the words of Mooney and Reiley, "The real leader....finds easy to delegate authority and is quick to do so whenever he perceives its necessity but he remains very conscious of the fact that there is one thing he cannot delegate, namely his own authority and the responsibility which it includes".

2. The avoidance of delay in administrative bottlenecks and convenience of citizens require decisions at various field offices rather than in a single headquarters establishment, which is possible only by delegation.

3. In some cases proper adjustment of policy and programme to local conditions requires discretionary field decisions.

4. One of the duties of a manager is to train and educate his subordinates in the art of sharing responsibility and making decisions which is possible only through delegation. Delegation of authority therefore has much educative value. The subordinates develop greater loyalty and a sense of identification with the organization if they are made co-partners in the exercise of authority. This is a great morale booster to employees and

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provides sufficient incentive to work hard. Proper delegation of authority minimizes delay, makes the organization more efficient, economical and operational.

2.2.7.7   Limitations

The manager should delegate as much as his subordinates can reasonably be expected-to do, and just a little bit more. The art of delegating boils down to a weighing of the chance and consequence of error against the necessities of getting work done and of developing morale and utilizing subordinates to the extent of their abilities. Delegation, thus requires knowledge of people and of situations, and has to be continuously revised to meet changes in personnel, programme or pressure. It is often forgotten that there are limits to delegation of authority as follows:

1) The extent to which authority may be delegated is restricted by Constitution, laws and political institutions.

2) The calibre of staff at the lower level. Delegation to an incompetent individual is clearly impracticable. However, the excuse of staff incompetence as a reason for not making delegations sometimes reflects upon the administrator rather than upon the staff.

3) The extent to which special programme requirements necessitate centralization. There may be situations where even the routine work decisions may not be delegated. This may be true in the early stage of a new organization or when a crisis situation has developed or 'developing.'

4) 'The extent to which work is of a stable and repetitive type. Delegation is made easier when guidelines can be established for lower levels to take action directly. If the conditions of work are changed frequently, delegation may be very difficult.

5) The size of organization and its geographical location. The larger the organization and the broader its geographic coverage, the greater are the chances for delegating author.

6) Methods of internal communications in the organization. Delegation becomes difficult if there is a lack of effective procedural system in internal communications, and work controls.

7) The degree of co-ordination which is required throughout the organization. A manager must co-ordinate or fail. Delegation of this power will be tantamount to abdication of responsibility.

2.2.7.8   Powers could not be delegated

M.P. Sharma has identified the following, as powers, which are usually not delegated.

1) The supervision of the work of the first line or immediate subordinates

2) General financial supervision and the power to sanction expenditure above a specified amount.

3) Power to sanction new policies and plans and departures from established policy or precedent.

4) Rule-making power where it is vested in the delegating officer.

5) Making of the specified higher appointments.

6) Hearing of appeals from the decisions of at least the immediate subordinates.

The retention of these powers in the hands of the chief is essential for the exercise of effective control by him over the working of the organization.

2.2.7.9 Hindrances to Delegation

No doubt delegation is or great significance for all organizations, still it is often seen that the superior officers hesitate to delegate authority. In fact, there are several hindrances to delegation which can be grouped as:

i. Organizational Hindrances

ii.   Personal Hindrances

i)   Organisational Hindrances

1)   **Lack of established methods and procedures**: For making delegation a success, it is essential that definite procedures for delegating the authority should be laid down. Delegation becomes easier if procedures and rules are well established.

2)   **Lack of coordination and communication**: Co-ordination is the cardinal principle of organization. Without co-ordination, no organization can work. But co-ordination requires close communication between the different units of an organization. Without communication there cannot be any delegation and coordination.

3)   **Unstable and non-repetitive nature of work** : Stability is a must for delegation. Stable and repetitive work affords a greater degree of delegation.

4)   **Size and location of an organisation** : Size and location of the units of an organisation sometimes hinder the delegation of authority. The larger the organization and broader its geographic coverage, the greater are the chances for delegation.

5)   Lack of properly spelled out positions and unspecific terms of delegation of duties and authority cause confusion and adversely affects the delegation of authority.

ii)   Personal Hindrances:

Personal factors, too, stand in the way of delegation. These factors can be egoistic tendency to have credit for everything, fear of disloyalty on the part of the subordinates, lack of confidence in the capacity and competence of the subordinates: lack of emotional maturity on the part of

the delegating authority or person; lack of knowledge of what to delegate and how? Fear of accountability to the higher up or to the legislature or to the people. According to Pfiffner, the following human causes hinder the process of delegation of authority to the, authorities:

1) Persons who rise to position of hierarchical leadership -have, more than normal egotism.

2) They are afraid that others will not make the proper decision or carry them out in the desired manner.

3) They fear that disloyal or subversive powers will develop among strong subordinates.

4) Strong, vigorous and highly motivated persons, become impatient with the slower pace and indecisiveness of subordinates.

5) In Public Administration, political considerations often make delegation difficult.

6) The cultural heritage of man has been one of authoritarian, patriarchal leadership; thus the practice of delegation is partly dependent en cultural change.

7) The act of delegation requires an emotional maturity which apparently is rare, even among successful persons.

8) The symbols of leadership (those persona! qualities and traits which attract the attention of others) are inconsistent with the philosophy of delegation. Those striving to succeed must make themselves prominent.

9) Persons who desire to delegate do not know how to do it.

10) They do not know how far they should delegate at least for two reasons (i) the science of organization and management is immature; and (ii) their work experience has not taught them to neglect because most organizations

fail to practice delegation.

In addition to these hindrances, the non-acceptance of delegation on the part of the subordinates too has a great bearing. The main reasons for non-acceptance can be summed up as (i) fear of criticism, (ii) lack of needed information and resources to do a good job, (iii) lack of confidence to exercise delegated authority and make correct decisions, (iv) lack of initiative and drive and (v) more work than one's capacity.

For removing the organizational hindrances, proper procedures and methods should be established and all concerned should follow them at the time of delegating the authority and performing the assigned responsibilities of the incumbents holding different positions in organizational hierarchy should be clearly defined. The organization must possess a proper system of coordination and communication at different levels of administration.

Pfiffner has described the following techniques to make the delegation effective:

1) Select subordinates capable of shouldering responsibility.

2) Define such responsibility.

3) Train them to carry it.

4) Establish general policies and disseminate them throughout the organization.

5) Strive towards maximum standardization of both functional and house keeping procedures.

6) Carry on perpetual management planning consisting of job analysis, organization study budget planning, work flow study and simplification of system and procedure.

7) Establish external checks which automatically show dander signals.

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8) Assure the flow of information up, down and across the hierarchy

2.2.7.10 SUMMING UP

Delegation is an essential pre-condition for the growth of an organization. It helps in division of work, reduction of complexity, flexibility in organizational working and raising the morale of the employees. The behaviouralists have hailed delegation as the most forward thinking principle as it opens a new chapter in superior-subordinate relationships. Delegation of authority is a very important part of the organizing function. It gives a lot of relief to the superior authority and he can concentrate on more important aspects of the organization like policy-making. It can be stated that the issue of centralization and decentralization revolves round the location and also the extent of decision-making in the organizational setup. The discussion on the issue of centralization and decentralization leads us to the conclusion that the advantages of centralization or decentralization can be effectively rebutted by an equally plausible argument from the other side. Neither centralization nor decentralization can be accepted as a principle of good organization. They have situational relevance. As in the case of other principles, a balance has to be struck. Policy-formulation can be centralized and its implementation or execution should be decentralized. In other words, in matters like planning, industrial development, communications and transport where national uniformity and standards have to be ensured, centralization is preferable. However, operating decision can be easily decentralized at the appropriate levels. Further, in every public organization, field authorities should be given sufficient power of decision-making while higher authorities have to post-audit and review such exercise of power to see if it is in conformity with the legal provisions. Thus, in a stable organization, centralization and decentralization are complementary, and not contradictory.

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Political Science, Semester I

Course Name: **Public Administration**

Unit –II: **Principles of Organisation and its Structure**

2.3 CHIEF EXECUTIVE: PRESIDENTIAL , CABINET AND

COLLEGIATE

- PROF. Y. PARDHASARADHI

STRUCTURE

2.3.0   Objectives

2.3.1   Introduction

2.3.2   Types of CEOs

2.3.3   Indian Prime Minister as Chief Executive

2.3.0   OBJECTIVES

After going through this lesson, you will be able to understand:

- Types of Chief Executives

- Indian President as chief executive and his powers and functions

- Indian Prime Minister as chief executive and his place among council of ministers and his legislative, administrative and other powers

- The composition, powers and functions of Council of Ministers

2.3.1   INTRODUCTION

A chief executive officer (CEO) is generally the most senior corporate officer (executive) or administrator in charge of managing a for-profit or non-profit organization. An individual appointed as a CEO of a corporation, company, non-profit, or government agency typically reports to the board of directors. In British English, terms often used as synonyms for CEO include managing director (MD) and chief executive (CE).

The responsibilities of an organization's CEO or MD are set by the organization's board of directors or other authority, depending on the organization's legal structure. They can be far-reaching or quite limited and are typically enshrined in a formal delegation of authority. Typically, the CEO/MD has responsibilities as a director,

decision maker, leader, manager and executor. The communicator role can involve the press and the rest of the outside world, as well as the organization's management and employees; the decision-making role involves high-level decisions about policy and strategy. As a leader of the company, the CEO/MD advises the board of directors, motivates employees, and drives change within the organization. As a manager, the CEO/MD presides over the organization's day-to-day operations. The owner of a business that is registered as a proprietorship or as a sole proprietorship can also be called a CEO.

2.3.2 TYPES OF CEOS

This first model of chief executive officers: working out what it actually means in the context of their particular industry and organization. What is difficult here is that while the ideal goals are often intuitively easy, translating them into something tangible and accessible today is far harder. Leaders need to assess how sustainable an organization can be at different stages of the journey, and within different economic and technological scenarios. But given that the organization hires thousands of people each year, people are therefore at the heart of its strategy. In short, the focus of sustainability will necessarily vary widely from one business to another. It is the chief executive officer's job to decide what aspects matter most beyond any compulsory compliance. Defend, improve and grow at a high level, this assessment of sustainability typically splits into three main categories. The first is about compliance and risk management, or defending the business, whether in terms of reputation, regulatory compliance or simple operational risk. This has long been a key consideration, but is rapidly becoming more urgent in an age where social media is rapidly serving to make organizations more transparent. During the 1990s, a range of consumer brands battled against grassroots protests about poor labour conditions, waste dumping and other issues; an individual today could blow the whistle on such activities with a single tweet, forcing better behaviour.

The second category is efficiency, or improving the business bottom line, which has gained much attention in recent years. Many organizations focus on resource usage and productivity in particular, but this can span anything from worker safety to suppliers'

ethical performance or ecosystem management.

The third category is innovation and growth, whether the creation of new products and services, or higher sales through an improved reputation, or simply a more valuable overall brand. For many organizations, this will be the leading driver of sustainability in the longer run, not least as business leaders grapple with the possibilities. The chief executive officers should consider sustainability across all three, looking both internally and externally, as well as through the lens of each type of stakeholder. The goal is to move away from the older notion of corporate philanthropy, to a more hard-nosed assessment of how this can materially improve the business. But once a chief executive officer has assessed sustainability across all three of these categories, it is then possible to set out an overall target, outlining the organization's goals.

2.3.2.1 Indian President as Chief Executive

Under the provision of the Indian Constitution, the executive power of the union government is vested in the president. The President of India can exercise all these powers either directly or through officers of his subordinates. He is supposed to run the administration when country is under normal conditions or when national emergency has been declared in the country. In theory his role is immense in so far as administration is concerned. Since India has Parliamentary form of government and as such real administrative powers are vested in the cabinet and the council of ministers. But all the executive action is carried out in the name of the president. However, this power is to be exercised in accordance with the constitution. The President of India as a head of the state enjoys wide powers, viz., executive, legislative, financial, judicial and emergency powers. These have been discussed here under.

Executive Powers: The Constitution vests the executive authority of the union in the President. He exercises these powers through the council of Ministers. The various powers that are included within the comprehensive expression of executive power can be classified as under:

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Appointment and Removal Powers: The executive power of the President of India includes the power to appoint and remove the dignitaries of the officers like Governors, Election Commissioners, Supreme Court and High Court Judges, Chairman and members of the Union Public Service Commission, the Attorney General of India, Members to the Finance Commission, Planning Commission and National Commission for Scheduled Castes and schedules tribes and Commission on official languages etc., He also nominates 12 member to the council of states, and nominates two members of the Anglo Indian community to the Lok Sabha. He is also empowered to set up an interstate council to examine the disputes between the states.

Military Powers: The President is the supreme commander in chief of the defence force. It is his duty to refrain the state from foreign aggression. The President has the power to declare war but he has to obtain the prior permission of Parliament. In this regard, the position of the President of India is different from that of the American President.

Diplomatic Power: The President is the head to maintain foreign relations. The negotiation of all treaties and agreements are made in the name of the President. He accredits the ambassadors and envoys to foreign States and accepts the letters of credence of the foreign diplomatic representatives. But, the final power in diplomatic matters vests in Parliament. The task of negotiation treaties and agreements is subject to the ratification by Parliament. He represents India in International forums and affairs.

Power to Make Rules of Business: The President makes Rules of Business for the central government and allots the portfolios to the Ministers. He has the right to keep informed of all decisions taken by the Council of Ministers through the Prime Minister. He may call for such information from the Prime Minister. According to the Article 78, the Prime Minister shall communicate to the President, all administrative decisions and proposals for legislation.

Legislative Powers: The President is an inalienable part of Parliament. Therefore, the legislative powers of the President cover a wide field. The President has the power

to summon and prorogue Parliament and dissolve the Lok Sabha, the Lower House. He/She gives assent to all the Bills passed by Parliament for the consideration of a Bill which is pending before it. No Bill passed by Parliament can become a law without the assent or approval of the President. He can nominate members both in the Lok Sabha and the Rajya Sabha. He addresses every budget session of Parliament which outlines policies and programmes of the government for the ensuing year. He also convenes a Joint Session of two Houses of Parliament when there is a difference of opinion between them. He is also empowered to issue ordinances when the Parliament is not in session. The ordinance will have the same force, as an Act passed by Parliament, for a limited period. It is left to his discretion to decide whether there is any need and necessity or not for the issue of an ordinance. He is also competent to return a Bill for the reconsideration of Parliament, which has been sent to him for his assent.

Financial Powers: No Money Bill can be introduced in Parliament except on the recommendations of the President. Every five years or on the demand of the states, he appoints the Finance Commission and on its recommendations, allocates their share to the states in the income tax proceeds. He grants advances to the states out of the Contingency Fund. He also makes advances out of the Contingency Fund to meet any unforeseen expenditure. Such advances, must however be authorized by Parliament subsequently. In the beginning of every financial year, he causes to be laid before Parliament, the annual "Financial statement i.e., the Union Budget". If necessary, he may also present a supplementary Budget. In practice, this is done by the Finance Minister.

Judicial Powers: The President has the power to grant pardon. He may suspend, remit or commute the sentence of any person convicted of any offence. However, this is applicable, (i) in all cases where the punishment or sentence is by a court martial (ii) in all cases where the offence is under a law under central jurisdiction, iii) in all cases of sentence of death. Further the President is not answerable to any court of Law. The President has also the power to consult the judges of the Supreme Court. He can exercise this power in relation to any matter involving constitutional law or

which according to him is public importance.

Emergency Powers: Far more significant and vital than the executive and legislative powers vested in the President are the Emergency powers which the Constitution confers on him. He enjoys his emergency powers after a state of Emergency has been proclaimed by him. The circumstances enabling the President to declare a state of emergency are of three types.

a) National emergency - emergency caused by war, external aggression or internal disturbance; (Article 352)

b) President Rule - emergency caused by the breakdown of constitutional machinery in a state; and (Article 356 and 365)

c) Financial Emergency - emergency caused when the financial stability or credit of India or any part thereof is threatened. (Article 360 (1)

2.3.2.2 Summing Up - President

The President is the executive head of India. He is elected for a term of five years. He is empowered to exercise certain powers, viz, executive legislative, financial, judicial, emergency and residuary. These powers, excepting the emergency powers, are exercised by the President in the ordinary course of administration of the country. He exercises the emergency powers under abnormal situations of war, armed rebellions etc. However, the position of Indian president is controversial because the constitution itself does not explain much regarding this. Therefore some of scholar felt that the president is only the nominal head and all the real powers are exercised by the Prime Minister and the council of Ministers. But some scholars expressed that the president enjoys a strong position in Indian Administration. He can reject the advice tendered by the council of Ministers. The president's role becomes very important particularly in hung parliament. In case of coalition Government, he becomes the centre of focus. In fact, the position of the President largely depends upon his experience and personality.

2.3.3   INDIAN PRIME MINISTER AS CHIEF EXECUTIVE

The office of the Prime Minister occupies a prominent place in the Indian Administrative system. The entire Indian Administrative system is focused around him. Therefore many administrators prefer to call this government as Prime Ministerial form of government rather than Parliamentary form of Government. However, the Constitution does not explain the real position of the Prime Minister as all the executive powers of the union have been assigned to the President, who is to use them according to aid and advice of the Council of Ministers headed by the Prime Minister. The Prime Minister is described as the key stone of the cabinet arch, primus inter pares (first among equals) by Lord Morley. Lord William Vernor Harcourt described the Prime Minister as inter-stella luna minoras (moon among lesser stars,) etc. Ramsay Muir described the Prime Minster as the steersman of the steering ship of the state.

2.3.3.1 Prime Minister and Council of Ministers

The first function of the Prime Minister is the formation of Ministry. He has to suggest the names of persons who can be appointed as ministers by the President. After the completion of this exercise, the Prime Minister allocates different departments among the Ministers. The Prime Minister enjoys discretion in allocating portfolios to the Ministers. He is empowered to reshuffle the ministry to oust the ministers whom he does not like or who are not up to the mark or to upgrade the deserving ministers or to induct new Ministers. He can ask a minister to resign in case of difference of opinion or he can advise the President to dismiss a minister. An analysis of the formation of Ministers during the last six decades clearly indicates that the Prime Minister keeps in mind certain considerations – region, community, caste and group representations apart from providing for talent. In the selection and allocation of portfolios it largely depends on his hold over the party. The Prime Minister gives life to the council of Ministers. As the leader of the Council of Ministers, he presides over its meetings. He is also the presiding officer of the meetings of the cabinet, which is a smaller body and takes all policy decision. The cabinet functions under the leadership of the Prime Minister. The agenda is prepared by him. The Prime Minister ensures coordination

between the departments and he has a right to supervision over the administrative departments. He guides, directs and controls their activities. He is the arbiter in case of conflict between the two or more ministries / departments.

2.3.3.2 Powers of Patronage

One of the important powers of the Prime Minister is the power of patronage. All the major appointments of the central government are made by the Prime Minister in the name of the President which includes Chief Justice and other judges of Supreme and High Courts, the Attorney General, the chiefs of army, navy and air force, governors, ambassadors, and High Commissioners, Chairman and members of various commissions, including the Chief Election Commissioner and the other members of Election Commission.

2.3.3.3 Leader of the House

The Prime Minister is the leader of the Lok Sabha. As such, he advises the President with regard to summoning and proroguing the House. The agenda of the meeting is prepared by the Speaker in consultation with the Prime Minister. As a leader of the House, he announces the major policy decisions of the government. As long as he is the leader of the majority party, his words are the policies of the government. The Prime Minister helps the Ministers in answering the questions posed by members of the House during question hour. He comes face to face with the opposition parties during the question hour. Further, the Prime Minister helps the Speaker in maintenance of discipline of the House. He also plays an important role in the formation of various committees of the Parliament. The most important power of the Prime Minister with regard to Parliament is to recommend dissolution of Lok Sabha. This is a power by which the Prime Minister controls even the opposition.

2.3.3.4 Legislation and Administration

The Prime Minister is also integral part of the legislation in the Parliament. He decides what type of legislative measures are needed for checking administrative lacunas and that how far these are avoidable. He accordingly advices his colleagues in the cabinet

to bring forward legislative measure. Without his consent, no Bill can be introduced in the Lok Sabha. He also guides the bills through various stages in the House. In fact Prime Minister possesses such a towering personality that there is no aspect of nation's administrative life which remains out of his reach and or influence. His presence is everywhere felt and every administrative organ looks forward to him for his guidance.

2.3.3.5 Chief Link between President and Cabinet

The Prime Minister is the main channel between the President and the cabinet. Article 78 of the Indian constitution specifies that the Prime Minister is to act as a link between President and the Council of Ministers. As such, it is the responsibility of the Prime Minister to inform the President about all decisions of the cabinet. Whenever he makes foreign trips he should apprise the President about the outcome of the discussions held with foreign dignitaries. It is the official duty of the Prime Minister to be the Chief constitutional adviser to the President. The Prime Minister advises the president with regard to the appointment of important officials, such as the Controller and Auditor General, Chairman and member of the UPPSC.

2.3.3.6 Prime Minister and the Party

Parliamentary government is avowedly a party government. It is the party that wins at the polls forms the government and it is the person elected by the majority party as its leader, who is invited to form the government. The Prime Minister thus owes his office to the party support and depends for the tenure of his office on such continued support. The Prime Minister should try to see it that the ministers, Legislators and the members of his party in carrying out the policies of the government in a decent manner. He can use his official status and authority to keep the rank and file in discipline and in check. The success of the Prime Ministers will depend upon his hold in the party. He should maintain cordial relations with the key important functionaries of the party.

2.3.3.7 Other Powers and Functions:

I)   He is the Chairman of the Planning Commission, National Development Council, National Integration Council and Inter-State Council.

II)   He plays a significant role in shaping the foreign policy of the country.

III)   He is the Chief spokesman of the Union Government.

IV) He is the crisis manager-in-chief at the political level during emergencies.

V)   As a leader of the nation, he meets various sections of people in different states and receives memoranda from them regarding their problems, and so on.

VI) He is leader of the party in power.

VII) He is political head of the services.

But in practice office of the Prime Minister is made by what its occupant makes that. A powerful personality can bring glory to it whereas a weak personality can much lower the office. But a Prime Minister with a clear majority of his own party enjoys more respect and speaks with more confidence than a Prime Minister who needs a coalition government. The Prime Minister plays a very significant and highly crucial role in the politico-administrative system of the country. Dr. B.R.Ambedkar stated: "If any functionary under our constitution is to be compared with the U.S. President, he is the Prime Minister and not the President of the Union." Commenting on the British parliamentary system, R. H. Crossman said the Cabinet system after the Second World War has been transformed into a Prime Ministerial government.

2.3.4   COUNCIL OF MINISTERS

As the Constitution of India provides for a parliamentary System of Government modelled on the British Pattern, the Council of Ministers headed by the Prime Minister. It is the real executive authority in our politico-administrative system.

2.3.4.1 Composition

The Council of Ministers consists of three categories of Ministers, namely, Cabinet Ministers, Ministers of State and Deputy Ministers. The difference between them lies in their respective ranks, emoluments, and political importance. At the top of all these

ministers stands the Prime Minister – supreme governing authority in our country.

i) Cabinet Ministers

The Cabinet is a small body consisting of 15 to 18 members. They are the senior most members of the council of Ministers and the party. The Cabinet Ministers head the important Ministries of the Central Government like Home, Defence, Finance, and External Affairs etc. the cabinet meets under the Chairmanship Prime Minister to discuss about the formulation of important policies. The members of the Cabinet play an important role in deciding policies. Thus, their responsibilities extend over the entire gamut of Central Government.

ii) Ministers of State

The Ministers of State can either be given independent charge of ministries/departments or can be attached of Cabinet Ministers. In case of attachment, they may either be given the charge of departments of the Ministries headed by the Cabinet Ministers or allotted specific items of work related to the Ministries headed by Cabinet Ministers. In both the cases, they work under the supervision and guidance as well as under the overall charge and responsibility of the Cabinet Ministers. In case of independent charge, they perform the same functions and exercise the same powers in relation to their Ministries/departments as Cabinet Ministers do. However, they are not members of the Cabinet and do not attend the Cabinet meetings unless specially invited when something related to their ministries/departments are considered by the Cabinet. In 1952, the Minister of State was given the new designation of 'Minister of Cabinet Rank'. But in 1957, the earlier designation was restored.

iii) Deputy Ministers

Next in rank are the Deputy Ministers. They are Junior Ministers in the Hierarchy. They are all ministers within the definition of the constitution. They are not given independent charge or ministries/departments. They are attached to the Cabinet Ministers or Ministers of State and assist them in their administrative, political, and parliamentary duties. They are not members of the Cabinet and do not attend the

Cabinet Meetings. At the time, the Council of Ministers may also include a Deputy Prime Minister. Thus Sardar Patel in the Nehru's Ministry, Morarji Desai in the Indira Gandhi's Ministry, Charan Singh in the Morarji Desai's Ministry, Jagivan Ram in the Charan Singh's Ministry, Devilal in the V.P. Singh's Ministry and L.K. Advani in the A.B. Vajpayee's Ministry served as Deputy Prime Ministers. The Deputy Prime Ministers are appointed mostly for political reasons.

2.3.4.2 Powers and functions of the Council of Ministers:

The Constitution provides that there shall be a Council of Ministers to aid and advice the President in the exercise of his functions. But in practice, it is the Council of Ministers which does everything which the President is supposed to do under the Constitution. Thus the powers and functions which are attributed to the President are in reality the powers and functions of the Council of Ministers. The important functions of the Council of Ministers are discussed below:

i) **Policy Making:** The Council of Ministers formulates the policy of the country for its political and economic administration. The Ministry also decides the foreign polity of the country. It is responsible to decide the policy of the state for the maintenance of internal peace and order and for increasing the standard of living of the people.

ii) **Administration:** The Ministry is solely responsible for the administration of the country. It is in accordance with the principles laid down by the Council of Ministers that the administration is run by the civil servants. But the ultimate responsibility is that of the Ministers. They are responsible to the Parliament for the work of the department entrusted to them. The members of the Parliament have the right to ask questions concerning the administration of the country, and in their own interest the Ministers are expected to give satisfactory replies.

iii) **Legislative Functions:** The Council of Ministers has a direct hand in the framing of the laws of the country. It determines the legislative programme

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of the Parliament. The Ministry is the main steering wheel of the parliament and it introduces almost all the important Bills. Bills introduced by private members of the parliament have little chance of passage without the support by the Parliament it is sent to the President for his assent on getting which it becomes a law.

iv) **Budget Preparation:** The budget is also prepared and introduced in the Parliament by the Cabinet. The Finance Minister prepares the budget in consultation with the other Minister. After the introduction of the Budget in the Parliament, different Ministers present their respective demands. The Parliament is free either to accept or reject the demands. Rejection of the demand would tantamount to the lack of confidence in the Ministry. But normally such a situation would never arise as the Government has the support of the majority in the Lok Sabha.

2.3.4.3 Role of Cabinet as Chief Executive

The cabinet plays an important role in Indian administrative system as detailed below:

1. It is the highest decision making authority in our politico-administrative system.

2. It is the Chief Policy formulating body of the central government.

3. It is the Supreme executive authority of the central government.

4. It is the chief coordinator of central administration.

5. It is an advisory body to the President and its advice is binding on him.

6. It is Chief crisis manager and thus deals with all emergency situations.

7. It deals with all major legislative and financial matters.

8. It exercises control over higher appointments like constitutional authorities and senior Secretariat administrators.

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9. It deals with all foreign policies and foreign affairs.

2.3.5 SUMMING UP

In short the cabinet not only executes the policies but also provides leadership to the legislature during legislation. It is thus the link that joins and the buckle that fastens the administrative and the legislative arms of the government.

The Prime Minister of India is in practice the most powerful person in the Government of India. The Prime Minister is technically outranked by the head of the state, the President of India. But, as is typical in most parliamentary democracies because the head of state's duties are largely ceremonials, the Prime Minister is the head of the government. He is endowed with enormous power as no other constitutional ruler in the world possesses. In fact, the powers and position of the Prime Minister largely depend on his personality efficiency and the support of the dominant, class in the country. The Prime Minister performs several functions such as determining the administrative policy, issuing directions to the administrative departments, controlling the state finance, appointing and removing of personnel, supervising and controlling administrative operations.

To assist the Prime Minister in his day-to-day functions, an office was established in 1947. It is called as Prime Minister's secretariat. It has become a major power center in Indian Administration and going strength by strength. As the Constitution of India provides for parliamentary form of government wherein the executive authority is vested in the council of Ministers headed by the Prime Minister. Cabinet is the Prime mover of political action and the core of Indian Political System. It decides all policy matters of national governance. The cabinet ministers are senior most members of the council and certainly the most influential. The cabinet functions through several committees such as political, economic and price committee. Among these the political committee is most powerful.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –II: **Principles of Organisation and its Structure**

2.4 DEPARTMENTALIZATION:

CONCEPT AND BASIS

- Prof. Y. Pardhasaradhi

STRUCTURE

2.4.0 Objectives

2.4.1 Introduction

2.4.2 Importance of Structure

2.4.3 Central Secretariat: Structure and Functions

2.4.3.1 Structure of the Central Secretariat

2.4.4 Prime Minister's Secretariat

2.4.4.1 Structure

2.4.4.2 Functions

2.4.5 Summing Up

2.4.0   OBJECTIVES

After going through this lesson, you will be able to:

- Know the importance of structure in Pubic Administration

- Understand the structure and functions of Central Secretariat

- Comprehend the role of Prime Minister's Secretariat

2.4.1   INTRODUCTION

The aim of each administrative principle is to raise the level of efficiency of the organization. For this purpose, human beings are required to be organized. In this process, the principle of 'hierarchy' arranges the human beings into various levels and also indicates who should issue orders and who should obey them.   It is graded authority. These principles bring in the distribution of work based on the position one is occupying and level of expertise he possesses. The people who have higher degree of specialization occupy the higher position and lower degree of specialization, the lower levels. The principle of hierarchy stems not only from the division of work but also from the need for effective linkages among various functionaries working in the organization. The principle of 'Span of Control' is based on the inexorable limits of human nature. He must depend upon these to direct others, and upon them, in turn, to direct still others, until the last man in the organization is reached". This was adduced as a theological argument because it was already accepted as a principle of human relations in everyday life. This is known in administration, according to Gulick as "Unity of Command'. He states the principle as follows, "a workman subject to orders from several supervisors will be confused, inefficient and irresponsible; a workman subject to orders from but one supervisor may be methodical efficient and responsible". Unity of command, thus, refers to those who are commanded, not to those who issue the commands.

2.4.2   IMPORTANCE OF STRUCTURE

The administrative organization emphasizes on the effectiveness of a group of human

beings depends upon the type of structure in which they are operating. The structure, to them is basic for any group effort. The structure, they believe, is capable of reducing the diversity in human nature and fits them into pattern where they have to respond according to the needs and demands of the organization. It also believes that a human being would adjust and adapt himself to the needs and expectations of the organization.

The principles of organization were developed based on experience gained in military and industrial organizations. The proponents of these principles are those who had rich experience in a variety of organizations. They formulated them after considerable observation of working of human organizations. In other words, the principles have come to be propounded not from philosophical exercises or figments of the imagination but from rigorous empirical observations. It is these factors that lent strength to the principles of organization.

Among the principles of administration listed out, all the thinkers lay special emphasis on division of work. According to them, *'Division of work is the basis for Organization: Indeed, the reason for organization'*. Work division implies that the job to be performed is broken into its component functions and again each of the component functions be broken down into simple repetitive activity. At each stage the sub-division of work is followed by the inter-relating of the divided parts. The focus of attention is shifted from grouping the various activities into sub-units, collecting the sub-units together to form units and inter relating the units to create the overhead organisation. Thus, Gulick says that "*division of work and integration are the boot straps by which mankind lifts itself in the process of civilization*".

In assigning functions to groups of people, their first principle is homogeneity based on the identity or simplicity of four factors, which is called as Departmentalization:

- The PURPOSE they serve (function);

- The PROCESS they use;

- The PERSONS or things they deal with (clientele);

- The PLACE where they work.

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Let us identify the Departmentalization process in Indian Administration.

2.4.3   CENTRAL SECRETARIAT: STRUCTURE AND FUNCTIONS

The word 'Secretariat' literally means the office of the Secretary. The Central Government has three essential organs: (a) the Ministers, (b) the Secretary and (c) the Executive Head. The most important function of the Minister is to make the policy. The Secretary's duty is to provide necessary materials by which such decisions can be reached and implemented. The Executive Head performs the function of carrying the decisions into effect. Orders and instructions issued by the Central Secretariat are regarded as the orders of the Government of India. Hence, in the administrative set-up the Central Secretariat occupies a key position. The Central Secretariat is the summation of various Ministers/Departments of the Union Government. Just like the Council of Ministers, the Central Secretariat also works as a single unit with collective responsibility. Secretaries also work as a single unit with collective responsibility. Secretaries constituting the Central Secretariat are Secretaries to the Union Government as a whole and not to any particular Minister.

The main function of the Central Secretariat is to assist and advise the Ministers regarding the following matters:

- Making and modifying policies from time to time.

- Framing laws, rules and regulations.

- Formulating sectoral planning and programmes

- Budgeting and controlling expenditure

- Supervising and controlling the execution of policies and programmes by field agencies and evaluating results.

- Coordinating and interpreting policies, assisting other branches of the government and maintaining contacts with State Administrators.

- Initiating measures to develop greater organizational competence

- Discharging their responsibilities to the Parliament.

Describing the real status of the Central Secretariat, Ashok Chandra observes: "The Central Secretariat is the principal executive instrument of the Union Government and is responsible for administering the Central subjects, coordinating the activities of national importance and assisting in the formulation of foreign, economic and financial policies". Thus, the Central Secretariat plays two kinds of role simultaneously. On the one hand, it is a policy making, coordinating and supervisory agency, and, on the other, it is the main executive agency of the government. The Central Secretariat is concerned with every details of administration. The functions and responsibilities of the Central Secretariat have been rapidly increasing. Naturally its authority has grown too. The superior position of the Central Secretariat is recognized by the fact that the Secretariat personnel are being given higher grades of salaries than their counterparts working in field agencies. In fact, the field officers are entitled to special pay immediately after they join the Central Secretariat. It seems that the prestige of the Central Secretariat has gone up too high.

2.4.3.1 Structure of the Central Secretariat

It is said that the Central Secretariat is the summation of various Ministries and Departments. But Cabinet Secretariat, which is a Ministry comprising more than one Department, is still known as the Secretariat. In a Ministry, the ultimate charge is allotted to a Minister. This charge may include one or more Departments. Each Department is under the charge of one Secretary. Many large Ministers like agriculture, defence, education, external affairs, finance, home, etc. have more than one Department in their charge.

A Department, on the other hand, is defined as an organizational unit consisting of a secretary. Thus, a Department should be identified with a Secretary's charge and a Ministry should be identified with a Minister's charge.

A Ministry, for the purpose of expenditure internal organizational activities, is divided into the following segments. There is an officer in charge of each segment.

Department – Secretary / Additional Secretary / Special Secretary

Wing – Joint Secretary / Additional Secretary

Division – Director / Deputy Secretary

Branch – Under Secretary

Section – Section Officer

The functions and roles played by such officers are briefly described below:

1. **Secretary:** A secretary is usually the administrative head of a Ministry or a Department. He is the main advisor to the Minister on all matters of policy and administration within his Ministry or Department. He enjoys complete and undivided responsibility for efficient administration. The Secretary represents his Ministry or Department before the Parliamentary Committee on Public Accounts. He receives weekly summaries describing the nature of cases which have been disposed of by his subordinate officers. Thus, he becomes continuously aware of the working of his Department.

2. **Special Secretary:** More than one level of authority has been introduced since 1947 and thus the original hierarchy of administration has been disturbed. This tends to weaken the solidarity, efficiency and effectiveness of a number of administrative posts. The introduction of a new post designated as Special Secretary is a good example of such weakening. As Ashok Chandra observes, in 1951 a Special Secretary, enjoying the pay, status and authority of a Secretary, was appointed to the Ministry of Agriculture. This was a unique post where neither the principles on which such a post was created nor its relations with the Permanent Secretary were defined. A Special Secretary was also appointed (with the rank of a Secretary) in charge of the Department of Kashmir Affairs in the Ministry of Home Affairs. It can thus be said that there is no well-defined

principle regarding the appointment, rank and pay of a Special Secretary.

3. **Additional Secretary:** Initially, the officer next in hierarchy to the Secretary was the Deputy Secretary. But later, some new levels of Joint, Additional and Special Secretaries were formed. In 1937, the Organization and Procedure Committee referred to these new levels. Almost every committee has recommended either the abolition of these new posts or their drastic reduction in number. However, such newer intermediary ranks have ultimately succeeded. In reality, these posts have been created to reward some senior Joint Secretary by raising both his salary and rank. This new officer has no specified duty or work.

    Sometimes, he is placed in charge of a Department, doing the work of a Secretary. All other times, he is placed at the head of a 'wing' and performing the functions of a Joint Secretary. Still at other times, he helps the Secretary in a specified field of activity. However, the Personnel Study Team of the Administrative Reforms Commission (ARC) and the ARC itself suggested the creation of definite level of Additional Secretary. Thus, in the Secretariat hierarchy, the level of Additional Secretary has come to stay. This level provides considerable relief to the Secretary in the ministries of large size. As a result, the Secretary can now concentrate on the more important policy matters.

4. **Joint Secretary:** Where the volume of work in a Ministry exceeds the manageable charge of a Secretary, one or more 'wings' may be established within the Ministry. Normally a Joint Secretary takes in charge of each wing. Regarding all business falling under his wing, the Joint Secretary is in charge of maximum measure of independent functioning and responsibility. For three main reasons, this post of Joint Secretary was created in the early twenties of the twentieth century. They are as under:

    (a) The functions of some Departments were enhanced so remarkably that it became extremely difficult for one Secretary to deal with all the increase in work.

(b) For one Secretary, it became really difficult to combine separate items of business.

(c) With the emergence of two Houses of legislature at the Centre in 1920, it was necessary that senior officers should be present in both Houses to assist the members of the legislature in the legislative work.

Criticizing the emergence of the new level of Joint Secretaries between the Secretary and the Deputy Secretaries, Gopalaswami Ayyangar has observed: "The interposition of an officer (called joint or additional secretary) between the Secretary and the Deputy Secretary in a Department is prima facie an unsatisfactory arrangement even when it is made for the purpose for which it should normally be made, namely, to relieve the Secretary of a block of work and deal directly with the Minister in respect of that work. Even at its best, I consider the arrangement to be unsatisfactory because the Secretary is not thereby formally relieved of his general *(or de jure)* responsibility while *de facto* responsibility is entrusted to another officer".

5.   **Director:** This post is relatively a new addition since it was created in 1960. Mostly to satisfy the ego of certain officers, the post of 'Director' was created. The responsibilities of Directors are more or less the same as those of a Deputy Secretary.

6.   **Deputy Secretary:** A Deputy Secretary is an officer acting on behalf of the Secretary. He is in charge of the Secretariat division. He remains responsible for the performance of governmental functions within his territorial jurisdiction. He should be able to dispose of the majority of cases coming up to him. On more important cases where the Secretary or the Joint Secretary gives him written or oral orders, the Deputy Secretary uses his discretionary powers in taking such orders. On the whole, the Deputy Secretary occupies a key position in the Central Secretariat.

7. **Under Secretary:** An Under Secretary is in charge of a branch in a Ministry and has full authority regarding the despatch of business and the maintenance of discipline. In the Maxwell Committee Report, the role of the Under Secretary has been clearly mentioned in the following way.

   "The grade of the Under Secretary should ordinarily initiate action on all inward communications, but he should not hesitate even at that stage to bring a receipt immediately to the notice of the Deputy Secretary for any instructions which the latter might wish to give …. More important files he sold submit to the Deputy Secretary in such a form that in ordinary course the Deputy Secretary should be enabled to deal with the case quite briefly. Under Secretaries should also attempt to reduce the number of files to be formally submitted to the Deputy Secretary …"

8. **Assistant Secretary**: Till our independence in 1947, there was another level below the Under Secretary. This level was known as the *assistant secretary.* These posts were created as a result of the recommendation of the Secretariat Committee of 1919. The Maxwell Report (1937), however, recommended for the abolition of the post. The recommendation was effected after 1947.

9. **Officer on Special Duty (OSD):** It is an old device to accommodate certain persons or to meet an unexpected emergency. But it has appeared to be useful to practicing administrators. Certain features inherent in the system are as follows:

   ● The designation OSD has a special charm which attracts a lot of persons.

   ● The post does not indicate any status. It means any position at a given time depending on the nature and type of work.

   ● The government in recent years has been appointing OSDs more easily and frequently than originally envisaged.

   ● There is a growing trend towards such officers staying on in their special

posts indefinitely. The post is of a temporary nature. It suits both the officer concerned and his boss.

- The post is ideal for training. In the words of S.R. Maheshwari, "the post of OSD ideally tends itself to use as a training post".

- The post has both administrative reasons and political reasons behind its creation.

10. **Section Officer:** Superintendents, in charge of sections, are known as *section officers*. The section officer basically supervises the work of the staff of his section, but he himself handles the important and intricate cases. He distributes the work among his staff; trains, assists and advises the staff; coordinates the work in his section; ensures prompt and efficient disposal of work in his section; adopts necessary measures for the steady progress of cases; submits arrear statements and other periodical returns in time; maintains the section diary, file register and other documents of the section properly; ensures safeguarding of secret and top secret papers; issues reminders, acknowledgements, etc.; remains responsible for the disposal of routine cases; maintains order and discipline in the section and keeps the section neat and clean. Apart from the above mentioned officers, this section will describe the functions of the assistants and upper division clerks, on the one hand, and lower division clerks and typists, on the other.

1. **Assistants and Upper Division Clerks:** An assistant usually works under the orders of the section officer. The assistant usually remains responsible for the work entrusted to him by the section officer. He normally examines and puts suitable notes and drafts on case promptly and submit them quickly to his immediate boss, i.e. the section officer. He maintains his diary properly and keeps papers and files in tidy condition. Some assistants may be selected as more efficient ones who are usually authorized to submit cases directly to the branch officer. Upper division clerks perform more or less similar functions as with those of assistants.

But they are not ordinarily entitled to deal with 'important' cases as the assistants are:

2. **Lower Division Clerks and Typists:** Such functionaries are normally entrusted with work of a routine nature. These work include registration of papers, maintenance and circulation of other registers, indexing, recording, proof corrections, preparation of arrear statements, supervision of corrections to reference books, typing, submission of routine and simple drafts, etc.,There has been a remarkable increase in recent years in the volume of work in the Central Secretariat. The main reasons behind this increase are:

● At present, the government has assumed increasing responsibilities for regulating trade and industry, controlling restrictive practices, nationalization of banking and insurance, promotion of economic development, fostering science and technology, etc.

● There has also been an increase in the number of public sector undertakings in various fields which, in turn, gives birth to a steady increase in the secretarial works.

● Again, due to the increasing executive accountability to the legislature and the increasing scrutiny by the standing committees of the Union legislature, there is an increasing need for maintaining proper records of all cases involving financial sanctions.

As a result of all these factors, there has been a remarkable growth in the number of central secretariat posts at various levels.

In this context, it would probably not be totally irrelevant to describe the Union Home Ministry and its expanded Secretariat at present. The Home Ministry is topped by the Home Minister who is a Cabinet rank. He, again, is assisted by two Ministers of State. The division of functions among the Minister and Ministers of State for Home Affairs is decided by the Home Minister. There are certain matters which are disposed

of at the level of the Ministers of State. However, all sensitive issues particularly those of internal security, must reach the Home Minister's level, and sometimes even the Prime Minister's level. The most important issues are discussed at the level of the Political Affairs Committee of the Cabinet and even in the entire cabinet. In recent years, with serious threats to internal peace and security, the Home Ministry's functioning has assumed special significance. The Ministry of Home Affairs has one Deputy Minister as well. He assists the two Ministers of State and the Home Minister In the performance of their duties. The administrative head of the Ministry is the Home Secretary, who is a senior IAS officer. The Department of Official Languages, though a part of the Ministry of Home Affairs, has a separate Secretary. There are two special Secretaries to assist the Home Secretary in the conduct of official business. Below them are a large number of Joint Secretaries, Directors, Deputy Secretaries and Under Secretaries.
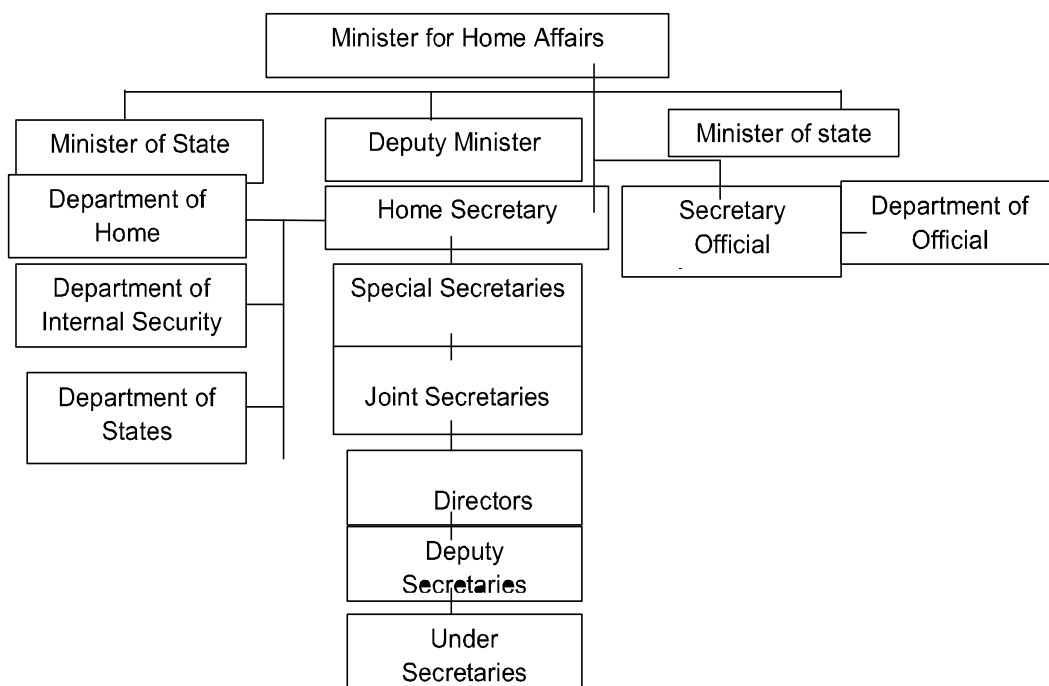
Figure 1 Structure of the Union Ministry of Home Affairs

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The top-level organization of the Ministry of Home Affairs is given in Figure 3.1. It helps one to understand the size of the secretarial expansion. Regarding the efficiency of the Central Secretariat, the Administrative Reforms Commission has categorically mentioned in its report that the Central Secretariat is busy with performing so many unnecessary functions that, at present, it has been turned into a vast agency without any control imposed on it. As a result, the administrative machinery has been malfunctioning and there is no clear-cut territorial boundary line between the responsibilities of different Departments. For the same reason, the work has become indefinite and there has been unnecessary delay. Besides, the increasing number of officials has resulted in the deteriorating standard of work. Hence, the higher level officers are overburdened with work.

2.4.4 PRIME MINISTER'S SECRETARIAT / OFFICE

Prime Minister's Secretariat (PMS) was created on August 15, 1947. Since June 1977, it came to be known as the Prime Minister's Office (PMO). The PMS was created basically for the purpose of performing the functions of the Secretary to the Governor-General. The PMS was an extra-constitutional institution having no mention in the Constitution. The PMO occupies the status of a Department of the Government of India under the Allocation of Business Rules, 1961. Officially, it is a link between the Prime Minister and his Ministers, on the one hand, and the President, Governors, Chief Ministers and Foreign Representatives, on the other. Basically, PMO is concerned with party matters, personal correspondence, complaints from the public, etc.

2.4.4.1 Structure

At the apex of the Prime Minister's Office (PMO), there is obviously the Prime Minister himself. Just below him is the Principal Secretary to the Prime Minister. The organizational hierarchy of the PMO can be understood from Figure 3.2

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                    ┌──────────────────┐
                    │  Prime Minister  │
                    └────────┬─────────┘
                    ┌────────▼─────────┐
                    │ Principal Secretary │
                    └────────┬─────────┘
                    ┌────────▼──────────┐
                    │ Additional Secretary │
                    └────────┬──────────┘
        ┌────────────────────┼────────────────────┐
┌───────▼────────┐  ┌────────▼────────┐  ┌─────────▼────────┐
│ Joint Secretary (1) │ │ Joint Secretary (2) │ │ Joint Secretary (3) │
└────────────────┘  └─────────────────┘  └──────────────────┘
┌──────────────┐  ┌──────────────┐  ┌──────────────┐  ┌──────────────┐
│ Director (4) │  │ Director (3) │  │ Director (2) │  │ Director (1) │
└──────────────┘  └──────────────┘  └──────────────┘  └──────────────┘
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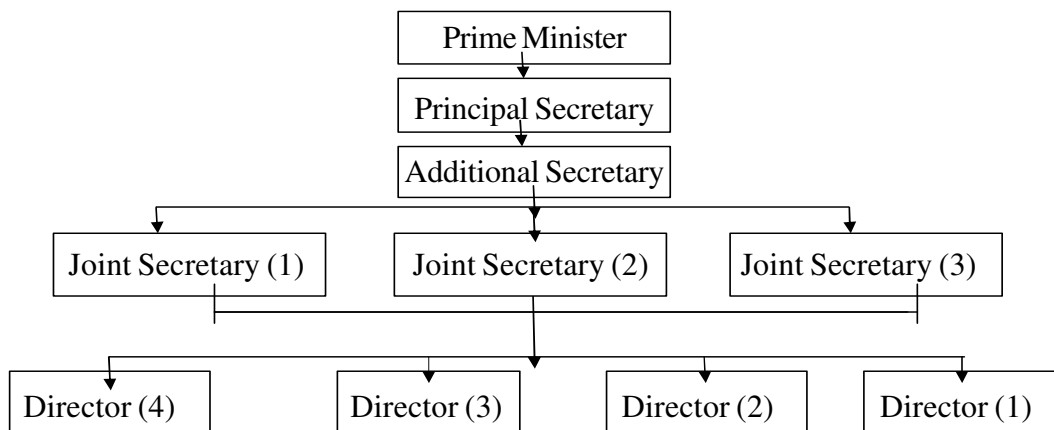
Figure 2: Hierarchical structure of the PMO in India

- **Prime Minister:** The principal official of the PMO is undoubtedly the Prime Minister himself. The structural organization of the PMO is determined by him.

  It is he who decides which person would occupy which position in this hierarchical order.

- **Principal Secretary:** The Principal Secretary to the Prime Minister is the head of the bureaucratic pyramid of the PMO who deals with all governmental files in the office. He is in charge of various matters of the Ministers that the PM asks him to deal with.

- **Additional Secretary**: According to the PM's advice, the Additional Secretary normally looks after the personnel and policy matters of the various Ministers.

- **Joint Secretary (1):** He is in-charge of Home Affairs, Law and Justice.

- **Joint Secretary (2):** He looks after the administrative system of the PMO and the Ministries of Surface Transport, Railways, and Civil Aviation, and Communications.

- **Joint Secretary (3):** He handles the various aspects of the Ministers of External Affairs, Defence and Atomic Energy.

- **Director (1):** He is an officer on special duty looking after rural development and civil supplies.

- **Director (2):** He is in-charge of home Affairs.

- **Director (3):** Having no specific responsibilities, he acts basically as a trouble-shooter.

- **Director (4):** He is concerned with various matters of the State Governments, particularly those of the North-East.

Below the above mentioned officers, there are several functionaries belonging to Class I, Class II, Class III and Class IV services. The PMO ensures secretarial assistance to the Prime Minister. It includes the anti-corruption unit and the public wing dealing with grievances. Which files are to be submitted before the PM and what would be the subject matters of those files – these things depend on the fact whether the PM himself is holding direct charge of the Ministry or whether there is a Cabinet Minister or Minister of State in charge of the Ministry.In the case of the latter, most matters are looked after by the Cabinet Minister or Minister of State. Only some very important policy issues are received by the PMO. In case of the former, all matters are submitted to the PMO. The PM has traditionally been the Minister in-charge of such Departments as Space, Atomic Energy and the Ministry of Personnel, Public Grievances and Pensions. Since the PM is the ex-officio Chairman of the Planning Commission, many valuable files are forwarded to the PMO for his comments and clearance.

Some vital matters that need the Prime Minister's personal attention are as follows:

(a) Important issues relating to defence

(b) Civilian and military decorations where presidential approval is a must.

(c) All important policy issues.

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(d)   Appointment proposals of Indian Heads of Missions abroad.

(e)   All important decisions relating to Cabinet Secretariat.

(f)   Appointments to the Central Administrative Tribunal, State Administrative Tribunals, UPSC, Election Commission, Commissions attached to various ministries, etc.

(g)   All policies matters relating to bureaucratic administration and administrative reforms.

(h)   Special packages announced by the Prime Minister for the States.

(i)   All judicial appointments for which presidential approval is necessary.

The Prime Minister's National Relief Fund (PMNRF) and the National Defence Fund (NDF) are operated directly by the PMO.

2.4.4.2 Functions

The main task of the Secretaries ad Directors of the PMO is to help the Prime Minister in the performance of his functions as the governmental head. These officials assist the PM in maintaining links with the president, Union Ministers, Governors, Chief Ministers, representatives of foreign governments in India, etc. On the public side, the secretariat of the PMO handles various requests or complaints from member of the public addressed to the PM. The jurisdiction of the Secretariat may extend over any subject or activity not specially allotted to any Ministry or Department. It is convenient for the Secretariat to make answer for questions raised in the parliament on some general subjects not allotted to any particular Ministry. The main functions of the Secretariat of the PMO are as follows:

1.   To deal with all references those have to come to the PM.

2.   To help the PM in the discharge of his overall responsibilities as the Chief Executive.

3. To help the PM to act as the Chairman of the Planning Commission.

4. To help the PM in maintaining relations with the press and the Public.

5. To assist the PM in examining cases submitted to him for orders under prescribed rules.

Whenever a new Prime Minister takes over, there is utter curiosity and anxiety to see how the PMO would be and how it develops further during his tenure. Over the years, PMO has grown into a high profile body. Quite often, it has exceeded the powers of the Cabinet Secretariat and actively interfered with the working of various Ministries and Departments. People who constitute the PMO have acquired power and authority of their own in the name of the Prime Minister. Sometimes even the PMO comes to assume much more authority and power than the Prime Minister originally intended.

2.4.5 SUMMING UP

Regarding the efficiency of the Central Secretariat, the Administrative Reforms Commission has categorically mentioned in its report that the Central Secretariat is busy with performing so many unnecessary functions that, at present, it has been turned into a vast agency without any control imposed on it. As a result, the administrative machinery has been malfunctioning and there is no clear-cut territorial boundary line between the responsibilities of different Departments. For the same reason, the work has become indefinite and there has been unnecessary delay. Besides, the increasing number of officials has resulted in the deteriorating standard of work. Hence, the higher level officers are overburdened with work.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –III: **Administrative Behaviour and Personnel Administration**

3.1 CLASSICAL AND HUMAN RELATIONS THEORIES

- Dr. Mohit Sharma

STRUCTURE

3.1.0   Objectives

3.1   Introduction

3.2   The classical theory

3.3   Salient features of classical theory

3.4   The formal organization approach

3.5   The scientific management approach

3.6   The bureaucratic approach

3.7   The human relation theory

3.8   Conclusion

3.9   References

3.1.0   OBJECTIVES

After going through this lesson, you will be able to understand:

- The importance of Decision-Making Public Policy

- The contributions of Herbert Simon to decision making process

- The hierarchy and rationality of decision making

- Techniques of decision making

INTRODUCTION :

As a subject of study, public administration has been everybody's field. The practicing administrators and academics of all sorts have something to say on one or the other aspects of administration. In fact a coherent, concentrated and organized body of knowledge on public administration is still evolving. Therefore, the state of theory under such circumstances cannot be expected to be satisfactory. In this discomforting situation, the public administration has so far not Develop a systematic body of theory. There are many theories of public administration but no general theories of subject have emerged as yet.

In this context, according to **Rumki Basu**, the theories that deals with things bigger and smaller than public administration, but not with public administration itself.

Also N.Kerlinger defines theories as a set of interrelated constructs, definitions and propositions that presents a systematic view of phenomenon by specifying relations among variables with the purpose of explaining and predicting the phenomenon. Theories are attempts to accurately describe and to successfully predict, relationships among elements of the physical, social and pyscological world.

There are many theories of organization, although speaking, the word theory may not be very correct to use at the present stage of development of the subject.

The classical theory includes:

1. The formal organization approach

2. The scientific management

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3. The bureaucratic approach

Salient features of classical theories: The following are the main features of the classical theories that are as under:

- It gives emphasis to the formal structure of organization.

- It assumes organization as close model.

- Its emphasis is on the study of certain principles of organization.

- It seems to be erecting wall of separation between the organization and larger society outside.

The classical theory is also known by various names, like, the administrative theory, the traditional theory, the formal organization theory, the mechanistic theory, the structural theory and the universalist approach. The classical theories addressed themselves to the task of discovering the true bases on which the division of work in an organization could be carried out, and devising effective methods of bringing about co-ordination in it. They moreover laid emphasis on precise definition of tasks and their interrelationships and advocated the use of authority and system of checks, to exercise control over personnel so that the organizational work gets done. Unlike, Talyor's scientific management that focused on efficiency at the shop floor of the organization, the classical theory is a broader approach to the organization. It is concerned with the formal organization structure as well as the process of administration. The division of labor is the central tenet of classical theory.

The Formal Organization Approach:

During the first half of the 20th century, a broader approach to organization was initiated by a group of writers whose interest was chiefly in formal organization structure and the basic management process. March and Simon have characterized this body of knowledge as administrative management theory. This approach is also designated

as the traditional approach. The main content of this theory is that a science of administration can be developed based on some principles and based on the experiences of administrators. The most important concern of this theory is the formulation of certain universal principles of organization. It deals primarily with the formal organization structure. The theory assumes that there are certain fundamental principles on the basis of which an organization 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 organizational efficiency and economy. The structuralists were chiefly concerned with discovering the true basis on which work can be divided in an organization and devising proper methods of bringing about effective organizational co-ordination. The formal organization approach or the principle school had a significant impact on public administration. It put farward an answer to Wilson's call for a science of administration. It offered generally easy to comprehend and apparently practical prescriptions concerning how to construct logical and efficient organizational structures.

According to Baker, certain specific ideas of practical value have emerged from classical approach, they are as under:

- The identification of the organization or administration as a distinct function to be studied and practiced. The practical achievement was to make people think and apply themselves to the problem of management and organization.

- It introduced some clear thinking about authority, responsibility, delegation etc.

- It propounded the idea that administration is a separate activity that deserves intellectual investigation.

- It played a significant role in rationalizing and stimulating production in the industrial organization to some extent.

- The very limitations of the theory instigated further investigations in organizational behavior.

However, the formal organization theorists are criticized on the ground that their prescriptions were based on personal experiences and the observations of how existing organizations were administered.

The Scientific management approach:

At about the time Weber was writing about bureaucracy, the scientific management movement was beginning in order to influence thinking about administration and management in the United States. The scientific management stressed rationality, predictability, specialization and technical competence, but its focus was much narrower than Weber. It mainly concentrated

On the design and operation of production on the shop level of the organization. The scientific management refers to what is more popularly known as time motion studies and it flourished at the beginning of the 20th century remains very much in use today in industry. The scientific management had its intellectual home in America's business schools. Its motivating concern was to improve the organizational efficiency and economy for the sake of increased production. The key representative of the scientific management school are Taylor and Frank and Lillian Gilbreth. Taylor is considered to be the father of scientific management. His concern was throughout most of the his life was that of increasing efficiency in production not only to lower costs and raise profits but also to make possible increased pay for workers through their higher productivity. His thought that the problem of productivity was a matter of ignorance on the part of both management and labor. In brief, he saw productivity as the answer to both higher wages and higher profits. He believed that application of scientific methods, instead of custom and rule of thumb, could yield productivity of without the expenditure of more human energy or effort.

The fundamental principles that Taylor saw underlying the scientific approach to the management are as under:

• Replacing the rules of thumb with science

• Obtaining harmony in group action, rather than discord.

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- Achieving co-operation of human beings, rather than chaotic individualism.

- Working for maximum output, rather than restricted output.

- Developing all workers to the fullest extent possible for their own and their company's prosperity.

He concentrated on the intensive analyses of the work processes at the level of the industrial shop and the individual worker. He believed that such investigations would yield the one best way to design and execute tasks. His approach is now considered inadequate for today's problems and his insights did accelerate a movement toward rationalized factory production methods and the establishment of efficiency as the guiding criterion for managerial theory and practice. He emphasized the need for professional management, the scientific study and the design of work processes and the creation of an ethos promoting the mutuality of interests between workers and the organization. He also urged a mental revolution in the attitude of managers and workers. The scientific management enduring the contribution to modern managerial thought and practice is the idea that efficiency and the goal accomplishment are the products of systematic research and evaluation. The empirical research and controlled experimentation with alternative methods were central elements of scientific management.

Taylor's concept of the proper relationship between management and the workers has been as influential as his contributions to the technical side of the management. Through the piece rate pay systems and rationally designed and supervised production techniques, industry could tap the workers primary motivation to make more money and also combine higher profits with the higher income for those who worked hard. For him, mutuality of interests was the common economic reward to be realized through co-operation between labor and the management and he believed that once both sides saw this basic point, there could be no rational reason for the conflict between the two groups. The scientific management has profound effect on many areas of modern public administration. The scientific managers restricted their work to the shop level of activity and concentrated on reformulating the supervisory role along

lines advocated by Taylor. The scientific management contributed to the widespread acceptance of efficiency as a primary goal or purpose of administration and management. The scientific management's philosophy and methods were highly compatible with the orientations of many practitioners, civil leaders and scholars who were at that time working to achieve major reforms of government and civil service. The scientific management was the first philosophy to initiate the quest for better performance at work.

The bureaucratic approach :

Bureaucracy is essentially a normative model that emphasizes the structure of the organization. The study of the bureaucracy phenomena is usually tracked back to German scholar Weber. He was the first to describe its characteristics systematically, to attempt to explain its emergence in the western society and also to explore its positive as well as negative consequences. He concluded a distinctive trait of the western society which was its cultural drive to rationalize the social and the economic processes. In his analyses, bureaucracy refers to the sociological concept of the rationalization of collective activities. It describe a form or design of the organization which assures predictability of the behavior of employees. According to him, bureaucracy is superior to any form of in decision, precision, stability, discipline and reliability. It makes possible a high degree of calculability of results for the heads of the organization and for those acting in relation to it. He asserted that the bureaucratic form of organization were more efficient than other systems of administration to and the degree that they are able to depersonalize their rules and procedures and therefore, to achieve high levels of calculability in the decision making process.

The Modern Theory: The main features of this theory includes the following:

- It gives emphasis to the informal relationships in the organization.

- It assumes organization as open model.

- Its emphasis on the study of human behavior and the interpersonal relationships in the organization.

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- It supports a more participative structure with fairly free flow of communication and considerable flexibility in inter-level relationships.

The Human Relations Theory:

This theory emerged in part because managers found that Taylor's scientific management and Fayol's administrative management approach did not quite achieve complete production efficiency and work place harmony. The managers still faced difficulties because employees did not always follow predicted and rational patterns of behavior. Thus, there was an increased interest in helping managers deal more effectively with the people side of their organization. The real inspiration for the approach came from the Hawthorne experiments (1924-1940).

The Hardvard Business School, under the leadership of Elton Mayo and his associates conducted extended research at the Hawthorne Plant of the Western Electric Company. These studies mark the beginning of revolution in organization theory. The essence of this revolution was a focus on the organization as a social system. The Hawthorne studies as they called established the informal group as a major explanation of behavior in organizations and extended the conceptual horizons of the organization theory to include a huge range of socio-psychological variables.

Illumination experiments: It was the first phase of this study and it is the popular belief that productivity is positively correlated will illumination was tested. Experiments were done on a group of workers. Their productivity was measured at various levels of illumination. Even the two groups of workers in different buildings were set up. The post test productivity of the two groups was then compared and it was found that illumination affected production only marginally.

Relay assembly test room: A group of women assembling telephone relays were placed in a special test room set apart from other workers. Over a period of two years, changes were deliberately made in the physical conditions under which these women worked. Again, the findings were confusing, when working conditions were changed unfavorable, production did not go down as expected.

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In the phase of interviewing programme: more than 20,000 workers were interviewed. Since the replies were guarded, the non-directive type of interviewing technique was used, in which workers were free to talk about their favorite topics related to their work environment. This study revealed that the worker's social relations inside the organization had an unmistakable influence on their attitudes and behaviors. This study brought to light the all pervasive nature of informal groups which had their own culture and production norms which their members were forced to dry.

The bank wiring observation room: This phase involved an in-depth observation of 14 men making the terminal banks of telephone wiring assemblies, to determine the effect of informal group norms and formal economic incentives on productivity. It was found that the group norms evolved its own production norms of each individual worker, which were much lower than those set by the incentive system. This artificial restriction of production saved workers from a possible cut in their piece rates or an upward revision of their standards by the management and protected weaker and slower workers from being reprimanded or thrown out of the job, these being the days of the great depression. Mayo, Dickson and others who conducted this experiments became convicted that the behaviors of workers cannot be separated from their feelings and sentiments that are the products of the individual's personal history, socialization, experiences and situation in the organization. The most important feeling of the hawthorne studies was that the social and psychological factors at the workplace are the major determinants of worker's satisfaction and organizational output.

The experience of hawthorne studies produced a profound impact on the luminaries of the human relations approach. They came to realize the important role played by the informal groups in the working of an organization. The human relations approach promoted a particular vision of human nature in organizational setting, it urged co-operation over completion and interdependence over individualism. In fact, the Hawthorne studies allowed Mayo and the others to test social theories that stressed these values as the bases of human social action.

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Conclusion:

These theories or approaches are attempts to accurately describe and to successfully predict relationships among elements of the physical, social and psychological worlds. Although each of the approaches discussed below has made some contribution to the design and administration of the formal organization and the organizational theory has to attain the scope and precision of the theories of the physical sciences. The classical theory of organization is made explicit in organization charts, rule books, manual, rules of procedures etc. It deals with what is called formal organization that is an organization which is deliberately and rationally designed to fulfill the objectives of an organization. This theory treats an organization as a closed system, completely unconnected with, and uninfluenced by its external environment. It underestimated the human factor and oversimplified the human motivations. This theory set out to develop principles of organization, they were according to critics, no better than mere proverbs and providing any meaningful guidance to the scholars and practitioners of the subject whereas the Hawthorne experiments contained starting findings on employee attitudes to work and supervision and disclosed the tendency on the part employees to form small social groups with their own status system, behavioral patterns, beliefs and goals which may be different from or even opposed to the stipulations and prescriptions of the formal organization. So, new indeed were these that they gave rise to a new theory of organization called the Human Relations Theory.

Suggested Readings:

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –III: **Administrative Behaviour and Personnel Administration**

3.2 DECISION MAKING : CONTRIBUTIN OF HERBERT A. SIMON

- Prof. Y. Pardhasaradhi

STRUCTURE

3.2.0 Objectives

3.2.1 Introduction to Decision Making

3.2.2 Contributions of Herbert Simon

3.1.2.1 Life and Work

3.2.3 The Place of Decision Making

3.1.3.1 Choice and Behaviour

3.1.3.2 Value and Fact in Decision-making

3.2.4 The Hierarchy of Decisions

3.2.5 Rationality in Decision-Making

3.2.6 Techniques of Sound Decision-Making

3.2.7 Organisational Loyalties

3.2.8 Conclusion

3.2.0   OBJECTIVES

After going through this lesson, you will be able to understand:

- The importance of Decision-Making Public Policy

- The contributions of Herbert Simon to decision making process

- The hierarchy and rationality of decision making

- Techniques of decision making

3.2.1   INTRODUCTION TO DECISION-MAKING

Administrative studies in 1930s and 40s reflect a significant amount of empiricism, which led to substantial modification in previously held views about man in organization. These studies have built theoretical constructs of social systems and some essential notions of human behaviour. A number of attempts were made during this period to conceptualize and theorize on what was being discovered about man at work and these are considered as precursory steps to the later development of organizational theory. These studies - called behavioural studies - are studies of human behaviour through interdisciplinary approach drawing from the knowledge available in Anthropology, Sociology and Psychology and have become a part of the vital development that is generally labeled as Behavioural Science. In the field of administrative behaviour, major studies pertain to bureaucracy, human relations, motivation and decision-making. Herbert Simon's contribution has been particularly significant in the field of decision-making.

3.2.2   CONTRIBUTIONS OF HERBERT SIMON

Herbert Simon waged a frontal attack on the structural approach. He criticized the

principles of organization and described them as proverbs. It is pointed out that the principles are contradictory and internally inconsistent. They lack scientific validity and universal relevance. It is on these grounds, that their theoretical basis to analyze or explain the organizational phenomenon is questioned. Any valid theoretical construct should posses a frame of reference which should have universal validity. It is this investigation that led to the genesis of the study of administrative behaviour with a focus on authority and decision-making. Unlike the principles which have a contextual relevance, the decision-making, according to Simon, is a universal process and can form the base for wider organizational analysis.

3.2.2.1 Life and Work

Herbert Alexander Simon (1916-2001), born in Milwaukee, Wisconsin, entered the University of Chicago in 1933 and studied social sciences and mathematics. He obtained B.A. (1936) and PhD (1943) in political science with a major field in public administration from the University of Chicago. Simon started his professional career in 1936 with the International City Manager's Association as an assistant to Clarence E. Ridley, moved to Administrative Measurement Studies at the Bureau of Public Administration, University of California as its Director in 1939. In 1942 joined as Associate Professor of Political Science at the Illinois Institute of Technology where he was chairman of the Department of Political and Social Sciences during 1946-49. He became Professor of Administration and Psychology at the famous Carnegie Mellon University in 1949 and later became the Richard King Mellon University Professor of Computer Science and Psychology and remained there until his death.

Simon was associated with several public organizations including Bureau of Budget, Census Bureau, Economic Cooperation Administration, President's Science Advisory Committee, Chairman of American Social Science Research Council, etc. He was also associated with several other government and business organizations and member of professional associations of political science, economics, psychology, sociology, computer science, management, philosophy, etc., signifying that he was a true social scientist.

Simon was influenced by Mary Parker Follett's idea on group dynamics in organizations and the human relations approach pioneered by Elton Mayo and others. Barnard's *Functions of the Executive* had a positive influence on Simon's thinking about administration. Simon is one of the most influential social scientists and his role in shaping 20th century social sciences was unparalleled. He was an indefatigable advocate of social sciences and exemplary of a modern scientist. He was called a scientist's scientist and received major awards from different scientific communities. He authored over 1,000 highly cited publications, many of which were translated into various languages including Turkish, Persian and Chinese. His publications, if need to be classified into disciplines, include public administration, political science, operations research, management, system's theory, organization theory, decision theory, economics and econometrics, sociology, social psychology, cognitive psychology, socio-biology, mathematics, philosophy, linguistics and computer science.

Human decision making and problem solving processes and the implications of these processes to social institutions provide the thread of continuity in all his studies. Simon started his research work in 1930s on city management that later culminated into a book titled Measuring Municipal Activities in 1938. Simon published his doctoral dissertation as *Administrative Behaviour* in 1947 and it is one of the twentieth century's top ten most influential works in political science, public administration and management. This, along with his later work *Organisation (1958),* became a staple in courses on business education, public administration and organizational sociology. His other principal publications include *Public Administration* (1950), *Fundamental Research in Administration* (1953), *The New Science of Management Decision (1960), Shape of Automation (1960), Science of the Artificial* (1969) and *Human Problem Solving* (1972). Simon received honorary degrees from over two dozen universities from around the world including Harvard, Columbia, Yale and Chicago (United States), Lund (Sweden), McGill (Canada), and the Netherland School of Economics.

3.2.3 THE PLACE OF DECISION-MAKING

Administration, according to Simon, is generally treated as the art of "getting the things done". In this approach, emphasis is laid on the processes and methods that ensure action. In the whole discussion on administration, adequate attention is not paid to the choice which precedes action to the determinates of what is to be done rather than to the actual doing. The decision-making or behavioural approach deals with the process of choice which leads to action. Without an adequate understanding of this dimension, which is rooted in the behaviour of man in the organization, the study of administration would remain largely inadequate.

In the behavioural approach, the first question that is to be understood is that process precedes action. This process is popularly known as decision-making process. The question of decision-making arises when there are different alternatives or courses of action open to an individual. Since one cannot choose different courses of action or more than one alternative, one has to choose only one alternative by a process of elimination. Therefore, decision-making is defined in simple terms as a process of reducing the alternatives to one. Rationality of human being lies in selecting such alternative which can produce maximum positive results and minimum negative results.

The efficiency of any group effort not only depends on organization that ensures effective doing of a job but those principles which would ensure correct decision-making which would in turn determine the effectiveness of doing the job. Behavioural approach argues that higher levels in an organization are considered important because they are entrusted with more crucial decision-making. The logic that is applied in this context is that of doing a job is more important, than the men on the spot-working at the lower levels of the organizational hierarchy would have been given more important place than the supervisory staff or men at the higher levels. For instance, in a battle the soldiers fight the enemies. They also take many decisions at their own levels. However, overall strategy that is formulated by the Generals, who are not engaged in the actual battle, would determine the outcome of the battle. In an automobile industry the physical product like a car is produced by the mechanics on the assembly line and not by the

engineer or executive. Yet the later occupy a crucial place. Another illustration that is cited is the fire extinguishing department. Here it is the team of firemen who extinguish the fire and not the fire chief or the captain. This is not to say that the men at the operative level are not important and they do not take the decisions. The only difference is that the decisions taken at the higher levels have greater influence upon the outcome of an organizational effort than the decision taken at the lower levels. In smaller organizations, the influence of the supervisory staff is direct, while the influence is indirect in the big and complex organizations. It is for these reasons that the behavioural approach emphasizes on "insight into the structure and function of an organization can best be gained by analyzing the manner in which the decisions and the behaviour of such employees are influenced within and by the organization".

3.2.3.1 Choice and Behaviour

All human behaviour involves conscious or unconscious selection of particular actions out of those alternatives or actions which are physically possible and organizationally effective. The selection of a choice and the action are directly related as is the case with the typist where it is established between the letter on printed page and the particular key. Here the action is rational but no element of consciousness is involved. In other cases, the selection will have to be a product of a complex chain of activities called planning or design activities. This can be noticed in the construction of a bridge wherein an engineer designs and the rest of the activities will have to be tailor made to the design.

The conscious and unconscious choice of action should necessarily be goal oriented. The effectiveness of a course of action depends upon the capacity of that decision to attain the goals that are set. The choosing of a correct choice is related to the individual's preferences. This deals with the question of values. This effectiveness depends upon the information available at a given point of time. This is related to the question of facts.

3.2.3.2 Value and Fact in Decision-Making

The behaviour of members of an organization is partly determined by the purpose of the organization. The behaviour will have to be purposive. It is the purposiveness which brings about integration in the pattern of behaviour. Absence of purpose renders an organization meaningless. The administration consists in getting things done by group of people. The purpose provides the frame of reference and determines what things are to be done and what things should not be done. In the process even a minute decision governing specific action is necessarily an application of broader decisions relating to the purpose and to the method. The illustration that is cited by Simon refers to such a mechanical process like walking. He describes the process as follows: "A walker contracts his leg muscles in order to make a step: he takes a step in order to proceed toward his destination: he is going to the destination, a mail box, in order to mail a letter; he is sending a letter in order to transmit certain information into another person and so forth. Each decision involves the selection of a goal and behaviour relevant to it; this goal may in turn be mediate to a somewhat more distant goal and so on, until a relatively final aim is reached. The behavioural approach maintains that is so far as decisions lead towards the selection of final goals, they will be called "Value judgments". So far as they involve the implementation of such goals they will be called "factual judgments". For instance, in the budgeting of a Block or Municipal Corporation they have to decide for what items the amount should be allocated. This depends on the priorities. The decisions whether to allocate more amount to roads or parks, education or health are not interlinked with the 'value judgments'. For instance, the lengths of the road, the connecting points, the type of road etc. are the decisions related to factual judgments.

3.2.4   THE HIERARCHY OF DECISIONS

The concept of purposiveness involves the notion of hierarchy of decisions-each step downward in the hierarchy consisting in an implementation of the goals set forth in the step immediately above. Behaviour is purposive in so far as it is guided by general goals or objectives of the organization. It is rational in so far as it selects alternatives

which are conducive to the achievement of the previously selected goals. Although theoretically this looks as a neat arrangement, operationally this is fraught with a number of difficulties. The difficulties arise because no organization purposes a single goal. The governmental agency seeks to achieve many goals. It is the complexity that makes perfect integration extremely difficult. However, certain amount of integration will have be achieved in reality, without which no purpose can be achieved.

The above discussion unfolds two important dimensions of behavioural approach; (1) the policy making and the implementation: the involvement of facts and values in the decision-making approach. It highlights that the decisions at higher levels involve more of 'value judgments and the decisions at the lower levels involve more of factual judgments. In the decision-making process, choosing of ends involves selection of an alternative based on value judgment and in selection of means to achieve the end it is the factual judgment that is involved. Rationality in the decision-making process largely depends upon the correct choice of both the 'value judgment' and 'factual judgment'.

3.2.5   RATIONALITY IN DECISION-MAKING

Decision-making is a complex process involving a chain of unending decisions one related to the other. In a simple decision-making process, the decisions tend to be very rational. In a simpler situation, analyzing the sequence is easier and, therefore, a better decision-making is possible. In a complex situation, which involves a large network of decisions at different phases, the rationality in the decision-making is bound to suffer. It is possible that a decision which produces more positive effects in the first phase may gradually produce lesser and lesser good effects and at the fourth or fifth phase it may start producing negative effects. In this process a course of action which is rational in the first phase may not prove to be rational in the subsequent phases thereby it may run into an irrational choice. Here an illustration may help to clarify the point. A student taking an examination may set a goal to get a first class. Alternatives open to him to get first class is to work hard or resort to malpractice. Both courses may help him in getting a first class. The student resorting to malpractice may not be able to face a test or an interview for a job. As a result, what facilitated him in getting

a first class could not help him in achieving his goal of getting a job, which in fact, is the important goal. Similarly a nation which invests its resources on large projects may suffer initially but would gain ultimately. In this case, a choice which produces a negative effect initially appears to be irrational in the first phase but would turn into a rational decision at a subsequent phase. The choice of the decision, therefore, becomes important. The choice generally depends upon the value disposition of the decision maker. The values form the basis of behaviour. Hence, the behavioural approach is very important.

3.2.6   TECHNIQUES OF SOUND DECISION-MAKING

The behavioural approach as applied to specific administrative situations has certain unique characteristics which need to be appreciated. Administrative activity is a group activity. It is also a long and continuous activity. Unlike the decision-making in the case of an individual or a family, here it tends to be much more systematic. It is for these reasons, an attempt is made to segregate certain elements in the decision-making process of the organization and establish regular organizational procedure. In the process, the organization takes away from the individual a part of his decisional autonomy and substitutes for this an organizational decision-making process. It is from this phenomenon a number of practices are laid down in the organization. The following are some of the practices that emerge from the structuring of behavioural choice.

3.2.6.1 Division of work

The administration is characterized by specialization-particular tasks are delegated to particular parts of the organization. This specialization may take a form of vertical division of labour down in the organization. The pyramid of hierarchy of authority may be established, with greater or lesser formality and decision-making functions may be specialized among the members of this hierarchy. This, to a large extent, determines the pattern of decision-making choices.

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3.2.6.2 Coordination

Group behaviour required not only the adoption of correct decision, but also adoption by all members of the group the same decision. Suppose ten persons decide to construct a house. If each has his own plan and they do not communicate their plans, chances of a good house construction are very bleak. They would probably meet with better achievement if they adopt a design, however defective and bad the design may be.

3.2.6.3 Expertise

In an administrative organization, there is a need for specialized skill at the operative level. The work in the organization must be sub-divided so that all the processes requiring a particular skill can be performed by persons possessing those skills. Likewise, to gain the advantage of expertise in decision-making the responsibility for decision-making must be so allocated that all decisions requiring a particular skill can be made by persons possessing the skill.

3.2.6.4 Responsibility

The administrative organization seeks to enforce conformity of the individual to norms laid down by the group. The discretion of the subordinate personnel is limited by policies determined by top administrative hierarchy. Thus, autonomy in the decision-making is restricted at various levels by higher decision-making and enforcement of responsibilities.

Modes of Organizational Influence: An administrative organization devises its own modes and methods to influence the decision-making process. In other words, the organization seeks to restrict the behavioural choice and reduces decision-making autonomy. This is done partly through structure and partly through a systematic influence on individual's behaviour. The modes that are used to influence the behaviour are: (a) authority; (2) organizational loyalties; (3) criterion of efficiency; (4) advice information; and (5) training.

3.2.6.5 Authority

Chester Barnard devoted considerable attention to the concept of authority. The organizational culture, pointed out earlier, builds the myth of authority in such a way that subordinates carry the order coming from above without questioning them. The superior does not seek to convince the subordinate but expects acceptance of the orders readily. Barnard however maintains that authority lies with the subordinate who is accepting it and not with the superior who is exercising it. The myth of authority is able to influence to a large extent, the behaviour.

3.2.7   ORGANISATIONAL LOYALTIES

It is a widely prevalent characteristic of human behaviour that members of an organized group tend to identify themselves with that group. In making decisions, their organizational loyalties lead them to evaluate alternative courses of action in terms of consequences of their action for the group. An identification with an organization leads to certain notions of what is good and what is bad to an organization. The organization's good, dominates the consciousness of the members in the organization. It is this conception of good that makes him loyal and enables him to take such decisions which would be in conformity with the good of the organization. Thus, the behavioural choice is narrowed down by the organizational loyalties and facilitates homogeneity of behaviour rendering group work possible.

● **Efficiency**

The exercise of authority and the development of organizational loyalties are the important means through which the individual's value premises are influenced by the organization. But in every decision-making there are also factual judgments. They are influenced by the criterion of efficiency. The concept of efficiency involves shortest path, the cheapest means in the attainment of the desired goals. The efficiency criterion is largely neutral as to what goals are to be attained. The order "be efficient" is a major organizational influence over the decisions of members of any administrative agency.

- **Information**

The communication flow in an organization is also important in shaping the decision-making process. The information available to an individual is an important input in making factual judgments. The organization which is capable of facilitating effective communication cannot only condition the behavioural choice but ensures uniformity of judgment and action.

- **Training**

Training is a device through which an individual is mentally prepared to act and react in a particular way in an organization. An effective training would equip an individual in methods of using his discretion in conformity with the design and the goals of the organization. This is also a device through which the information and the necessary goals be transmitted to an individual so as to enable him to make right type of choices in the organization.

3.2.8   LET US SUM UP

The behavioural approach marks a significant breakthrough in the growth and evolution of organization theory. Its contribution to the organization study is beyond the principles and structures which are of technical nature. It brought-in the behavioural components based on value judgment. It provided a new angle to look at the organization and offered a new frame of reference, viz., the decision-making. It also brought-in the philosophical dimension by adding the concept of 'zone of indifference', 'rationality' and 'the ends and means' debate. The principles enunciated by the classical thinkers are presented in a new light. The lengthy discussion on the determinants of organization both the structural and behavioural and the modes of organizational influences led to a rich understanding of the administration. In fact Simon's subsequent devotion to the study of economic organization is considered as a loss to the study of administrative organization. Critics do think that had he pursued the same line of enquiry, the study of administration would have gained enormously. There is no doubt that behavioural approach widened the conceptual framework and contributed richly to the lively debate on organization in general and organization behaviour in particular.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –III: **Administrative Behaviour and Personnel Administration**

3.3 THEORIES OF LEADERSHIP

(TRAITS, BEHAVIOURAL, SITUATIONAL

AND ECLECTIC)

- Prof. Y. Pardhasaradhi

STRUCTURE

3.3.0 Objectives

3.3.1 Introduction

3.3.2 Importance of Leaders

3.3.3 Definition and Characteristics of Leadership

3.3.4 Types of Leadership

3.3.5 Qualities of Leader

3.3.6 Leadership Styles

3.3.7 Team Management

3.3.8 Let us Sum up

3.3.0   OBJECTIVES

After going through this lesson, you will be able to understand:

- Importance of leaders in administration in general and decision making in particular.

- Types and styles of leadership.

- Qualities of a leader.

- Team management and its importance in achieving efficiency.

3.3.1   INTRODUCTION

The problem of leadership has been one of man's major concerns since the days of antiquity. "In Biblical days, the children of Israel needed someone to guide them out of their bondage, and Moses stepped forward to lead them in their journey to the promised-land. Leadership was a matter of concern in the days when Alexander set out with a small band of Greeks to conquer the world, when Caesar led his troops across the Rubicon, and when Columbus set out with a mutinous crew in leaky boats to discover a New World". Hence, leadership was prevalent since ancient times, in every country.

3.3.2   IMPORTANCE OF LEADERS

In modern times, during the Great Economic Depression, the American people needed someone to restore their confidence and to provide a method of combating the economic crises they were facing. Franklin.D.Roosevelt became a leader to accomplish these tasks. In World War II, the British people were suffering severe losses and appeared to be unsuccessful combating the enemies when Winston Churchill came to the forefront and guided the British efforts to Victory. In a like manner Adolph Hitler provided leadership in Germany, Mussolini in Italy, and Stalin in USSR. In India, Mohanadas Karamchand Gandhi and his predecessors M.G. Ranade, B.G. Tilak and Lala Lajpat Rai provided the much needed leadership to get India out of the clutches

of the British regime. The modern-day leaders all over the world have taken their places in guiding the thoughts and efforts of people to the achievement of the common goals. Leadership is required in every field of activity like politics, business organizations, sports, cultural organizations, etc. Without strong leadership, the institutions will collapse.

3.3.3 DEFINITIONS AND CHARACTERISTICS OF LEADERSHIP

Every theorist, every scientist, political orator, business executive, social worker and educator has defined leadership in his own way. Everyone has ideas and opinions about leadership, even children. All agree that leadership is important, but no one can define it to the satisfaction of everyone, Katz and Kahn have observed: "In the descriptions of organizations, no word is more often used than leadership, and perhaps no word is used with such varied meanings. The word leadership is sometimes used to indicate that it is an attribute of personality; sometimes it is used as if it were a characteristic of certain positions, and sometimes as an attribute of behaviour".

Leadership has been defined as "the relationship in which one person, or leader, influences others to work together willingly on related tasks to attain that which the leader desires". This author views leadership as a rational concept implying two ideas- the influencing agent and the persons who are influenced to get a task done. In other words, *without followers, there can be no leader.* Leadership is that outstanding aspect of management which manifests ability, creativity, initiative and inventiveness, and which gains the confidence, co-operation and willingness of the people to work by organizing and building employee morale.

"It is the process by which an executive or a manager imaginatively directs, guides and influences the work of others in choosing and attaining specified goals by mediating between the individual and the organization in such a manner that both will obtain the maximum satisfaction".

"It is an inter-personal influence, exercised in situations and directed, through the communication process, towards the attainment of a specified goal or goals".

"It is the name for that combination of qualities by the possession of which a person is able to get something done by others, chiefly because through his influence, they become willing tools to do it".

"It is the ability to shape the attitudes and behaviour of others, whether in formal or informal situations".

There are number of statements based on various definitions:

(i)   Most leaders are too bossy or are not bossy enough;

(ii)   A leader's job is to develop responsibility and initiative among his subordinates;

(iii)   A leader's job is to take decisions and exercise authority;

(iv)   A group is as strong as its leader;

(v)   The trouble in most groups and organizations is that a few persons run everything.

(vi)   Once the leader shows weakness, he is dead.

(vii)   To be a leader, you must be aggressive and ambitious, and tell people what they should do.

(viii) If you want to be a leader, you have to be sensitive to the needs of others and tell them what they want to hear anyway.

3.3.4   TYPES OF LEADERSHIP

The various types of leadership have been classified by the management authorities in different ways. According to The Personnel Research Board of the Ohio University, there are five types of business leadership. These are:

(i)   The bureaucrat, who sticks to routine, appeases his superiors, avoids his subordinates, and is apathetic to, and contemptuous of them.

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(ii)   ***The autocrat,*** who is directive and expects obedience, his subordinates tend to be antagonistic to him, and are expedient in their behaviour.

(iii)   ***The diplomat,*** who is opportunistic and exploits people, generally arouses disgust among his subordinates. As a result, the subordinates develop contempt and hatred for such a type of leader.

(iv)   ***The expert,*** is concerned only with his own field of specialization and treats his subordinates as fellow-workers.

(v)   ***The quarter-back*** identifies himself with his subordinates, even at the risk of displeasing his superiors. He is generally sought by a business organizations.

Chris Argyris distinguishes three types of leadership:

(i)   ***The directive type,*** who initiates reward and penalties. His subordinates feel inferior to him, and are generally passive. Their morale is low, and no leadership develops among them.

(ii)   ***The permissive type,*** who initiatives action for others, has a high frustration tolerance, and is sensitive to the feeling of others. He gets the job done, but does not develop leaders.

(iii)   ***The participative type,*** who helps others to develop their own initiative, take their own decisions and formulate their own procedures. He gets them to recognize their own wants and wins their cooperation for achieving his objectives.

Classification of Leaderships

Leadership may also be classified into other categories – personal, impersonal, functional and paternalistic.

(i)   ***Personal leadership*** is exercised through the influence of the leader's personality. It is enforced by means of personal contact through

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directions, supervision and motivation. Since the contact is personal, leadership is very effective.

(ii) ***Impersonal leadership*** is exercised through the subordinates of the leader. It is enforced by means of written orders, instructions, plans and policies. As the contact is impersonal, the leadership is not particularly effective.

(iii) ***Functional leadership*** is exercised through the use of specialized skills of the leader, who offers expert advice, which is generally accepted by his group because it believes that such advice would be very useful in the solution of its problems.

(iv) ***Paternalistic leadership*** is exercised through the use of affection and care for those who are to be led.

3.3.5   QUALITIES OF A LEADER

The leader is expected to play many roles and, therefore, must be qualified to guide others to organizational achievement and must also be a capable handler of interpersonal relations. Robert Dubin says:

"All people are potential leaders. And, given the desire and opportunity, people can develop into effective ones…A group abhors confusion, including the confusion resulting from being leaderless. Every organization has many people in it who can exercise leadership, at least temporarily, than there are positions of leadership to be filled. It is often in situations of crisis, where an individual, not previously known to possess such qualities, becomes a leader that officials of an organization learn where the potential leadership skills are to be found". As group goals and tasks change, new leaders and shifts in power occur. Leadership in a group depends on the group standards and what leadership rules are acceptable".

In the opinion of Viscount Slim, the main leadership traits are:

(i)   Courage;

(ii)   Will power;

(iii)   Judgment;

(iv)   Flexibility;

(v)   Knowledge; and

(vi)   Integrity.

Ordway Tead is of the view that the qualities of a leader are:

(i)   Physical and nervous energy;

(ii)   Enthusiasm;

(iii)   Sense of purpose and direction;

(iv)   Technical mastery;

(v)   Friendliness and affection;

(vi)   Decisiveness;

(vii)   Integrity;

(viii) Intelligence; and

(ix)   Faith.

3.3.6 LEADERSHIP STYLES

The customary approach to the analysis of leader's behaviour is to classify various types of leadership into styles. *The style is the way in which the leader influences followers.* The styles are based on types of control leader's exercise in a group and their *behaviour* toward group members. The styles vary on the basis of the duties the leader feels he alone should perform; the responsibilities the leader expects his followers to accept; and the philosophical commitment of the leader to the development and

fulfilment of subordinate's expectations. It also varies with the occasion, as well as with the types of leaders and followers. Most important is that effective leaders alter their own styles to fit the needs of a particular situation.

The behavioural approaches to management have directly or indirectly influenced the leadership styles. For example, "the Hawthorne studies were interpreted in terms of their implications for supervisory style; and McGregor's' Theory X represents the old, *authoritarian* style and his Theory Y represents the enlightened, humanistic and *participative style* of leadership. The Lippitt and White study analyzed the impact of *autocratic, democratic* and *laissez-faire* styles; and prudential studies conducted by the Michigan group found the *employee-centered supervisor* to be more effective than the *production-centred supervisor*. The Ohio State Studies identified 'consideration' (a *supervisor style of style)* and 'initiating structure' (a *directive type of style)* as being major functions of leadership. Both the trait and group theories have indirect implications for style; and the human relations and task-directed styles play a direct role in *Fielders' contingency theory;* the path-goal conceptualization depends heavily on directive, supportive, participative and *achievement – oriented styles of leadership'*.

According to the philosophies of leaders towards their followers, the techniques of leadership and its patterns and styles may now be classified. These are:

(i)   Autocratic leadership, or authoritarian or leader-centered leadership;

(ii)   Consultative, participative democratic or group-centered leadership;

(iii)   Laissez-faire, free-rein, or individual-centered leadership;

(iv)   Bureaucratic or rules-centered leadership;

(v)   Manipulative leadership; and

(vi)   Expert leadership.

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3.3.6.1 Autocratic or Authoritarian Leadership

Autocratic leader is work-centered or leader-centered. He concentrates all the authority and all the decision-making powers in himself. He structures the complete work situation for his employees. There is no participation by his subordinates in the decision-making process; they simply do what they are told to do. He tolerates no deviation from the orders. His subordinates fully depend upon him and are unaware of the goals of the organization. The leader takes and assumes full responsibility for decision-making, for initiating action, and for directing, motivating and controlling his subordinates. This is because the autocratic leader may think that he is the only competent and capable individual, and that his subordinates are incapable or unwilling to guide themselves, or he may have other reasons for assuming a strong position of guidance and control. The response expected from the subordinates is obedience and adherence to his decisions. The style can be "soft sell", but it is usually perceived as "hard sell" – in either case, subordinates are permitted little freedom. The leader usually says.

3.3.6.2 Participative Leadership

This type of leadership centralizes managerial authority. The leader's decisions are taken after consultation with his followers and after their participation in the decision-making process. He involves the members of his group in the decisions on the feasibility and workability of an idea, or a job and its content, and on the extent and the content of the problems that affect them. He believes that their co-operation in the attainment of organizational goals can be enlisted only if they are committed to the organization, and that commitment can be ensured only by an honest and open communication of ideas with them and by the development of a team spirit. He encourages his subordinates to function as a social unit, and makes full use of their talents and abilities. "He is the conductor of an orchestra rather than a one-man band; and he realizes that this job is to coordinate the willing work of his employees".

There are two types of participative leaders viz.: democratic leaders and consultative leaders. *Democratic leaders* are those who confer final authority to the group; they

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abide by whatever the group decides. Democratic leadership involves group discussions and decisions on policy on the basis of the technical advice supplied by the leader; it involves a free choice of work partners, and "objective" praise and criticism by the leader. ***Consultative leaders*** are those who require a high degree of involvement from employees, but who make it clear that they alone have the authority to make final decisions.

The *chief characteristics of participative leadership:*

(a)   The leader delegates as much responsibility to the members of the work team as their experience and knowledge will permit;

(b)   He places emphasis on results rather than on action. His philosophy is: "It is not always how a job gets done that is important but that the job does get done".

(c)   He shows concern for his employees and thereby gains their respect;

(d)   He encourages co-operation when it will lead to greater productivity and creativity;

(e)   He defines the objectives for the group and gives its members some freedom for performance within the standards laid down by him and;

(f)   He takes all the decisions and accepts full responsibility.

3.3.6.3 Group-Cantered Leadership

This is often described *"as no leadership at all",* for there is the absence of direct leadership. Under this style, the leader delegates the authority for decision-making into the hands of the subordinates rather completely. A task is ordinarily presented to the group, which establishes its own goals and works out its own techniques for accomplishing those goals within the framework of organizational policy.

The main characteristics of such leadership are:

(a)   Maximum concern for the individuals who make up the work team;

(b)   Open discussion and creativity, and respect for all views; and

(c)   The majority will is operative in the decision-making process.

The emotional reactions of the followers to this style of leadership are:

(a)   A free and informal work environment, in which each individual can seek his answers to the problems posed y his job;

(b)   Insecurity and frequent frustration because of want of specific decision-making authority and responsibility;

(c)   Lack of cohesive behaviour; cliques are often formed to the detriment or the group's goal-directed action.

3.3.6.4 Bureaucratic or Rule-Centred Leadership

The leader's behaviour is characterized by a high degree of reliance on rules, regulations and procedures, to which both he and his subordinates subscribe. As a result, the process of administration is reduced to a series of routine actions. The rules specify the obligations of the subordinates, and enjoin upon them to do particular things in specific ways. There is no participation or initiative on their part. This style of leadership fosters worker apathy. The rules serve as a specification of the minimum level of acceptable performance. It is possible for workers to remain apathetic, for they know just how little they should do to remain secure in their jobs. This leads to what is called bureaucratic sabotage – a deliberate apathy fused with resentment so that every act of conforming to the letter of the rule is accompanied by a conscious intention to violate it. Rules make it possible for workers to indulge in activity without participation; they enable them to work without being emotionally committed to work. Rules also lead to red tape and the habit of passing the buck, too much paper work and too great a desire to play safe.

3.3.6.5 Manipulative Leadership

This style of leadership is based on the belief that employees are persons who should be manipulated by the leader so that his goal may be attained. It exploits the aspirations of the employees. Under this style of leadership, employees know that they are being manipulated, and, therefore, become resentful and bitter. A manipulative leader, however, is very sensitive about the needs and desires of his employees as individuals. But the information gathered as a result of this sensitivity is not used for the benefit of the employees; instead, it is utilized by him for his own personal profit.

The main characteristics of this style of leadership are; (a) Personal goals are reached by a manipulation of the employees: (b) Employee needs and desires are viewed as *tools to extract performance.*

This style of leadership is effective only in specific situations; for example, when cooperation and coordination have to be achieved on a project and previous leaders were unable to motivate the group properly; or when highly motivated employees are needed for short-duration projects. They are often given the illusion or reward, and are thus motivated or short periods. However, manipulative leadership is not effective when: (i) A relationship of long-standing is involved; and (ii) The structure of an open organization is so controlled that the ability of the manipulator to wheel and deal is severely restricted.

3.3.6.6 Expert Leadership

This is an emerging style of leadership, resulting in part from the complexity of modern organizations. The basis for expert leadership is the individual leader's knowledge and ability; and he assumes the role of the leader regardless of his age, sex, physical or other attributes. It depends largely on the approximate mix of skills and the needs of others in a situation. With any change in a particular situation, another person may become the leader, who would meet the needs arising out of the change. In these circumstances, a person is looked upon by group members as an expert who must continuously demonstrate his expertise in order to maintain his position as a leader.

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3.3.6.7 Task Management or Autocratic Leadership Style

The autocratic leadership style means the manager has the minimum concern for people. The job concept is to meet schedules, get production out, and tell the people what to do. He drives himself and his subordinates with one thought uppermost in his mind – *action must produce results.* He is an autocrat; he does the entire planning and calls upon his subordinates to execute what he has planned. By and large, he operates on the assumption of Theory X, that "an average human being must be constantly watched, coerced, controlled and threatened if a job is to be properly done. His second assumption is that if his subordinate was intelligent enough, he would not be in that subordinate position. Third, he assumes that the unintelligent subordinates are immature, unreliable and irresponsible persons. Therefore, they should be constantly watched in the course of their work.

3.3.6.8 Country Club or Democratic Leadership Style

Generally, the democratic leadership style of management is the one where a low concern for production is coupled with a high concern for people. To the democratic manager the attitudes, feelings and needs of the employees are more important than production. He wants a happy and harmonious work force, even though the organization's needs and objectives may not be met.

The democratic leadership type manager largely avoids the use of power to get a job done. He believes that a desired organizational behaviour can be obtained if employee needs and wants are satisfied. Therefore, he not only issues orders but interprets them and sees to it that the employees have the necessary skill and tools to carry out their assignments. He assigns a fair work load to his personnel, and recognizes the job that is well done. There is a team approach to the attainment of organizational goals.

By and large, the democratic style manager acts on the assumptions "people are capable of doing work and assuming responsibility if they are given opportunities and incentives". This style focuses attention on the comfort and safety of the employees. The subordinates are supervised, guided and aided rather than threatened and

commanded to work. In return, the manager expects loyalty and devotion, rather than accountability, from his subordinates. Mistakes are not viewed seriously. The assumption is that disciplinary action breeds discontent and frustration among employees and creates an unhealthy work environment.

There is room for information communication in the 1.9 managerial styles. It provides an outlet for the social and emotional aspects of the acceptance of decisions by subordinates is very important. The democratic attitude of the manager enables him to maintain a high level of morale; and the involvement of his employees in the decision-making process gives them a sense of belonging. Selection is made on the basis of the qualifications, experience, personal characteristics and sociability of the subordinate rather than on the whims and fancies of the manager. Training is directed towards broadening attitudes and outlook.

3.3.6.9 Laissez-Faire leadership Style

In the 1.1 managerial styles, a low concern for production (1) is coupled with a low concern for people (a), i.e., the supervisor has the minimum concern both for production and for people. In other works, there is no proper management. This approach to organizational objectives results in a low degree of commitment to organizational goals, in a minimum effort and contribution, and in low morale. The manager acts more or less like a messenger. He is not fully aware of the various programmes to be undertaken to achieve the organizational goals. In the circumstances, whenever subordinates come up with difficulties, he often says: "I shall talk to my boss and then let you know what to do next".

The communication system in this style of management very much resembles that of government department, that is, the messages are delivered; nothing else is done. The 1.1 manager is not willing to communicate with his superiors and subordinates unless it is absolutely necessary to do so. There is no place for creativity under this style of management. This style of management is followed by those who are constantly bypassed at the time of promotion, or who function mostly in unchallenging work situations. They try not to rock the boat, and accomplish just enough to avoid pressure

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from their superiors.

3.3.7 TEAM MANAGEMENT

In the upper right hand corner of the quadrant is located the 9.9 style of management. Here, a high concern for people (9) is coupled with a high concern for production (9). This system aims at discovering a scientific and effective solution of organizational problems. Accomplishment and contribution are considered to be the barometers of organizational performance.

Under the 9.9 style of management, both the people and production are closely involved. The manager's prime responsibility is to see to it that each and every activity leads to the attainment of organizational goals. For this purpose, the manager delegates authority to subordinates and makes them accountable for the work allocated to them. The 9.9 manager says: "My job is not only to take sound decisions but also to ensure that they are effectively carried out" Under this style, the assumption is that if people have a clear understanding of organizational goals, a strict control of their activity would not be necessary. Mistakes provide an opportunity for learning. Employees are committed to attain the targets of production because individual and organizational goals are complementary.

Communication in this style of management aims at promoting an understanding of problems and a sharing of information, thoughts and ideas. Though the emphasis is on the unity of effort, a certain amount of conflict is bound to develop in the process of action which relates to the policies and methods of works, and which sometimes results in the emergence of new ideas. In the 9.9 style, there is realistic assessment of an individual's capabilities, limitations, strength and weaknesses. Management development begins at the highest level, and then moves down to the lower levels. The condition which promotes the 9.9 management style is the upward shift in the educational status of the employees. Persons with great skill and mature judgment are not expected to function in an atmosphere of strict authority and obedience, or on unchallenging jobs, or in organizations in which there is no scope for future advancement.

3.3.8 LET US SUM UP

The concept of leadership has undergone a sea change from the concept of born leader to situational leader and to effective leader. Views, assumptions and theories of leadership have changed significantly in recent years. Business and industry have set managers more as leaders to achieve the challenges. The quality of leadership provided by the managers determines the degree of success of business. Some people are born leaders and need little training or development. But many managers are not born with qualitative leadership skills. Such managers need training and development to acquire and develop leadership skills. However, born leaders can be more efficient with training.

In conclusion, providing effective leadership to the staff working in organizations is very essential. Only by providing proper leadership will organizations grow, develop and prosper and with them, the employees also get benefited. Defective leadership will result in the collapse of organizations. Depending upon the situation, the employees have to be properly guided at various levels in the organization. Authoritative management styles are being resented while the democratic and participative styles are becoming popular. But mostly, leadership styles depend on the mindsets of the employees, the financial position of the organization, the size of organization, the quantum of work undertaken, etc.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –III: **Administrative Behaviour and Personnel Administration**

3.4 THEORIES OF MOTIVATION

(MASLOW AND HERZBERG, MCGREGOR)

- Prof. Y. Pardhasaradhi

STRUCTURE

3.4.0   Objectives

3.4.1   Introduction to Maslow – Needs Hierarchy

3.4.2   Theory of Hierarchy of Needs

3.4.3   Critical Evaluation of Maslow

3.4.4   Maslow – Summing Up

3.4.5   Introduction to Frederick Herzberg – Two Factor Theory

>   3.4.5.1 Two Factor Theory

>   3.4.5.2 Motivation and Hygienic Factors

3.4.6   Summing Up Herzberg

3.4.7   Introduction to McGregor – Theory X and Theory Y

>   3.3.7.1 Theory 'X'

>   3.3.7.2 Theory 'Y'

>   3.3.7.3 Theory Y in Practice

3.4.8   Summing up McGregor

3.4.0   OBJECTIVES

After going through this lesson, you will be able to understand:

- the importance of motivation in administration

- Maslow's theory of Hierarchy of Needs

- Dimensions of Needs, viz. Physical, Security, Self-esteem, Self-actualisation

- Frederick Herzberg's Two Factor Theory

- McGregor's Theory X and Theory Y

3.4.1   INTRODUCTION TO MASLOW – NEEDS HIERARCHY

Need hierarchy theory was developed by Abraham H. Maslow as part of his theory

of explaining human motivation. Maslow's interest and research in understanding human behaviour was the result of his early career as a psychologist. He tried to understand human behaviour through psychoanalysis. His clinical experiences as a psychologist enabled him to develop his five level theory of need hierarchy. Based on his studies, Maslow started writing a book during the 30's and it was 'intended to be a systematic psychology of the older type'. Maslow published his studies at periodic intervals during 40's and 50's. Maslow's writings generated interest among other clinical and personality psychologists, but managers and administrators began to read Maslow's ideas only after McGregor popularized them.

Human behaviour is a reflection of their conscious and unconscious goals. It can be analyzed from their actions and the motives behind them. These assumptions about human motivation have been familiar since the days of Sigmund Freud. Analyzing human behaviour through human needs and motives is a new path in social psychology. Among the many contributors to the motivation theory, Maslow's contribution in the form of need hierarchy is phenomenal in organization research. It provides a framework to study and analyse the human motivation. As Maslow's theory is not synonymous with behavioural theory, the motivations are only one class of determinants of behaviour. While behaviour is almost motivated, it is also always biologically, culturally and situationally determined as well. Maslow's contribution to motivation theory lies in his simple analysis of human motivation by taking human needs as the basis of human behaviour. Maslow felt that most theories of motivation were limited because they mainly focused on physiological needs and they omitted other important needs relating to personal growth. He addressed these aspects in his theory.

As stated earlier, people have a variety of needs at a given time. Those needs may be hunger, thirst, sleep etc. The need with the highest strength will determine what they could do or how they would behave. It is necessary to know what needs are commonly most important to people in order that attempts may be made to satisfy those needs and motivate people to act. Such an attempt would help us to understand the past behaviour and also to predict to change and even to control future behaviour.

3.4.2 THEORY OF HIERARCHY OF NEEDS

Abraham Maslow has developed a theory to explain the strength of certain needs of individuals. According to him, there seems to be a hierarchy in which human needs arrange themselves. This theory of Maslow is called as "Theory of Hierarchy of Needs". Maslow identifies the following as human needs in order of priority.

1. Physiological needs - e.g., Food, Clothing, Shelter etc.

2. Safety (Security) Needs – e.g., Freedom from fear, disease and danger.

3. Social (Affiliation) Needs – e.g., Association with others, interpersonal relations etc.

4. Esteem (Recognition) Needs – e.g., Self-esteem, recognition from others, respect.

5. Self-Actualization Needs – e.g., Increased responsibility, challenging work, growth and development.

Maslow arranges the human needs in a hierarchy as here under:

According to Maslow, human beings try first to satisfy their physiological needs, then proceed to strive for the fulfilment of other needs such as safety, social, esteem and

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self-actualization needs in that hierarchical order. He says that one "satisfied" need gives place to another and that it goes on like that. Physiological needs tend to have the highest strength until they are somewhat satisfied because they are basic human needs. Once they are gratified, the safety or security needs become predominant. This shows concern for future. Once physiological and safety needs are fairly satisfied social or affiliation needs will emerge as dominant in the need structure. Then the individuals feel the need for gaining esteem. Once the esteem need begins to be adequately satisfied, the self-actualization needs become dominant.

Let us study the various needs in detail.

3.4.2.1 The Physiological Needs

The physiological needs are the biological needs of the individuals like hunger, thirst, sex, etc. These needs are so strong and essential for a human being, unless they are fulfilled first, an individual cannot survive, especially if he is deprived of food and water although the fulfilment of sexual need is not so essential. For a person who is very hungry, everything else becomes irrelevant. A hungry man is an angry man. He/She has to be provided with food and other bodily comforts. These physiological needs are the main motivating forces. In order to live, people have to eat and drink. There are people who want only their physiological needs to be fulfilled and they are not bothered much about community life, love, freedom, etc. People enjoy eating various types of delicious food and they have a great appetite for it. There is a popular saying that the way to a man's heart is through his stomach. Once the physiological need is satisfied, the human being looks forward to satisfy other social needs. Once hunger is satisfied, food becomes unimportant for the individual for the time being till the next six or seven hours.

3.4.2.2 The Security Needs

A human being is a safety seeking being. He wants safety and security to lead a happy and contended life. After fulfilling his physiological needs, the next goal of an individual is to seek safety, security, stability and protection. If these things are absent, society

will plunge into anarchy or disorder. Except safety, all the other things will become totally irrelevant for him. Even infants and children crave for safety. It can be observed that they react to bodily illness and injury. A child who is sick needs a reassurance from his parents that he will be taken care of and that his sickness will be cured. Another important aspect of the security need, especially observed in children is their preference for a rhythm and routine in daily life. For that matter, even grown up adults also want some rhythm and routine in their daily lives and they do not want it to be disturbed under any circumstances. Generally, they act according to a fixed time table, especially the students and employees. In a peaceful, civilized and orderly society, the safety and security needs are taken care of to a large extent, by the government. In such societies, safety need is no longer a motivator. Even employees crave for security and safety in jobs. They want a permanent job and a large bank balance. Some of them even get psychologically disturbed once they lose jobs. That is why, to protect the employees, trade unions are formed. People also invest large amounts of money in insurance companies for financial security. In Indian families, there is a strong desire to have a male child and it is also an expression of security need. This is because the female after getting married goes away to her in-laws house to live, while the male stays with the parents. A male child is the successor in the family while a female is no longer part of the family after getting married.

3.4.2.3 Feeling of belongingness and craving for love and affection

As Aristotle said that man is a social animal, he also seeks love, affection and belongingness from other human beings and also from the society in which he lives. After fulfilling his physiological and safety needs, an individual craves for love and affection. These are the social needs and the person with social needs feels the absence of family and friends, spouse and children. It becomes difficult for him to live a lonely and isolated life for a long time. He wants affection from his people. Children who come from broken families or single parent families develop a strong desire for love and affection. They show signs of abnormal behaviour if they are deprived of love. These desires make a strong impact on their behaviour consciously and unconsciously.

The desire for love and affection is not synonymous with the desire to have sex, which is a mere physiological need.

3.4.2.4 Self-esteem need

After fulfilling his social needs, an individual craves for the fulfilment of self-esteem needs, which include respect and recognition from the society, family, workplace, and friendship circles. Generally, people have a high estimate of themselves and they need self-respect and self-esteem. They like to work according to their own norms, standards and beliefs. There are two categories of self-esteem needs and they include achievement needs and recognition needs.

Achievement needs are expressed in the form of desire to be with self-confidence, desire to possess strength, and assertiveness and a desire to be free from depending on others.

Recognition needs are expressed in the form of aspiring for respect from others, recognition in society, attracting attention and the desire to be an important person. For example, a person feels very happy if he gets some award from the government or a small promotion in his workplace. The satisfaction of esteem needs tremendously boosts the self-confidence of the individual and he becomes more useful to the society, than what he was earlier. But non-fulfilment of these needs makes a person frustrated, weak and helpless. These needs play a vital role in moulding the personality of the individual.

3.4.2.5 The Self-Actualization Need

Self-Actualization is the highest desire of any individual. The term 'self-actualization' was coined by Kurt Goldstein and the self-actualization need is the highest need among the hierarchy of needs. It is directed towards searching the meaning and purpose in life. It is a higher goal. Even if all the other needs are satisfied without fulfilling the self-actualization need, an individual still feels restless and frustrated. This is because there is a strong desire to achieve excellence in his/her chosen field. The desire for self-fulfilment, actualization and living a meaningful life is reflected in this need. But this

desire or need is not reflected in the same degree in every individual and it varies from individual to individual. The desire to excel is not the same in every individual and also their capabilities. For example, one may want to become an ideal mother, another ideal teacher, another famous doctor, etc.

While referring to the self-actualization need, Maslow used a variety of terms to refer to this level. One of the term is growth motivation in contrast to deficit motivation, being needs or 'B' needs in contrast to 'D' needs and self-actualization. These do not involve homeostasis and they continue to be felt and may even become stronger as they get fulfilled. But it must be remembered that a pre-requisite condition for the fulfilment of self-actualization need is the fulfilment of physiological, safety, love and esteem needs. But in some cases, persons coming from very poor backgrounds or without getting any love or affection still achieve something spectacular. But this is only a small fragment of the population. For example, Abraham Lincoln, born in a log cabin still rose to become the President of the United States in 1861 by fighting against all odds.

In our society, only a small fraction of the population is predominantly self-actualizing.

Maslow described self-actualization in the following words. "A musician must make music, an artist must paint, a poet must write, if he is to be ultimately at peace with himself. What a man can be, he must be. This need, we may call self-actualization." Self-actualization is the basic force that drives a man forward. In order to study the self-actualizing need, Maslow made use of the biographical method by studying the lives of famous personalities like Abraham Lincoln, Mahatma Gandhi, Thomas Jefferson, Eleanor Roosevelt, Albert Einstein, etc. He also studied their writings and developed a certain list of similar qualities in their lives which he called self-actualizers. All the great personalities had a self-actualizing tendency. In order to find out who is a self-actualized person and what his qualities are, Maslow undertook several studies to get answers and based on such studies, came to the following conclusions.

Self-actualized persons

(i)   lack overriding guilt, crippling shame and anxiety;

(ii)   like solitude and privacy and retain their dignity even in undignified surroundings and situations;

(iii)   like autonomy and freedom to pursue their endeavours in life and work;

(iv)   derive ecstasy, inspiration and strength from the basic experience of life;

(v)   have a mystic experience and a deep feeling of identification, sympathy and affection for mankind;

(vi)   maintain inter-personal relations with few people;

(vii) democratic and they can differentiate between ends and means and right from wrong; and

(viii) have a sense of humour

According to Maslow, the special motivating factors of the self-actualizers are truth, goodness, uniqueness, perfection, justice, self-sufficiency, meaningfulness, etc. If the self- actualizers are unable to fulfil these needs they develop depression, despair, disgust, alienation and cynicism.

Maslow felt that this was the typical pattern of needs that would operate most of the time. Therefore, Maslow's theory of hierarchy of needs is useful in predicting behavior on a high or low probability basis.

3.4.2.6 The Basic Needs: Some Characteristics

Maslow, after discussing in detail the basic needs of humans and their hierarchical order, discusses a few characteristics of these basic needs. Firstly, the hierarchy is not as rigid as it is implied theoretically and there is no fixity in the hierarchy of needs. There is scope for deviations. For example, some people have a strong preference for self-esteem than to a social need. This is a deviation from the hierarchy of needs.

But, such behaviour is due to the notion that a self-confident person attracts love and affection. Presumably, people who lack love and affiliation try to seek it by putting a brave face. Some people may have a very low level of aspiration.   Among such people the less prominent goals may disappear forever and they get satisfied with very low levels of need fulfilment. Psychopathic personalities, for example, suffer permanent loss of lower needs. When a need has been satisfied for a long time, it loses its power to influence a person. People who never experienced as to what hunger is do not consider food as an important thing. Again a person may sacrifice a lower order need for a certain period of time to satisfy his higher need and vice-versa.

Secondly, the hierarchy of needs cannot be placed in watertight compartments. Satisfaction is a relative term. Emergence of a particular need after satisfaction of a lower order need is not sudden but a gradual phenomenon. Thirdly, in an average person, need areas are more often unconscious than conscious. Fourthly, the basic human needs and desires are the same irrespective of the societies and cultures they live in. Fifthly, human behaviour is multi-motivated and as such it is not influenced by a single variable like a need. All behaviours cannot be determined by the basic needs. And finally, a satisfied need is not a motivator

3.4.3   CRITICAL EVALUATION OF MASLOW

Maslow's theory of hierarchy of needs has been criticized on grounds of faulty methodology. Just by selecting a small number of people, reading about them or talking with them and drawing conclusions about them as self-actualizers is not considered sound methodology. In his criticism, Dunham said although Maslow undertook a lot of research studies in this area, his theory has never been tested adequately as a complete theory for a number of methodological reasons. The sophistication, validity of his research data as well as the order of hierarchy of needs are also questioned. Some scholars similarly felt that the needs from a lower order to a higher order need not necessarily operate in the same order all the time, nor can they be divided into water tight compartments. Maslow's concept of self-actualization is criticized as vague, imprecise and too general and imprecise. Another criticism against Maslow is that the

concept of self-actualization is very vague with a philosophical connotation and a generic meaning. The emphasis on self-actualization suffers from vagueness of its concepts, looseness of its language and the inadequacy of evidence related to major contentions. Maslow failed to describe clearly the methodology adopted by him to study the self-actualized people or on what basis he selected them for study. Furthermore, Maslow was also criticized for not taking into consideration the environmental factors like schooling and personal support that can facilitate or impede self-actualization. His theory is more individualistic in nature and does not fit into the collective approaches of cooperation and group action.

3.4.4   MASLOW - SUMMING UP

In spite of the criticism against him by various scholars, Maslow was one of the pioneers and was an inspirational figure in the movement to develop personality theories. He inaugurated a fourth force in psychology. He devoted towards the end of his life more time and attention to humanistic psychology and human potential movement. Maslow's contribution is a landmark in social-psychological research and he was a forerunner to many like Herzberg and Vroom. His theory of hierarchy of needs has had tremendous impact on modern management approach to motivation. This theory is accepted widely. It is very useful in organizational research as it provides a framework to study and analyze human motivation.

Despite criticisms, Maslow's contribution to motivation theory is phenomenal. His theories led to further researches in the area of motivation.

3.4.5   INTRODUCTION TO FREDERICK HERZBERG – TWO FACTOR THEORY

Motivation to work has been receiving increasing attention from both those who study organisation and also those who manage them. The traditional simplistic prescriptive guidelines concerning the 'economic man' are no longer considered adequate in understanding human behaviour. There are several factors that account for the growing importance of motivation viz., growing complexity of behavioural requirements in

modern complex organisations, ever tightening constraints placed on organisations by unions and governmental agencies, increasing competition, lobbying, changing nature of technology, corporate objectives of organisations and the increasing emphasis on human resources and their management. It is in this context the conceptual contributions of Frederick Herzberg gain significance in the literature of public administration.

Before the Herzberg's studies, managements in general used to concentrate on improving the hygiene factors i.e., whenever there was a problem they attempted to 'solve' it by hiking pay, giving additional fringe benefits and improving working conditions. But unfortunately, these simplistic solutions could not always succeed in motivating the employees. Herzberg's theory, apart from explaining the problems of motivation, also opened the eyes of managements to have a closer look at all the motivational factors instead of only concentrating on hygiene factors.

Influenced by the writings of Abraham Maslow, Douglas McGregor and Chris Argyris, Frederick Herzberg became interested in analysing the relationship between meaningful experience at work and mental health. He believed that all individuals have two sets of needs viz., to avoid pain and to grow psychologically. The Motivation-Hygiene theory grew out of the studies Herzberg conducted on about two hundred and three accountants and engineers, chosen because of the profession's growing importance in the business world, in and around Pittsburgh, Pennsylvania. His study revolved basically around two issues, i.e., identification of the events which resulted in marked improvement in individual's job satisfaction; and conversely the events that have led to marked reduction in job satisfaction. He used the critical incident method to collect data. The interviewers asked the respondents "think of the time when you felt exceptionally good or exceptionally bad about your present job or in other jobs you have had". The time frame could be either the 'long range' or the 'short range'. Based on the responses, he probed further and developed his Motivation-Hygiene Theory.

Herzberg's study was based on open questioning and very few assumptions to collect and analyse the details of 'critical incidents' as recalled by the respondents. This methodology was adopted by him first in his doctoral study at the University of Pittsburg.

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This open interviewing method gave far more meaningful results than the most popular, convenient and conventional closed or multiple-choice or extent-based questions, which assume or prompt a particular type of response. A significant aspect of his study is that Herzberg undertook extensive preparatory work prior to his study in 1959 by scrutinising and analysing the methodologies and the results of all 155 studies undertaken previously on job attitudes carried out between 1920 and 1954. The level of preparation and the critical incident method as well as the depth of care and analysis after the study helped Herzberg to produce a powerful and sophisticated work. Herzberg expanded his motivation-hygiene theory in his subsequent books. Significantly, Herzberg commented 25 years after the publication of his theory that the "original study has produced more replications than any other research in the history of industrial and organisational psychology'.

3.4.5.1 Two-Factor Theory

Herzberg's two-factor theory identified five strong determinants of each for the job satisfaction and job dissatisfaction, which are a totally different set of factors. They are presented in chart.

Chart: Herzberg's Two-Factor Theory

Hygiene Factors	Motivation Factors
Company policy and administration	Achievement
Supervision	Recognition
Salary	Work itself
Interpersonal relations	Responsibility
Working conditions	Advancement

Herzberg found duality of attitudes about work experience in the responses of workers on their jobs. Job experiences leading to favourable reactions most often were related to the context in which the job performed, that is, the surroundings and the factors on

the periphery of task content. As against this, factors causing unfavourable responses were found to be related to the avoidance of discomfort. Again, the factors causing good responses are related to personal growth, or fulfilment of psychological needs. Herzberg labelled the factors associated with the growth and the task content of the job as 'satisfiers' and factors associated with pain avoidance and the "context/surroundings" of the job were labelled dissatisfiers.

Satisfiers

The factors identified as satisfiers, which perform the role of motivators in jobs, are as follows:

> *Achievement*: The personal satisfaction of solving problems independently, completing task, and seeing the results of one's efforts.
>
> *Recognition*: Positive acknowledgement of the task completed or other personal achievement, rather than generalized "human relations" expression of rewards.
>
> *Work Itself*: The task content of the job and relative interest, variety, challenge, and freedom from boredom.
>
> *Responsibility*: Being entrusted with full responsibility and accountability for certain tasks, or the performance of others, and having control over deciding how and when tasks are to be done.
>
> *Advancement and growth*: Advancement to a higher order of task to perform. A sense of possibility for growth and advancement as well as actual satisfaction from new learning; being able to do new things.

Dissatisfiers

The potential dissatisfiers, or "hygiene factors" - using an analogy to the medical use of the term, meaning preventive and environmental - are salary, company policy and administration, supervision, working conditions, and interpersonal relations. Hygiene

factors, such as working conditions, company administration, salary, supervisory relations, as well as benefits and services are envisioned as environmental elements that have little or no relationships to the motivation of specific job-related behaviour. The factors that can motivate a man to work harder according to Herzberg include elements such as the work itself, achievements, recognition, advancement and responsibility. These latter factors determine how an employee feels about his job, whereas hygiene factors only determine how a worker feels about his company or organisation in general. Expressed somewhat differently, motivation factors are related to job context. In addition, Herzberg argued that an employee is either dissatisfied or not dissatisfied with hygiene factors, and he is either satisfied or not satisfied with motivational factors. The implication being satisfaction and dissatisfaction are separate continuums and not the opposite of each other. Instead, a neutral state exists as contrary to job satisfaction and job dissatisfaction. A worker is either satisfied or not satisfied (neutral) with motivational job factors. Similarly, an employee is either dissatisfied or not dissatisfied (neutral) with hygienic factors.

Herzberg's rationale helps to explain why a worker may hate his job and yet remain with the organization or love his job and yet quit the organisation. This is because separate types of factors influence these two separate and distinct feelings. The elements that determined how an employee feels about his job are the motivational factors; the variables that influence how a worker feels about his organization are the environmental or hygiene factors. Hygiene factors must be adequate, or employees will not be attracted to an organisation. But when employed, manipulating hygiene factors cannot motivate a worker to do a better job.

Each set of factors are rarely involved in contributing to the other and each set is independent of the other. What is important is that dissatisfiers only produce short-term changes in human attitudes and satisfiers produce long-term attitudes. Dissatisfiers describe man's relations with context and environment in which he does the job. They only serve to prevent job dissatisfaction and have very little effect on creating positive job attitudes. On the other hand, satisfiers are related to what one does, i.e., job

content, nature of task, and growth in task capability, etc. They are effective in motivating the individual for superior performance. Herzberg calls hygiene factors as dissatisfiers and satisfiers are called motivators and growth factors.

3.4.5.2 Motivation and Hygienic Factors

The motivation and hygienic factors are separate and distinct and they are not opposite or obverse of each other. For example, opposite of job satisfaction is not job dissatisfaction but only indicates there is no job satisfaction. Similarly, opposite of job dissatisfaction is not job satisfaction, but only indicates that there is no job dissatisfaction. Therefore, these two are made up of two uni-polar traits, each contributing very little to the other. The three key principles at the heart of the motivation-hygiene theory are:

(1)   The factors involved in producing job satisfaction are separate and distinct from the factors that lead to job dissatisfaction. Growth occurs with achievement and achievement requires a task to perform. Hygiene factors are unrelated to tasks.

(2)   The opposite of satisfaction in the job is not dissatisfaction; it is not merely any job satisfaction. Satisfaction and dissatisfaction are discrete feelings. They are not opposite ends of the same continuum. Herzberg described them as "uni-polar traits".

(3)   The motivators have a much long-lasting effect on sustaining dissatisfaction than hygiene factors have on preventing dissatisfaction. The motivators in a work experience tend to be more self-sustaining and are not dependent upon constant supervisory attention. Hygiene needs, however, are related to things for which our appetite is never satisfied completely. Applications of hygiene improvement must be constantly reapplied, since the need for them always recurs, usually with increased intensity. Hygiene must always be replenished. Most of the methods used in work-related organisations to "purchase" motivated behaviour

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over the years have appeared to be ineffective, since the traditional motivation problems still exist. This is the inevitable result because only things that surround the work itself were being improved, and these things have no lasting effects on motivation of workers.

Hygiene and Motivation Seekers

After explaining the significance of motivation and hygiene factors, Herzberg divides the people working in organisations into two groups and calls them 'hygiene seekers' and 'motivation seekers'. Successful hygiene seekers will have two types of impact on the organisation. Firstly, they will lead the organisation to 'as is where is' as they are more motivated to external reward than internal. Borrowing the terminology from the army, Herzberg equates them as 'barrack soldiers'. Secondly, they instill their own motivational attitudes in their subordinates and set extrinsic reward atmosphere in the organisation. Often their influence can be out of proportion to their long-term effectiveness. Thirdly, a hygiene seeker, even after fulfilment of hygiene needs, may not get motivated.

Inadequate pay, no doubt, contributes to dissatisfaction but more pay is no guarantee for more productivity. As Paul and Robertson have noted, 'no amount of environmental improvement can compensate for task impoverishment'. If our concern is to motivate people, we must look at the task we ask them to do. Emphasis on hygiene factors would lead to impede creativity, absenteeism, frequent occurrence of failures and restriction or elimination of opportunity for initiative and achievement.

3.4.6 SUMMING UP - HERZBERG

In spite of the criticism on two-factor theory, it is unquestionable that Herzberg's contribution to work motivation is substantial. He focused attention on the significance of job content in motivation, which was a neglected factor earlier. The concept of job enrichment is certainly one of his better-known contributions. Herzberg's theory is largely responsible for the practice of allowing employees greater responsibility for planning and controlling their work as a means of increasing motivation and satisfaction.

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Herzberg's ideas, it is argued, relate to modern ethical management and social responsibility. He understood well and attempted to teach the ethical management principles that many leaders today - particularly in business organizations - still struggle to grasp. In this respect Herzberg's concepts are just as relevant today as when he first suggested, except that the implications of responsibility, fairness, justice and compassion in business are global. It is also argued that Herzberg was essentially concerned with people's well-being at work. Underpinning his theories and teachings he was basically attempting to bring more humanity and caring into the workplace than only to improve organizational performance. The significance of the theory can be understood from the fact that by 1968, according to Herzberg, the two-factor theory was replicated sixteen times in a wide variety of situations and corroborated with the studies using different procedures which agreed with Herzberg's original findings relating to intrinsic employee motivation making it one of the most widely replicated studies on job attitudes. Notwithstanding the criticism Herzberg's contribution to work motivation is substantial. He drew attention to the importance of job content and job enrichment to work satisfaction.

3.4.7   INTRODUCTION TO Mc GREGOR -THEORY X AND THEORY Y

Douglas McGregor, a social psychologist and a household name in the world of professional managers, will long be remembered for his creative contributions to the art and science of management. Standing in the vanguard of the behaviouralist movement of post-war era, he emerged as a management psychiatrist, who quite scientifically demonstrated the unrealistic and limiting assumptions of traditional theories of management concerning human nature and the control of human behaviour in an organizational setting. Two different theories proposed by Douglas McGregor relate to the behaviour of the individual. These two theories are Theory 'X' and Theory 'Y'. There is one main difference between these two theories. Theory 'X' assumes that man resists change while Theory 'Y' assumes quite the contrary to it. It postulates that man, naturally, desires a change.

McGregor's monumental classic *The Human Side of the Enterprise* marks watershed in the history of management movement. It is hailed as the most original and seminal book on industrial psychology. The book has a profound influence on education practices. McGregor identified approaches of creating an environment within which employees are motivated either through direction and control or through integration and self control. In numerous articles, encompassing a very wide and varied range of professional managerial skills make an eloquent plea for a brand 'new social architecture', a new value system to which man and management can gainfully commit themselves for the attainment of professional objectives. His other book *The Professional Manager* is a major step ahead of his unconventional thinking in linking behavioural concepts to organization behaviour and showing with rare empathy how the human side of the enterprise can be developed through appropriate managerial intervention and understanding.

3.4.7.1 Theory 'X'

This theory is based on the traditional approach of organization that man works only due to external control and pressure. The following assumptions are the basis for Theory 'X'.

(a) The average human being has an inherent dislike for work and will avoid it if he can. This assumption of the management places stress on productivity and rewards for performance. The underlying belief is that management must counteract an inherent human tendency to avoid work.

(b) Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to make them work, to put forth adequate effort towards the achievement of organizational objectives. The dislike of work is so strong that even the promise of rewards is not generally enough to overcome it. People may accept rewards and demand more of them. Hence, not the rewards but only the threat of punishment will help the management to check the tendency to avoid work in their employees.

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(c)   The average human being prefers to be directed, wishes to avoid responsibility, and has relatively little ambition, wants security above all.

The above mentioned assumptions indicate that man should be controlled, punished and directed. He should be remunerated properly. All this is necessary because, by nature, man thinks of his own achievement, not that of the goals of the organization. He resists change. Hence, he should be made to work to achieve the goals of the organization.

Theory 'X' explains the behaviour of at least some industrial workers, which is the reason why it has not been rejected. However, in several cases, the assumptions of this theory about human nature appear to be inapplicable. The growth of knowledge in social sciences during the past thirty five years has, however, made it possible to reformulate some assumptions about human nature and human behaviour in the organization. They, to a certain extent, resolve the inconsistencies inherent in theory 'Y'.

Though this theory is concerned with human relations, it does not attempt either to explain or to analyze human nature. Directed and control oriented organization cannot motivate people. Organizations come into being to fulfil the needs of man. But such needs of man are not given importance in this theory. Unless his needs are fulfilled, man may not work for the achievement of the goals of his organization. He may not keep the goals of his organization above his needs. Hence, Theory X which is based on the direction and control view of organization is not fully acceptable. Further, this theory takes into account only the person at the lowest level of organization which makes for limited applicability. Management approaches based on the assumptions of Theory X may fail to motivate many individuals to work towards organizational goals. So long as the assumptions of theory 'X' continue to influence managerial strategy, managements fail to 'discover, let alone utilize, the potentialities of the average human being.

3.4.7.2 Theory 'Y'

Pointing out the limitations of Theory X, McGregor observed that management needed practices based on a more accurate understanding of human nature and motivation than brought out by Theory X. He developed a theory of human behaviour called 'Theory Y', which was possible because of the accumulation of knowledge about human behaviour in many specialized fields. He calls Theory Y an open invitation to innovation. Some of the assumptions of Theory Y are:

(a) The expenditure of physical and mental effort in work is as natural as play or rest. The average human being by nature does not dislike work. On the other hand, if conditions are favourable he seeks satisfaction through work. Depending upon the controllable conditions, work may be a source of satisfaction or punishment. He will do it if it gives best satisfaction voluntarily but will, if possible, avoid it if it is a source of punishment.

(b) External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. Man will exercise self direction and self-control in the service of objectives of which he is committed. Man does not work only because of force. He can be self-directed and self-controlled and creative at work if properly motivated.

(c) Commitment to objectives is a function of the rewards associated with their achievement. The most significant rewards are the satisfaction of ego and self-actualization needs. They can direct the human beings towards the achievement of organizational objectives.

(d) The average human being learns, under proper conditions not only to accept but to seek responsibility. Evasion of duties and desire for safety are not man's natural qualities. They are acquired by experience.

(e) The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not

narrowly, distributed in the population.

(f)   Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

These assumptions indicate the possibility of human growth and development. If employees are lazy, indifferent, unwilling to take up responsibility and uncooperative, according to Theory Y the cause should be sought in the management's methods of organization and control.

The central principle of Theory Y is that of integration. This emphasizes the need for the creation of such conditions as would enable the members or the organization to achieve their own goals best by directing their efforts towards the success of the enterprise. The idea of integration and self-control is that the organization will be more effective in achieving its objectives if they are integrated with those of its members. The principle of integration demands that the needs of both the organization and the individual should be recognized to achieve the best results; otherwise the organization will suffer and the individual will not put forth his best.

The foregoing assumptions of Theory Y argue that man has a potential for self-motivation which needs to be used by managers of organizations. They make it clear that man can be developed. They emphasize that control need not be uniform in all cases but should be flexible so as to suit the situation. Theory 'Y' tries to reduce external control but not the power of management to control. This theory is nearer to the new theories of management concerning behaviour, but it is not wholly practicable.

A word of caution is necessary here. One should not get the impression that Theory X is "bad", that Theory Y is good. The assumptions of neither of them can be acted upon all the time. Managers with Theory Y, assumptions about human nature may find it necessary to behave in a directing, controlling manner with people until they truly become Theory Y people. In all organizations, people are found with theory X and Theory Y patterns of behaviour. An organization, to be successful, should try to convert people with Theory X behaviour into those of Theory Y behaviour. Let us look at the

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assumptions of Theory X and Y in a tabular form.

Comparison of Theory X and Theory Y

S. No.	Theory X	Theory Y
1.	Work is inherently distasteful to most people.	Work is as natural as play if the conditions are favourable
2.	Most people are not ambitious, have little desire for taking up responsibility and prefer to be directed.	Self-control is often indispensable to the achieving of organizational goals.
3.	Most people have little capacity for creativity in solving organizational problems.	The capacity for creativity in solving organizational problems is widely distributed in the population.
4.	Motivation occurs only at the physiological and safety levels.	Motivation occurs at the social, esteem and self-actualization levels as well as physiological and security levels.
5.	Most people must be closely controlled and often coerced to achieve organizational objectives.	People can be self-directed and creative at work, if properly motivated.

3.4.7.3 Theory Y in Practice

In his research studies, McGregor while discussing the application of Theory Y, discovered that there was a high correlation between the acceptance of responsibility and commitment to objectives. He also discovered that there were advantages in the long run if the subordinates are permitted to learn by experience than by simply telling them where their planning has been unrealistic or inadequate. This is because the tools for building managerial philosophy are human attitudes and beliefs about people and the managerial role, not just forms and manuals that prescribe them in terms of

expectations. By the methods of integration and self-control, management does not take any new set of duties on top of the existing managerial load. It is a difficult way of fulfilling existing responsibilities. The administrative, informational and motivational purposes of performance appraisal of employees are also served better because intelligent adults take to growth, learning and improved performance only through the language of self-control and integrative behaviour.

3.4.8 SUMMING UP

Theory X and Theory Y of Douglas McGregor are based on the studies of motivation by Herzberg and Maslow. Drawing upon the studies of these social psychologists McGregor developed his two theories about the behaviour of human beings. First, he describes Theory X which is based on the traditional approach to management. It assumes that human beings work because of external pressure and control, otherwise they avoid work. He encodes that managements which adopt this approach fail to discover the potentialities of the human beings. Then he proposes Theory Y which stresses the need for the integration of individual's needs with organizational needs. He states that individuals would direct their efforts towards the achievement of organizational goals if their needs are recognized and integrated with those of the organizations.

The current research studies on management have gone a long way "Beyond the Theory" but does not in any way belittle the importance of the research work that McGregor initiated as a pioneer. Like a true researcher, McGregor does not seem to have final answers to the perennial questions, but as an honest student and an erudite scholar of management, his works represent a mine of ideas from which the theories of management and practicing managers can dig a great deal to sharpen their tools and readjust their strategies of management for tomorrow.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –IV: **Personnel and Financial Administration**

4.1 BUREAUCRACY - MEANING & CONCEPT : THE WEBERIAN PERSPECTIVE

- Dr. Mohit Sharma

Structure

4.1   Introduction

4.2   Meaning of bureaucracy

4.3   Definitions of bureaucracy

4.4   Theory of Domination

4.5   Types of bureaucracy

4.6   Bureaucratic structure

4.7   Concept of bureaucracy

4.8   Importance of bureaucracy

4.9   Conclusion

4.10   References

4.<u>1</u>   <u>INTRODUCTION</u> :

The term Bureaucracy may be traced to the French, word bureau, meaning rule by the desk. It simply means Desk government. The term bureaucracy came into use just before French Revolution of 1789 and also spread to other parts of the world. Bureaucracy was developed by the German sociologist Max Weber, as an 'ideal type' of social system. Bureaucracy is typified by a rational and effective organization that operates on the basis of :

- Rule by which tasks are organized.

- Division of labor that produces specialization.

- Hierarchy, meaning superior- subordinate relationships.

- Decisions by legal and technical standards.

- Administration based on filing systems and institutional memory.

- Administration as a vocation.

Thus, bureaucracy is an administrative system that is characterized by the continuous organization of official functions bound by rules, hierarchy, formalization and competent personnel. Its working is based on impartiality. So it is more precise and unambiguous. Bureaucracy has emerged as a dominant feature of the contemporary world, everywhere in public and private organizations, developed or developing nations. The bureaucratic structures are a universal phenomenon. The economic, social and political life is extensively influenced by bureaucratic organizations. The transmission of knowledge and culture has become bureaucratized and to that extent the world itself is organized, its organization is largely bureaucratic. There is several reasons for the growth of bureaucracy over time. These include advances in technology, increases in the size and complexity of society; limited time, energy and expertise to handle the details of policy making; vague laws that require bureaucratic development of rules and regulations. Bureaucracy occupies a significant place in the administrative sciences.

Max Weber's name is synonymous with bureaucracy and he enjoys a unique place in the galaxy of social scientists who have attempted to explain the concept of bureaucracy. His analyses encompasses such diverse fields ranging from history to comparative social science, have earned him immortality. His influence on the thinkers on administration is from the fact that a majority of propositions and models on bureaucracy spanning about a century are considered either as different versions of Weberian models at controlling it, and making the Weber's conceptualizations an important point of beginning.

4.2 MEANING OF BUREAUCRACY :

Bureaucracy is a term with many meanings. To some it is efficiency and to others, it is inefficiency and it is the synonymous with civil service and to others it refers to body of officials. Further bureaucracy refers to:

- Government of officials

- The peculiar activities of officials

Bureaucracy as a term has come so much into usage that almost daily we hear or read about it. It means desk government. Webster's Third International Cambridge Dictionary defines bureaucracy as systemstic administration characterized by the specialization of functions., objective qualification for offices, action according to fixed rules and hierarchy of authorities. It is the term that signifies the concentration of administrative power in bureaus or departments and also the undue interference by officials in matters outside the scope of state interference. It is a type of organization that is characterized by rationality in decision making, impersonality in social relations, routinisations of tasks and also the concentration of authority.

Definitions of Bureaucracy:

1. **According to J.S.Mill :** It is the term that used to denote the professional governors of the government in a society.

2. **According to Lasky:** It is a rule of the officials in a system of government.

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3. **According to Herman Finer**: It can be defined as a rule by officials.

4. **According to Mosca**: Bureaucracy can be defined as one class of ruling elites whose rule is absolute.

5. **According to Michels**: He expanded the concept of bureaucracy to include salaried professionals in government and non- governmental agencies such as political parties.

6. **According to Dimock**: He identified bureaucracy with institution and large scale organizations in society.

Martin Albrow made a good study of bureaucracy and coined the term since 18th century, according to him bureaucracy falls under seven categories that are as under:

1. Rational organization

2. Organizational inefficiency

3. Rule of officials

4. Public administration

5. Administration of officials

6. An organizational form characterized by such qualities as hierarchy and rules

7. An essential quality of modern society.

    Further bureaucracy is used with different meanings in order to signify different things and was originally conceived as a negative or perverse concept.

    Max Weber gave it a respectable and positive implications that can be used in the following different terms;

*   <u>**Bureaucracy as a form of government**</u>: Bureaucracy as a system of government would in such a scheme be included as a corruption of aristocracy. In such a bureaucracy the official class would rule in its own interest, as

opposed to a civil service system under which the public services were administered in the general interest.

- **<u>Bureaucracy as form of organization</u>**: According to Pfiffner, Bureaucracy is the systematic organization of tasks and individuals into a pattern which can most effectively achieve the ends of collective efforts. Gladden too used the term to mean a regulated administrative system organized as a series of interrelated offices.

- **<u>Bureaucracy as a big government:</u>** In this type, large scale enterprise exits. Charles Hyneman observes bureaucracy as a big organization.

- **<u>Bureaucracy as an ideal construct:</u>** Max Weber regarded bureaucracy as a universal social phenomenon and the means of carrying community action over into rationally ordered social action. He outlined the characteristics of the ideal type from functional point of view. In this ideal type, he attributed the following features of the bureaucracy: division of labour, set working procedures, consistent system of abstract rules, hierarchial structure, monthly salary, impersonal relations and official record. He further regarded bureaucracy sustained and sanctified by the present type of exercise of legal authority as the most effective form of organization.

- **<u>Bureaucracy as a rational system of working</u>**: In an administrative process rationality means cost effectiveness, productivity and efficiency. Peter Blau, believes that bureaucracy as an organization maximizes efficiency in administration. Max Weber has rightly observed, the purely bureaucratic type of administrative organization that is the monocratic variety of bureaucracy.

- **<u>Bureaucracy as an Ailment of organization</u>**: According to Harold. Lasky, it is the term used usually applied to a system of government the control of which is so completely in the hands of officials that their power jeopardizes the liberties of ordinary citizens. In extreme cases the members of a bureaucracy may become a hereditary caste manipulating government to their own advantage.

Bureaucracy may be used in the sense of a type administrative organization or government by civil servants for their own aggrandizement. It means bureau rule. It is a form of organization marked by hierarchy, specialization of rules and a high level of competence displayed by incumbents trained to feel these roles.

Theory of domination: Weber identified three types of legitimating each corresponding to a particular type of domination that are as under:

1. **Charismatic domination**: It literally means gift of grace, by the virtue of possession of charisma or an exceptional quality, a leader or hero casts a spell over his followers who accept his domination because of their faith in the person. In this type, the administrative apparatus is very loose and unstable. It usually consists of the most faithful followers or disciples who play the role of the intermediary between the leader and the followers.

2. **Traditional domination**: The legitimating in this form comes from the belief in the goodness of the past. This kind of patrimonial authority receives ready obedience because of a peculiar faith in traditional status and personal loyalty to the dominant person. In this domination, the administrative apparatus would consist of the personal retainers, servants and relatives. Under feudal system, the feudal lords, interposed between the king and the people, constituted the administrative apparatus.

3. **Legal domination**: It is based on the belief in the rightness they believe that these are enacted by a proper objective procedure. The typical administrative apparatus corresponding to this kind of domination. The position the bureaucrat, his relations with the ruler, the ruled and his colleagues are regulated by impersonal rules. These rules delineate in a rational way the hierarchy, the rights and duties of every position and the methods of recruitment, promotions and other conditions of the services.

   Types of bureaucracy: According to Forstein M.Marx, there are four types of bureaucracy:

1. **Guardian bureaucracy**: He cites two example of Guardian bureaucracy that is Chinese bureaucracy up to the advent of the Sung period and the Prussian Civil Service during 1640 and 1740. This type of bureaucracy may be defined as a scholastic officialdom trained in right conduct according to the classics. Plato's concept of the philosopher king is an example of the guardian bureaucracy. Such civil services regarded itself as custodians of public interest, but was independent of and unresponsive to the public opinion. It was righteous, incorruptible, efficient, competent and benevolent on the hand but authoritarian and responsive on the other.

2. **Caste bureaucracy**: This type of a bureaucracy has a class base and arises from the class connection of those in the controlling positions. Such type is widely prevalent in oligarchical political systems. Under such systems only persons belonging to upper classes or higher castes can become public officials.

3. **Patronage bureaucracy:** It is also known to be the spoil systems. There is a subtle difference between these two terms; patronage and spoil systems. In both the recruitment is based on favoritism. But in patronage, the persons would continue in employment while in spoils the beneficiaries have to quit when the government changes. In contrast to the spoils system, patronage provides stability of tenure. The traditional home of spoils has been the U.S.A. Patronage has full sway in U.K, till the middle of the nineteenth century. This type of civil service exists where public jobs are given as a personal favor or political reward. The system, it is interesting to note, worked differently in the two countries. In the U.K patronage bureaucracy marched side by side with an aristocratic social order and fulfilled its purpose. In the United State on the contrary, the spoils system worked quite differently and jobs went as spoils to the victorious political party.

4. **Merit bureaucracy:** It has its basis, merit of the public official and as its aim, efficiency of the civil service. It aims at career open to talent. Here the attempt

is to recruit the best man for the public service, his merit being judged by objective standards. This is the method in vogue in all civilized countries. The civil servant in modern democracy is really an official in the service of the people, and is recruited on the basis of prescribed qualifications tested objectivity. He owes his job to no one except to his industry, intelligence and luck.

Bureaucratic Structure:

In designing the legal-rational authority system, Weber formulated the following structuring propositions:

- Official tasks are organized on a continuous regulated basis.

- These tasks are subdivided into functionally distinct spheres, each furnished with the requisite authority a nd sanctions.

- Offices are arranged hierarchically, the rights of control and compliant between them being specified.

- Official work is conducted according to the rules which are either technical or legal.

- The resources of the organization are quite distinct from those of the members as private individuals.

- The holder of an office cannot appropriate the office.

- Administration is based on written documents or files. This tends to make the office the hub of the modern organization.

- The legal authority can take many forms, but are seen at their purest in a bureaucratic administrative staff.

Concept of Bureaucracy:

Bureaucracy as a form of social and political organization and the types of historical

conditions that led to the emergence of bureaucratic government. His ideal bureaucratic model has been a great contribution not only to public administration but also to other social sciences. He examined the reasons for the rise of bureaucracy in the modern state. According to him, the system of free enterprise and money economy, the essence of capitalism, fostered bureaucracy. In the face of fierce economic competition, capitalist enterprises needed a highly efficient organizational form. Capitalism requires and also encourages the strong and orderly governments in its own interests. The bureaucratic principles gave the enterprise the capacity to accomplish economic planning to maintain a stable market for goods and services. It was on the demand of the capitalist enterprises that corporate principles of administration were soon transferred to public agencies. He observed the capitalistic system has undeniably played a major role in the development o bureaucracy. It is this need which gives bureaucracy a crucial role in our society as the central element in any kind of large scale administration. He further observes that the capitalism is most rational economic basis for bureaucratic administration an enables it to develop in the most rational form, especially because from a fiscal point of view, it supplies the necessary money resources.

Importance of Bureaucracy:

Bureaucracy should not be used as a term of abuse or condemned per se. Its contribution to governmental administration is not insignificant. In fact, it has made administration more efficiency, rational, impartial and consistent than was the case in earlier times. In the words of Herbert Morrison, Bureaucracy is the price of parliament democracy.

Both the good and the bad aspects of bureaucracy were well brought out by Lord Morley, the secretary of State for India in his classical description of the nature of the Indian administration. In fine, bureaucracy is not in itself a thing, in fact, some element of it is indispensable. Bureaucracy in brief, has to be kept under control. Someone has aptly remarked that bureaucracy is like fire, invaluable as a servant, ruinous when it becomes the master.

Conclusion:

Bureaucracy is by far the most efficient instrument of large scale administration that has ever been developed and the modern social order has become overwhelming dependent on it. Weber maintained purely bureaucratic type of administration organization was capable of attaining the highest level of efficiency. He considered this type of organization is in principle applicable with equal facility to a wide variety of different fields. It may be applied to profit making business or in charitable organizations, or in any number of other types of private enterprise serving ideal or material ends. It is equally applicable to political and to religious organizations. In weberian analysis, bureaucracy is not to be confused with the civil services. It refers to the sociological concept of rationalization of collective activities and also describes a form of organization which ensures predictability of the behavior of employees. In brief, bureaucracy may be used in the sense of a type of administrative organization or government by the civil servants for their own aggrandizement.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –IV: **Personnel and Financial Administration**

4.2. CIVIL SERVICES: RECRUITMENT, TRAINING AND PROMOTION AND THE CONCEPT OF CIVIL SERVICE NEUTRALITY

- Prof. Y. Pardhasaradhi

STRUCTURE

4.2.0   Objectives

4.2.1   Introduction to Bureaucracy

4.2.1.1 Historical Background of Civil Services

4.2.2   Weberian Bureaucracy

4.2.2.1 Model of Bureaucracy

4.2.3   Introduction to Recruitment

4.2.3.1 Human Resource Planning

4.2.3.2 Constraints and Challenges

4.2.3.3 Selection Process

4.2.4 Formulating HR Plans

4.2.5 Introduction to Training

      4.2.5.1 Three Terms: Training, Development and Education

      4.2.5.2 Distinction between Training and Development

      4.2.5.3 Need for Basic Purpose of Training

4.2.6 Introduction to Promotion

      4.2.6.1 Sources of Promotion

      4.2.6.2 Elements of Sound Promotion Policy

      4.2.6.3 Principles of Promotion

4.2.7 Civil Service Neutrality

4.2.8 Summing Up

4.2.0 OBJECTIVES

After going through this lesson, you will be able to understand:

● The origin and development of the concept of New Public Administration

● The rise of New Public Management as an important administrative theory

● The dimensions of Comparative Public Administration

● The nuances related to Development Administration

4.2.1 INTRODUCTION

The bureau or public offices, in some form or other, were always adjuncts of organized governments all over the world. For instance, in China, even in the period of 186

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B.C., public offices were in existence and persons for those offices used to be recruited through competitive examinations. History is replete with instances and reasons to show that individuals appointed to government offices acquire special characteristics some of which were even universal.

4.2.1.1 Historical Background of Civil Services

It was Mr. De Gourney, French economist, who used the word bureaucracy for the first time, during the first half of the 18th century. Several French writers, after de Gourney, popularised the word while the British social scientists started using the word only in the 19th century. J. S. Mill, an eminent political economist, included bureaucracy in his analysis. Mosca and Michels are two other important sociologists who wrote extensively on bureaucracy. Yet, one is reminded of Max Weber whenever there is a discussion on bureaucracy. For, Weber was the first social scientist who made a systematic study of bureaucracy and its characteristics. Weberian model of bureaucracy is a source of inspiration to many because it largely reflects the spirit of modern bureaucracy. That is the reason why Weberian model is being used as a reference base for other models on bureaucracy.

4.2.2 WEBERIAN BUREAUCAUCRACY

Weber never defined bureaucracy; he only described its characteristics. To him bureaucracy is "an administrative body of appointed officials". In bureaucracy he included explicitly appointed officials only leaving out the elected ones. As in the case of authority, Weber categorized bureaucracy into (i) patrimonial bureaucracy found in traditional and charismatic types of authorities and (ii) legal-rational bureaucracy found only in legal type of authority. The characteristics of legal-rational bureaucracy, popularly known as Weberian model, are analysed further. Weber believed that legitimacy was basic to nearly all systems of authority and legitimacy of authority depends on the following five important beliefs that:

1. a legal code can be established which can claim obedience from members of organization;

2. law is a system of abstract rules which are applied to specific cases, and that administration looks after the interests of the organisation within the limits of law;

3. the individual exercising authority also obeys this impersonal order;

5. Obedience is not to the person who holds authority but to the impersonal order which grants him the position.

These five elements substantiate the view that Weber laid greater stress on the relationship between legitimacy and impersonal order. Four factors seem to have influenced Weber in his discussion on bureaucracy. They are: (1) the historical, technical and administrative reasons form the process of bureaucratization particularly in western civilization; (2) the impact of the rule of law upon the functioning of bureaucratic organisation; (3) the occupational position and typical personal orientation of bureaucratic officials as an elite group; and (4) the most important attributes and the consequences of bureaucracy in the modern world, particularly of governmental bureaucracy.

4.2.2.3   Model of Bureaucracy

The model of legal-rational bureaucracy designed by Weber has the following characteristics:

1. Official business is conducted on a continuous basis;

2. An administrative agency functions in accordance with stipulated rules and is characterized by three inter-related attributes: (a) the powers and functions of each official is delimited in terms of impersonal criteria; (b) the official is given matching authority to carry out his responsibility; and (c) the means of compulsion at his disposal are strictly limited and the conditions under which their employment is legitimate are clearly defined;

3. Every official and every office is part of a hierarchy of authority. Higher officials or offices supervise while lower offices and officials have the right

of appeal;

4. Officials do not own the resources necessary for rendering the duties, but they are accountable for use of official resources. Official business and private affairs, official revenue and private incomes are strictly separated;

5. Offices cannot be filled by the incumbents as private property which can be sold and inherited; and

6. Administration is conducted on the basis of written documents.

Weber also discussed in detail the characteristics of the official or civil servant. The official:

1. is personally free (and not a servant to anybody personally) and appointed to an official position on the basis of a contract;

2. exercises the authority delegated to him in accordance with impersonal rules, and his loyalty is expressed through faithful execution of his duties;

3. appointment and job placement depends on his technical (administrative) qualification;

4. administrative work is his full-time occupation; and

5. work is rewarded by a regular salary and by prospects of regular advancement in a lifetime career.

Weber thought that this legal-rational bureaucracy is technically superior to all other administrative systems. Further he stressed that the people once ruled by bureaucracy can never think of any other alternative. Hence it is permanent and indispensable. In Weberian model of bureaucracy the main elements are impersonal order; rules; sphere of competence; hierarchy; personal and public ends; written documents; and monocratic type.

4.2.3 INTRODUCTION TO RECRUITMENT

Recruitment and selection are the process of locating and encouraging potential applicants to apply for existing or anticipated job openings. Certain influences restrain (the freedom of) managers while choosing a recruiting source such as: image of the company, attractiveness of the job, internal policies, budgeting support, government policies etc. Companies generally rely on time lapse data, yield ratios, surveys etc., to evaluate the sources of recruiting carefully. Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings. It is actually a linking function, joining together those with jobs to fill and those seeking jobs.

Recruitment, logically, aims at:

(i)   attracting a large number of qualified applicants who are ready to take up the job if it's offered and

(ii)   offering enough information for unqualified persons to self-select themselves out (for example, the recruitment ad of a foreign bank may invite applications from chartered accountants who have cleared the CA examination in the first attempt only).

4.2.3.1 Human Resource Planning

Human Resource Planning involves many layers of processes. These are:

1.   Human resource planning is designed to ensure that personnel needs will be constantly and appropriately met. It is accomplished through analysis of (a) internal factors, such as current and expected skill needs, vacancies, and departmental expansions and reductions, and (b) factors in the environment, such as the labour market. The use of computers to build and maintain information about all employees has enabled organizations to be much more efficient in their planning of human resources.

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2. Recruitment is concerned with developing a pool of job candidates in line with the human resource plan. Candidates are usually located through newspaper and professional journal advertisements, employment agencies, word of mouth, and visits to college and university campuses.

3. Selection involves using application forms, resumes, interviews, employment and skills tests, and reference checks to evaluate and screen job candidates for the managers who will ultimately select and hire a candidate.

4. Socialization (orientation) is designed to help the selected individuals fit smoothly into the organization. Newcomers are introduced to their colleagues, acquainted with their responsibilities, and informed about the organization's culture, policies, and expectations regarding employee behaviour.

5. Training and development both aim to increase employees' abilities to con-tribute to organizational effectiveness. Training is designed to improve skills in the present job; development programs are designed to prepare employees for promotion.

6. Performance appraisal compares an individual's job performance to standards or objectives developed for the individual's position. Low performance may prompt corrective action, such as additional training, a demotion, or separation, while high performance may merit a reward, such s raise, bonus, or promotion. Although an employee's immediate supervisor performs the appraisal, the HRM department is responsible for working with upper management to establish the policies that guide all performance appraisals.

7. Maintaining Human Resources involves maintaining the workforce in the organization. High performers may be promoted or transferred to

help them develop their skills, while low performers may be demoted, transferred to less important positions, or even separated. Any of these options will, in turn, affect human resource planning. This also involves determining compensation and benefits to the employees.

4.2.3.2 Constraints and Challenges

In actual practice, it is always not easy to find and select a suitable candidate for a job opening. The recruiter's choice of a communication medium (e.g. advertising in a trade journal read by the prospective candidate) may not be appropriate. Some of the bright candidates may begin to view the vacancy as not in line with their current expectations (e.g. challenging work, excellent rewards, and flexible schedules and so on).

The most suitable ones may not have been motivated to apply due to several other constraints.

Poor image: If the image of a firm is perceived to be low (due to factors such as operating in a declining industry, earning a bad name because of environmental pollution, poor quality products, nepotism, insider trading allegations against promoters etc.), the likelihood of attracting a large number of qualified applicants is reduced.

Unattractive job: If the job to be filled is not very attractive, most prospective candidates may turn indifferent and may not even apply. This is especially true in case of jobs that are dull, boring, anxiety producing, devoid of career growth opportunities and generally do not reward performance in a proper way. (e.g., jobs in departmental undertakings such as Railways, Post and Telegraphs, public sector banks and Insurance companies failing to attract talent from premier management institutes.)

Conservative internal policies: A policy of filling vacancies through internal promotions based on seniority, experience, job knowledge etc. may often come in the way of searching for qualified hands in the broader job market in an unbiased way. Likewise, in firms where powerful unions exist, managers may be compelled to pick up candidates with questionable merit, based on issues such as caste, race, religion,

region, nepotism, friendship etc.

Limited budgetary support: Recruiting efforts require money. Sometimes because of limited resources, organisations may not like to carry on the recruiting efforts for long periods of time. This can, ultimately, constrain a recruiter's efforts to attract the best person for the job.

Restrictive policies of government: Governmental policies often come in the way of recruiting people as per the rules for company or on the basis of merit/seniority, etc. For example, reservations for special groups (such as scheduled castes, scheduled tribes, backward classes, physically handicapped and disabled persons, ex-servicemen, etc.) have to be observed as per Constitutional provisions while filling up vacancies in government corporations, departmental undertakings, local bodies, quasi-government organisations, etc.

4.2.3.3 Selection Process

The selection process is a series of steps through which applicants pass.

i.   Preliminary Reception: Selection starts with a visit to the HRM office or with a written request for an application. If an applicant appears in person, an impromptu preliminary interview may be granted as a courtesy, simply as a matter of good public relations.

ii.   Employment Tests: Employment tests are devices that assess the probable match between applicants and job requirements. When tests are used for these positions, however, they often are a simulation of real-life situations.

iii. Test Validation: For a test to be relied upon, it should be valid. Validity means that the test scores have a significant correlation to job performance or to some other relevant criterion.

iv.   Testing Tools: There is a wide variety of employment tests. But each type of test has only limited usefulness. The exact purpose of a test, its

design, its direction for administration and its application are recorded in the test manual, which should be reviewed before a test is used.

4.2.4 FORMULATING HR PLANS

Organisations operate in a changing environment. Consequently, Human resource requirements also change continually. Changes in product mix, union agreements, and competitive actions are some of the important things that need special attention.

The human resource requirements identified along the procedure outlined in the above box need to be translated into a concrete HR plan, backed up by detailed policies, programmes and strategies (for recruitment, selection, training, promotion, retirement, replacement, etc.).

i. Recruitment plan: Will indicate the number and type of people required and when they are needed; special plans to recruit right people and how they are to be dealt with via the recruitment programme.

ii. Redeployment plan: Will indicate the programmes for transferring or retraining existing employees for new jobs.

iii. Redundancy plan: Will indicate who is redundant, when and where; the plans for retraining, where this is possible; and plans for golden handshake, retrenchment, lay-off, etc.

iv. Training plan: Will indicate the number of trainees or apprentices required and the programme for recruiting or training them; existing staff requiring training or retraining; new courses to be developed or changes to be effected in existing courses.

v. Productivity plan: Will indicate reasons for employee productivity or reducing employee costs through work simplification studies, mechanisation, productivity bargaining; incentives and profit sharing schemes, job redesign, etc.

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vi.   Retention plan: Will indicate reasons for employee turnover and show strategies to avoid wastage through compensation policies; changes in work requirements and improvement in working conditions.

vii. Control points: The entire manpower plan is subjected to close monitoring from time to time. Control points are set up to find out deficiencies, periodic updating of manpower inventory, in the light of changing circumstances, is undertaken to remove deficiencies and develop future plans.

4.2.5 INTRODUCTION TO TRAINING

Every organization needs to have well trained and experienced people to perform the activities that have to be done. If the current or potential job occupant can meet this requirement, training is not important. But when this is not the case, it is necessary to raise the skill levels and increase the versatility and adaptability of employees. Inadequate job redesigning or a technology break-through requires some type of training and development efforts. As the jobs become more complex, the importance of employee development also increases. In a rapidly changing society, employee development is not only an activity that is desirable but also an activity that an organization must commit resources to if it is to maintain a viable and knowledgeable work force.

'Training', 'education' and 'development' are three terms frequently used. On the face of it, there might not appear any difference between them, but when a deep thought is given, there appear some differences between them. In all 'training' there is some 'education' and in all 'education' there is some 'training'. And the two processes cannot be separated from 'development'. Precise definitions are not possible and can be misleading; but different persons have used these activities in different ways.

The importance of training has been expressed in these words: "Training is a widely accepted problem-solving device. Indeed, our national superiority in manpower productivity can be attributed in no small measure to the success of our educational and industrial training programmes. This success has been achieved by a tendency in

many quarters to regard training as a panacea. It is almost traditional in America to believe that if something is good, more of the thing is even better. Hence, we take more vitamin pills to solve personal health problems and more training to solve our manpower problems. They stem also from lack of recognition of the professional techniques of modern industrial training".

4.2.5.1 Three Terms: Training, Development and Education

Training is a process of learning a sequence of programmed behaviour. It is application of knowledge. It gives people an awareness of the rules and procedures to guide their behaviour. It attempts to improve their performance on the current job or prepare them for an intended job. Development is a related process. It covers not only those activities which improve job performance but also those which bring about growth of the personality; help individuals in the progress towards maturity and actualization of their potential capacities so that they become not only good employees but better men and women. In organizational terms, it is intended to equip persons to earn promotion and hold greater responsibility. Training a person for a bigger and higher job is development. And this may well include not only imparting specific skills and knowledge but also inculcating certain personality and mental attitudes. In this sense, development is not much different from education. Education is an understanding phenomenon. Education must impart qualities of mind and character, and understanding of basic principles and develop the capacities of analysis, synthesis and objectivity, usually; education is outside the scope of an organizational functioning. It involves a range of skills and expertise which can be provided only by educational institutions. An organization can and does make use of such institutions in order to support and supplement its internal training and development efforts.

4.2.5.2   Distinction between Training and Development.

"Training is a short-term process of utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose... Development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical

knowledge for general purpose". "Training" refers only to instruction in technical and mechanical operations, while "development" refers to philosophical and theoretical educational concepts. Training is designed for non-managers, while development involves managerial personnel. In the words of Campbell, "training courses are typically designed for a short-term, stated set purpose, such as the operation of some piece(s) of machinery, while development involves a broader education for long-term purpose".

Training and development differ in four ways:

     (a)   "What" is learned;

     (b)   "Who" is learning;

     (c)   "Why" such learning takes place; and

     (d)   "When" learning occurs.

4.2.5.3 Need for and the basic Purpose of Training

The need for the training of employees would be clear from the observation made by the different authorities.

    (i) To Increase Productivity: "Instruction can help employees increase their level of performance on their present assignment. Increased human performance often directly leads to increased operational productivity and increase company profit". Again "increased performance and productivity, because of training, are most evident on the part of new employees who are both yet fully aware of the most efficient and effective ways of performing their jobs".

    (ii) To Improve Quality: "Better informed workers are less likely to make operational mistakes. Quality increases may be in relationship to a company product or service, or in reference to the intangible organizational employment atmosphere".

    (iii) To Help a Company fulfil Its Future Personnel Needs: "Organizations

that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the event of sudden personnel alternations. When the need arises, organizational' vacancies can more easily be staffed from internal sources if a company initiates and maintains an adequate instructional programme for both its non-supervisory and managerial employees".

(iv) To Improve Organizational Climate: "An endless chain of positive reactions result from a well-planned training programme. Production and product quality may improve: financial incentives may then be increased, internal promotions become stressed, less supervisory pressures ensure and base pay rate increases result. Increased morale may be due to many factors, but one of the most important of these is the current state of an organization's educational endeavour".

(v) To Improve Health and Safety: "Proper training can help prevent industrial accidents. A safer work environment leads to more stable mental attitudes on the part of employees. Managerial mental state would also improve if supervisors know that they can better themselves through company-designed development programmes".

(vi) Obsolescence Prevention: "Training and development programmes foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may due to age, temperament or motivation, or the inability of a person to adapt himself to technological changes".

(vii) Personal Growth: "Employees on a personal basis gain individually from their exposure to educational experiences." Again, "Management development programmes seem to give participants a wider awareness, an enlarged skill, and enlightened Altruistic philosophy, and make enhanced personal growth possible".

A programme of planning becomes essential for the purpose of meeting the specific problems of a particular organization arising out of the introduction of new lines of

production, changes in design, the demands of competition and economy, the quality if materials processed individual adjustments, promotions, career development, job and personnel changes and changes in the volume of business. Collectively, these purposes directly relate to and comprise the ultimate purpose of organizational training programmes to enhance overall organizational effectiveness.

Training is a practical and vital necessity because, apart from the other advantages mentioned above, it enables employees to develop and rise within the organization, and increase their "market value", earning power and job security. It enables management to resolve sources of friction arising from parochialism, to bring home to the employees the fact that the management is not divisible. It moulds the employees ` attitudes and helps them to achieve better co-operation with the company and a greater loyalty to it. The management is benefited in the sense that higher standards of quality are achieved; a satisfactory organizational structure is built up; authority can be delegated and stimulus for progress applied to employees. Training, moreover, heightens the morale of the employees, for it helps in reducing dissatisfaction, complaints, grievances and absenteeism, reduces the rate of turnover. Further, trained employees make a better and economical use of materials and equipment; therefore, wastage and spoilage are lessened, and the need for constant supervision is reduced.

4.2.6 INTRODUCTION TO PROMOTION

Promotion as a practice of Human Resource Management. Promotions occupy a very important place in the dimensions of Human Resources Management. The fast moving and development Oriented Organizations of today have to adjust and restructure their goals, objectives and working patterns. It brings rapid changes in organizations' design and structure. Earlier periods in the history of organizations were a bit slow paced periods when employees used to work in the same job design for years along. Present scenario is based on daily defined tasks as well as long term strategic plans. Promotions system has also felt the impact of these fast changes.

Promotion as a term can be explained as change and call for greater responsibilities, and usually involves higher pay and better terms and conditions of service and therefore,

a higher status or rank. Scott and Clothier define it as "the transfer of an employee to a job which pays more money or one that carries some preferred status it as "an upward advancement of an employee in an organization to another job "an upward advancement of an employee in an organization to another job, which commands better pay wages, better status, prestige and higher opportunities, challenges, responsibility, authority, better working environment, hours of work and facilities and a higher rank.

Promotions are desired by all employees as they want to grow and draw better salary and take more responsibility with the period of time. Promotion is always a morale booster to employee as it fulfils his esteem, pride and economic desires. There are some objectives of promotion which can be seen as follows:

> (i) To put the employee in a better and higher level of post.
>
> (ii) To give him a financial boost with higher grades.
>
> (iii) To add responsibility and authority to his existing post
>
> (iv) To fill the higher posts, being vacated by promotions, retirements or transfers.
>
> (v) To increase employee's effectiveness
>
> (vi) To attract suitable and skilled talent to the organization.
>
> (vii) To build the morale and belongingness of the employee with organization.

Promotion always involves a higher rank and/or pay. Depending upon different conditions, promotions may involve:

> (i) A change in a workplace, environment, and pay/grade i.e., promotion along with transfer, or up and out promotion.
>
> (ii) A change in rank/pay but in same workplace i.e. promotion without transfer.

(iii)   Only a change in grade/pay i.e. try promotion where the employee get only next higher scale of pay by virtue of his length of service.

4.2.6.1 Sources of Promotion

The sources of promotion may be internal or external. Internal sources include that set of employees whose promotions are due because of their seniority or those employees who want promotions on merit basis.

External sources are the newly recruited or directly selected candidates from outside the organization on the basis of merit or even deputation sometimes.

4.2.6.2 Elements of a sound promotion Policy

The promotion policy in any organization should have six elements, according to Mamoria:

(i) Promotion Policy statement

(ii) Established plan of jobs

(iii) Tracing transfer routs

(iv) Prepare employees for advancement through training.

(v) Communicate the Policy

(vi) Detailed personnel and service records kept ready.

Some other elements of a promotion policy can be impartiality, transparency, consistency and lastly planed and crafted with all legalities in consideration.

4.2.6.3 Principles of Promotion:

There are broadly two principles of promotion which are sometimes known as bases of promotion also. They are:

a)   Principle of Seniority:

This principle is based on the length of service based seniority. It is popular for providing equal opportunities to all for getting promotions. It is also considered to be more democratic in nature. One major shortcoming of this system is the chance of low morale in meritorious candidates who are denied promotions for not being senior sometimes.

b)   Principle of Merit:

This system advocates the preference to the merit instead of length of service only; this system is popular for promoting the deserving candidates, who can show their merit at the workplaces. This system is also popular for encouraging the employees with better skills in order to get promotions on merit.

4.2.7   CIVIL SERVICE NEUTRALITY

On an idealistic level, bureaucracy is supposed to be a sphere of neutrality which is independent of special interest. Yet, at an operational level, bureaucracy is often quite the opposite. Special interests are the main driving forces behind bureaucracy. In the realm of politics, only those who are wealthy can have a realistic chance to run for office due to the financial requirements of campaigning. Part of the clue to analyzing bureaucracy from a realistic basis is given by another perspective of bureaucracy. Weber also regarded bureaucracy as being "first of all functional for the functioning of rational economic actors who can predict and calculate even the legal results and consequences of their economic action and evaluate its costs and benefits, taking into account the functioning of an equally rational public administration". This premise presupposes a certain level of competence and assumes bureaucracy to be initially as system which can be wielded by bureaucrats themselves.

Another condemning perspective on bureaucracy is that it is a tool which democracies generally take a lot effort to manage, but autocracies utilize seamlessly. This aspect of bureaucracy lends to the negative connotation, as it belies a sense of bureaucratic imposition on those who are managed, or even manipulated by the bureaucrats. At the

same time, the system should not be such that there is a restrictive level of control on how bureaucrats themselves critique their own shortcomings. Bureaucrats are charged with using reason in making their best judgments and ideally as scholars, they should have an unrestricted public forum to voice any concerns they might have. Yet, such interpretations of how bureaucracy should function are indeed the trappings of intellectual exercise in the realm of idealistic thinking.

Weber and Friedrich Hegel both retained some similar views regarding bureaucracy. There are similarities between the approach Weber took in looking at Bureaucracy and the perspective Hegel had on Civil Service. They both looked at how private interest is influential in the intrinsic design of bureaucracy and civil service. The realm of civil service has a definitive confluence with the perspectives on public administration by definition. In a comprehensive manner, "Hegel and Weber presented their ideas about bureaucracy as part of a broader set of general or universal arguments about the evolution of human civilization". They both looked at bureaucracy as being a component of modernity and certainly saw bureaucracy at its best as being an evolved system.

At the same time, bureaucracy can also be supplanted. Neo-patrimonial systems can replace the framework of bureaucracy, and make the same claims on the legal-rational system inherent in modernity. Bureaucracy is a code word for a system which has transcended the age of kings but may still be subject to the travails of power struggles in much the same manner. Thus, the operational quality may have superficial superiority over previous systems, but may inevitably suffer from the same flaws as other systems which have been present throughout history. However, the ideals propounded by intellectuals such as Weber still provide viable objective for bureaucracy to strive for.

4.2.8 SUMMING UP

From students of administration to research teams, greater focus is being laid on the influences of bureaucracy on administration today. Administrators are considered as the change-agents and bureaucracy as a catalyst of modernization and development. As long as this consideration dominates the administrative studies, bureaucracy attracts

wider interests and the analysis and discussion on Weberian bureaucracy goes on and on.

Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job opening. The selection process involves a series of steps through which applicants pass. The basic purpose of having a human resource plan is to have an accurate estimate of the number of employees required, with matching skill requirements to meet organisational objectives. It provides information about the manner in which existing personnel are employed, the kind of skills required for different categories of jobs and human resource requirements over a period of time in relation to organisational objectives. The basic purpose of preparing manpower inventory is to find out the size and quality of personnel available within the organisation to man various positions. Every organisation will have two major sources of supply of manpower: internal and external. Some of the important forecasting techniques are Staffing table, Markov analysis, Skills inventory, Replacement chart, External labour supply. Top level executives are responsible for HR planning as it is one of the important factors influencing the success of an organisation. The plans are usually prepared by the Human Resource Division in consultation with other corporate heads. The responsibility and accountability for manpower aspects of various divisions is on their respective heads. Employees have realized that change is the order of the day and they have started playing the role of a change agent. Consequently, employees identify their own training needs, select appropriate training programmes organized by various organizations and undergo the training programmes. Thus, employees in recent times started taking proactive learning measures on their own.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –IV: **Financial Administration**

4.3 DEFINITION OF BUDGET :BUDGET PROCESS AND BUDGET ITS FORMULATION PROCESS AND EXECUTION

- Dr. Govind Inakhiya

STRUCTURE

4.3.3.4 Other Grants

4.3.3.5 Execution of the Budget on the Expenditure Side

4.3.5.6 Process of Execution of Budget

4.3.4   Summing Up

4.3.0   OBJECTIVES

After going through this lesson, you will be able to know:

- The importance of budget for administration

- Various stages in the preparation of budget

- Steps in the execution of budgets

- Issues relating to grants

- Process of execution of budget

4.3.1   INTRODUCTION

Financial Administration is at the core of all human affairs. Its principal aspects are the formulation of policy and then its implementation of the attainment of the state objectives in the optimum manner. It is the systematic ordering of affairs and the calculated use of resources aimed at making the desired things happen and forestalling everything to the country. Financial Administration may be 'defined as the art and science of policy making' planning, decision-making, coordination, control of the processes of securing adequate resources, ensuring their safe custody, genuine allocations among different areas of socio-economic development, effective utilization and avoiding the wastage of resources and duplication of efforts to attain the objectives of the Government. In short, we may define financial Administration as the technique of maximizing financial output and the optimization of financial resources.

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4.3.2 BUDGET PREPARATION

4.3.2.1 Steps in Budget Preparation

There are five important steps in the process of preparation of budget.

1. *Preparation of the estimates by the ministries and departments*

The Finance Ministry issues a circular to all the Administrative Ministries and the departments five to six months before the commencement of the next financial year i.e., in the midst of September/October, directing them to start preparing the estimates of expenditure for the budget year. The rule is that he who spends the money must also prepare the estimates in advance. The prescribed forms of budget estimates are also circulated to the operating agencies by the Finance Ministry. The forms contain provisions for the items of income and expenditure estimates in the following way:

1. The actual figures of the previous three years i.e. 1980-81, 1981-82, 1982-83.

2. The Sanctioned budget estimates for the current Years i.e., 1983-84

3. Revised estimates for the current year i.e. 1981.

4. Budget estimates for the next year i.e. Budget year i.e. 1984-85

5. Actuals of the current year at the time of prepare the estimates i.e. for 1982-83.

6. Actuals for the corresponding period of the previous year 1981-82

7. Explain for the increase/decrease proposed in the estimates.

But, the preparation of the budget estimates is not easy job, it requires sound judgment and experience is not a simple cooking of figures and numbers in the columns. Several factors and situations must be taken into consideration while increasing and decreasing the estimates. Therefore the operating ministers and departments must be very careful

in preparing their estimates of income and expenditure.

2.   *Scrutiny by the Department Controlling Officers*

The estimates prepared by the pertaining ministry's departments will go their respective departmental controlling officers. This is the second stage in the preparation of the Union budget; the departmental controlling office will examine it completely. Wherever necessary they revise the estimates on justified grounds. Afterwards, they approve the estimates and prepare consolidated estimates of the department and send them to the concerned ministries. They will also examine estimates of their different departments of the C&A.G. at their disposal, and approve them with or without any changes. Later, they prepare the estimates of the ministry in a consolidated from and send them to the Budget wing the ministry of Finance.

3.   *Scrutiny by the Ministry of Finance:*

The consolidated budget estimates of the operating ministries and departments are examined and thoroughly scrutinized by the Ministry of Finance. The scrutiny and examination of the Finance Ministry is different from that of the departmental controlling officers. The latter's scrutiny is related to the policy behind the proposal expenditure and its necessary or property. Whereas the Ministry of Finance is concerned mainly with the economy, and the scrutiny is based on how to keep the demands within the Revenues available. It is done on the basis at the report and recommendation of the comptroller and Auditor General. Generally, the entire scrutiny and examination of the finance Ministry over the estimates of the various ministries and departments is as follows:

a)   There will be least/no scrutiny on items of expenditure that are charged on the consolidated fund of India.

b)   It will be nominal or Administrative on all standing charges/permanent charge like salaries, allowances permanent post/establishments and fixed contentment charges like salaries, allowances, permanent post/

establishment and fixed contentment charges.

c) On all crew items of expenditure it will be more example and detail. The new items of expenditure are too included in the estimates by the operating ministry and departments only after the prior approval of the finance ministry. In the budget from, these shown separately.

Preparation of budget estimates for the new items, schemes is a big time consuming and pain producing task. The field officers, the regional office and the Administrative units and operating other offices will have to prepare in detail. The same has to be approved by the Administrative department and later by the minister concerned. The finance Advisor of the Ministry concerned will examine the items of expenditure. The estimates of capital expenditure are thoroughly examined and scrutinized by the Financial Adviser of the Administrative ministry. Later they are sent to the ministry of finance for its consideration and screening. The finance Ministry does this job in consultation with the planning commission. Finance Ministry examines these estimates to find out whether they are made after through study, whether rules of common prudence are followed. It will get clearance once it found correct. Then comes the competition between various ministry departments about the availability of funds for their new schemes. If a proposal a particular ministry is strong and convince its case, then budget provision will made for the same by the Finance Ministry.

In many cases and occasions, the Administrative ministry and the departments may not have the time to work out the estimates of the new schemes at the time of preparing the estimates, especially, when they have to include the schemes of 5 year plans. Under such occasions, they generally ask for a lure provision in the budget, but it is up to the Finance Minister to accept this. The cases of difference and disagreement are first solved at the secretary level, later ministerial level. Even then if it is not solved, it is either decided by the prime Minister or his/her cabinet then the budget estimates are submitted to the Finance Ministry.

4.   *Consolidation in the Ministry of Finance:*

The Budget Division of the Ministry of finance takes up the job of consolidating the budget estimates of all the Administrative Ministries and the Departments. The budget division of the Finance Ministry will be too busy with this work as this stage comes at the end of the long budgetary process.

Besides, the budget division in the Finance Ministry has to take up the estimation of the revenue at this stage. This is done by it in consultation with the central board of direct and the central board of indirect taxes. It also takes the assistance of the income Tax and Central Excise and Customs Departments as they are the most revenue collecting centres. Estimates of revenue are prepared at the existing rates of taxation. The finance ministry alters the charges in the revenue of taxation only with a purpose to match the Revenue and expenditure of the government. Then the Finance Ministry takes up the work of examining total estimates of expenditure already submitted by the operating agencies and the estimates of Revenue prepared by their budget division. The Administrative Ministries and the departments are asked to indicate their priorities. If necessary, the Finance Ministry at this stage, will also take up the work of preparing estimates of revenue from possible new sources of taxation.

5.   *Final consolidation of the estimates*

Then comes the last stage in the long process of budget preparation i.e. consideration of the consolidated estimates of various Administrative ministries and the departments by the cabinet/Council of Ministers and If necessary revenue of the estimates. As per the orders and resolutions of the Cabinet Government, the Budget Division of the Ministry of Finance were to make necessary changes in the estimates and prepare the revised estimates for the current year up to date and it does in two types of statements. One is 'Annual Financial Statement and the second one is 'Demand for Grants, these statements or documents are submitted to the parliament for its consideration and approval. The preparation

of the budget is a part and parcel of the democratic process. Its preparation is the responsibility of the executive. So also its presentation. The executive is assisted by the specialists. The budget, thus prepared and examined by the executive will be introduced in the parliament. After its passage then it is executed by the executive machinery of the Government.

4.3.3   EXECUTION OF BUDGET

In the budgetary process, the second stage after the preparation of the budget estimates by the executive wing of the government is passage of the budget estimates by the Legislature. This is so because no expenditure can be incurred and no tax can be imposed and collected without the sanction of the legislature. According to our Constitution, Government cannot spend a single pie without the prior sanction of our parliament. Parliament will discuss and vote the budget estimates of the Government. Generally, in all budgetary matters, the Central responsibility is vested in the Finance Ministry. So the Finance Minister representing the Government will present the budget to the parliament. This responsibility gives the opportunity for the Ministry to think over the economic and the financial conditions of the country. The discussion and debate on the budget by the Parliament gives the opportunity for it to assess the character and the quality of our Administrative operations. This is a watch-dog responsibility of our Parliament.

4.3.3.1 Stages in the Passage of the Budget

Following are the five important stages through which the budget of the executive government phrases.

1.   Presentation of budget to the parliament

2.   General discussion on the budget

3.   Discussion and voting of Demands for Grants

4.   Consideration and passing of Appropriation bill and

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5.   Consideration and passing of the Finance Bill.

Now, we will discuss various stages in the enactment of our budget, First, we will take up the first stage, i.e. presentation or introduction of the budget in the Parliament.

Presentation or introduction of the in the Parliament.

According to Article 112 of the Constitution the President must cause to lay before both the Houses of the Parliament the Statement of the estimated receipts and expenditure of the Government. This called the "Annual Financial Statement", this is to be done by the President every year, the Annual Financial Statement should contain two separate Accounts.

1.   The Account of the Constitution, i.e., the expenditure charged upon "Consolidated Fund of India, and

2.   The voted Account or the Expenditure proposed to be made from the "Consolidated Fund of India".

Article 266 (1) of the Constitution of India Provides for the creation and maintenance a consolidated fund for the Union, known as the "Consolidated Fund of India". This a reservoir into which all the revenues raised by the Union Government, proceeds of all loans raised by the issue of treasury bills, Market loans, ways and means of advances, all money received by the Government in repayment of loans flow and from what all expenditure. This fund enables to have a full view of all the moneys available for a particular year. No money can be issued from this fund without the authorization of the parliament.

Rule 213 of the Rules of the procedure and Conduct of Business in Lok Sabha says that budget be presented in two or more parts. As per the rule 213 the Budget is presented to the parliament in two parts the Railways budget and the General Budget. The procedure followed in the case of the Railway Budget and the General Budget is the same, Generally, the Railway is presented to the Parliament in February by the

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Railway Minister The Railway Budget contains the demand for Grants for Railways. The Railway Minister introduces the Budget with his budget speech.

By convention, the General Budget is submitted to the parliament on the last working day of February at 5-00PM. After recommendation of the President or the imposition, abolition, remission, alteration, regulation of a tax, of the borrowing money and for withdrawal of moneys from the consulate find of India' The Budget is first presented to the Lok-Sabha by Finance Minister, with his "Budgetary Speech". A minister of State in the Finance Ministry will present the Budget to the Rajya Sabha.

The Budget speech of the Finance Minister Contains.

1. A survey of general economic conditions of the past and present years;

2. It provides an explanation of any variations in the Budget and.

3. An explanatory comment on budget estimates.

The Budget speech is a lengthy document. The copies of the budget speech are distributed to the members well in advance. The budget speech provides three types of information.

1. It provides the audited accounts of the past year;

2. It gives information about the details of the activities of the current year and

3. It provides the proposed activities of the budget year or next year. Along with the budget, the following documents are also presented to the Parliament.

- An explanatory memorandum on the Budget

- A summary of demands for grants, and

- A book of demands.

General Discussion on the Budget

According to Rule 205 of the Rules of Conduct of Business of Parliament' no discussion on the budget shall take place on the day on which it is presented to the Parliament. This is done to facilitate the people, the press and the MPs to read, and understand Budget. It enables the MPs to go to the parliament well equipped to take part in the discussion.

General discussion on the budget will take place only when the speaker of Lok Sabha fixes a particular date. Such a date is fixed one week after the presentation of the budget. Generally 4 to 5 days are allotted for this purpose. In this discussion, only questions relating to Finance Policy underlining the budget as a whole are covered. The discussion also covers all items of the expenditure both voted and un-voted. The discussion at this stage is generally confined to the general examination of the budget. The discussion is more of political rather of financial nature. Most of the time during this stage, the opposition and the ruling party members will have full liberty to comment on the working of the Government.

The members will ventilate the grievance of the people. At this stage no motion is moved, no voting takes place. On all items of expenditure, discussion will take place. Budget as a whole is discussed. General principles and general questions of financial policy are covered. The general discussion of the budget will take place in both the houses of parliament simultaneously.

Discussion and voting on Demands for Grants

Brief estimates are called demands. Demands are the proposals made for grants basically; there is no difference between demand, and a grant. It is like a difference between a bill and an Act. It a demand is voted it becomes a grant. Every Department/ Ministry will have its own demands. Sometimes, Finance Ministry may include the demand only. Every demand contains first a statement of the proposed total grant and detailed estimate of each grant.

After general discussion is over the Lok Sabha takes up the voting on the demands for grants not charged on the consolidated Fund of India. The salaries of the President, Vice-President Governors, etc. which are charged on the consolidated Fund of India should not be put to vote. The Lok Sabha can only discuss on the charged expenditure but cannot exercise its vote. Voting of Demands is the exclusive privilege of the Lok Sabha. The Rajya Sabha has no powers in this regard. In Lok Sabha the Demands of the Ministries are discussed and put to vote during a fixed time. For every demand usually two days are allotted. On the last day of allotted time all demands whether they are discussed or not are put to vote without any debate. This is called "GUILLOTIONING."

While presenting the demands, the annual reports of concerned Ministry were also submitted. While discussing the demands, the House will consider these reports. The demand becomes a grant after the House duly votes on it. The Rajya Sabha will have a general discussion on the budget. It will not vote the demands for grants. The Estimates of Revenue Receipts are discussed as a whole. They are not discussed separately.

No demand for a grant is made except on the recommendation of the President. This means the demand for grants should come only from Government and not from private members. The parliament can reduce a grant, but it cannot increase it. At the most the parliament can recommend to the Government to increase the grant. This is a British convention, It is upto the Government to accept or not. The double check over the expenditure, namely by the Government and the Parliament is thus ensured. No expenditure from the consolidated fund of India is thus incurred without the agreement between parliament and the Government. Any Member may however, move a motion to reduce any Demand through what are called **"Cut Motions".**

A cut motion is one that is moved by a member for the reduction of the votable expenditure of the demands for grants submitted to the parliament it may be for reduction or of disapproval or for effecting economic or to ventilate a grievance.

The Following are the conditions for Administrating the cut motions:-

1. It should be very clear.

2. It should relate to one demand only.

3. It should be confined to a specific matter

4. It should not refer to individuals.

5. It should be of suggestive nature.

6. It should relate to Government matter.

7. It should not relate to the charged items.

8. It should not relate to a matter which is under adjudication.

9. It should not raise a question of privilege.

10. It should not be revival in nature.

11. It should not be anticipatory in nature.

12. It should relate to a trifling matter.

13. It should not raise a discussion on a matter pending before any type of judicial body.

The cut motions are of three types, viz,

a. **Policy cut motion**

b. **Economy cut motion and**

c. **Token cut motion**

The cut motions are moved in the following way:

a. Those who propose the policy cut motion move "that the amount of the demand be reduced to Rs. 1/-". Representing disapproval of policy underlying the demand, members giving notice of such a motion should indicate in precise terms the policy they propose to discuss and disapprove and propose an alternative policy.

These who propose the economy cut motion move "that the amount of the demand be reduced by a specified amount" representing the economy that can be effected this reduction can be either a lump sum amount or a reduction or commission of an item in the demand. The discussions on the cut motions are confined to a discussion as to how economy can be affected in governmental expenditure.

Those who propose token cut motion move "that the amount of the demand be reduced by Rs. 100/- "to ventilate a grievance. The discussion on the cut motion is confined to the particular grievance specified in the motion.

4.3.3.2 Consideration and Passing of Appropriation bill:

The fourth stage in the passage of the Budget is the consideration and passing of the Appropriation bill. All the demands voted by the Lok Sabha and the charged accounts on the consolidated Fund of India are put together and incorporated into a bill. This is called the Appropriation Bill. Article 114 out of Constitution 'says that no money can be withdrawn from the Consolidated Fund of India without proper appropriation. Mere voting of the estimates of expenditure and receipts by the parliament will not by itself give the Government sufficient authority to spend the money. Therefore, an Appropriation Bill is introduced in the Lok Sabha. This Bill will be in the nature of a formal Legislation. For passage of this Bill, the Speaker will fix the time. The discussion and the debates on the Bill are limited to those points which were not covered earlier. Details are not discussed at this stage. The bill follows the same procedure in the Lok Sabha. To this extent, the speaker will certify the bill and send it to the Rajaya Sabha.

The Rajya Sabha cannot amend or reject the Bill. It can make recommendations within fourteen days to the Lok Sabha. The Lok Sabha may or may not accept the recommendations of the Rajya Sabha. After the return from the Rajaya Sabha, the bill is again considered by the Lok Sabha. Afterwards, the Bill is said to have been passed by both the Houses of the Parliament. Even if the Rajya Sabha do not make any recommendations and remain silent for fourteen days the bill is deemed to have been passed by that House after the lapse of Fourteen days time. After its enactment by the Parliament, the Appropriation Bill is sent to the president for his assent. Since it is a Money Bill, the President cannot withhold his assent to it. His assent is only a formality. He cannot send the Bill for reconsideration.

The passage of this Appropriation Bill gives another opportunity for the Members of the parliament to make necessary suggestions, and comments on the activities of the Government. This Appropriation Bill gives necessary authority to the Governments to withdraw money from the Public Fund. This Bill will authorize the Government to spend money. It also gives a legal sanction to the demands voted by the parliament. Without taking approval of parliament for appropriation bill, the Government cannot spend a single pie. The Appropriation is also necessary, according to our constitution, for the Vote on Account which is considered and passed by the Parliament before the commencement of the financial year. The Bill is introduced at the end of the voting of the demands.

4.3.3.3 Consideration and Passing of the Finance Bill

The Appropriation Act will only authorize the Government to appropriate money from the Consolidated Fund of India. This Act will not say anything as to where from the money for expenditure should come. Therefore, there is a need for a provision to collect the required money by way of taxation. For this purpose, a finance bill is prepared. A finance bill means that bill which is introduced annually in the parliament to incorporate the financial proposals of the Government for the Budget year. This Bill also includes the supplementary financial proposals. It does not contain permanent changes in the taxation laws. Financial Bill Generally deals with the imposition, remising,

abolition, attract on, or regulation of faces, it is also concerned with regulation of the borrowing of money. The finance Bill contains,

1. New taxes to be imposed

2. Taxes to be increased and

3. Taxes to be renewed or revised annually.

To enable the Government to bring them into force, it is necessary that the Parliament should discuss and pass a law. The Finance Bill makes provision for this. The Finance Bill is also like a Money Bill.

It goes to the parliament like a money bill; therefore all the procedures applicable to a Money Bill also apply to this Bill. The Finance Bill is considered in detail by the select committee. Amendments if any, are moved in the committee only. After the select committee report, Lok Sabha discusses the Bill clause wise, Amendments are restricted at this stage. Within 75 days the finance bill has to be passed by the parliament and assented by the president. In the passage of the Finance Bill, the Rajaya Sabha plays as a nominal role as in the case of the Appropriation Bill.

4.3.3.4 Other Grants

The Budget generally contains annual estimates only. To meet the expenditure on unforeseen conditions there are four kinds of grants to be passed by the Lok Sabha. They are:

a.   Supplementary Grants:

These grants are passed like the general budget. Article 115 of our constitution says that the president can lay before the Parliament supplement financial statements under the following conditions:

a. If the amount authorized by the Appropriation Act is insufficient for any service:

b. If the expenditure on any new service becomes necessary:

c. If the expenditure incurred on any services exceeds the amount granted in the budget.

b.   Vote of Account:

Article 116 of our constitution says that the Lok Sabha can sanction any grants in advance pending the passing of the Appropriation Act. The budget may not be passed by the parliament before the commencement of the financial year. To meet the expenditure before the passage of a bill money are sought from the parliament through vote on account. Generally the advance grant is given for one month. When final grants are approved or voted by the Parliament, these advance grants are deducted from the total grants.

c)   Exceptional grants and votes on credit:

Article 116 of our constitution says that the Lok Sabha can sanction a grant for meeting an unexpected demand on the resources of India. In the case like war etc. The general budget may not make provision for such expenditure. To meet such expenditure, the constitution authorized the president to sanction advances from the contingency fund of India.

In order to meet such unforeseen situation, Article 267 (l) of the Constitution of India provides for the establishment of a "Contingency Fund of India", into which money shall be paid from time to time, such sums as may be determined by law and the said Fund shall be placed at the disposal of the President.

4.3.3.5   Execution of the Budget on the Expenditure side

The Finance Ministry on behalf of the executive government holds the entire responsibility of executing the budget in India. As such the Ministry of Finance controls the budget and keeps a check on government expenditure. This is done in three stages, viz.

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1. Approval of policies or programmes in principle:

2. Acceptance of the provision for the same in the budget estimates, and

3. Prior consent of the finance ministry before the Administrative Ministries/ Departments actually starts spending moneys.

Generally speaking, the control exercised by the Finance Ministry at the first and last stages is time consuming. And this control will also impinge on the day to day functioning of the Administrative ministries or departments. In this, control becomes too rigid or detailed.

4.3.3.6   Process of Execution of Budget

The process of execution of the budget involves five distinct operations as mentioned in the following:

1. Assessment and collection of funds.

2. Custody of Public funds

3. Disbursement of funds

4. Accounting and

5. Audit

Assessment and collection of funds

Even before the taxes are collected they have got to be assessed. Assessment means the act of determining as to how much amount is to be collected from different individuals according to the authority given by the legislature. Assessment, therefore, involves preparation of a list of persons liable to the tax and also determining how much each has to pay according to the prescribed rates. The executive has to devise a suitable machinery and procedure for assessing the amount that is due to the government or from individual or an association. While devising such machinery, care should be taken to prevent the evasion of taxes by the assessed.

After making an assessment, the officers of the government proceed to collect the sum of money due the government from the various persons. The mode of collection varies according to the nature of the tax. In certain cases, for example, customs payment has to be made on the spot. In other cases, bills may be sent the assessed and he may be asked to pay the amount in the nearest treasury. In some cases, deduction of the tax may be made at the sources as is done in the case in the income tax which is deducted from the pay of the salaried employees. Lastly, in some cases, the agents or officials of the government may approach the tax payer directly and demand payment from him and the collection thus made, is subsequently deposited in the treasury.

The department of revenue of the finance ministry exercises overall control and supervision over the direct and indirect taxes levied by the government of India through two statutory boards, viz., the central Board of direct taxes, and the central Board of excise and customs. Sometimes the question arises whether the tasks of assessment and collection of revenue should be entrusted to same officials or to different sets of officials. The supporters of the former view hold that there would be more of honesty and fair play under the system. It will ensure greater control over collection of money to the government and that it will also facilitate the work of audit, because when the same service has the duty of assessing and collecting taxes, it becomes easy to check one of these operations against the other. However there are some problems in integrating the tasks of assessment and collection such as;

1. The two activities are different in nature and hence need different forms of organizations.

2. If the same officials are to do both the jobs they shall be overburdened.

3. It will be more expensive and it shall involve unnecessary duplication of records, etc.

The best method will, therefore, be that both the functions should be concentrated in a signal service, but there may be two sections in the organization to deal with the two phases of the problem. In India this system is followed. At the centre as well as in the

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states there is a revenue department under the charge of the finance minister and there are also boards under the minister for the purpose of assessment, supervision, collection and adjudication of revenue disputes.

Custody of funds

All revenue collected has to be placed to safe custody. This involves two main considerations. Firstly, there should be no possibility of embezzlement and misappropriations. Secondly, there should be convenience and promptness of payment. In earlier days huge stocks of public money were maintained in the Treasury in specially constructed strong boxes. But with the development of the banking system, now there is little need for the government to keep treasury for the custody of its funds. Moreover, it is not necessary to carry out all the financial transactions through money as most of the work may now be done through cheques as the payment by cheque minimizes the chances- of foul play and embezzlement. In most of the countries, therefore, the central bank carries all the money transactions on behalf of the government as does the bank of England in London. But in a country like India where the banking facilities are not sufficient, it is not possible to have such a centralized system for receiving money and for making payments on behalf of the government. The Reserve Bank of India and where there is no branch or agency of the Reserve Bank, the State Bank of India. However, to conduct the Treasury Business of the government of India. But since the branches of the Reserve Bank and State Bank do not exist at all places, the government has still to maintain about 1,200 sub treasuries and 300 district treasuries to supervise over them all.

Disbursement of Funds

The disbursement process consists of withdrawal of money from the Treasury for payment of various liabilities. This is based on British system. Every care should be taken in the work of disbursement against illegal and inaccurate withdrawals or payments. Particular control is, therefore, exercised by the Ministry of Finance over expenditure. The legislature makes the grants to the Government as a whole. The Ministry of Finance designates the Head of each Administrative Departments a

controlling officer in respect of the expenditure occurring in his department. These officers in turn allocate grants to the dispersing officers or heads of offices working under them. The work of communicating grants to the controlling and disbursing officers is taken up immediately after enactment of the budget. Expenditure against appropriation is controlled by dividing grants into primary units of appropriation, for example, the pay officers, establishments, contingencies etc. These appropriations are sometimes further divided for purposes of financial control. The basic unit of expenditure control is the sub- head. The disbursing officer is allotted certain sub heads of appropriations. He alone can withdraw money from the treasury as and when required.

A great responsibility falls on the disbursing officer. He has to satisfy himself before withdrawing the money:

> (1) that the expenditure has been sanctioned by a general or the special order of the authority competent to sanction such expenditure;
>
> (2) that the expenditure to be incurred is within the limits of the appropriation granted by the legislature;
>
> (3) that payment of the claims is just; and
>
> (4) that claims have been examined from the point of view of Administration and in case of engineering work also of technical sanction.

Further, he has to also keep the accounts of the various transactions and to make a report about them to the Head of Department and to the Accountant General. The Treasurer is also required to be equally vigilant while making the payments. He has to see whether the warrants of payment, the challan or a cheque is signed by a competent authority or not and further he has to keep a record of all receipts and payments. The power of control of expenditure of the Head of the department does not end with allocation of money grants to the disbursing officers. He exercises continuous control over the expenditure in his department the disbursing officers are required to submit monthly accounts to the controlling officers of their departments. The controlling officers gets these accounts classified and consolidated under the various sub heads and can

thus get an accurate and up to date picture of the financial position of his department as a whole.

4.3.4 SUMMING UP

Enactment of the budget means the approval by parliament of the annual financial statement or the statement of the estimated receipts and expenditure of the Government of India in respect of each financial year and ratification by the president of India. It is a complex process having several stages. The idea behind the process to ensure popular control over the purse of the government through representatives of people of the state. One of the important areas of budget is the execution of budget. Execution of budget is the responsibility of the executive branch of the government. The effectiveness of the budget execution depends up on the preservation of legislative intent, observation of financial limitations and maintenance of flexibility. The delegation of the financial powers also helps the executive agencies in the effective implementation of the budget. In other words sound administration totally depends upon sound execution of budget.

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M.A. Political Science, Semester I

Course Name: **Public Administration**

Unit –IV: **Financial Administration**

4.4 THE AGENCIES OF FINANCIAL ADMINISTRATION :1) THE LEGISLATURE 2) THE EXCUTIVE 3) CAG AND 5) THE PARLIAMENTARY

- Durga Rao, Ganta

STRUCTURE

4.4.0   Objectives

4.4.1   Introduction

4.4.2   Consolidated Fund of India

4.4.3   Public Account of India

4.4.4   Contingency Fund of India

4.4.5   Accounting

4.4.6   Audit

4.4.0   OBJECTIVES

After going through this lesson, you will be able to know:

- The nature of consolidated fund of India

- Various issues related to Public Account of India

- Contingency Fund of India

- Accounting and Audit, particularly the Comptroller and Auditor General of India

- Composition, Role and Functions of Public Accounts Committee

- The evolution, composition and functions of Estimates Committee

4.4.1   INTRODUCTION

The power of control of expenditure of the Head of the department does not end with allocation of money grants to the disbursing officers. He exercises continuous control over the expenditure in his department. The disbursing officers are required to submit monthly accounts to the controlling officers of their departments. The controlling officers get these accounts classified and consolidated under various sub heads and can thus get an accurate and up to date picture of the financial position of his department as a whole. He also sends a copy of these accounts to the Accounts General's officers and the Finance Ministry. The department accounts are reconciled with those of General Accounts on the basis of fortnightly accounts received by him from the treasuries. All this enables the controlling officers to watch the flow of expenditure in their departments

against the budgetary grants and to exercise necessary control over extravagance or carelessness in expenditure.

The controlling officers are sometimes authorized by the Finance department to allow re-appropriations from one minor head to another minor head. But the finance departments can allow re-appropriation from one major to another major head or to a totally new head only with the approval of the legislature which has to be taken by way of supplementary grants. The Reserve Bank of India, The state Bank of India, The District Treasuries (about 300) and Sub treasuries (about 1200) are engaged in the custody and disbursement of funds. The Constitution of India provides for the three kinds of funds for the central Government and they are as follows:

4.4.2 CONSOLIDATED FUND OF INDIA

This fund as to which all receipts are credited and all payments are debited. In other words, i) all revenues received by the Government of India ii) all loans raised by the Government by the issue of treasury bills, loans or ways and means of advances; and iii) all money received by the Government in repayment of loans shall form the Consolidated Fund of India. All the legally authorized payments on behalf of the government are made out of this fund. No moneys out of this fund can be appropriated except in accordance with a law of the parliament.

4.4.3 PUBLIC ACCOUNT OF INDIA

All public money other than that which is credited to the consolidated fund of India, received on behalf of the government of India is credited to the public account of India. These include provident fund deposits, judicial deposits, savings bank deposits, departmental deposits, remittances and so on. This account is operated by executive action, that is, the payments from this account can be made without the parliamentary appropriation. Such payments are mostly in the nature of banking transactions.

4.4.4 CONTINGENCY FUND OF INDIA

The Constitution authorizes the Parliament to establish a "Contingency Fund of India" into which are paid such sums as may be determined by Law. Accordingly, the Parliament enacted the Contingence Fund of India Act in 1950. This fund is placed at

the disposal of the President, and he or she can make advances out of it to mean unforeseen expenditure pending its authorization by the parliament. The fund is held by the Finance Secretary on behalf of the president. It is also operated by executive action like the Public Account of India.

4.4.5 ACCOUNTING

Accounting literally means keeping a systematic record of financial transactions. A good accounting system is indispensable for adequate budgetary control. It is only through systematic accounts supported by vouchers and receipts that the legality and honesty of the transactions as also the fidelity of the officers handling the funds can be determined. It is through accounts only that it can be ascertained whether provisions of the budget as voted by the legislature have been properly implemented or not. Accounts furnish the valuable information needed regarding financial transactions, conditions and operations for policy determining and programme making. The primary functions of a system of accounts are to make a financial record, to protect those handling funds, to reveal the financial condition of the organisation in all its branches, to facilitate necessary adjustments in rates of expenditure, to give information to those in responsible positions on the basis of which plans for future financial and operating programmes can rest and to aid in the making of an audit. From the point of view of the department head or the chief executive early and accurate accounting reports are necessary in order to direct the course of work and future expenditures. They also provide the essential record to demonstrate the appropriate and legal use of funds making certain that each sub division of the organisation is actually using money for the purpose for which it was appropriated.

4.4.6 AUDIT

Audit is the last stage in the execution of the budget. The term Audit has been defined as "the process of ascertaining whether the Administration has spent or is spending its funds in accordance with the terms of the legislative instrument which appropriated the money". It is a means of enforcing accountability. The audit department is headed

by the Comptroller and Auditor General of India. His functions are not merely to ensure that the appropriations made by parliament have not been exceeded by the executive without a supplementary vote or that the expenditure conforms to rules but also to satisfy himself on behalf of parliament as to its wisdom, faithfulness and economy. The Comptroller and Auditor General acts as an agent of the parliament. The Parliament itself, too, exercises control over expenditure through its three important financial committees, viz Public Accounts Committee, Estimates Committee and the Committee on Public Undertakings.

4.4.6.1 The Comptroller and Auditor General of India

The Comptroller and Auditor General of India has a dual role to perform. Firstly as an agency to function on behalf of the Legislature to ensure that the Executive complies with the various laws passed by the Legislature in letter and spirit, and secondly, on behalf of the Executive to ensure compliance by subordinate authorities with the rules and orders issued by it. The Comptroller and Auditor General of India, as the head of the Indian Audit and Accounts Department, it thus neither a part of the Legislature nor the Executive but is an officer created by the Constitution to see that diverse authorities act in all financial matters in accordance with the Constitution and the laws and rules framed there under.

The C&AG of India is an authority, established by the Constitution of India, who audits all receipts and expenditure of the Government of India and the State governments, including those of bodies and authorities substantially financed by the government. The C&AG is also the external auditor of government – owned companies. The report of the C&AG are taken into consideration by the Public Accounts Committees, which are special committees in the parliament of India and the State Legislatures. The C&AG of India is also the head of the Indian Audits and Accounts services, which has over 58,000 employees across the country.

Constitutional Context

Chapter V of part V of our constitution, which came into force in 1950, deals with the office of the Comptroller and Auditor General of India. Articles, l48, 150 and 151 of

the Constitution describe the position, appointmentment, powers and functions etc. of the Comptroller & Auditor General of India. Let us know what is written under these articles one by one.

Article 148 reads as follows:

1. There shall be comptroller & Auditor General of India. He shall be appointed by the president by warrant under his hand and seal. He shall be involved from office in like manner and on the like grounds as a judge of the Supreme Court.

2. Every person appointed to be the comptroller and Auditor General of India shall take an oath before the President or his nominee, before he enters into the office.

3. The Salary and Other conditions of Office of the comptroller & Auditor General of India shall be such as may be determined by Parliament by Law. It is provided that neither the salary nor the rights in respect of lease or absence, pension of age of retirement of the comptroller & Auditor. Auditor General shall be varied to his disadvantage after his appointment.

4. The comptroller & Auditor General shall not be eligible for further office either under the Government of India or under the Government of any State, after he retires from office.

5. The conditions of the service of the staff of the Indian Audit & Accounts Department and the Administrative powers of the Comptroller & Auditor General shall be such as may be prescribed by rules made by the President in consultation with the comptroller & Auditor General these rules should conform to the provisions of the Constitution and Legislations made by the Parliament.

6. The Administrative expenses of the Comptroller and Auditor General and the salaries allowances, pensions, etc. of the staff shal1 be charged upon

the consolidated Fund of India.

The Comptroller & Auditor General shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by the Parliament and until provision in that behalf is so made; shall perform such duties and exercise such powers in relation to the accounts of the union and of the states as conformed on or exercisable by the auditor General of India immediately before the commencement of this Constitution in relation to the accounts of the Domination India and of the provinces respectively.

4.4.6.2 The Organisation of the Office of the C& AG:

The office of the comptroller & Auditor-General has its head quarters in New Delhi, In every State there are Accountant General's Office under the Comptroller and Auditor General. There are also specialized organizations like the office of the Accountant General, & Posts & Telegraphs. The head office of the Auditor & Comptroller is under the direct and immediate control of the Comptroller and Auditor-General to assist Comptroller and Auditor General in the discharging of his functions, the Deputy Comptroller & Auditor General will be there and they are in charge of all the staff matters of the office. Three Deputy Comptroller and Audit Generals will be in charge of all the staff matters of the office. These Deputy Comptroller and Audit Generals will do whatever the work is given to them by the Comptroller & Auditor General. They are, in particular, responsible for the working of the whole department of Indian Accounts & Audit.

There will be one Secretary to the Comptroller and Auditor General, three Assistant Comptrollers and auditor General and a number of Directors, Officers and other ministerial and non-ministerial staff to carry out the work of the office of the Comptroller and Auditor General.

At present, the Indian Audit and Accounts Department is divided into five offices, namely 1) The posts and Telegraphs 2) The Civil Accounts and Audit Offices, 3) The Railway Audit Offices, 4) The Defence Service Audit Offices and 5) The Commercial

Audit Offices. There are also two offices of overseas under the Comptroller and Auditor General, They are 1) The Director of Audit India Accounts in U.K., London. This office is having Audit jurisdiction over all the expenditures from the Indian Revenues in all European Countries. 2) The Director of Audit, Indian Accounts in U.S.A, Washington. Its Audit jurisdiction extends to all the expenditure from the Indian Revenues in both Americas. There are nearly 70 subordinate offices under the office of the Comptroller and Auditor General. The strength of the whole office of the comptroller and Auditor General is about 50,000 at Present.

4.4.6.3 Powers and Functions of the C& AG

The Constitution says that the powers and functions of the Comptroller and Auditor General will be prescribed by the Law passed by the Parliament. The legislation envisaged by the constitution relating to the powers and functions of the Comptroller and Auditor General has not yet been passed by the parliament. Before 1976, the powers and functions of the Comptroller and Auditor General are divided into two groups namely:-

1.   The Accounts, and

2.   The Auditing.

Auditing Powers and Function of the C&AG

The source of the Comptroller and auditor General's powers and functions relating to the Auditing is our Constitution and Paragraph 13 of the Audit & accounts order 1936. The Comptroller and Auditor General exercises the following powers and performs the functions in relation to his role as Auditor General of India:-

1.   He will audit all the accounts of the Union and State Government.

2.   He will audit all transactions of the Union and State Governments relating to debts, deposits, sinking funds, advances, suspense accounts and remittance business.

3.   He has to audit all trading, manufacturing and Profit & Loss Accounts and balance sheets kept by an Order of the President. He has to report on the expenditure, transactions of the accounts audited by him to the President.

4.   It is his duty to audit the Receipts, Stock accounts, etc., if the president entrusts this to him.

5.   At his discretion, on agreed terms, if the President Orders that the comptroller and Auditor general has to undertake additional duties like auditing of local bodies etc.

6.   He has to submit his Audit Report on the Appropriation Accounts to the President who causes it to be laid before the Parliament, in the case of the Union Government, and to the Governor in the case of the Setae Government.

4.4.6.4 Role of the C&AG.

The Comptroller and Auditor General is a Constitutional Authority his office is not a Statutory or Executive one. He enjoys the position of a Judge of the Supreme Court. He is appointed by the President of India for a period of 6 years as per the Constitution. He gets the salary equivalent to that of a Judge of the Supreme Court. His salary conditions cannot be varied to his disadvantage. His salaries and other expenses are charged upon the consolidated fund of India. He is not eligible for re-appointment after retirement under any Government in India. He must be removed in the like manner and the like grounds as in the case of the Judge in the Supreme Court. All these provisions relating to the comptroller and Auditor General under the Constitution say that he is independent from the executive Government. He has no chief, although he is a civil Servant and workers with civil Services, he cannot be one among them. He is very much a lone-wolf. He can thus, discharge his duties without fear of favour. His appointment by the President, cumbersome removal procedure, fixed term of appointment, High qualifications, all round experience in Administration, handsome

salary and other allowances, charging of his office expenses to the consolidated Fund of India speak volumes about the supremacy of the position of C&AG.

In the financial management and control of the Indian system, the comptroller and Auditor General plays a very vital role. He, being independent from the executive acts as an extended arm of the parliament in contributing the Public Expenditure. His report is very important. He is the guide, friend and philosopher of Public Accounts committee, answers to all the questions asked by the parliament Members and advises the Committee on all audits and accounts matters and extends necessary help to it in its functioning.

The Comptroller and Auditor General has to uphold the Constitution and all the Laws in the field of financial Administration. He is competent to challenge any improper exercise of discretion by the executive departments of the Governments and to comment on the property of the sanctions and expenditures of the spending Departments/ Ministries. In short, his role is to maintain the dignity, independence and fearlessness necessary for a fair, impractical and dispassionate assessment of the sanctions of the Government in the field at financial Administration. This is the reason why the constitution has made it impossible to remove the Comptroller and Auditor General from his office, once he is appointed.

Thus, the Comptroller and Auditor General, as a constitutional Authority, safeguards the interest of the tax payers, the wishes of the Parliament, secures highest standards of financial integrity in Administration, checks and keeps the action of the executive in order, and sees that there will not be any wastage and extravagance in the spending of public money. Hence, his role, as a Supreme Master in the financial Administration, is highly significant.

4.4.7   PUBLIC ACCOUNTS COMMITTEE

It is a recognized principle of financial Administration that there should be a review of transactions after the budget has been executed. It is useless to give to the legislature the power of voting money for particular purposes unless the legislature is in a position

to satisfy itself that money has been spent by the Executive for the purposed for which it was voted. It is true that voting of the budget will be useless unless there is adequate, machinery to secure conformity to the determinations of the Legislature. The plan usually adopted to secure such conformity consists of a through and continuous audit of the public accounts by a body of public servants independent of the Executive Government. Further, the report of such an auditor, together with the accounts is laid before the Legislature and is submitted to a committee of the Legislature for scrutiny and report to the House. This is the practice of countries with parliamentary system of Government. India is one of the countries which adopted this practice. This onerous responsibility is entrusted to Public Accounts Committee. It would be in order now to discuss the evolution of Public Accounts Committee in India before examining the other aspects.

4.4.7.1   Composition of the Committee

Committee on Public Accounts is constituted at the commencement of the first session of the Legislature. At the Centre, the Committee is constituted by both the Houses of Parliament by election for each financial year. It consists of 22 members-15 members from Lok Sabha and 7 from Rajya Sabha.

The mode of election is; proportional representation by single transferable vote. The underlying object is to give representation to the political parties in the Committee in proportion to their respective strength in parliament. By convention the Chairman of the Committee generally belongs to the opposition party. Though they are elected annually, continuity is forced by the convention of allowing a two-year's tenure of membership. The Committee has, thus, a liberal sprinkling of members, who have acquired the experience of its modus operandi. The Public Accounts Committee has to shoulder onerous responsibility in the discharge of its duties. The important functions of this committee are discussed in the following pages.

4.4.7.2   Functions of the Committee:

The main function of the Committee is to examine the examine the accounts showing

to appropriation of the sums granted by the Legislature to meet expenditure of the Government and such other accounts laid before the Legislature as the committee may think fit. According to the rules and procedures of the Lok Sabha the functions of the Committee are:

a. That the moneys in the account, as have been disbursed were legally available for and applicable to the service of purpose to which that they have been applied or changed.

b. That the expenditure conforms to the authority which governs it; and

c. That every appropriate has been made in accordance with the provisions made in this behalf under rules framed by competent authority.

It shall also be the duty of the Committee:

i. To examine the statement of accounts showing the expenditure of state corporation, trading and manufacturing schemes and projects together with the balance sheets and statement of profit and loss accounts which the President may have required to be prepared or are prepared under the provisions of the statutory rules regulating tire financing of a particular corporation, trading concern or project, and the report of the Comptroller and Auditor-General thereon:

ii. To examine the statement of accounts showing, the income and expenditure of autonomous and semi-autonomous bodies. The audit of which may be conducted by the Comptroller and Auditor-General of lndia either under the direction of the President or by the Statute of the parliament, and

iii. To consider the report of the Comptroller and Auditor-General in cases where President may have required him to conduct an audit of any receipts or to examine the accounts of stores and stock.

4.4.7.3 Working of the Committee

Immediately after the submission of the Appropriation Accounts by the Audit department, the Ministries are required to furnish notes explaining the various excesses or savings mentioned under each head to the Committee within a period of two months after the submission of the Appropriate Accounts. These statements are to be seen and scrutinized by the Ministry of Finance and the Accountant General before submission to the Committee. These 'notes' as they called give a preliminary idea to the Committee of various financial irregularities that have been committed. While this activity is going on one hand, on the other hand, a new Committee would have been elected for that year. Soon after its election the Committee meets and decides its programme for the year. As the Appropriation Accounts and Audit report cover too wide a sphere ranging from the trivial to the serious. The Committee chooses only select items which are important and significant. To help the members of the committee to choose important items, a key of the audit report and the connected accounts is prepared by the Lok-Sabha Secretariat and circulated to all ministries and to the members of the Committee. As indicated earlier the Secretaries of each Department or a joint Secretary of that Department attend the meeting of the committee. Before the meeting actually takes place, the members of the committee are given a list of important points arising out of the accounts and the comments of the Comptroller and Accountant General thereon.

The meeting of the committee then takes place around a horse shoe shaped table where on one end sit the representative of the Ministries who have come to give evidence and on the other sits the chairman. To his right sits the Comptroller and Auditor General and to his left the Secretary of the committee. The representative of the ministers include the financial Adviser of that Ministry, who when necessarily, explains the rule of the Ministry of Finance in a particular transaction on which the questions arise. In addition, there is also a member representing the finance minister.

The representative of the Budget Division may intervene at the instance of or with the permission of the chairman when he feel that an important point of, financial

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procedure is involved. Though a verbatim record is maintained, as this department is of a secret nature, such a record therefore is handed over only to the Chairman (rather than being circulated to all the Committee Members). When the examination is completed the Committee sits down to discuss the basis and the framework of its report. The report contains the recommendations and findings of the committee based on the evidence tendered before them and facts supplied to them. The report is generally prepared by the Parliament Secretariat under the guidance of the Chairman and is then sent to the Comptroller and Auditor-General for actual verification. After such verification the report is considered by Committee and is presented to the Houses after acceptance. They are not discussed in the House as is the case with the reports of the estimates committee and action is sought to be ensured throughout the regulaocedures, etc.

These recommendations have led to numerous changes. Apart from this aspect, the public Accounts Committee's main utility in these matters consisted in spot-lighting the major issues of the day, by indicating the weaknesses in the system and thereby emphasizing the need for reform. The Suggestions made by the Committee in matters of control of expenditure are no less impressive. Its comments on the wastefulness of certain expenditure and on the need for watching the process of expenditure emphasized the need for careful planning and prudent spending.

4.4.8   ESTIMATES COMMITTEE

Effective parliamentary control over the government expenditure requires that, firstly, parliament should undertake a detailed examination of the annual budget estimates of the government to suggest possible economics in and secondly, the parliament should satisfy itself that the approved purposes are within the frame work of the grants. Both these functions are of pivotal importance in making the parliamentary control over governmental expenditure complete and effective. The parliament has no time and energy to perform these functions; It, therefore constituted two committees occupying important place in the system of parliamentary control. These committees, function like 'two eyes' of the Legislature to exercise control over taxation, vote supplies for

expenditure and to ensure that the executive utilised the funds voted for the purposes for which they were granted.

4.4.8.1 The evolution of the estimates Committees

The origins of the Estimates committee can be traced as is the case with the Public Accounts Committee to the British period. The first attempt to create a committee on Estimates was made in April, 1938. It was a period when the country was caught in the whirlpool of an economic depression. Several members of the central Legislative Assembly expressed their concern for the creation of an Estimates committee to bring in economies in governmental expenditure. For instance, the Finance Member Sri James Grigg suggested setting up machinery on the model of British pattern: the 'Estimate Committee'. The proposal did not materialize until the attainment of Independence.

After 1947, Dr. John Mathai, the then Finance Minister took initiative and moved a resolution 1949 to the effect that an Estimates committee to be constituted. Moving the resolution, Dr. Mathai observed that the committee proposed to be constituted was based on the practice which was in force in the United Kingdom. Based on the resolution a committee on Estimates was constituted in April, 1950.

4.4.8.2 Composition

The estimates committee at present consists of thirty members who are elected by the House of People ie. Lok Sabha from amongst its members according to proportional representation by means of single transferable vote so that all the parties may find due representation in it. The term of office of the members of the committee is one year, but the maintenance of continuity is sought by a convention according to which only a third of the members retire every year. The chairman of the committee is nominated by the Speaker from among its members, but if the Deputy Speaker is a member, he has to be appointed by the chairman. The quorum formats meeting is one third of the number of members. The Secretariat of the Committee is provided by the Parliament Secretariat.

4.4.8.3 Functions, Procedures and Techniques

As stated earlier, the Estimates Committee was set up on April 10, 1950, "For the examination of such of the estimates as may seem fit to the committee and to report what, if any, economies with the policy underlying those estimates may be effected therein, and to suggest the form in which the estimates shall be presented to parliament. The functions of the Estimates Committee, that has come to set up thus, are:

    a.   To report the status of economy, improvement in organization, efficiency or Administrative reform, consistent with the policy underlying the estimates may be affected:

    b.   To suggest alternative policies in order to bring about efficiency and economy in Administration:

    c.   To examine whether the money is well laid out within the limits of the policy imposed in the estimates.

    d.   To suggest the form in which the estimates shall be presented to the parliament.

    e.   To provide an opportunity to train as many members as possible, not only in the ways in which, the administration is carried out, but also make them conversant with day to day affairs.

Though the Committee is an 'Estimates Committee' yet, it does not examine the Budget Estimates presented to the parliament. It is not incumbent on the committee to examine the entire estimates of any one, year and the demands for grants may be voted by the legislature notwithstanding the fact that the committee has made no report in respect of certain demands. The committee is concerned with the 'Estimates' only after they have been presented to the house. It is not out of place to mention an important observation made by A.K. Chanda then Comptroller and Auditor General of India with regard to the functioning of the Estimates Committee. The observations include the following;

Firstly, the committee's emphasis on review of the policies of the government and of the structure of the departmental organization has substantially altered the character and purpose of the committee whose main function is and should be detailed scrutiny of the estimates.

Secondly, the manner of its functioning is fast making it an inquisitorial body like the congressional committees in the U.S.A. instead of a fact-finding body; it is converting itself into a fault-finding mechanism.

Thirdly, since its membership is foliation (splitting), it cannot be sufficiently familiar with the details of Administrative processes and problems to be able to suggest fruitful lines of Administrative reorganization or reform.

Finally, the committee makes many recommendations on Administrative re-organization and reduction of functions. These may have publicity value, but since they are hardly of much practical utility. The government has often to reject them. This creates an embracing situation, detracting the prestige of both the Government and the Committee.

These observations are not without their force socially when we remember that the Estimates Committee is essentially a laymen's committee, and though it can call for papers and sum-mon the departmental officials to make enquires, it has no expert assistance as the public Accounts Committee has. But much of the glamour and usefulness of the committee would be gone if it were excluded from the question of policy Even in Britain the Estimates Committee does encroach sometimes on question or policy, because policy and finance are inextricably intertwined. However, it should be noted here that the committee, from the very beginning placed its emphasis on studying the current activities of departments. Towards this purpose it has evolved its own techniques and procedures. The procedures evolved by the Estimates Committee are discussed in the following paragraphs.

4.4.8.4 Procedures of Examination

Charged with the above functions, the Committee sets itself to the task of fulfilling them. At the beginning of each financial year and soon after the constitution of the new

committee, the members of the committee meet, discuss and select the subjects and the Ministries that are to be undertaken for the examination in that year.

The information submitted by the Minister/Department is expected to cover different aspects relating to the (a) Organisation of the Ministry and is attached and sub-ordinate offices (b) the functions of these offices, (c) broad details on which the estimates are based, (d) volume of work in these offices during the period for which estimates are presented and in the preceding years, (e) schemes undertaken by them, (f) actual expenditure under each sub-head of the estimate during the preceding three years, (g) reasons for variations between the current estimates and the past actual and (h) reports on the working of the Ministry.

On the basis of the information supplied to it and on the basis of the impressions gathered by the study groups of the committee, a detailed questionnaire is prepared by the committee and sent to the Ministry for answers. The questionnaires issued by the committee are generally answered in time and returned to the committee with all the material that the committee requires. After going through the information furnished by the Department, the representatives of the Department are called for giving oral evidence. The representatives are there not to defend the policy of government but to explain how a policy is being implemented in practice by the executive officers.

4.4.8.5 Action on the Reports

It is necessary to implement the recommendations of the committee if the parliamentary control is to the effective. It may not, however, be always possible to accept the recommendations of the Committee and where that is so, the Department concerned has to give proper arguments for not accepting suggestions of the committee. The action on the reports rests essentially with the Department to whom the report is addressed. It is the responsibility of the committee to ensure that action is taken in accordance with its recommendations. Thus, action on the reports is a two-sided affair depending on the effort at both ends. The committee on its part keeps a watch on the implimentation of its recommendations, through a constant review and analysis

of the replies received from government departments and ministries.

4.4.8.6 An Assessment of the Committee

The control exercised by the committee is not direct. It is only by its influence as well as the fear and awareness that such a body is there to examine certain aspects of governmental activities that it can make its presence felt and thereby make its control effective.

Further the committee acts as a training ground for acquainting the members not only in the ways in which Administration is carried on but also to make them conversant with various problems that government has to deal day to day. The Committee is also useful as an institution in preventing the executive from becoming oppressive arbitrary. It puts the civil servant always on guard.

The control of the committee is also felt in respect of its influence on the decisions of the Government and in acting as a liaison between the government and the public. Its studies are 'revealing' to the public and in away it acts as a glass-house from which the Government activities can be seen, studied and analysed.

4.4.8.7 Working of the Committee

Immediately after the submission of the Appropriation Accounts by the Audit department, the Ministries are required to furnish notes explaining the various excesses or savings mentioned under each head to the Committee within a period of two months after the submission of the Appropriate Accounts. These statements are to be seen and scrutinized by the Ministry of Finance and the Accountant General before submitting to the Committee. These 'notes' as they called give a preliminary idea to the Committees appointed on various financial irregularities.

While this activity is going on one hand, on the other hand, a new Committee would have been elected for that year. Soon after its election the Committee meets and decides its programme for the year. As the Appropriation Accounts and Audit /report cover too wide a sphere ringing from the trivial to the serious, the Committee chooses

only select items which are important and significant. To help the members of the committee to choose important items, a 'key' of the audit report and the connected accounts is prepared by the Lok-Sabha Secretariat and circulated to all the ministries and to the members of the Committee. As indicated earlier the Secretaries of each Department or a joint Secretary of that Department attend the meeting of the Committee. Before the meeting actually takes place, the members of the committee are given a list of important points arising out of the accounts and the comments of the Comptroller and Accountant General thereon.

The meeting of the committee then takes place around a horse shoes shaped table where on one end sit the representative of the Ministries who have come to give evident and on the other sits the chairman. To his right sits the Comptroller and Auditor General and to his left the Secretary of the Committee. The representatives of the ministers include the financial Adviser of that Ministry, who when necessarily, explains the rule of the Ministry of Finance in a particular transaction on which the questions arise. In addition, there is also a representative of the finance minister. The representative of the Budget Division may intervene at the instance of or with the permission of the chairman when he feels that an important point of financial procedure is involved.

The Committee at the Centre is assisted by the Comptroller and Auditor-General an additional Deputy Comptroller and Auditor General and the Accountant-General Central Revenues. In the States the Committees are assisted by the Accountants-General the Central Committee in most respect is guided by the Comptroller and Auditor- General.

4.4.8.8   Implementation of the Recommendations of the Committee

The recommendations made by the Committee are forwarded to the ministries. Concerned and they are required to keep the Committee informed of the action taken or proposed to be taken by them there on. Generally the Government accepts the Recommendations of the Committee and issues orders accordingly but cases do occur where there is dereference of view. In such cases Government has to place its views before the committee which may, if considered fit, present a future report to the House after considering the views of Government in the matter. It is obvious that if this were

not done, the whole object of appointing the committee would be defeated.

4.4.9 SUMMING UP

Public money is to be spent carefully without scope for misappropriation, corruption and wastage and this duty is required to be effectively performed by the C&AG. The Comptroller and Auditor General of India is an authority, established by the Constitution of India, to audit all receipts and expenditure of the Government of India and the State governments, including those of bodies and authorities substantially financed by the governments. In view of the importance of the C&AG's functions the CAG is called the fourth branch of the government. C & AG's office is gaining increasing importance in view of the mounting corruption in government to the point that some of the high public officials to go behind boss due to corruption.

To sum up, the Public Accounts Committee is primarily concerned with regularity or expenditure: that is to say the spending of public money for the purposes and in the manner prescribed. Constitutionally speaking, regularly it is important but from the point of the view of the tax-payer economy is more important. It is quite possible to spend money without any irregularity and yet spend it wastefully. The public, Accounts Committee, therefore, has extended its function to investigating cases of waste and extravagance brought to light in the audit reports.

The value of the reports of the Estimates Committee has already been highlighted. To educate the public on the functioning and performance of the government. An intelligent and informed public opinion would go a long way in strengthening the foundations of our democratic policy. Generally, all its members are laymen in the subject. That is why their recommendations may sometimes appear to be square pegs in round holes. But, from the parliament's point of view, it is the best means of exercising control over the Administration. The committee acts also as a moral check on the activities of all the departments. The committee ensures that the tax payers' money is laid out efficiently and that the tax-payer gets an adequate return for the taxes paid by him.

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