



**S.Y.B.A. (POLITICS)  
SEMESTER - III**

**PAPER - III  
PUBLIC ADMINISTRATION**

**SUBJECT CODE : UAPA301**

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**November 2021, Print I,**

**Published by**

**: Director**

Institute of Distance and Open Learning ,

University of Mumbai,

Vidyanagari, Mumbai - 400 098.

**PRINTED BY**

**Mumbai University Press**

Vidyanagari, Santacruz (E), Mumbai - 400098.

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**S.Y.B.A.**  
**PAPER III - PUBLIC ADMINISTRATION**  
**SYLLABUS: SEMESTER-III**

**Module 1: Introduction to Public Administration** [Lectures 12]

- 1.1 Meaning, Scope and Significance
- 1.2 Evolution of Public Administration as a Discipline
- 1.3 Public Administration in the Age of Liberalisation, Privatisation and Globalisation

**Module 2. Theories of Administration** [Lectures 10]

- 2.1. Scientific Management Theory- F.W. Taylor
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- 2.3. Human Relations Theory- Elton Mayo

**Module3. Basic Principles and Theories of Organisation** [Lectures 12]

- 3.1. Hierarchy, Delegation, Centralisation-Decentralisation
- 3.2. Motivation Theories- McGregor, McClelland
- 3.3. Leadership Theories- Trait theory, Contingency theory

**Module 4. Contemporary Techniques and Practices in Administration** [Lectures 11]

- 4.1 Good Governance
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- 4.3 Public-Private Partnership (PPP)

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## INTRODUCTION TO PUBLIC ADMINISTRATION

### Unit Structure

- 1.0 Objective
- 1.1 Introduction
- 1.2 Meaning of Public Administration
- 1.3 Evolution of Public Administration
- 1.4 Present Status of Pub- Ad: (Pub-Ad in the Age of LPG)
- 1.5 Review Question

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### 1.0 OBJECTIVE

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- To understand the theory of Public administration.
- To Learn the Evolution and contemporary relevance of Administration

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### 1.1 INTRODUCTION

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Public administration has occupied a central place in the in the complex and fast changing modern society. Public administration (PA) is a system of organization and action concerned with performance of various activities of the government, it is an instrument for the realization the goals of government as are aspect of government activity has co-existed with every political system as the action part of government for the fulfillment of the objectives set by the political decision makers. Historically, the kautilay's Arthashastra, The Mahabharata and Ramayana contain many insightful observations about the organization and working of the government. In the history of western political thought Aristotle's Politics and Machiavelli's 'the Prince' are important contributions to both political and administrative issues and ideas.

As a field of systematic study, public administration cannot however claim a long history. In eighteenth century the German Scholars felt interested in this branch of academic inquiry. An essay by Woodrow Wilson published in 1887 is considered to be the symbolic beginning of study of public administration. With the growing importance of government in the wake of expanding public functions, public admin became highly complex and more and more specialized. The need for better management of public affairs of government working and for training of public employees was voiced by practioner and academies alike.

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## 1.2 MEANING OF PUBLIC – ADMINISTRATION

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### **I Meaning:**

The word ‘Administer’ is derived from Latin word, administrator, which means to serve, to direct to control, to manage affairs. Thus administration is a technique which is applied by the authority in power to serve for which people are united. It is a rational human activity which is inherent in any organized social life public or private. It is a co-operative human effort toward achieving some common goal. To define Administration –

1. Administration is the determined action taken in pursuit of conscious purpose – **Z.A. Vieg**
2. Administration is the organization and use of man and material to accomplish a common purpose- **F.A. Nigro**
3. Administration is the direction, co-ordination and control of many persons to achieve some purpose- **L.D. White**

After a clear understanding of the term ‘administration’ we are now make it clear the Meaning of public –ad.

The term ‘public’ itself is quite clear; it refers to the people’s administration. In reality it refers to the peoples ad carried on for the people. By whom? The answer is the authority or the government. Thus ‘Pub-ad’ ‘in its simplest meaning refers to the government administration carried on by the government for the people. Some definitions of pub ad are

1. Public administrations consist of all those operations having for their purpose the fulfillment or enforcement of public policy- **L.D. White**
2. It is the detailed and systematic application of Law. – **Woodrow Wilson**
3. Pub-ad is the art and science of management as applied to the affairs of the state. – **Dwight Waldo**

### **II Traditional and Modern Views:**

E.N. Gladden said that the field of pub-ad is mainly a debate over definitions various scholars have defined it in different ways. The traditional writers have defined it in its narrower sense, whereas the modern scholars have defined it its wider sense. Let us examine the both views.

According to the traditional narrow point of view, pub-ad is the executive branch of the government. The scholars Simon, Lutner Gullick, W.F. Willoughby etc. have advocated for this view. This view has emphasized the locus but not the focus of pub-ad. It locates pub-ad in the executive branch of the government and denied. Its main business is to get the things to do. Thus in short, the traditional view presents two narrow formalistic and legalistic picture of public –administration.

However the modern scholars like M.E. Dimock, FA Nigro etc. have used the term in its wider sense. This view advocates that pub-ad is not only responsible for executing the policies of the government but it also contributes in formulating the policies. Though the judiciary is solely responsible for justice but the administrative part of judiciary, which is equally important, is taken care of by the pub-admin e.g. Policy makers are handicapped without the help of admin while making polices and the same way judiciary has to depend on the concerned departments for feedback which is required for deciding the case.

### **III Nature of Public – Administration:**

An important question regarding the nature of pub-admin, what comprises the administrative activities?

There are two different views. The first is 'Integral view' and the second is 'managerial view'.

#### **a. Integral View:**

Integral view held that pub-admin is the sum total of all the activities i.e. Manual, Clerical, Managerial, technical etc., L.D. While shares this view, as he said that 'Pub-admin consists of all those operations.....' This view makes the scope of Pub-admin vast and wide as it engaged the activities ranging from the manger to that of sweeper in their coordinated efforts to serve the enterprise as administration.

#### **b. The Managerial View:**

The managerial view on the other hand advocates that only the managerial activities constitutes administration. It laid stress on the technique of management by the authority. This emphasis on 'getting things done' Lutner Gullick is a championship of this view. The 'posdcorb' formulae of Luthar Gullick have expressed the managerial activities in nutshell. The other scholars, who have supported this view are – Henry Fayol, Herbert Simon, Smith berg etc.

In short the nature of pub-admin is the direct outcome of the environment. The real core of administration is not the method of management but the service that it renders to the people. Pub-administration is a study of intricate and complex network of human relationships and forms of organization designed to live together in society. It is a means to achieve an end and not end itself. It is concerned with the non-political aspects of administration.

### **IV. Scope of Public Administration:**

The scope of Public Administration is meant its major interests and commitments as a discipline and as an activity. It is both a subject of study and practice.

**a. The scope as a discipline:**

Public Administration as a discipline lacks consensus about its scope. Mainly for two reasons. Firstly till the end of 20th century, the scholars have not recognized it as a separate social science. It was studied as a part of political science. Even today also in some universities it is considered as a part of political science. Secondly public administration is an interdisciplinary social science combined with the study of economics, management and some other social science. Most of the theories of public administration are either drawn or dominated by the management and economics theorists. Along with social and political aspects. However in spite of the domination of management and economics, it has remained a part of political science because the ultimate aim of public administration is to secure the people. It is an action part of the state. Therefore study of public administration as discipline cannot be an autonomous social science away from political science and other social science. Being an interdisciplinary social science it will continue to draw theories and philosophy from other social sciences by strengthening its roots in state administration only.

**b. Scope as subject matter:**

The managerial view of public administration includes the scope of managerial techniques used in administration. Luther Gullick has given formula viz. 'POSDCORB' to describe the scope of public administration from his point of view

- P - stands for planning, it is a preparation for action.
- O - Stands for organization – creating the formal structure of authority
- S - means staffing i.e. Recruitment of suitable candidates.
- D - Stands for direction issuing orders and giving guidelines
- Co - stands for co-ordination i.e. harmonizing and inter-relating various Parts.
- R - Means reporting i.e. providing information and data to authority
- B - Represents budgeting include preparation, passing and execution of budget.

Though the 'POSDCORB' formula proved necessary development in 1930's, it proved to be too limited in explaining the full scope of the dynamic field of today's public administration. Therefore the scope of the discipline includes the entire administrative system, its structure, functions, process and behavior at different levels. The scope of Public Administration is enlarged by the emergence of new approaches to its study and new concepts. Public administration today extends to all those operations and activities of institutions in the corporate sector, which depends upon the government funding.

**V Significance of the study:**

Public Administration lies at the center of modern society which has witnessed the emergence of the 'Administrative State'. It serves as the



basis of government; it is responsible for implementing the laws and policies of the government it delivers the promised goods and services to the people. In democratic state the policies, programs cannot be successful without efficient and impartial public administration. In modern democracies, public administration participates in policy formulation by giving advice and technical assistance to the policy makers. It acts as a great stabilizing force in society. The administration function ensures the continuance of the existing order. Public administration provides number of services like protection of people, maintenance of law and order facility services, development and we concerned with managing change in pursuit of publicly defined societal values.

The number of factors contributed to the significance of public administration in modern society. Mainly e.g. The Scientific and technological development industrial revolution, Economic planning socialistic and welfare state ideas etc. Even after the emergence of a New politics agenda i.e Liberalization etc. the importance of public administration has not declined, even after adopting the polices of 'de-bureaucratization. The public administration has taken a new turn based on efficiency and effectiveness. It has given birth to new ideas and concepts like Good governance and E-Governance etc.

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### **1.3 EVOLUTION OF PUBLIC ADMINISTRATION**

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#### **I. Introduction:**

In order to understand the evolutionary steps and the present status of public administration as a discipline it is quite useful to examine its development in historical perspective. The study of public administration developed as an offshoot of political science and until recently public administration as an academic subject was the very plain step sister of this discipline. With the expansion of government activities and with more and concern about efficiency and economy, the discussion slowly started on better performance of the public sector. The movement for governmental reform gathered momentum in USA, where intellectual efforts were systematically expanded for the steady development of an exclusive body of knowledge on the structure and functioning of public administration.

II We can identify the following stages in the evolution of public administration as a discipline.

Stage I 1887-1926: the era of politics administration dichotomy

Stage II 1927-1937: Value free Science of management.

Stage III 1938 -1947: Human relations approach.

Stage IV 1948-1970: Identity Crises Behavioral and policy making Approach.

Stage V 1971-1990: New Public Administration

Stage VI 1991 Onwards: New Public Management.

Let us discuss the above stages in detail:

### **I Stage I: Politics Administration dichotomy**

It is commonly believed that Woodrow Wilson's 1887 Journal article. The study of Administration is said to be the beginning of the discipline of Public administration. He sought to make a functional distinction between political activities in public organisations. He said that Pub-admin is only concerned with the implementation of public policies which are politically decided. He argued the need for a separate science of administration.

Frank Goodnow further elaborated the Wilson's theme. He argued that politics and administration are two distinct functions of the government. The locus of pub administration is identified in government bureaucracy while that of political activity in Legislature. In early 20<sup>th</sup> century the American Scholar L.D. White published (1926) his introduction to study of pub- administration the first text book in the field.

### **II Stage II: Value free science of management:**

This phase has emphasized principles approach to administration W.F. Willoughby published a book 'Principles of Admin' in 1927. He believed that in administration there are certain fundamental principles of general application analogous to those characterizing any science. The 'public' aspect of pub- administration was virtually dropped at this stage and the focus was on 'efficiency' hence it was called as value free science. 'Scientific Management' (FW Taylor) handle the business of administration became the slogan. The principles approach to administration was further developed by Henry Fayol, Gullick and Urwicks, Mooney and Railey. The advocates of the principles approach worked out a number of administrative principles such as unity of command, span of control etc. they believed in the universality of administrative principle. Towards the end of this phase the discipline has legitimized. It had become crystallized into what is called 'classical' or 'orthodox' pub- administration.

### **III Stage III: Human Relations approach:**

During this period the first two paradigms – politics administration dichotomy and principle approach were attacked and rejected. The Hawthorn experiment pioneered the human relations approach. The approach brought out the limitations of the machine concept of organization in 'Scientific Management'. This approach draws attention to the social and psychological factors of work situation. The human relations approach had a strong effect on pub- administration in the post war period. It emphasized the human interpersonal and informal factors in the functioning of formal organization. C.I. Bernard e.g, noted the significance of informal organization in his writings.

### **IV Stage IV: Behavioral and policy making approach:**

This stage was heralded by two significant publications in 1940s i.e. Herbert Simons' 'Administrative Behaviour' and Robert Dhals' 'the science

of PA: Three problems Simons book is a critique of older public administration. He focused on 'Decision Making' and insisted that administrative theory must be derived from the logic and psychology of human choice. He identified two mutually supportive streams of thought one was development of pure science of administration and secondly broad range of values for public policy.

Robert Dhal identified three important problems in the evolution of science of public administration. Firstly, frequent impossibility of excluding normative considerations from the problems of public administration. Secondly the science of public administration must be study of certain aspects of human behavior and thirdly establishing prepositions about administrative behavior.

#### **V Stage Vth - New Public Administration:**

The iv<sup>th</sup> stage of evolution was influenced by (in the last phase of the era) FW Riggs humanistic school, Rise of comparative public administration and entered into the v<sup>th</sup> stage with an idea of 'New PA'. The discipline of public administration has registered new concepts and theories like ecological approach, public choice theory, critical theory etc. This stage has shown much concern for public policy analysis. Policy making and decision making have become the primary areas of study in public administration.

The new public administration movement which marked a Turning point in the growth of the discipline. The literature on 'New PA' lays emphasis on four major themes. Firstly the Relevance relates to the character of the knowledge itself. The new movement demanded radical curriculum change to facilitate meaningful studies oriented toward the realities of public life.

**Secondly values** – It openly rejected the value neutral position taken by behavioral political scientist and management oriented public administration.

**Thirdly social equity** – The purpose of public organization is the reduction of economic social and psychic suffering and the enhancement of life opportunities for those inside and outside the organization.

**Fourthly the change** – To serve the cause of social equity is to actively work for social change. This is the motto of new public administration.

#### **VI Stage VI: New Public Management:**

In 1988 the social environment of Minubrook-II was markedly different from that of its predecessor. Minubrook-II sought to establish its identity by focusing on the current and future vision of the field of public administration. In 80s and 90s public administration has registered notable changes in its development. New paradigms such as new public management, Entrepreneurial government, Good-Governance, E-Governance etc. have emerged in the study of public administration in

response to the new policies of liberalization, Globalization and privatization.

The evolutionary process indicates the shifting boundaries of the discipline in response to constantly emerging social needs. It has gained self-confidence as an independent subject of study.

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#### **1.4 PRESENT STATUS OF PUB- ADMINISTRATION: (PUBLIC-ADMINISTRATION IN THE AGE OF LPG)**

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Pub- administration today has variation, eclecticism and an applied nature. It is clear that today pub- administration is heterodox. It is an academic field but it is importantly the confluence of parts of various fields. Pub-administration is necessarily an interdisciplinary subject. Throughout its evolution it has remained a fairly instrumental and pragmatic field mainly on the problems of the society and polity.

The classical model of public administration (Popularly known as Wilsonian and Weberian model) was oriented towards structural reforms and rationality. The post Weberian view of public administration has basically been people oriented. The old idea of public administration being unique required a sheltered bureaucracy is now under change now it is argued that pub-administration must be accessible, accountable, competitive and transparent.

In 1990s saw the emergence of a new model of public sector management. This has been variously called, new public management, market based pub- administration, entrepreneurial government etc.

##### **Role of Pub-admin in the age of LPG:**

Taking into account the remarkable changes took place in public sector management the role of state and administration has rapidly changed.

##### **a) Role of Government /State:**

The New public management (NPM) emphasizes on structural adjustments in government. It aims at limited role of govt. including downsizing the bureaucracy. It lays down the importance of Governance. The NPM has a people dimension. The new role of state on governance instead of Government. It is catalytic government or it is more facilitator than governing the state. It desires to push control of many services out of bureaucracy. It encourages competition to increase the level of performance and minimize the cost. It is customer driven and result oriented to improve the organizational functioning it prefers to decentralize the authority down to the lowest level.

Under NPM public sector decision making structure are so designed as to let managers manage. Political Leadership would be concerned only with macro policies and goals. The NPM stipulates that public servants should

have to accept more personal accountability. The NPM contributes to our understanding of the effective blending of the political and administrative aspects of governance. The developing countries have responded positively to the new paradigm, and trying to remove the traditional rigidity about the public sphere.

**b) Role of Administration:**

It is difficult to segregate the role of state and administration in the changed era. As the NPM has changed the structural set up of the state (from Government to Governance and tradition controller to facilitator) the administration machinery was bound to change, not structurally alone but with functioning methods and attitudinal changes.

The focus of NPM is on efficient management in providing high quality goods and services that citizen's value. It favors for rigorous performance appraisal and measurement of individuals and organizations. The people are redefined as active customers. The rewards of public servants are based on the fulfillment of performance targets. The NPM advocates for receptiveness to competition and an open minded attitude of public sector as opposed to the private sector. It accepts the participative decision making a reality in a bottom up approach to utilize the full potential of the people at basic operating levels. The liberalization and privatization process has resulted into cutting down the size of bureaucracy making pub-administration more competitive' (as they have to compete with private sector, nationally and globally) The NPM philosophy was basically triggered by a combination of economic issues and geo-political changes resulting in reduced financial resources for the governments. In short the LPG approach has brought theoretical and practical changes in administration. However the process is still on. The developing nations like India are facing some new challenges to imbibe the new changes.

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## **1.5 REVIEW QUESTIONS**

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1. Define Public Administration.
2. Discuss the Nature of Pub-admin.
3. Explain the scope of Pub-admin.
4. Discuss the importance of Pub-admin with reference to developing nations.
5. Trace briefly the evolution of pub-admin.
6. Write a note on 'New pub-admin'.
7. Critically examine the role of Pub-admin under NPM or LPG.

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## **THEORIES OF ADMINISTRATION**

### **Unit Structure**

- 2.0 Objectives
- 2.1 Scientific Management Theory: F.W. Taylor
  - 2.1.1 Scientific Management
  - 2.1.2 Taylor's Work
  - 2.1.3 Taylor's pursuit of a science of work:
  - 2.1.4 Principles of Scientific Management
  - 2.1.5 Summary
  - 2.1.6 Check your progress:
- 2.2 Bureaucratic Theory: Max Weber
  - 2.2.1 Problem of particularism in working of organizations:
  - 2.2.2 Max Weber's Classification of Authority:
  - 2.2.3 Features of Bureaucratic Organizations:
  - 2.2.4 Criticism
  - 2.2.5 Summary
  - 2.2.6 Check your progress.
- 2.3 Human Relations Theory: Elton Mayo
  - 2.3.1 Determinants of human relations in the Organization:
  - 2.3.2 Elton Mayo
  - 2.3.3 Hawthorne Experiments (1924-1932)
  - 2.3.4 Summary
  - 2.3.5 Check your progress
- 2.4 Suggested Readings

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### **2.0 OBJECTIVES**

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In the later part of the 19<sup>th</sup> century the public administration emerged as an independent discipline. Ever since then various theoretical approaches contributed towards the development of concepts, vocabulary and ideas to the study of public administration. In the course of more than one century of evolution of the subject three approaches attract attention of the student of the discipline of public administration. In this unit, an attempt is made to elaborate and explain the contribution of F.W. Taylor, Max Weber and Elton Mayo. Their respective theories are Scientific Management Theory, Bureaucratic Theory and Human Relations Theory. The learner will be acquainted with basic concepts from these theoretical approaches, major assumptions and evaluation.

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## **2.1 SCIENTIFIC MANAGEMENT THEORY: F.W. TAYLOR**

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F.W. Taylor was the early twentieth century management thinker. He modernized theory of management. He pioneered modern management approaches and techniques to improve the efficiency of industrial activities. He argued that like any other social or personal activity management is also a science. Every human activity requires efficient performance in order to deliver desired output. Application of scientific principles enhances the productivity of those activities. Owing to his efforts to develop science of management at the turn of twentieth century F.W. Taylor is regarded as the father of Scientific Management. He was born in Pennsylvania State of United State of America in the year 1856. He died in 1915. He was engineer by profession. Throughout his engineering career he pursued his academic and research interests. His major works are A Piece-rate System (1895), Shop Management (1903), The Art of Cutting Metals (1906) and The Principles of Scientific Management (1911).

### **2.1.1 Scientific Management:**

The idea of scientific management emerged in later part of 19<sup>th</sup> Century as a response to the exponential growth of industrialization in America. During this period, managerial functions gained importance in the process of production. In changing circumstances, a managerial class emerged as crucial link between the workers and owners. New managerial challenges began to crop up followed by new approach to resolve them. The old class of managers was engaged in supervisory functions of handling day to day problems. A new situation required all-inclusive, comprehensive, long-term approach to deal with the emerging managerial problems, which were not faced earlier. The term ‘scientific management’ was coined by Louis Brandies in 1910. He argued that considerable amount of money can be saved by applying methods of scientific management. F.W. Taylor used it in his book of 1911, *The Principles of Scientific Management*.

### **2.1.2 Taylor’s Work:**

#### **1. Piece-Rate System:**

Taylor proposed a piece-rate system to improve the wage administration in factory. He suggested,

- a) To determine a ‘rate’ or ‘standard’ time required by the workman through observation and analysis of time taken by him to complete the job.
- b) To pay the wages to workmen as per ‘differential rate’ system of piece work, wherein they will be paid in accordance to their performance vis-à-vis standard time and production.
- c) To follow the principle of ‘Paying men and not positions’ so that better performers will gain more incentives and thus greater motivation will lead to enhanced production.

## **2. New philosophy of Management:**

Taylor recommended shift in the philosophy to run the organization at workshop and management. He observed that traditional managers were authoritarian and therefore ill-suited for changing industrial atmosphere. Taylor observed that management neglected its functions and shifted its burden to the labour while keeping for itself minor responsibility. He advised that management should take the responsibility for determining standards, planning work, organising, controlling and devising incentive schemes. He added elements of planning, organising and controlling in the responsibilities of managers. In this way he improvised job of management and made it comprehensive to suit to the contemporary business challenges. According to him foremost objective of management should be to pay high wages and have low unit production cost to achieve the increased industrial efficiency. The principal object of management, according to Taylor, is to secure the highest possible prosperity for both the employer as well as to each employee. His philosophy of scientific management is that there is no inherent conflict in the interest of the employers, workers and consumers. The primary concern of Taylor was that the results of higher productivity should equally benefit all people i.e. workers, employers, and consumers in the shape of higher wages to the workers, greater profits to the management and payment of lower prices for the products by the consumers. In addition to it was had following objectives:

- a) To solve management problems by applying scientific methods or research and experiments;
- b) To standardize working conditions and place the workers on the basis of scientific criteria;
- c) To give formal training to workers and to provide them specific instructions to perform the prescribed motions with standardized tools and materials; and
- d) To ensure friendly cooperation between workers and the management.

## **3. Defects in traditional style of management:**

Taylor observed the managerial and work practices at Midvale Steel Company. He concluded that there are certain defects in the management of his times. They were mainly:

- a) Management had no clear understanding of worker-management responsibilities;
- b) Lack of effective standards of work;
- c) Restricted output because of “natural soldering” and “systemic soldering” of work by the workers;
- d) Failure of management to design jobs properly and to offer the proper incentives to workers to overcome soldering;
- e) Most decisions of the management were unscientific as they were based on hunch, intuition, past experience, and rule-of-thumb;
- f) Lack of proper studies about the division of work among departments; and



- g) Placement of workers without consideration of their ability, aptitude and interests.

There were bitter labour-management conflicts over the quantity of output. Realising that the new industrial scheme was essential to prevent encounters, he began searching for a science of work.

#### **4. Soldiering:**

Soldiering or skiving is an act of workers, purposefully performing below the level of their potential capacity. Through this they save their job by avoiding being noticed by the management for non-performance of the duties and also secure various objectives. According to Taylor there are three main reasons for soldiering behaviour of workers.

1. Workers believe that if they produce more, the increased production may cause some of the workers as excess. And hence workers will lose the job.
2. Workers fear that if they produce more than regular, then every time the management will expect same from them. As a result of increased supply of output their wages may fall.
3. Workers follow rule-of-thumb and unscientific methods and practices which result in wastage of their time and effort.

To counter the practice of soldiering and to improve efficiency, Taylor conducted experiments to determine the best level of performance for jobs and the conditions necessary to achieve that level. He used stop watches to measure the time spend during worker's sequence of motions and to determine the 'one best way to perform a job'. His experiment at Bethlehem Steel works to determine the standard sequence of motions and movements reduced the number of workers shovelling coal from 500 to 140 without any loss of production.

#### **2.1.3 Taylor's pursuit of a science of work:**

F.W. Taylor followed scientific methods to answer the problems of management as perceived by his inquisitive mind.

- a) In Midvale and Bethlehem Steel Company he conducted series of experiments to find answers to questions like what tools to be used? What should be the cutting speed? What feed should be used? etc. He experimented with machine tools, speeds, metals, materials. His experiments led to the discovery of high-speed steel that revolutionised the art of cutting metals.
- b) In the development of the shop system, Taylor wished to know, that under controlled conditions how long a man or a machine would or should take to perform a given task, in a specified process, using specified material and methods. He used scientific fact-finding methods to determine empirically instead of traditionally the right ways to perform tasks with the help of a stopwatch.

- c) Taylor recognized the need for scientific method of selection of the right men for the right jobs considering their initial qualifications and potential for further learning.
- d) He wanted the effective supervision of a worker and his working conditions after placing the worker in the right place. Taylor was striving to lay down the basis of the healthy personnel management i.e. to match the worker's abilities to the job.
- e) In other experiments on motion and time study he analysed how the workers handled materials, machines and tools and developed a coordinated system of shop management. Taylor set out to determine scientifically the ability of workers in dealing with equipment and materials and this approach led to the true beginning of scientific management.

#### **2.1.4 Principles of Scientific Management:**

Taylor's philosophy of management was based on following basic principles of scientific management:

##### **a) Replacement of Old Rule of Thumb Method and Development of True Science of Work:**

Taylor had strongly believed that application of scientific methodology and brings solutions to the problems of human organizations. In his career he systematically employed stages of scientific investigation such as, outlining objectives, defining problem, and collection of data through experimentation in controlled atmosphere, analysis and conclusion. He believed that this will enable the organizations to enhance productivity, help the workers to increase earnings and help the company to prosper.

##### **b) Scientific Selection and Training of Workers:**

It is advisable to standardize working conditions and place the workers on the basis of scientific criteria. Every job requires suitable skills and aptitude in the operator. It involves selecting a right person for a right job. It is the responsibility of the management to evaluate the character, nature and performance of each worker with a view to find out their capabilities. The procedure for selection of workers should be scientifically designed. Management should take the responsibility of the scientific education and training of selected workers so that they will avoid wrong methods of work.

##### **c) Co-Operation between Labour and Management:**

There should be cooperation between the workers and the management. This requires transformation in the mental attitudes of the employees and employers towards each other. Only when such a change in the attitude will take place, that they will turn their attention towards increasing profits. They will fight over the distribution of profits.

**d) Equal Division of Responsibility:**

Taylor suggests equal division of responsibility between the managers and the workers. The management should assume responsibility for the managerial work like direction, planning, control and supervision for which it is better suited.

**2.1.5 Summary:**

F. W. Taylor’s theory of scientific management is one of the pioneering efforts in the development of public administration as truly a scientific discipline. His departure from the traditional style of management laid the foundation of managerial studies. His numerous experiments along dividing a job into pieces and organize the production through scientific ways produced greater results and standardization. His project management systems are still used in the corporations as fundamental principle of work place management.

**2.1.6 Check your progress:**

1) Explain F. W. Taylor’s idea of piece-rate system.

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2) What is soldiering?

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3) What are the Taylor’s principles of Scientific Management?

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**2.2 BUREAUCRATIC THEORY: MAX WEBER**

Max Weber (1864-1920) has made significant contributions to the fields of organizational studies, management and organizational communication. He is well known for his work on the theory of bureaucracy. He was a German sociologist and political economist. He believed that the then existing approaches to the understanding of working of organizations had serious problems, especially around the area of authority. He wrote at the

times when Germany was undergoing the industrial revolution. His work on bureaucracy contributed a lot bureaucracy to help Germany to manage its growing industrial ambitions.

### **2.2.1 Problem of particularism in working of organizations:**

He was concerned with the feudal and patrimonial structures hampering the efficient functioning of the big organizations that the industrial age has created. He observed that the decision making processes in the organizations were largely managed on the basis of relationships, kinship or family in other words, customs. This is called traditional authority. A major problem with this way of organizing is that of favouritism to which he labelled as particularism, where employees were hired or fired for a variety of non-organizational reasons, such as their religion, race, sex, and relation or family connections. He called it particularism because a particular group of people was having a very disproportionate influence over the organization. The decision making was concentrated in the hands of a few people and they were not the qualified people to run the organization in efficient manner. He saw this as disadvantageous to organizations. He favoured a more rational approach to manage organizations. He wanted them to achieve their goals more rationally, especially through clarified leadership and clarified rules for decision making.

### **2.2.2 Max Weber's Classification of Authority:**

Weber classified authority in three types based on the sources of legitimacy. They are: 1) traditional authority, 2) charismatic authority and 3) legal-rational authority. Traditional authority derives the legitimacy from belief in age-old customs and traditions. This authority is by nature feudal and patrimonial. The official invites the respect and obedience owing to their inherited status. Charismatic Authority derives legitimacy from the personality traits of the occupant and is based on heroism, or exemplary character of an individual person. A kind of super human or extraordinary qualities of the leader invites the obedience from followers who have personal devotion towards the leader. Max Weber favoured the legal rational authority. He found it more in tune with the democratic and liberal nature of the modern society. In terms of leadership, he recommended that the legitimate authority of leadership positions should be formalized and fixed to the positions they occupy. According to him it's not the individual charisma or inherited hereditary privilege but the position the one holds in the organizational structure that should determine the legitimacy of the authority. In this way, he wanted to be consistent with societal law where organizations should be run by formal rules and policies. He wanted the organizations rules and policies to parallel the kind of rules that we see in society. And most importantly, he thought the authority should reside in the position or the office. It should not reside with the individual person, the personality, because even if the person in position leaves the organization and there is change of guard in the organization the new incumbent should have the decision making power

and influential enough to run the system without any break. So he wanted to keep it much more legal and rational.

### **2.2.3 Features of Bureaucratic Organizations:**

According to Max Weber, bureaucratic organizations exhibit the following features:

- 1) Division of labour among the participants, specialization of functions, precise definition of authority and responsibility structure.
- 2) Policy making and administration are separated.
- 3) Hierarchy of office with unity of command, a kind of pyramid structure, at the bottom of that pyramid are all the employees and above is the managerial class.
- 4) A set of general rules that govern performance was big part of bureaucracy. This protects the organization from whims and wishes of the managers. Precedents are followed; procedures are standardized. Personal life is separated from work life.
- 5) Rules and decisions are documented and communicated in writing.
- 6) The selection of personnel is done on the basis of technical qualifications. Equal treatment to all employees. Decisions are based on technical advice. Impersonal control of staff.
- 7) Employees view employment as a career. Their tenure is protected against unjust and arbitrary removal from office.

According to Max Weber, bureaucracy is a complex organization assigned to perform specific tasks. He said that bureaucracy was an 'ideal type' or rule based on a system of rational rules, as opposed to either tradition or charisma. The central feature of his perspective is its rationality, because it reflects the advance of reliable, predictable and efficient means of social organization. Bureaucratization is linked to the emergence of capitalist economies-greater pressure for economic efficiency and the emergence of large-scale business units. With the development of modern state and adoption of the welfare role the bureaucracies found to be in the situation with increase of responsibilities. Bureaucratization is also stimulated by the pressure of democratization, which weakens ideas such as tradition, privilege and duty, and replaces them with belief in open competition and meritocracy.

### **2.2.4 Criticism:**

Weber's theory of bureaucracy has been criticised on the following grounds:

- 1) Bureaucratization slows the decision making process.
- 2) It created a new class of bureaucrats as pressure groups within the organizations.
- 3) The long chain of commands exhausts the valuable resources.
- 4) Individual initiatives are killed in the web of formalities and procedures.

- 5) Creates difficulty in identifying and removing incompetent incumbents.
- 6) Unthinking compliance with rules and procedures, become ends in themselves and detract from the achievement of organizational goals
- 7) It implies that centralized organization is superior to decentralization organizational forms.
- 8) Max Weber was silent on the influence of unofficial leaders.
- 9) Weber offered no theory of how a bureaucracy would respond to external pressures for change.
- 10) Work involves serving the organization faithfully in return for security and long-term career.
- 11) The organization becomes the basis for employees' entire way of life. Workers' self-identities depend on their roles in the organization and may leads to occupational psychosis.

**2.2.5 Summary:**

According to the bureaucratic theory of Max Weber, bureaucracy is the basis for the systematic functioning of public administration. It is mainly designed to ensure the efficiency or modern organization. It rationalize the power structure in the administration with emphasis on division of labour, hierarchy, rules and impersonal relationship.

**2.2.6 Check your progress:**

- 1) Explain Weber's classification of authority.

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- 2) What are the main features of Weber's model of bureaucracy?

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- 4) Why did Weber advocate legal rational authority?

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## **2.3 HUMAN RELATIONS THEORY: ELTON MAYO**

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The human relations theory was developed in 1930s. The theory criticized the basic postulates of the classical theory of organization. The prevalent theory of organization set out by the likes of F.W. Taylor (1856-1915), Henry Fayol (1841-1925), Luther Gulick (1892-1993), Lyndall Urwick (1891-1983) and Max Weber (1864-1920) considered the organization as a formal mechanical structure. Those theories neglected the social-psychological-cultural needs of the individuals who comprise these organizations. The classical approach did not take in to account the social, psychological, cultural elements of human existence while developing the understanding of the organization. The human relations theory challenged the mechanical and formal view of organization by explaining the role of human factors in the functioning of formal organizations. The human relations theory was the outcome of findings of experiments conducted during interwar period. These studies concluded that individual attitudes, formal-informal relationships and leadership styles are key determinants of the organizational productivity.

### **2.3.1 Determinants of human relations in the Organization:**

According to human relations theory human relations in the organization are determined by individual, informal organization and participative style of management.

#### **The Individual:**

Human emotions and perceptions are important determinants of our organizational behavior. Human relations at work place influence the process of production and organizational output. According to human relations theory the individual in an organization desire supportive team. Healthy human environment at the work place results in better employee satisfaction at the workplace. Human motivations and informal group dynamics are important than formal and mechanical process. Management should pay attention to workers economic, social and psychological needs.

#### **Informal Organization:**

The human relations theory emphasized the role of informal dynamics operating at the work place. As per the theory, the workers are humans first; therefore workmanship that deprives them of the joy and happiness of being together and sharing unstructured bonds with fellow workers fails to motivate them to put in their optimum efforts in their job. This happens despite of meticulously designed physical environment of the workplace and offering financial incentives to them.

#### **Participative Management:**

The human relations theory endorses the participative management. Participation of workers in decision making process in the organization is important condition of building healthy organizational culture. Development of practices that facilitates participation of the workers results into developing strong interpersonal bonds among the workers and

the management. It gives the workers a sense of ownership of the organizational resources and improves their productivity.

### **2.3.2 Elton Mayo:**

The theory owes much to the work of Elton Mayo (1880-1949), an Australian born industrial researcher and organizational theorist. Famous Hawthorne Experiments were conducted under his leadership. His major writings are Democracy and Social Freedom (1919), The Human Problems of an Industrial Civilization (1933), The Political Problems of an Industrial Civilization (1947). Other writers contemporary to him and followed human relations approach are F.J. Roethlisberger, William J. Dickson, W. Lloyd, E. Warner and L.J. Henderson.

### **2.3.3 Hawthorne Experiments (1924-1932):**

Hawthorne experiments were carried out at the Western Electric Company in USA between 1924 to 1932 by the Harvard Business School. The experiments were conducted by Elton Mayo and his colleagues.

#### **a) The research problem:**

The Western Electric Company at Hawthorne was manufacturing telephone system bells and employing about 25,000 workers. The management at the Western Electric Company was concerned about low productivity in the organization. The management had two assumptions about what affects productivity of the workers more:

Firstly, proper physical work conditions like ventilation, temperature, lighting and wage incentives for workers have a positive correlation with the productivity of the organization.

Secondly, improper job design, fatigue and other similar conditions of work have negative correlation with organizational productivity.

Illumination of the work place too was considered as the factor that affects the quality, quantity and safety at the work place. The National Research Council of the National Academy of Science conducted a research to identify the relationship between illumination of the work place and the efficiency of the workers. The study was conducted at the Hawthorne Plant of the Company.

The study was conducted in three phases which are as follows:

The great illumination experiment (1924-1927)

Human Attitudes and Sentiments Experiments (1928-31)

Social Organization (1931-32)

#### **b) The great illumination experiment (1924-27):**

The great illumination experiment was conducted before the participation of Mayo and his team in the study. The aim of the experiment was to determine the effects of physical conditions on productivity. The specific objective was to see if illumination of the work place has any relationship



with the productivity of the workers. Degree of illumination represented the availability of proper physical condition. As a part of the experiment two groups of female workers, each consist of 6 members, were formed and kept in two different rooms. Both groups were given same tasks. In the beginning of the experiment physical conditions of both the groups were maintained constant. Later the physical conditions were slowly changed to observe the impact of changing conditions on the output. The study was carried out for a period of one-and-a half years. It was observed that regardless of the varying degrees of illumination, both the groups reported increased production. Changes were made in other working conditions as well, like working hours, rest breaks etc. Every time the groups displayed performance improvement. The experimenters concluded that physical conditions have little effect on the productivity of workers if the work environment has well established norms of cooperativeness and productivity. This is feasible if the workers are given sense of importance and are supported and motivated by the informal social dynamics at the workplace.

**c) Human Attitudes and Sentiments Experiments (1928-31):**

The second phase of the study was conducted between 1928 and 1931. The purpose of the study was to understand and explain the role of human attitudes and sentiments in determining the level of productivity in the organization. In the Western Electric Company plant at Hawthorne 21,126 workers were asked to speak their views and opinions about the management, the working conditions, behavior of their superiors with them, policies of the company etc. Their responses were analyzed and studied.

It was observed that after venting out the grievances and complaints the workers felt positive about the working conditions. This was despite of the fact that in reality no change was brought in the working conditions by the management that the workers complained about. The research concluded that the workers are preoccupied with their personal problems which Mayo terms as 'pessimistic reveries'. These problems cause underperformance of the workers. If they are given proper outlet to relieve those pessimistic reveries the workers will gradually feel satisfied at the work place.

This phase of the Hawthorne experiments established that the employees if treated respectfully and allowed to express themselves freely at the work place may feel greater satisfaction about the job. Management can only learn about the real issues influencing the productivity if workers have a trust in the management and express openly about the problem they face. The experiment highlighted that appreciation of the feelings and sentiments of the workers is a key to keep them motivated in order to contribute towards greater production.

**d) Social Organization (1931-32):**

The third and final phase of the study known as 'the Bank Wiring Experiment' was conducted during 1931-32. The experiment was designed to observe the behavior of workers in groups. It was based on the understanding that the organization is a social structure and the people working in it are social beings who have innate tendency to form and interact with the groups and get influenced by the intragroup dynamics. Employees working in three trades solder, fixing the terminals and finishing the wiring were selected. All these jobs are separate but interrelated. They were offered wages on the basis of output of the group they were part of.

The experiment gave interesting findings. The management set a formal target as standard output but the workers informally decided their own standard which was lower than the management expectation. The group developed informal unified social structure and regulated the production by using various tactics and prohibited the members from deviating from the target that they set for themselves. The workers were allowed neither to produce more than the informally set target nor less than it. No one should tell a supervisor anything against fellow workers. And those who are given supervisory responsibilities should behave like a comrade, should not maintain distance from co-workers.

**e) Implications of Hawthorne Experiments:**

Hawthorne experiments proved as mile stone in development of theories of organization. The findings of the experiments questions earlier postulates of classical managerial thinking and brought in the fore an idea that human aspects of organizations shall not be overlooked while thinking about the technical and economic aspects. The employees are humans and not machines. They need to be understood and be treated as a social being whose basic impulses drive them towards freedom. The organizations constitutes of both formal and informal sub structures. Social and psychological factors predominate the informal set up within the organization and are more decisive than the formal structures of rules and incentives.

**2.3.4 Summary:**

Human relations theory was developed between two world wars. It stretched the question of enhancing productivity and output to next level. While the earlier thinking on the question of productivity focused on the formal and mechanical aspect of administration, the human relations theory added the human aspect to it. It stressed that employees are human beings and therefore carry the baggage of their existence in socio-psychocultural sense to the workplace. They have innate tendency to shape their environment and alter to give them sense of security and freedom. Any understanding of organization is incomplete without taking into consideration the attitudes, emotions and basic impulses of which they are made up of.

### 2.3.5 Check your progress:

1. What are the determinants of human relations in an organization?

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2. Explain in brief about three phases of Hawthorne Experiment?

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### 2.4 SUGGESTED READINGS

- Basu Rumki; Public Administration: Concepts and Theories; Sterling Publishers Private Ltd., New Delhi, 2019
- Chakrabarty Bidyut and Chand Prakash; Public Administration; Orient BlackSwan, Hyderabad, 2017
- Prasad Ravidra, et.al (ed.); Administrative Thinkers; Sterling Publishers Private Ltd., New Delhi, 2010
- S. R. Maheshwari; Administrative Thinkers; MacMilan India Ltd., New Delhi, 1998.

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# BASIC PRINCIPLE AND THEORIES OF ORGANISATION

## Unit Structure

- 3.0 Objectives
- 3.1 Basic Principle
  - 3.1.1 Introduction
  - 3.1.2 Important Principles
  - 3.1.3 Review Questions
- 3.2 Theories of Organisation
  - 3.2.1 Introduction
  - 3.2.2 Motivation Theory
  - 3.2.3 Review Questions
- 3.3 Leadership Theory
  - 3.3.1 Introduction
  - 3.3.2 Management and Leadership
  - 3.3.3 Leadership styles
  - 3.3.4 Leadership Theories
  - 3.3.5 The Trait Theory
  - 3.3.6 Criticism of Trait Theory
  - 3.3.7 Contingency Theory of Leadership
- 3.4 Review Questions

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## 3.0 OBJECTIVE

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- To learn the basic principles of organisations
- To study the different theories of Organisation
- To understand the concepts and theories of leadership and management

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## 3.1 BASIC PRINCIPLE

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### 3.1.1 Introduction:

The dictionary meaning of the term “Principle” is standard accepted guide to action’. According to Henry Fayol, Principles are acknowledged truths regarded as process on which one might rely. Every organization- Public or private have their own style of functioning. However there are certain broad principles which are universally valid. Thus principles are the basic idea on which the organizations run

In the early 1930s, J.D Mooney and A.C Reliey have attracted the attention of scholars toward the need of principles of organization. Broadly speaking the principle of organization is a contribution of classical thinkers such as Henry Fayol Luther Gullick, Lyndalurwick, Money and Relief etc. However the behaviorist thinkers like Herbernt Simon, Marry Parker Follett etc. have criticized and rejected the existence and rigidity of these principles but in spite of this, these principles are going to stay as useful techniques for building and functioning of organization. It is true that they may not be applicable rigidly. These principles are guiding force for the effective functioning of organization, with elasticity in its application as per the changing circumstances. The study of organization cannot be completed with cut the principles.

One more thing to be remember that almost all classical thinkers have given a list of principles, e.g. Lutner Gullicks has enunciated about ten principles, urwick has identified eight principles, Henry Fayol-14 principles about 29 principles have been derived from Taylors scientific management. We found certain overlapping and duplication of principles in these lists. Some of the major principles which are commonly studied while studying the organization are

### **3.1.2 Important Principles:**

1. Hierarchy
2. Span of control
3. Unity of Command
4. Co-ordination
5. Delegation
6. Centralization – Decentralization
7. Authority& Responsibility
8. Communication
9. Specialization and
10. Leadership etc.

However, we are going to discuss only three principles (as per our Syllabus) i.e. Hierarchy, Delegation and centralization –Decent only.

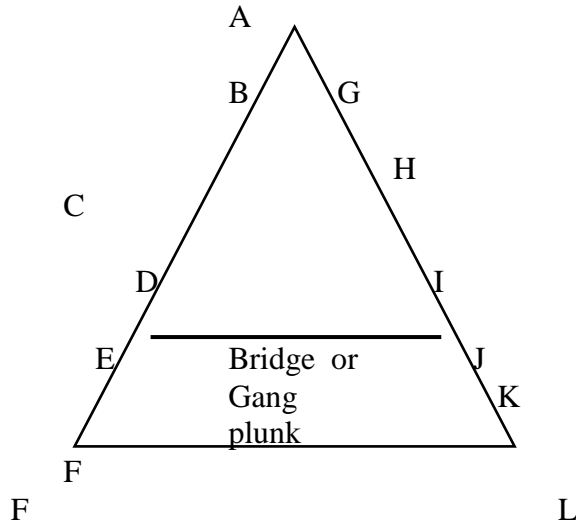
#### **A. Hierarchy:**

This principle is also known as ‘scalar processes. By the early 1900, Max Weber’s bureaucratic model emphasized the principle of hierarchy. Henry Fayol, Mooney and Relied also used the term ‘Scalar Process’ Hierarchy consists in the term ‘Scalar Process’. Hierarchy consists in the universal application of superior subordinate relationship through a number of levels of responsibility reaching from top to the bottom of the structure. (L.D. White)

**I) Hierarchy involves two types of communication:** the upward communication and the downward communication. Thus hierarchy in one

sense keeps the superior informed about what is going on in the organization and in another sense flow of orders and decisions in a descending order. The mostly heavily hierarchical organisations are found in military organization. Actually every Organisation is divided into number of division and subdivisions for administrative convenience.

### **Pyramid structure.**



It is obvious that orders and decisions flows in a descending order i.e. from A to F through the channels of B C D E, who are considered as immediate subordinates of ABC respectively. The flow of information in a similar way moves upward from F to A through EDCB. The flow of communication from A to L and vice versa refers to the various divisions of an organization. However in large organizations the scalar path is rather long. Henry Fayol has suggested an alternative 'Gang Plunk' roof for horizontal communication between the two managers operating at the same level in the hierarchy.

### **ii) Features of Hierarchy:**

The main features of hierarchy can be noted as per following.

- 1) It is a system of descending authority in which the higher level exercises various overriding powers over the Lower Levels.
- 2) It is a system of commands and control from top to bottom.
- 3) At each level of hierarchy the superior authority is responsible for getting the work done from his subordinates.
- 4) Responsibility and obedience run upwards from bottom to top.
- 5) The authority vested at each level should be common surate with the responsibility entrusted to him.

### **iii) Advantages of hierarchy:**

The principle of hierarchy has the following major advantages or merits.

- 1) It promotes division of work and specialization in the organization.
- 2) It helps in the free flow of information and orders along the line.

- 3) It is possible to integrate the activities of various units and sub-units of an organization into a concrete whole.
- 4) It facilitates delegation of authority and responsibility and thus develops many centers of decision making in the organization.
- 5) It creates sense of duty and responsibility among the employees at each level of the organization.
- 6) The system of proper channel serves as a basis of superior – subordinate relationship and creates principle of discipline.
- 7) It leads to functional specialization at each level in the organization.
- 8) It eases the problem of superior sub-ordinates conflicts if any arises in the organization.
- 9) It removes/reduces congestion of work at apex level.
- 10) Hierarchy and system of rules ensure de personalization and efficiency –max weber

**iv) Disadvantages of hierarchy:**

The principle of hierarchy is not free from de merits. The main shortcomings are as per the following-

- 1) It causes unnecessary delay in the disposal of work.
- 2) It may lead to superiority complex among the superiors and inferiority complex among the sub-ordinates.
- 3) It leads to red-tapism and encourages corruption, also promotes deception and insensitivity to the public wishes.
- 4) Over emphasis on hierarchy may destroy the cordial relationship in the organization.
- 5) There is a possibility of suffering the career advancement for young recruits due to hierarchical levels of organization.

However in spite of these shortcomings the principle of hierarchy has established its place in building the administrative organizations. All organizations (Small, big, public, private) all built up on the lines of hierarchy. It is true that the traditional hierarchical organisations do no longer exist. In the age of new technology and market oriented pub-admin a new structure of organization is taking place, known as ‘Matrix Organisation’ where there is scope for innovation, initiative flexibility tech in the modern administration.

**B) Delegation of Authority:**

**I) Introduction:**

Every administrative organization is based on superior – subordinate relationship each having a specified area of operation. The efficiency of organization depends on the honest and timely performance of their respective duties. There is a division is not of the same degree, it cannot be equated with the concept of ‘delegation’. Generally the supervisors are assigned the work of supervision and others with more manual work.

**Meaning:**

The term delegation means to give away or to assign with. It is an act of administration in granting authority to accomplish a particular assignment. According to L.D. White – ‘Delegation of authority means greater energy, higher sense of responsibility and better morale among field officers’.

Mooney defines – delegation as the conferring of specified authority by a superior person to a lower authority.

According to Millett- The essence of delegation is to confer discretion upon others to use their judgments in meeting specific problems within the framework of their duties.

The delegation of authority is more important in large and complex organization than the small and simple organization. No chief executive alone can handle the work and hence delegation becomes inevitable. Secondly no single authority is capable of working after the technology and administrative aspects together. The process of delegation is usually regarded as the key to the efficient functioning and its goal attainment.

**III) Features of Delegation:**

Some of the characteristics of this principle can be noted below-

- 1) Delegation of authority is exercised by the higher authority only.
- 2) The authority is delegated to the subordinates who are capable of handling the work.
- 3) The technical assignments are delegated only to the technical/specialized persons in the organization.
- 4) The delegation can be downward, upward (at middle level) or equal level.
- 5) Delegation of authority does not mean an abdication of authority. No higher authority can escape from his responsibility.
- 6) The degree of delegation depends on the nature of work and responsibilities involved.
- 7) Delegation involves the assignments of the power of decision making without it, it is always futile.
- 8) Delegation involves dual authority ie. To do the job and to get the job done.
- 9) Delegation of authority is not a permanent feature. The authority delegated can be revoked at any time.
- 10) The delegator has to develop a mechanism for exercising effective control over the persons to whom authority has been delegated.

**IV) Limitations of Delegation:**

All powers or work of higher authority cannot be delegated because the chief executive is the final decision making authority and is responsible



for the consequences and results of the decisions. Some of the limitations can be noted below:

1. Constitutional and legal matters.
2. The competence of the subordinate staff.
3. Unstable and frequently changing conditions of work.
4. Appointing powers and rule making powers.
5. Power of policy making.

These are some aspects which cannot be delegated.

#### **V) Forms of delegation:**

It is not a rigid or scientific classification of delegation. Just to understand the nature and for study purpose the forms are mentioned. Generally the forms of delegation based on the extent of authority delegated. These are-

- 1) **Full or partial:** When the delegation is complete renunciation of power by the superiors, it is full delegation. When only new power is conferred it is partial delegation.
- 2) **Conditional or unconditional:** When the powers are conferred without any condition it is unconditional and next is vice versa
- 3) **Formal and informal:** When authority is delegated through some written laws and rule, it is formal delegation. Informal delegation is based on customs, conversation and understanding.
- 4) **Direct and indirect delegation:** When the delegation is done direct between delegating authority and subordinate to whom authority is delegated. It is direct delegation. Indirect delegation is made through an intermediate.

In whatever manner authority is delegated capacity intelligence, will and confidence. These features are essential between both the parties to make delegation more effective and purposeful.

#### **VI) Advantages of Delegation:**

Delegation has the following advantages to its credits-

- 1) It saves time of higher authority by relieving him of certain routine functions.
- 2) It develops an increased sense of responsibility among the subordinates
- 3) It develops a cordial and trustworthy relationship in the org.
- 4) Proper delegation minimizes delay and red-tape increase efficiency and economy.
- 5) It provides training to the sub ordinates in the art of sharing responsibility and authority.

#### **VII) Barriers to Delegation:**

There are two types' barriers in the delegation process.

**A) Organizational barriers:**

1. Controlled and centralized management
2. Inadequate mechanism for delegation
3. Ill trained/ in experienced staff.
4. Un willingness of higher authority
5. Size and location of the organization

**B) Psychological barriers:**

1. Ego of higher authority
2. Feeling of insecurity among higher authority
3. Incapable subordinates
4. Apathetic towards accepting authority
5. Lack of knowledge of delegation.

**C) Centralization and Decentralization:**

The issue of centralization- Decentralization is essentially a problem of relationship between higher and lower levels of organizations in the matter of making decisions. It relates to the organizational structuring. Every organization involves, to a greater extent, power, rule and authority. There is a simple relationship between these factors. ie. The authority rules the organization through power. The effective functioning of an organization depends on prompt decisions making for which the high authority is responsible, but they cannot alone take all the decisions hence powers are decentralized.

**I. Meaning of Centralization:**

Broadly speaking centralization refers to the concentration of power of decision making at the center.

**1) L.D. White:** The process of transfer of administrative authority from a lower to a higher level of government is called centralization. It signifies the concentration of authority at the top of the administrative pyramid. The top level may be head quarter or chief executive. It is centralized system. Thus centralization incline tendency is also known as centripetal tendency where in authority travels upwards towards the head.

**Merits and Demerits of Centralization:**

The centralized administrative system achieves effective control over the entire administrative system. It also ensures uniform policies, methods and procedures. It avoids the abuse of authority at the local level and duplication of work. It secures economy in carrying out administrative procedures. The swift means of communication which are at our disposal have made centralization easier. The needs of modern defense and economic planning are the factors which contribute to centralization. Central direction and supervision makes national economic policy possible.

However the centralization has certain disadvantages too

The overburdened central authority may suffer from incapacity to bear the burden of responsibility. The centralized system does not allow local initiative and discretion, which is essential to resolve local level problems. It leads to autocratic control over subordinates and rigidity in approach to problems. It leads to delay in arriving decisions. In centralized system many times the central authority makes decisions without local knowledge which differ from locality to locality. It does not provide any opportunity to the people to participate in the administration.

**De-Centralization:**

The process of transfer of administrative power from a higher to lower level of government is called decentralization. It implies the establishment of relatively autonomous field and regional offices and delegation of decision making power and functions to them. Decentralization is not synonymous with delegation. Delegation implies transfer of certain functions by the central authority to local authority. Whereas, decentralization signifies the central authority diverting itself of certain powers which are given away to the autonomous local authorities.

There are two types of decentralization viz. political decentralization and administrative decentralization. Political decentralization implies creation of new levels of autonomous units within the state. Administrative decentralization means delegation of administrative responsibility, authority and discretion to administrative units having jurisdiction over one programme of function in a geographic area. Administrative decentralization can be territorial or functional. Administrative decentralization applies to administrative units such as district, division, zone, circle etc. Functional decentralization applies to technical or professional local authorities.

**Advantages & Disadvantages of Decentralization:**

Decentralization helps in solving problems more effectively through understanding of local situation. It provides incentive and initiative to work with great autonomy to the field units. It works close to the people. It promotes managerial values of efficiency economy and effectiveness. Decentralization is an opportunity to participate in the administrative process to the people. It reduces the burden of work of central authority. It creates in the field officials a feeling of greater confidence and ability to meet the challenging tasks of their job. Decentralization makes possible to conduct certain experiments in policies and programme.

Decentralization has certain de merits too much decentralization may lead to chaos, as it makes co-ordination and integration difficult. It reduces the importance of central authority in comparison to the field units. Decentralization is more expensive as it involves duplication of work parochialism, local narrow mindedness, absence of uniformity are some of the defects of decentralization.

To conclude, centralization or decentralization involves the problem of relationship between higher and lower levels of organization. Too much centralization or decentralization is not acceptable. There should be a balance between these two. Acceptance and application of both the principles depend on the size, nature of organization and nature of function to be performed. It also depends on the capacity and ability of the local units to accept the challenge.

### **3.1.3 Review Questions:**

1. What are the major principles of organization?
2. Define Hierarchy. Write its features.
3. Critically examine the merits and demerits of hierarchy.
4. Explain the meaning and features of delegation.
5. What are the limitations and barriers of delegation?
6. Define centralization and de-centralization.
7. Write the merits and de-merits of centralization and de-centralization.

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## **3.2 THEORIES OF ORGANISATION**

### **3.2.1 Introduction:**

Organisation is complex entities. The intellectual equipment used to explain and predict their behavior is also complex. Therefore simple answer does not suffice. Organisation Theory consists of a tentative, plausible explanation of how and why organisations develop and change and why organisations and its members behave the way they do. The development of techniques for the administration of Organisation has certainly been influenced by Organisation Theory. Organisation theories can be classified into-

1. Classical Theories
2. Neo- Classical Theories
3. Modern Theories
4. Post Modern Theories

However such classification may not be universal and suitable for all time.

The main theories which relates to the above classification are shown in the chart.

We are not going to explain all the theories shown in the chart. Because the syllabus contains only two theories of motivation and two theories of leadership. Hence the notes contain only those four theories

## Broad classification of organization Theories

I Classical	II Neo Classical	III Modern	IV Post Modern
<ol style="list-style-type: none"> <li>1. Scientific Management (FW Taylor)</li> <li>2. Principles of org. (Fayol, Gullick etc.)</li> <li>3. Bureaucratic Theory (Max Weber)</li> <li>4. Maxian Theory (Mark &amp; Michel)</li> <li>5. Management org (Chester Bernard)</li> </ol>	<ol style="list-style-type: none"> <li>1. Human Relations Theory (EI to 12 Mayo)</li> <li>2. The Group dynamics</li> <li>3. Decision making (Herbert – Simon)</li> <li>4. Theory of x4 y (Macgroger and macllend)</li> <li>5. The Hierarchy Needs Theory (Maslow &amp; Herzberg)</li> <li>6. Hygine Theory (F.Herzberg)</li> <li>7. Leadership Theories</li> </ol>	<ol style="list-style-type: none"> <li>1. The prismatic sala Model (FW. Riggs)</li> <li>2. Humanistic approach (Chris Argyaris)</li> <li>3. Participative Management</li> <li>4. Behavioral theory (Dwight waldo)</li> <li>5. Management paradigm (PeferDrycker)</li> <li>6. public Policy Approach</li> <li>7. Development Administration.</li> </ol> <p>(FW. Riggs)</p>	<ol style="list-style-type: none"> <li>1. New Public Admin</li> <li>2. New public management</li> <li>3. Good governance</li> <li>4. Accountability Paradigm</li> <li>5. LPG &amp; Public Admin</li> <li>6. Administrative entries</li> <li>7. Post Modernism : Some discourse</li> </ol>

**NB. – The above classification is not rigid.**

### 3.2.2 Motivation Theory:

#### Introduction:

The term motivation refers to the motives in action. Motives are defined as needs, wants drives within the individual motives arouse and maintain activity in an individual and direct his behavior towards a goal or reward. Stephen Robbins defines motivation as, the willingness to do something and is conditioned by this actions ability to satisfy some needs for the individual James Draver, Motivation refers to the phenomena involved in the operation of incentives or drives.

Motivations is greatly influenced by two factors-

- 1) The intrinsic forces within the human being and
- 2) The external stimuli which are perceived by the human beings as incent fires.

Motivation plays a significant role in determining the performance level of the employee. The effective fulfillment of organizational goals depends upon the motivation strength of its employees.

What are the ways by which people are motivated to work hard and produce better results? This question has been a major concern of management theorist. There are two categories of motivation theories ie. Traditional and modern.

The traditional theories emphasis on economics factors. These are Monistic Theory, Economic Theory and Carrot and Stick approach.

The modern theories propounded by Maslow, Herrberg, Alderfer and Mc-Gregor. The Mc-Gregor theory is given below-

### **Douglas Mc-Gregor's Theory of X and Y:**

Douglas Mc-Gregor (1906-64) was a social psychologist. His theoretical construct characterizing Theory X and Y assumes a quest for high performance in the org. The major work of Mc-Gregor consists of the following.

1. The human side of enterprise (1960)
2. Leadership and Motivation (1966)
3. The professional manager (1967)

He sought an answer to motivation in the nature of man. He proposed two opposite assumptions about the nature and behavior of people at work. One is labeled as Theory X and another is theory Y.

The theory X assumes that most people –

1. Are lazy and dislike work.
2. Prefer to be directed
3. Are not interested in assuming responsibilities
4. Want safety above all.

This theory traditionally known as the carrot and the stick “theory and is based on the mechanistic approach to human relations. The above assumptions of theory X have certain implications about human motivation. This theory X projects negative image of people. Accompanying this philosophy is the belief that – money fridge benefits and the threat of punishment motivate people. Managers who accept this theory prefers to rely upon disciplinary methods, fear and punishment to extract performance from the employees.

Mc-Gregor himself questions the validity of theory X. He says that this theory does not work at all once man has reached an adequate subsistence level and is motivated primarily by higher needs. Theory X fails to describe human nature. Hence he comes out with an alternative theory ‘Y’.

Theory 'Y' – The Theory 'Y' assumes that most people.

1. Does not inherently dislike work.
2. People exercise self-direction and self-control in the for which he is committed.
3. The most important reward is the satisfaction and self-actualizing needs.
4. The average human being is ready to accept responsibility.
5. Every person has potential; it is to be fully utilized.

Theory Y leads to pre occupation with the nature of relationship which encourages commitment to organizational objectives. This theory recognizes interdependence of human organizations and participative management. This theory assumes the integration of behavior which is the key process in management. McGregor calls this theory Y an open invitation to innovation.

Through his theory of X and Y Mc-Gregor made an attempt at compromise between the view points of the traditionalists and modern behaviouralists. Thus Mc-Gregor is regarded as the bridge between the traditional and modern theories of motivation.

### **3.2.3 Review Questions**

1. Define theory how you will classify the theories of org.
2. What is motivation? Write the influencing factors of motivation.
3. Critically examine the theory of X & Y.

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## **3.3 LEADERSHIP THEORY**

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### **3.3.1 Introduction:**

The term 'Leadership' has never been clearly defined. There are as many different definitions to define the concept. Leadership is equated with – power, influence, superiority with or over the people: Generally leadership is related with the process of influencing group activities towards the accomplishing goals in a given situation. Leadership is a relationship between two or more people in which influence and power are unevenly distributed. According to FA Nigro' the essence of leadership is influencing the action of others' Leaders do not flourish in vacuum. The essence of leadership implies that followers must consent to being influenced leaders gain their authority over the people by consensus alone.

Leadership is not a lay figure. He helps the people and resolves the difference. He develops team work in the group. He represents the group. He is an intermediary between the work groups and management. Renisis Likert says it as ‘Linking pins’. He is a counselor of the groups and helps to eliminate the emotional disequilibrium. He possesses power and authority to act in a way that will stimulate a positive response from the workers. He exercises different types of powers i.e. coercive, rewarding legitimate, expert etc.

### 3.3.2 Management and Leadership:

Leading and managing are not synonymous. Leaders are essential while managers are necessary. The distinction between leadership and management can be summarized as per the following chart.

<b>Leadership</b>	<b>Management</b>
1. Influencing Behaviour of other seeking co-operation	Working with individual and groups to accomplish goals.
2. Leaders conquer the context	Manages surrender to it
3. A Leader innovates	Manages administers.
4. Leader is original	Manages is copy.
5. Leader develops	Manager maintains
6. Leader develops	Manager focuses on system and structure.
7. The Leader inspires trust.	Manages relies on control.
8. The Leader has a long range perspective	The manager has a short range View.
9. The Leaders asks what and why	The manager asks how and when.
10. The Leader has his eye on the horizon.	The manager has an eye on the bottom line.
11. The Leader originates	The manager initials.
12. Leader challenges statco	The managers accept it.
13. Leader do the right things	Manager do the things right.
14. Leader influence attitude and opinion of people	Manager influence actions and decisions.
15. Leaders are strategists and facilitators	Manages are for formers.

### 3.3.3 Leadership styles:

The behavior exhibited by a leader during supervision of the work of his subordinates is known as leadership styles; broadly speaking leaders have three types of styles.

- 1) **Autocratic:** When the powers of decision making are centralized it is autocratic leadership. He exercises complete control over subordinates/followers. He sets the group goals and structures the work.
- 2) **Democratic:** The Democratic type of leadership always prefers to de centralize the powers, believes in consultation and participating approach. Subordinates are encourage to develop their potentials assume greater responsibility and helps to develop cohesive group.



- 3) **Free –rein:** these types of leadership believes in complete delegation of powers and authority to subordinates. This is a type of collective leadership. Group consensus and collective decisions are always initiated. In practice this type of Leadership never trusts.

Though the Leadership styles are theoretically classified as per the above, but in practice pure type of one kind of leadership is not found. Generally leadership is found mixed in nature. No leadership can be successful with one kind of traits.

### **3.3.4 Leadership Theories:**

Leadership is a crucial ingredient in organizational effectiveness. It is a complex interpersonal process of influencing behavior. Leadership is complex and multidimensional in character.

There are various theories of leadership propounded by scholars. Some of the important theories are named below.

1. The great man Theory
2. The charismatic Theory
3. The trait Theory
4. The behavioral approach
5. The contingency Theory

The behavioral theories of leadership are mainly of four types-

- a) Likers system of management
- b) Michigan studies
- c) Ohio state studies
- d) Managerial grid Theory

[Here we are concerned with two theories i.e. Trait theory and contingency]

### **3.3.5 The Trait Theory:**

This is the first major formal approach to the study of leadership. It was primary Theory in leadership developed between 1900 and 1940. According to the trait approach leaders are conceived of as persons based with certain qualities that made it relatively easy for them to bend others to their will. In short it is based on an assumption that 'Leaders are born, not made. Therefore all the enquiries and investigations about the leadership were made identify the physical, mental and personality traits of various leaders. Various studies of traits are made of which Ralphstogdill and Edward Gheselli are considered as imp-

### **Identified Traits of Leaders:**

Research studies comparing the traits of leaders with non-leaders found that leaders tend to be more confident and more intelligent than non-leaders. Stogdill found from various researchers mainly the five traits of leadership i.e. Physical –Energy, appearance, fitness etc. Intelligence –

creativeness, judgement etc. personality- self-confidence, and enthusiasm etc. task related- achievement, initiative, Social standing and status etc.

Edward Gheselli noted significant co-relations between leadership and motivation. He identified 13 traits of which some are very important e.g. Supervision skill, occupational achievement, intelligence, decisiveness, self-assurance and initiative etc.

### **3.3.6 Criticism of Trait Theory:**

The trait approach of Leadership has been disproved in research. The Theory does not revealed any single trait applicable to all successful leaders. There is little consistency in the list of key leadership traits developed by the researchers. Most of the traits attributed to leaders are also possessed by many non-leaders. This theory ignores the needs of subordinates and also ignores situational variables such as the task and the organsational climate.

Dis-Satisfaction with the trait approach caused most researchers to focus attention on the actual behavior and actions of leaders. Therefore the tide of opinion about importance of traits for leadership effectiveness began to change from the late 1940s.

### **3.3.7 Contingency Theory of Leadership:**

The contingency model has been developed mainly by fielder and vroom yet ten in the year 1967 and 1973 respectively. Fiedlers theory is a milestone in leadership research. He has suggested three major situational variables which determined the appropriate style of leadership for a given situation.

- 1. Leader- Member relations:** The extent to which leader is personality attractive to his group members and is respected by them.
- 2. Task structure:** The extent to which the task is defined and structural in terms of goals to be achieved and means for achieving goals.
- 3. Position power:** The extent of power and authority that the leader's position provides.

Fielder demonstrated that the effectiveness of task orientation and people orientation depends on the situation. Task oriented leaders tend to perform best in group situation that are either very favorable or unfavorable to the leader. Relationship oriented leaders tend to perform best in situation that are intermediate in favorableness.

In 1973 vroom and yetten, using a decision making frame work developed a contingency model of leadership. This theory is based on the assumption that situational variables interacting with personal attributes result in leaders behavior is that can affect organizational effectiveness. The leader's possible behaviors are contingent upon the quality of the decision made and the acceptance of it by the group members. This model emphasis the situational nature of the leadership function. An effective

leader is one who is able to match his style to the situation in an appropriate way.

There are other situational models and theories that have received wide attention in leadership research. They are—Tannebaum-Schmidt continuum of leader behavior, the house – Mitchell path goal Theory and the Hersey Blanchard three dimensional leader effectiveness, model. Actually the root of the situational approach lies in Chester Bernard's insight that organizations depend upon behavior of leaders and its followers in various situations. Sometimes different situations require different leaders. It is believed that situational approach is necessary to portray actually the complexities of leadership process.

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### **3.4 REVIEW QUESTIONS**

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1. Define leadership
2. Differentiate the leadership from management
3. What are the various types of leadership styles?
4. Which leadership styles better?
5. Critically examine the Trait Theory of Leadership.
6. Explain the contingency Theory of Leadership.

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## CONTEMPORARY TECHNIQUES IN ADMINISTRATION

### Unit Structure

- 4.0 Objective
- 4.1 Good Governance
- 4.2 E-Governance
- 4.3 Public Private Partnership
- 4.4 Review Questions

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### 4.0 OBJECTIVE

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To understand the concept of good governance and study the elements of administrations. Students will learn major concept of public private partnership model its features and limitations.

#### 4.1 Good Governance:

The concept of 'Good Governance' is a recent origin. There are three ways to understand the new concept.

Firstly it is an attempt to widen the scope of public administration.

Secondly it is an externally dictated term invented to prescribe aid-conditionality

Thirdly it is genuinely democracy – intensifying concept to make public administration.

The term 'Governance' that has assumed significance since 1989 with its advocacy by the World Bank. The World Bank 1992 defines governance as the manner in which power is exercised in the management of country's economic and social resources for development. Governance depends on three factors

- 1) The form of political regime
- 2) The process by which authority exercised
- 3) The capacity of government to design, formulate and implement policies.

Governance is a more encompassing phenomenon than Government. Governance stands for establishment, operation and networking of social

institutions. The widened concept of governance later termed as good governance.

The transformation of public system from “bureaucratic” to citizen-ism’ is called as Good governance. In a broader sense it refers to all those activities in which the concern is towards citizens. The emphasis is on the shift from bureaucratic behavior to citizen –center behavior where citizens occupy place importance Good governance aims at achieving much more than the efficient management of economic resources. It is broad reform strategy to make government more open, responsive, accountable and democratic, regulate the private sector and strengthen institutions of civil society.

**The major pre requisites of good governance are:**

- 1) The capacity to get things done and free the administration from conventional formalism.
- 2) To promote open market friendly and competitive economics.
- 3) To highlight the importance of rule of law, human rights, participatory development and democratization.
- 4) The equity and legitimacy aspects are more important than good management.
- 5) Promoting civil societies and establishment of social institutions.

In short governance should be society centered.

The second Administrative Reforms commission (ARC) (2005) observed that “The public administrative machinery responds well when there is clarity of objective and provision for adequate resources and accountability enforced.”

**The major features of “Good Governances can be summarized (from the above discussion) as per the following:**

1. Good Governance is the basic elements of democracy are built to serve citizens.
2. Transparency is the key elements of good governance which builds a relationship based on mutual faith.
3. Participation of citizens in governmental activities is a symbol of trust which is a part of good governance.
4. Accountability is the hallmark of ever democratic government which has been strengthened by good government
5. Efficiency and economy are notable parts of good governance top accomplish desired goals.
6. Good governance provides an opportunity to people to be a part of governance.
7. Public private partnership is initiated in good governance.
8. Governments role is limited to facilitator and governance only.

9. De-bureaucratization & de-control are major features of good governance.

In the current phase of globalization public admin has assumed particular importance with the object to exercise effective economic sovereignty and control over national resources and environment and to ensure that their use by the private sector. The primary goal of governance should be to strengthen national unity and integration.

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## **4.2 E-GOVERNANCE**

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Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority- It sees government as able to use new tools and techniques to steer and guide.

The focus of NPM is on performance output along with transparency accountability and goals rather than administrative processes. It aims to initiate overall change in culture and environment of the public organization. It inculcates market values in public organization. To achieve all these objectives it was necessary to evolve new techniques of performance measures based on outputs. Good governance came to be equated with sound development management.

Sound development management is based on measuring standards of performance and techniques of control. The new technology based on electronics equipment's like computers, networking internet etc. are useful to develop a new management and communication system in administration. Western capitalist countries are far ahead in using these techniques. Fast communication and paperless administration has been possible with the use of modern electronic techniques use of these techniques from bottom to top level in administration has initiated the process of E Governance major elements of E-Governance can be identified as per the following –

1. Use of computer and ICT related technology at all levels of administration.
2. Integration of various departments through network technology has not only made the communication faster and easy but to establish co-ordination among various departments. It is possible to eradicate the drawbacks of overlapping and duplication.
3. It is possible to provide various interrelated services at single point at any counter through networking system.
4. Networking system provides transparency and relevant information can be made available to the people through website and portal.
5. It is possible for administration to make documentation and database ready at any given time.
6. The data and information can be made accessible to general public to ensure the transparency in admin.

7. The required documents can be made available on line to the concerned.

These are some important features and benefits of E-Governance. Now days we have accustomed with E Governance and it is not a new thing for the young generation. After having the experience of corona calamity it has been realized the importance of E-Governance. During this period all most all activities of the government admin were carried out in distance made i.e. Theory online business. It is possible in the coming decade that most of the government business will be performed through E mode.

However there are some difficulties in setting of hundred percent E-Governance firstly the availability electricity (24x7) throughout the country including remote areas.

Secondly the availability of quality equipment's to operate system at all levels. Thirdly trained staff should be made available at all levels and the general public should also be made aware about the use of new techniques.

Fourthly the attitudes bureaucrats and general public should be changed in favor of using the new system.

Finally the success of E-Governance depends on the attitude of stake holders the politician's bureau-crafts and general public.

E-Governance does not mean to remain always and a loop from the people. Remain connect with the people is precondition for democratic administration. E-Governance is a means to an end it is not end itself.

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### **4.3 PUBLIC PRIVATE PARTNERSHIP**

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The public sector faces increasing demands to run government like a business, importing private sector concepts such as entrepreneurship privatization, treating the citizens like a 'customer' and management techniques desired from the production process. The new public management seeks to emphasize efficient, instrumental implementation of policies etc. given the importation of private sector management techniques into public administrators are expected to be entrepreneurial, offer great customer service and practice the latest management techniques. There is however potential problems with making me public service more business likes because there is a difference in the operating norms of private and public sector organisations. The problems in seeking a reasonable balance between approaches lies in the solution that operating with private sector entrepreneurial techniques in the public sphere. This idea has given birth to the concept of public private partnership.

**Meaning:**

Public private partnership (PPP) is a method of implementing government programs with the private sector. The term private also includes NGOs, Corporates, Voluntary organisations, firm's individuals etc.

PPP combines the resources of government with those of private agents in order to deliver societal goods. Government of India defines that "PPP projects means a project based on contract between government and private sector company for delivering an infrastructure service on payment of user charges."

There are three things which distinguish PPP from direct services by the government

- 1) A partnership based on well-designed contract.
- 2) A Contract can be long term or short term.
- 3) Flexible decision making

**Objectives of PPP:**

PPP has some important objectives laid down in the Eleventh Five year Plan the plan has clearly mentioned that the PPP will be executed in Public services at a reasonable cost. It aims at bringing private resources into public projects and not public resources into private projects major objectives of PPP are –

- 1) A policy option to leverage the govt. (All three Levels) and markets to encourage private investments.
- 2) To initiate private investments in public projects.
- 3) To promote innovativeness and flexibility in public organization.
- 4) To promote and safeguard interests of the stakeholders.

**Major components of PP:**

The PPP comprises the following components which enable PPP to work smoothly and effectively.

1. **Political Leadership:** The government plays a key role in the partnership. Hence the concerned political head should be capable, committed and prepared to do the agreement with the private firm
2. **Bureaucracy:** To level bureaucrats who are generally involved in drafting and a making the agreement should be well informed and prepared for the same. They are main players from the government side.
3. **Public Sector:** If PPP is related with the public sector, the top level officials of the undertaking must be ready for PPP. As they have to change their bureaucratic working into business like working.
4. **Clarity in agreement and plan:** While making agreement with private firm, the agreement with terms and conditions and development plan, mentioning each stage of development should be clear and in written form



5. **Provision for resources:** PPP projects must mention the estimated cost of projects and continuous flow of resources to be made available, share of each partner etc. In short a complete and perfect financial plan should be ready before execution.
6. **Quality Commitment:** There should be guarantee from both sides about the quality of input used in the project and the quality of finished goods or final services to be provided to the customers.
7. **Communication:** The stake holders of the PPP should be given appropriate and timely information and data through regular communication. Ultimately it is a public project raised on public resources.

**Evaluation/Criticism:**

The PPP is a 20<sup>th</sup> century innovation. When the economies of developing countries liberalized (Mainly after II<sup>nd</sup> world war After induction of LPG concept In India – after 1991) The PPP concept has emerged and entered in the public services. The Government has started synchronizing its activities and private initiative has been encouraged to enter. PPP is not a final answer to all questions. It is true that PPP is cost effective, gives quality goods or services, it has greater flexibility and transparency, provides better social services to the people etc. Most importantly it is more democratic concept based decentralization

However as mentioned above that PPP is not final answer to all questions. The economic system (LPG privatization etc.) has various drawbacks PP is a part of open system. The crux of the problem is that government cannot escape from providing services to the people. There is a possibility of garbing the public resources in the name of PPP by the private entrepreneurs. The nexus between politicians, bureau-crafts and private entrepreneurs may lead to corruption and exploitation. It is difficult to fix the accountability in such situation. If the proper means controls are used and executed the PPP may be useful. It is also true that no nation can afford to go back from the open system.

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## 4.4 REVIEW QUESTIONS

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1. Write a note on “Good Governance”
2. What is E-Governance?  
How useful is E-Governance in Public Administration?
3. Critically examine the concept of ‘public private partnership’ (PPP)

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## Document Information

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<b>Analyzed document</b>	SYBA Semester 3 Politics Paper 3 PUBLIC ADMINISTRATION.pdf (D117362101)
<b>Submitted</b>	2021-11-03 19:38:00
<b>Submitted by</b>	Pandit Rajashri
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<b>Similarity</b>	2%
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## Sources included in the report

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<b>W</b>	URL: <a href="https://kupdf.net/download/administrative-thoughts_5a837178e2b6f51d18afd76d_pdf">https://kupdf.net/download/administrative-thoughts_5a837178e2b6f51d18afd76d_pdf</a> Fetched: 2021-11-03 19:39:00	 <b>7</b>
<b>W</b>	URL: <a href="https://www.shareyouressays.com/knowledge/4-important-principles-of-an-organization-explained/113234">https://www.shareyouressays.com/knowledge/4-important-principles-of-an-organization-explained/113234</a> Fetched: 2021-11-03 19:39:00	 <b>1</b>
<b>W</b>	URL: <a href="https://hpuniv.ac.in/upload/syllabus/596b0e1460f00PubaddSMPHilHRD.pdf">https://hpuniv.ac.in/upload/syllabus/596b0e1460f00PubaddSMPHilHRD.pdf</a> Fetched: 2021-11-03 19:39:00	 <b>1</b>