
UNIT: 5. ADMINISTRATIVE MANAGEMENT APPROACH

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5.0 LEARNING OUTCOME

After studying this unit, you should be able to:

- know the important contributors of administrative management approach;
- understand the general principles of administration;
- discuss the criticism of administrative management approach; and
- explain the relevance of administrative management.

5.1 INTRODUCTION

In the previous unit we have discussed about the Taylor's contribution towards the scientific management approach. In this unit we will discuss the important contributors towards administrative management. While Taylor focused on shop floor management the later writers like Gulick and Urwick have focused on the organisation as a whole. Taylor was concerned with worker and emphasized more on floor level activities to enable the management to make its workforce more productive. Taylor has not emphasized on supervisory levels and upwards. The later writers like Gulick and Urwick, who took managerial view of the administration rather than floor level administration, took this up. The rationalization on the floor (done by the scientific management) needed to be supplemented by rationalization through the whole enterprise, to run it profitably. Those who have taken up the managerial view did this. This approach is also known as 'administrative management approach'

5.2 ADMINISTRATIVE MANAGEMENT APPROACH: IMPORTANT CONTRIBUTORS

The important thinkers who have contributed to this approach are Henry Fayol, Mooney, Reiley, Gulick and Urwick. Mary Parker Follet is considered to be the last person to propagate this approach. These thinkers have certain common understanding and approach towards understanding of organisations. In other words their theory is based on certain major premises. Firstly, they gave importance to the structure of the administration / organisation. They consider that without structure, organisation cannot function. For them 'structure is a device through which the human beings working in an organisation are assigned the tasks and are related to each other'. Since they have emphasized on the structure they are also known as structuralists. They believe that effectiveness of organisations depend upon the type of organisation. Structure is basic for any group effort.

Structure moulds the nature of human being according to the needs of organisation. For Urwick, lack of design is illogical, cruel, wasteful and inefficient.

Secondly, they assumed that there is universality of experience. These thinkers have developed certain principles of administration, which they think are universally valid. These principles are derived from the experience of industrial organisations. Mooney observed “there is no principle in industrial organisations as such that is not to be found in all other spheres”. Thirdly, they believe that the principles they have developed are scientifically valid. Since they are based on the industrial and military experience they cannot be considered to be imaginary. They are based on rigorous empirical observations. Hence they have a scientific validity. They considered that the application of such principles would ensure greater economy and efficiency in the organisation. These authors have sincerely believed that it is possible to develop a science of administration based on the experience of organisations.

5.2.1 Henry Fayol

Fayol was born in 1841 in France. He worked as an engineer in a mining company. By 1888 he had raised to the position of Managing Director of the company. He was one of the successful managing directors under whom the company achieved great financial success. Based on his experience he wrote a book ‘General and Industrial Management’ (1916). His papers on ‘The Theory of Administration in the State’ (1923), is considered as a major contribution to the theory of public administration.

Fayol is regarded as the founder of managerial approach. The later writers like Gulick and Urwick have been greatly influenced by this works. Fayol’s major contribution is his principles of administration. They are division of work; authority; discipline; unity of command; unity of direction; subordination of individual interest to the general interests; remuneration; centralization; line of authority; order; equity; stability of tenure; initiative and harmony. Fayol derived the managerial functions in to five elements. They are: planning, organisation, command, coordination and control.

Though he has listed out certain principles, he himself was ambiguous in his writings as to what he means by these principles. Some of them describe managerial activity; others lay down what manager should do. Though they are limited in nature, the Fayol's principles have provided basis for the development of principles of administration by the later thinkers.

5.2.2 Mooney and Reiley

Mooney and Reiley in their book 'Onward Industry' (1931), provided a central framework laying down the principles of management. They have attempted to provide an elaborated historical account of genesis of management and management thought. Like Fayol there appears to be some confusion the use of the term 'principle' used by the Mooney and Reiley. They appear to be a set of statements showing importance of leadership, authority and coordination. Mooney in his article included in "Papers on Science of Administration" maintained that it was 'coordination' that is the fundamental principle of any human organisation. He further writes "the term organisation and the principles that govern it are inherent in every form of concerted effort, even where there are not more than two persons involved". He takes the example of the effort of two men to move a stone and says, 'here we have coordination, the first principle of organisation'.

Mooney and Reiley also referred to the functional principle of organisation. According to them all jobs involve one of the three functions. They are determinative function (setting goals), the application function (acting purposively to achieve the goals) and the interpretative function (decision making). They argue that management must be aware of these functions to be prepared to discharge them when necessary. Thus, they have contributed to the development of managerial theory of administration.

5.2.3 Gulick and Urwick

Luther Gulick was born in Osaka, Japan in the year 1892 and was educated in Columbia University. He served the National Defence Council during first World War. He was associated with the City Research Institute at New York. He also worked as administrator of New York City during 1954-56. He also served as a professor in several universities and consultant in administration for several countries. His important writings are

‘Administrative Reflection from World War-II’, and ‘Papers on the Science of Administration’ (1937), (jointly edited by Urwick) ‘Modern Management for the City of New York’.

Lyndall Urwick was born in Briton in 1891. He was educated at Oxford University. He was a Lt. Col. during the First World War in the British army, and he was considered to be an outstanding consultant on industrial management. Some of his important publications were ‘A Management of Tomorrow’, ‘The Making of Science of Management’, ‘The Elements of Administration’, (1943). He also edited along with Luther Gulick ‘Papers on Science of Administration’ (1937).

Gulick and Urwick had a rich experience in the working of civil service and military and industrial organisations. With these two writers we see a coming together of public administration and business administration. Similar to other writers, in ‘Formal Organisations’ they were much influenced by Taylor and Urwick was to rationalize the work process by bringing work together in a centralized area. They have contributed to the development of classical theory of organisation, known as administrative management theory. They believed that it is possible to develop a science of administration based on principles. They felt that if the experience of administrators are processed it could be possible to develop a science of administration. Administration hitherto remained an art and there is no reason why it can’t be developed into a science. They gave importance to structure of administration while almost neglecting the role of men in the organisation.

Based on this approach and their experience they evolved certain principles of organisation. The principles enunciated by Gulick are (1) division of work or specialization (2) bases of departmental organisation (3) coordination through hierarchy, (4) deliberate coordination, (5) coordination through committees, (6) decentralization, (7) unity of command, (8) line and staff, (9) delegation and (10) span of control.

Gulick also coined an acronym ‘POSDCORB’ indicating the seven important functional elements of administration. They are planning, organisation, staffing, direction, coordination, reporting and budgeting.

Urwick identified eight principles of administration. They are (1) the principle of objectives, (2) the principle of correspondence, (3) the principle of responsibility, (4) the scalar principle, (5) the principle of span of control, (6) the principle of specialization, (7) the principle of coordination and (8) the principle of definition.

5.3 THE GENERAL PRINCIPLES OF ADMINISTRATION

Based on the principles enumerated by the above authors, here some of the important principles are explained briefly:

5.3.1 The Theory of Departmentalisation

It is one of the important principles of administrative management. This theory addresses itself to the problem of bases on which the work may be divided in an organisation and departments are created. Luther Gulick identified four bases on which different departments are created. These bases are (I) Purpose, (II) Process, (III) Persons (clientele) and (IV) Place (territory). They were popularly described and known as 4P's of Gulick.

Purpose: In the first place the work may be divided on the basis of the major purpose or function. In order to create certain departments one has to identify the major functions and goals of organisation and create departments for each of the functions. For example, the welfare department was created based on the 'purpose' of looking after the welfare of the people. Similarly there may be other departments created based on other purposes. The advantage of such department is that they are self-contained organisations and low coordination costs are involved in running the department. Such departments are more certain of attaining the goals.

The purpose-based departments however have, certain disadvantages, such as, lack of possibility of work division, failure to use update technology and there may not be enough work for specialist working in the department.

Process or Skills: Some departments are created based on the process or a skill involved in it's functioning. For example, the department of engineering may be considered as a

‘process’ based department. If process is accepted as basis, then all work based on similar process or skills should be grouped together since it involves use of same knowledge, skills and processes. According to Gulick the advantage of process-based department is, it brings together in a single office a large amount of each kind of work, it is possible to make use of the most effective division of work and specialization. Secondly it makes possible maximum use of labour and machinery for mass production. The major disadvantage of this base is it results in purposeless division and growth of department.

Persons or Clientele: Specialisation of work according to the clientele served is the third basis of departmental organisations. For example, the ‘old age welfare department’ serves a particular kind of persons who need special attention. The people who work in this department acquire specialised skills over a period of time to serve that particular clientele. But the disadvantage of this department is the coordination between such organisations become difficult on account of overlapping and duplication.

Place or Territory: Place becomes base for some organisation such as ‘district’ administration or tribal area department. Here all functions performed in a given area are clubbed together and a department is created. This base is useful for intensive development of any area. The members of such departments also become area specialists. But such departments may suffer from lack of functional specialisation and growth.

The theory of departmentalisation is criticized on the basis that the bases of departments are incompatible with each other. They are very vague; there is also overlap between them. For example the department of medicine can be categorized as a process based department because it involves skills. It can also be considered as a purpose based one, because there is a purpose behind the creation of this department.

5.3.2 Single Top Executive or Unity of Direction

This principle is based on the belief that one director or executive should head organisations. Urwick warned against the use of committees for purposes of administration. He thought, ‘boards and commissions are turned out to be failures. They are inevitably slow, cumbersome wasteful and ineffective. They do not cooperate with other agencies. Well-managed administrative unit in the government are always headed by

a single administrator'. Gulick who as a member of President's Committee on Administrative Management, probably felt like this in trying to workout the principle of one man administrative responsibility in place of the structure of many boards and commissions in the United States Federal Government. (Betram Gross, p.145).

5.3.3 Unity of Command

The principle of 'unity of command' suggest that for the effective functioning of organisations the subordinates in the organisation should receive command from one superior only. Gulick agrees with Fayol who said, "a man can not serve two masters" (Betram Gross, p.145). Although rigid adherence to this principle may have its absurdities, these are unimportant in comparison with the certainty of confusion, inefficiency and irresponsibility, which arise from the violation of the principle. However, he has provided certain exceptions to this principle in the case of field office specialist. For example it may be inevitable for an engineer in a field office working under administrative supervision of the field office manager and under technical supervision of the chief engineer in the central office. In such situation the Gulick suggest the system of 'integrated dual supervision' (Betram Gross, p.145).

5.3.4 The Principle of Staff

The principle of staff emphasises that in the performance of organisational activities the executive needs the help of large number of officials. This staff assistance to the executive deserves special attention. The staff is of two categories, (1) special staff and (2) general staff. The chief executive requires the help of the specialist as well as general staff. While general staff assist the chief executive in knowing, thinking and planning functions. The special staffs help the executive in carrying out the basic operations of the organisation. Drawing upon the military experience with line and staff arrangements, Gulick dealt with the problems regarding relation between general and special staff. As in military organisation, general staff may assist their supervisors in their central task of command, control and coordination. They should help to coordinate the work of specialist without themselves taking any specialised functions.

In doing so they act not on their own but as representative of their superior and within the confines of decision made by him. Thereby they relieve the top executive from the burden of day-to-day administration. They free him to concentrate upon the most important matters.

Urwick also recognized that in a civilized life, assistants who act on behalf of top executive will often be regarded as “encroaching” upon the authority of senior official (Betram Gross, p.147). To overcome this problem Gulick suggests that the assistant to be men with a “passion for anonymity” (Betram Gross, p.147).

5.3.5 The Principle of Delegation

The principle of delegation emphasizes on the need for administrators to keep the requisite authority with them to act and delegate the rest of it to their subordinates. In the absence of such delegation the subordinates cannot discharge their responsibility. Urwick maintains that “lack of courage to delegate properly and knowledge of how to do it is one of the most general causes of failure in organisation” (Betram Gross, p.147). Urwick felt that organisations do not function efficiently if executives do not delegate the functions to their subordinates. It is also emphasized the need to delegate responsibility of executives in whom authority is vested should be absolute and that they should be personally accountable for the actions of their subordinates.

5.3.6 The Principle of Matching Responsibility with Authority

This principle maintains that the authority and responsibility must be coterminous, coequal and defined. While Fayol emphasized the need to promote a sense of responsibility, Urwick deals with both sides of authority-responsibility relationship. It is not enough to hold people accountable for certain activities, it is also essential to delegate them the necessary authority to discharge that responsibility. The responsibilities of all persons exercising authority should be absolute within the defined terms of that authority. The persons exercising authority should be personally accountable for all actions taken by subordinates.

5.3.7 The Principle of Span Control

The principle of span of control emphasises that a supervisor cannot control more than a certain number of subordinates. In this regard Urwick felt that “no supervisor can supervise directly the work of more than five, or at the most six subordinates whose work interlocks” (Betram Gross, p.148). This principle is based on the psychological conception of “span of attention”. When the number of subordinates increase arithmetically, there is a geometrical increase in all possible combinations of relationships, which may demand the attention of supervisor. While there is no agreement among the writers about the exact limit of span of control, Sir Ian Hamilton put the limit at three or four. Some authors put the figure at ten or twelve. Gulick identifies various factors that may influence the optimum span, particularly the capacity of an individual executive, the nature of work performed, the stability of an organisation and geographical proximity to those who are supervised.

5.3.8 The Principle of Division of Work

The principle of division of work suggest that in order to bring the efficiency and effectiveness in the organisation the work has to be divided and entrusted to the people who are specialised in it. In fact, Gulick felt that division of work is the basic principle of organisation and it is reason for existence of organisation. He further felt that ‘every large scale or complicated enterprise requires many men to carry it forward. Whenever many men are thus working together, the best results are secured when there is a division of work among these men’. He says man-invented organisation as he failed to perform the work single handily. As a result he had to divide the work and this division of work was the cause for genesis of organisation. Individuals differ in their skills, efficiency and attitudes. A single person cannot work in two places at a time. And also he cannot perform more than one activity at a time. Because of these reasons and also in the context of growing knowledge in different areas the division of work and entrusting different types of work to different people is inevitable. Division of work results in increase in the production and efficiency in the organisation.

However a division of work has its own limitations. According to Gulick the important limitations are the volume of work, the technology, custom, physical and organic limitations. The work can’t be divided if it is too less. Work can be divided only when there are people available with skills to perform it. Integrating divided parts follows

division of work. Gulick says that division of work and integration are bootstraps by which mankind lifts itself in the process of civilization.

5.3.9 The Principle of Coordination

This principle emphasizes that when work is divided and entrusted to different individuals, that work has to be coordinated to achieve the organisational tasks. Without proper coordination it is not possible to achieve the task. Coordination is basically bringing together of the work done by different individuals in the organisation. Mooney particularly emphasized on the importance of this principle. He maintained that it was coordination that is fundamental principle of any human organisation. He further writes, the term organisation and the principle that govern it are interacting in every form of concerted human effort, even when there are not more than two persons involved in it. Here he takes the example of two men's effort to move a stone and says 'here we have coordination, the first principle of organisation'.

5.3.10 The Principle of Hierarchy

Hierarchy indicates the control of the higher over the lower. In the administrative structure, hierarchy means a graded organisation of several successive levels or steps. Hierarchy is also known as scalar principle. Hierarchy places individual in organisation in an order. Hierarchy facilitates the allocation of responsibilities to the different levels of organisation. It also facilitates easy flow of work in the organisation and also easy coordination and control. It fixes responsibilities of individuals and makes it clear who is accountable to whom.

5.4 CRITICISM

Many writers criticized the administrative management approach. The principles of administration enumerated under this approach have become main targets of criticism. The basic criticism is that there is little consistency in the work of any of these writers, either between them or with in them. The term 'principle' is used in different ways by different

authors. Some times it has a descriptive connotation or it expresses the relation between organisation variables: some writers have questioned the scientific validity of the principles. Normally a principle is subject to verification. But such universality is absent in these principles. They appear more in the nature of postulates of experienced men who has closely observed the working of organisations. The major attack on principles came from Herbert Simon. Herbert Simon who commented on the fact that the principles are 'little more than ambiguous and mutually contradictory proverbs'. They form neither a coherent conceptual pattern of determination nor an accurate description of concrete empirical reality (Clegg & Dunkerley, 1980, p, 102). He says that, it is fatal defect of the current principles of administration that like proverbs they occur in pairs. For almost every principle one can find an equally acceptable contradictory principle (For example while the principle of division of work is claimed as essential for the organisational efficiency the coordination principle is also claimed as essential principle to bring efficiency).

One can see a contradiction between the principle of specialization and the principle of unity of command. The specialist working in organisations are always subject to dual control of generalist and technocrats. Similarly there is a contradiction between principles of specialization and span of control. While span of control emphasizes on the limitations of supervisor and his capacity to supervise a certain number of sub-ordinates, it has failed to arrive at a scientifically valid number of subordinates less than one supervisor.

Simon felt that principles of administration are at best criteria for describing administrative situation. He further felt that the principles are either universal, empirically applicable neither theoretically coherent.

The administrative management approach in general is criticized for its neglect of human element in the organisation. Human being is considered insignificant in administrative processes. Gulick and Urwick have shown concern only for 'formal organisation' neglecting informal variables, which are important for the understanding of organisations.

V.Subramanyam points out two important limitation of this approach. In the first place, there is lack of sophistication in the theory; they appear to be commonplace general knowledge propositions, which do not appeal to the intellectual curiosity of the academicians and practitioners of administration. Secondly, it has a pro-management bias

where it mostly dealt with the problems of management in the organisation and not the problem of lower level in the organisation. (Cited from Prasad et. al. p.105)

5.5 ADMINISTRATIVE MANAGEMENT APPROACH: RELEVANCE

In spite of the criticism the principle of administration continue to found relevant even to-day. We find working of these principles such as division of work, coordination, delegation etc. in the present day organizations. Organizations cannot function with out adhering to these principles. These principles continue to be taught in the colleges and universities for the students of public administration and management. Many people have criticized the principles, but they have not developed any alternatives to these principles. They have failed to replace them with better principles. The principles of administration have provided basis for the development of later theories in administration. With some modifications on the lines of changes taking place in the organizations, these principles can find relevance in the present context also.

5.6 CONCLUSION

In spite of various criticism the administrative management approach and the principles of administration have contributed significantly to the theory and practice of administration. This theory emerged historically at a point of time when the organisations were becoming complex and faced with problem of inefficiency and low production. This theory has enabled the large-scale organisations to operate effectively. It is also relevant to understand the administrative processes of the contemporary organisations. In spite of their limitations the principles continue to be practiced in the organisations. They facilitate the smooth functioning of administration. To get benefited from the principles one has to understand this theory in a proper perspective and apply it to the contemporary situation with required modifications.

5.7 KEY CONCEPTS

Authority and Responsibility: sufficient authority is to be given to the officials to enable them to perform their functions. Authority should promote the sense of responsibility in the organization.

Coordination: Bringing together of the work done by different units and individuals in order to achieve the harmonious functioning of the organization.

Delegation: In the organization the authority and responsibility are delegated to the subordinates by the superiors to enable the organization to function effectively.

Department: It is a sub-division or unit of the organization. According to Gulick for establishing any department there has to be some bases. He proposed four basis; they are purpose, process, persons and place.

Division of Work: The work has to be divided and allocated to the individuals in the organization on the basis of their abilities and skills.

Hierarchy: It is a method of arranging individuals in the organization in a graded manner for receiving orders and reporting back about execution of orders.

Span of Control: It is a principle which emphasis that a superior cannot control more than a certain number of subordinates.

Unity of Command: It is a principle, which envisages that for the effective functioning of organizations, subordinates should receive command or orders from one supervisor only.

Unity of Direction: It envisages that a single top executive should head organizations. If more than one person it will lead to confusion in heads the organization it's functioning.

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5.9 ACTIVITIES

1. Do you think that the principles of administrative management approach can be scientifically verified or they are mere proverbs?
2. Do you think that the bases of departmentalisation are still relevant in the twenty first century organisations? Discuss.
3. Do you think that the principles of organisations are still relevant in the context of modern day organisations? Discuss.