SYLLABUS

SYBA
Political Science Paper III
Public Administration
(W.E.F. Academic Year 2013-2014 for Idol Students)

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Suggested Reference

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Assignment/presentation related to above modules   (5 Lectures)

Suggested References

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1

Module I

AN INTRODUCTION TO PUBLIC ADMINSTRATION

Unit Structure

1.0 OBJECTIVE

Public Administration is an activity as old as human civilization. In modern age it became the dominant factor of life. To Study about meaning, scope and importance of Public Administration is the main objective of this unit.

1.1 INTRODUCTION

Public Administration as independent Subject of a social science has recent origin. Traditionally Public Administration was considered as a part of political science. But in Modern age the nature of state-under went change and it became from police stale to social service state. As a consequence, the Public Administration, irrespective of the nature of the political system, has become the dominant factor of life. The modern political system is essentially 'bureaucratic' and characterised by the rule of officials. Hence modern democracy has been described as 'executive democracy' or 'bureaucratic democracy'. The administrative branch, described as civil service or bureaucracy is the most significant component of governmental machinery of the state.

1.2 MEANING OF PUBLIC ADMINISTRATION

Administer is an English word, which is originated from the Latin word 'ad' and 'ministrare'. It means to serve or to manage. Administration means management of affairs, public or private.

Various definitions of Public Administration are as follows

1.2.1 Prof. Woodrow Wilson, the pioneer of the social science of Public Administration says in his book 'The study of Public Administration', published in 1887 "Public Administration is a detailed and systematic application of law."

1.2.2 According to L. D. White "Public Administration consists of all those operations having for their purpose the fulfilment of public policy as declared by authority." Both above definitions are done from traditional viewpoint and related only to the functions and actions of Administration.

Following thinkers have taken a broad view while defining Public Administration -

1.2.3 According to Simon

"By Public Administration is meant the activities of the executive branches of the national, state, & local governments."

According to Willoughby - "Public Administration in broadest sense denotes the work involved in the actual conduct of governmental affairs, and in narrowest senses denotes the operations of the administrative branch only."

1.2.4 According to Gullick

"Public Administration is that part of the science of administration which has to do with government and thus, concerns itself primarily with the executive branch where the work of the government is done."

1.2.5 According to Waldo

"Public Administration is the art and science of management as applied to the affairs of the state."

1.2.6 Marshall E. Dimock

"Administration is concerned with 'what' and 'How' of the government. What is the subject matter, the technical knowledge of a field which enables the administrator to perform his tasks? The 'How' is the technique of management according to which co-operative programmes are carried to success."

1.2.7 Conclusion

All above modern definitions of Public Administration emphasize the value based character of Public Administration and Public Administration as a science and art of administration. A close scrutiny of the definitions reveals that Public Administration has following important characteristics or features.

1.2.8 Important characteristics of Public Administration

1. It is part of executive branch of government.

2. It is related with the activities of the state.

3. It carries out the public policies.

4. It realise the aspirations of the people as formulated and expressed in the laws.

5. Waldo and other thinkers insist on the commitment and dedication to the well being of the people. Otherwise Public Administration behaves in a mechanical, impersonal and inhuman way.

6. Public Administration is politically neutral.

1.3 SCOPE OF PUBLIC ADMINSTRATION

1.3.1 Introduction

The views of L.D. White and traditionalist on the one hand and those of Gullick and the scientific management school on the other hand differ regarding the nature and scope of Public Administration. Hence, we should understand various perspectives about the scope of Public Administration.

1.3.2 Scope

Following are the three important perspectives about the scope of Public Administration.

1. Narrow perspective or POSDCORB perspective.

2. Broad perspective or subject matter view.

3. Prevailing view.

1.3.3 Narrow perspective or POSDCORB perspective

Luther Gullick is the main exponent of this perspective. According to him the scope of public administration is narrow or limited. It is also regarded as POSDCORB view. It insists that the Public Administration is concerned only with those aspects of administration which are related with the executive branch and its seven types of administrative functions.

These seven types of functions which shows the scope of Public Administration are as follows -

1. 'P' stands for planning

2. 'O' stands for organization

3. 'S' stands for staffing.

4. 'D' stands for Directing.

5. 'Co.' stands for Co-ordination.

6. 'R' stands for Reporting

7. 'B' stands for Budgeting

1. 'P' stands for Planning

Planning is the first step of Public Administration. i.e. working out the broad outline of the things that need to be done.

2.   'O' stands for organization

It means establishment of the formal structure of authority through which the work is sub-divided, arranged and co-ordinated for the defined objective.

3.   'S' stands for staffing

It means the recruitment and training of the staff and maintenance of favourable conditions of work for the staff.

4.   'D' stands for Directing

It means the continuous task of making decisions and embodying them in specific and general orders and instructions, and thus guiding the enterprise.

5.   'Co' stands for Co-ordination

It means inter-relating the various parts of organization such as branches, divisions, sections of the work and elimination of overlapping.

6.   'R' stands for Reporting

It means informing the authority to whom the executive is responsible as to what is going on.

7.   'B' stands for Budgeting

It means accounting, fiscal planning and control.

Evaluation

POSDCORB Perspective about the Scope of Public Administration is limited and narrow. It stressed on the tools of Public Administration. It does not show the substance of administration. It is a technique oriented perspective, not a subject oriented.

1.3.4 Broad perspective or subject - oriented perspective

Prof. Woodrow Wilson and L D While are main exponents of this perspective. They have taken a very broad approach about the scope of Public Administration.

According to them

(A) Public Administration covers all three branches of the government - Legislative, Executive and Judicial and their interrelationship. Legislative organ makes the laws, Executive organ of the government implements the laws. And judicial organ of the government interprets the laws. There is interrelationship between these three organs.

B)   Scope of Public Administration is like a cooperative group. It consists of all from class one officer to class four employees.

C)   Public Administration is a part of the political process. It has an important role in the

formulation of public policy at all levels, from national to grassroots. It is closely associated with numerous private groups and individuals in providing services to the community. It has been influenced in recent years by the human relations approach.

1.3.5 Prevailing view

Prevailing view divides the scope of Public Administration into two parts.-

1) Administrative theory

2) Applied administration

1. Administrative theory

It includes the following aspects.

a) Organisational Theory

The Structure, organization, functions and methods of all types of public authority engaged in administration, whether national, regional or local and executive.

b) Behaviour

The functions of administrative authorities and the various methods appropriate to different types of functions, the various forms of control of administration.

c) Public Personal Administration

The problems concerning personnel e.g. recruitment, training, promotion, retirement etc. and the problems relating to planning, research, information and public relation services.

2. Applied administration

It includes the following aspects

a) Political functions

It includes the executive - legislative relationship, administrative activities of the cabinet, the minister and permanent official relationship.

b) Legislative function

It includes delegated legislation and the preparatory work done by the officials in connection with the drawing up of bills.

c) Financial functions

It includes total financial administration from the preparation of the budget to its execution, accounting and audit etc.

d) Defence

Functions relating to military administration.

e) Educational function

It includes functions relating to educational administration.

f) Social welfare administration

It includes the activities of the departments concerned with food; housing, social security and development activities.

g) Economic Administration

It is concerned with the production and encouragement of industries and agriculture.

h) Foreign administration

It includes the conduct of foreign affairs, diplomacy, international cooperation etc.
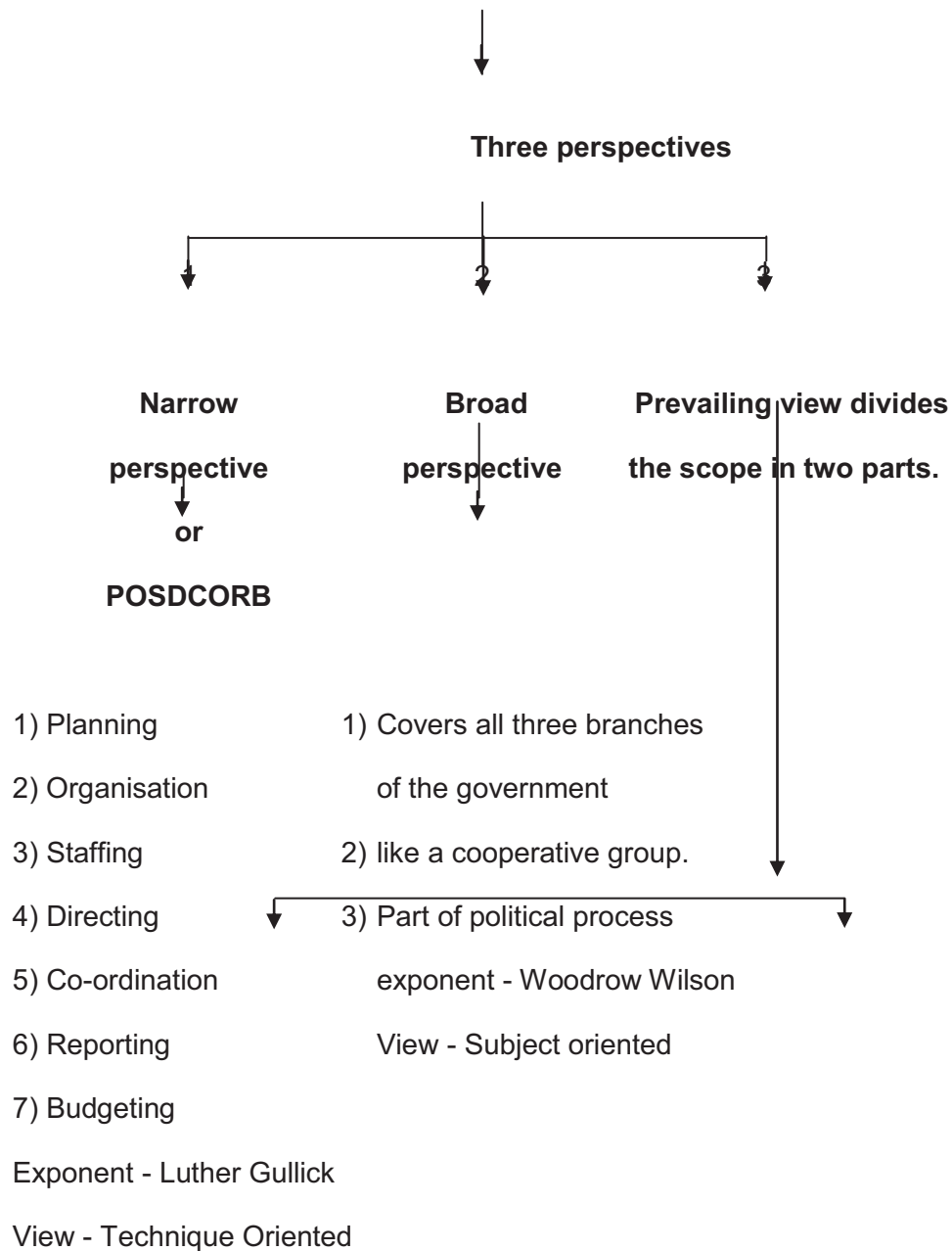
i) Local administration

It concern with the activities of the local self-governing institutions.

1.3.6 Conclusion

The modern state cannot confine its field of activities to only maintenance of law and order, dispensation of justice, collection of revenue and taxes. The modern state is expected to provide more and more services and amenities to the people. This results in tremendous growth both in the governmental responsibilities as well as in the administrative machinery of the state. Naturally the scope of public administration is increased.

1.3.7

Table - Scope of Public Administration

Three perspectives

Narrow perspective	Broad perspective	Prevailing view divides the scope in two parts.
or		
POSDCORB		
1) Planning	1) Covers all three branches	
2) Organisation	of the government	
3) Staffing	2) like a cooperative group.	
4) Directing	3) Part of political process	
5) Co-ordination	exponent - Woodrow Wilson	
6) Reporting	View - Subject oriented	
7) Budgeting		
Exponent - Luther Gullick		
View - Technique Oriented		

Administrative Theory	Applied administration
1. Organisational Theory	1. Political functions
2. Behaviour	2. Legislative
3. Public personal Administration.	3. Financial
	4. Defence
	5. Educational
	6. Social Welfare
	7. Economic

8. Foreign Administration

9. Local

1.4 ROLE AND IMPORTANCE OF PUBLIC ADMINISTRATION

In the modern state and in developing countries functions and role of Public Administration is very important. The role and importance of Public Administration are as follows.

1. It is the basis of government.

2. It is the instrument of change in the society.

3. It plays vital role in the life of the people.

4. It is an instrument for executing laws, policies, and programmes of the state.

5. It is a stabilising force in the society as it provides continuity.

6. It is instrument of national integration in the developing countries which are facing class wars.

1.   It is the basis of Government

It is possible for a state to exist without a legislature or judiciary; but not even the most backward state can do without administrative machinery. The modern state cannot confine its field of activities to merely maintenance of law and order, dispensation of Justice, collection of revenue and taxes and participation in welfare activities. The modern welfare state is expected to provide more and more services and amenities to the people. Public Administration is the machinery used by the state to place itself in a position to make plans and programmes that can be carried out.

2.   It is the instrument of change in the society

Public Administration is regarded as an instrument of change and is expected to accelerate the process of development. In our country, the government has undertaken the task of levelling down the economic inequalities, spreading education among all abolishing untouchability securing equality of status, rights of women and effective and all round economic and industrial development. The burden of carrying out these social changes in a planned and orderly way rests upon the Public Administration of the country. The success of Indian democracy will depend not only on the wisdom of the legislature but more on the capability and sense of purpose on the part of the Administration.

3.   It plays vital role in the life of the people

Today every aspect of human life comes within the range of Public Administration. Various departments of government such as education, social welfare, food, agriculture, health, sanitation, transport, communication etc. are run by the department of Public

Administration. Thus Public Administration is rendering various types of services to the people from birth to death of an individual.

4. **It is a stabilizing force in the society as it provides continuity**

Public Administration is carried on by the civil servants who are the permanent executives. Political executives i.e. ministers may come and go, systems of government or constitutions may undergo change but administration goes on forever. Hence, Public Administration is a great stabilising force in society. It is a preserver of the society and its culture.

5. **It is instrument of national integration in the developing countries which are facing class wars**

1.5 CONCLUSION

The success of government is dependent on the ability of public administration. The future of civilised government rests upon the ability, to develop a service and philosophy and a practice of administration competent to discharge the Public functions of civilized society.

1.6 QUESTIONS – UNIT END QUESTIONS

1. Define Public Administration and discuss its scope.

2. What is Public Administration? Examine its role in the modern state.

3. Write short notes -

   1. Importance of Public Administration

   2. POSBCORB

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2

EVOLUTION OF PUBLIC ADMINISTRATION AS A DISCIPLINE
(Changing Nature of Public Administration)

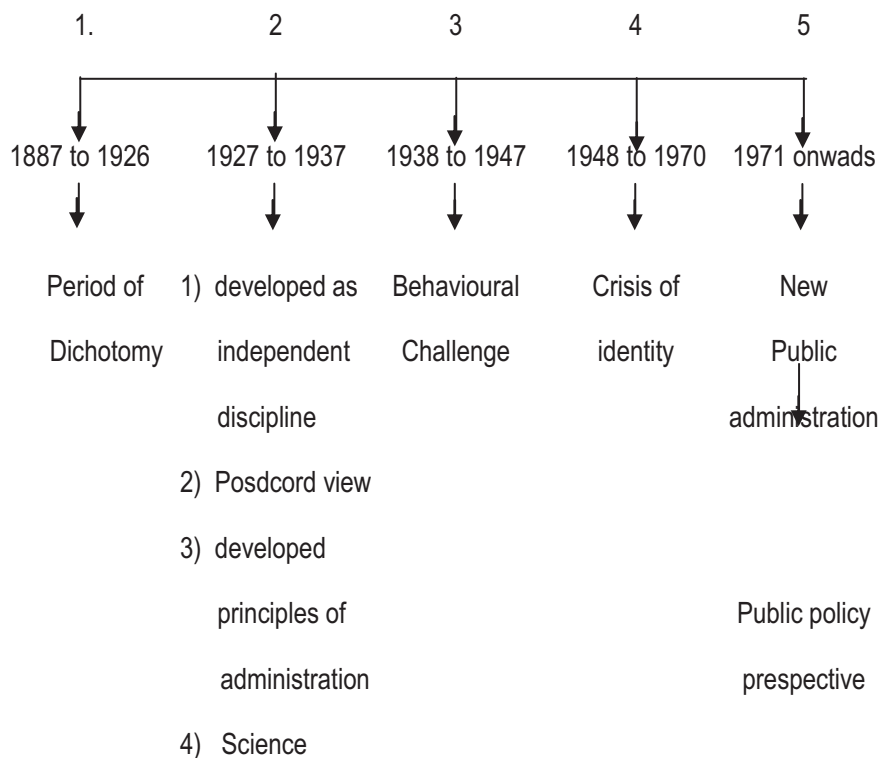**Unit structure**

2.0 OBJECTIVE

Today every aspect of human life is within the range of public administration. In that context we should understand the changing nature and new trends of Public Administration.

2.1 INTRODUCTION

Public Administration as an activity as old as human civilization. But as a social science theorization on public administration is very recent. In 1887, Woodrow wilson has written the book on "The Study of Public Administration", and laid the foundation of the science of Public Administration. After that it had underwent rapid transformation in its scope, nature and role. Avasthi and Maheshwari have divided the evolution of Public Administration into the following five phases.

2.2 CHANGING NATURE

It is divided into five phases.

1.	2	3	4	5
1887 to 1926	1927 to 1937	1938 to 1947	1948 to 1970	1971 onwads

Period of Dichotomy	1) developed as independent discipline	Behavioural Challenge	Crisis of identity	New Public administration
	2) Posdcord view			
	3) developed principles of administration			Public policy prespective
	4) Science			

2.2.1 Phase I - 1887-1926

About the changing nature of Public Administration, in this phase following changes came out -

a) Separation of Public Administration from political science

b) Public Administration is the visible side of Goverment.

c) Prof. Woodrow Wilson has given definition, nature, role and importance of Public Administration.

d) L. D. White has written the first textbook on the subject i.e. 'Introduction to the study of Public Administration.'

Prof. Woodrow Wilson is called the 'Father of Public Administration' because the genesis of the subject can be traced back to Wilson's book "The study of Public Administration" published in 1887. In this book he made a distraction between political - Science and Public Administration. Before this, it was treated as a branch of political science. Secondly, while commenting on the role of Public Administration, he said Administration is the most obvious part of government. It is government in action and the most visible side of the government. Hence, he defined "Public Administration as detailed and systematic application of law. It consists of all those operations having for their purpose the enforcement of public policy as declared by authority." He argued for a science of administration "Which shall seek to straighten the paths of government." Thus, Wilson had projected the dichotomy view, which was picked up by other writers.

In 1900, Frank J. Goodnow published his book "Politics and Administration". In his book he developed the wilsonian theme. He argued that "Politics and administration were two distinct functions of a government." According to him politics formulate the policies and

administration execute these policies. Thus, Goodnow made a technical distinction between politics and administration.

In 1926, L. D. While published the first text-book on the subject. This book reflects the theme of dichotomy between politics and administration. He emphasized that politics and administration are to be kept separate. He also visualized involvement of administration in policy matters and through policy with politics.

Conclusion

It may be seen that the dominant feature of the first period was a passionate belief in politics - administration dichotomy.

2.2.2 Phase II - 1927-1937

In the changing nature of public Administration this period can be called as principles of Administration and established the discipline of Public Administration as an independent science.

In 1927, W.F. Willough has written a book "Principles of Public Administration." The title of the book indicates the new thrust in thinking and established the subject as an independent science.

This period witnessed publication of a number of important works on this subject. The more important among them are -

1. Mary Parker Folleft's "Creative Experience"

2. Henri Fayol's "Industrial and General Mangement."

3. Mooney's "Principles of Organisation".

4. Luther Gulick "Science of Administration."

Gulick explained the principles of administration. These are seven principles known as POSDCORB.

Conclusion - Thus in this period subject acquired -

1) The Status of separate subject of social science

2) Secondly. It was considered, as the science of administration.

3) Developed the principles of administration and theories. These theories and principles were in great demand both in government and business.

2.2.3 Phase III - 1938-1947

This period brought new changes in the nature of Public Administration

1. Some thinkers refuted politics administration dichotomy.

2. They challenged the claim of Public Administration as a science.

3. Emphasised the environmental effects on adminstrative behaviour.

While Public Administration Was taking shape as an independent discipline, C. I. Barnard, Simon, Robat Dahl challenged the claim of Public Administration as a science of administration. These thinkers disagrees with the stand taken by Gullick. Simon, in 1947 published his book "Administrative Behaviour". In that he said there is no such thing as principles of administration; what are paraded as 'Principles' are in truth no better than proverbs. There is lack of scientific validity and universal relevancy in Public Administration.

Robert Dahl emphasizes the need to take into account normative considerations, human behaviour and sociological factors while defining the parameters of public administration. He brought behaviouralism in Public Administration. He emphasised the environmental effects on administrative behaviour.

Conclusion - Hence this period is called as era of challange to Public Administration.

2.2.4 Phase IV - 1948 to 1970

Owing to the challenge posed by the behaviouralist, the discipline of Public Administration passed through the crisis of identity in the forth phase.

Because pre 1947 viewpoint upheld the politics - administration dichotomy and the post 1947 view point adocated their fusion.

Pfiffner stated that politics and administration are so intermingled and confused that a clear distinction is difficult.

Kingsley saw Adminstration as a branch of Politics.

Paul Appleby upheld the fusion view, He said at higher levels administration is more generalised, takes on a greater poitical character and has a total governmental significance. At lower levels, it is less political and more particularistic.

1) Waldo in his Administrative State (1948) Widened the orientation of Public Administration to include policy issues and decision - making processes.

On the other hand, many political scientists began to argue that the true objective of Public Administration was "intellectualized understanding" of the executive. There was also a talk of continued 'dominion of political science over Public Administration.'

In Short, this period witnessed the spectacle of Political - Science not only letting Public Administration separate itself from it, but also not fostering and encouraging its growth and development within its own field.

Therefore, in the post world war II period, the credentials of Public Administration to being a science and a distinct discipline and apart from political, - Science were questioned. This led to the twin development of Public Administration being viewed as political science an also as an Administration science.

2.2.5 Fifth Phase 1971 onwards

In this period Public Administration registered great progress and enriched vision.

1. Focus on the dynamics of adminstration.

2. It is considered as inter-disciplinary.

3. Talk of New Public Administration

4. New trends emerged – in the subject of Public Administration i.e.i) Comparative Administration

   ii) Development Administration

   iii) Market orientation - State and Market

1. Focus on the dynamics of administration

It is focusing its attention on the dynamics of administration. It is also drawing heavily on the management sciences.

2. It is considered as inter-disciplinary

Public Administration has attracted within its fold scholars from various disciplines and thus is becoming inter-disciplinery in its nature.

2.3 COMPARATIVE PUBLIC ADMINISTRATION

Fred Riggs is the father of Comparative Public Administration. In 1962 Fred Riggs in his article "Trends in comparative study of Public Administration," emphasised on following points :-

2.3.1 (A) Emphasised the need to study politico-administrative institutions in their Social settings.

After the second world war, the study of third world countries became a common subject of almost all social sciences. Scholars of comparative Public Administration analysed the question of administrative development to direct socio-economic change in cross - cultural contexts.

b) Hence Comparative Public Administration means cross-cultural and cross national study of Public Administration.

c) To understand impact of comparative Public Administration is necessary.

d) Fred Riggs pointed out three trends in the Comparative study of public administration.

   1) From normative to empirical orientation.

   2) From ideographic to nomothetic orientation

   3) From non-ecological to ecological orientation

1. From normative to empirical orientation

It means emphasis on the scientific methods, with a view to evolve the science of public Administration, Normative study stress on 'What ought to be' and Empirical study stress on 'What is'. In comparative Public Administration we study from 'What

ought to be" to 'What is'.

## 2. From ideographic to nomothetic orientation

Ideographic orientation means study of one nation only or individualistic studies. e.g. concentration on the unique case or case study, the single country, the biography etc.

Nomothetic orientation means Universal studies. This approach seeks generalisations, laws hypotheses that assert regularities of behaviour, correlation with variables. In comparative public administration, we go from individualistic study to universal study.

From non-ecological to ecological orientation

The ecological orientation meant the study of the environment of the administrative system and interaction between the two. Administrative system operates within the political system and is also influenced by social and economic forces. Thus the political, social and economic factors constitute the 'environment' of the administrative system.

E) Comparative administrative studies have been conducted on three levels.

1	2	3
Macro studies	Middle Range studies	Micro studies
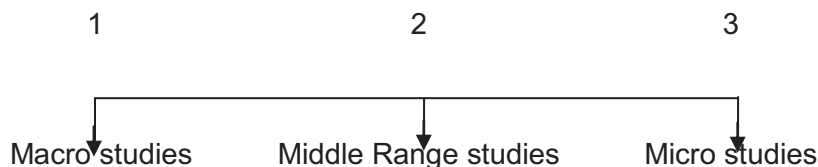
1. Macro studies

It means focus on the comparisons of whole administrative system. e.g. India and the United States in their ecological contexts. Generaly the relationship between an administrative system and its external environment are highlighted in the macro level studies.

2. Middle Range studies

It means studies are of specific aspects of administrative system. e.g. a comparison of local government in different countries.

3. Micro studies

It relates to an analysis of a part of an administrative system. e.g. the recruitment or training in two or more administrative organisations.

Thus the question of modernisation and developmental diversity in different systems are of great importance to the students of comparative public administration.

F) Ramesh Arora has summed up the elements of comparative public administration as under

1. Cross cultural Comparison

2. Developmental Dimensions

3. Ecological perspective

4. Goal orientation

1.   **Cross cultural comparison**

   It means broad comparisons among administrative system of western and non-western countries.

2.   **Developmental Dimensions**

   It means broad comparison of linkage with the question of modernisation.

3.   **Ecological perspective**

   It means comparative study of the interaction between the administrative system and their environment.

4.   **Goal orientation**

   It means analysis of the unique goals of particular cultures in relation to their administrative system.

2.3.2 Importance of the study of comparative public administration

1.   **Provide a scientific basis and help for theory building.**

   Now it is believed that generalisations relating to administrative structures and behaviour emerging out of comparative studies in different nations and cultures can help informulating theoretical constructs which can provide a scientific basis to the study of public administration

2.   **Contributes to a greater understanding**

   The study of comarative public administration contributes to a greater understanding of the individual characteristics of administrative system functioning in different nations and cultures. Besides, Comparative studies also help in explaining factors responsible for cross-national and cross-cultural similarities as well as difference in the administrative system.
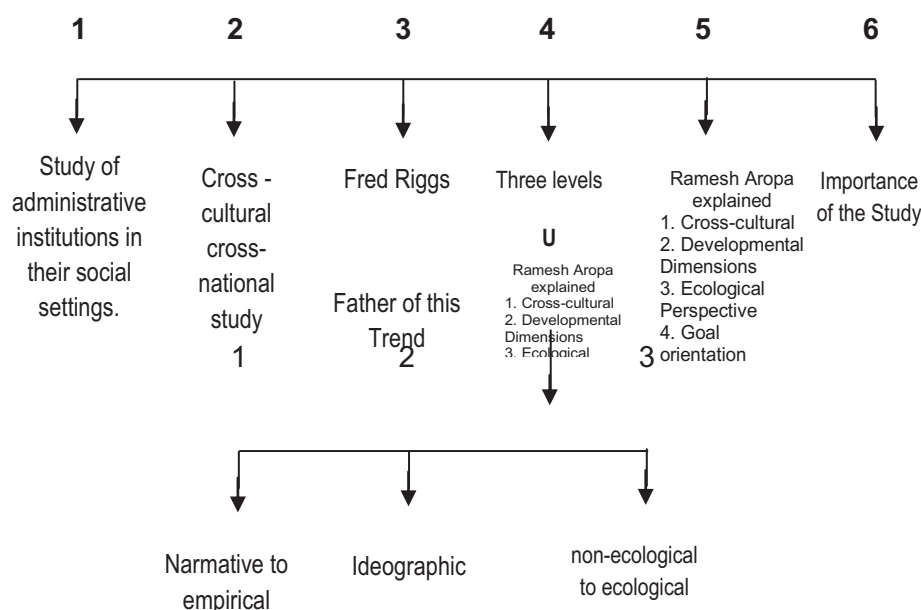
3.   **Can understand impact of environmental factors on administration**

   Through comparative analysis we can find out which important environmental factor help in the promotion of administrative effectiveness and which administrative structures function appropriately and successfully in what type of environmental settings. Accordingly we learn about the administrative practices followed in various nations and then we can try to adopt those practices which can fit in our own nations and systems.

4.   **Academic utility**

   Scientific and systematic study of public administration is possible with the approach of comparative study. Appropriate administrative reforms and changes can be brought about in different nations.

2.3.3 Table - Comparative Public Adminstration.

1	2	3	4	5	6
Study of administrative institutions in their social settings.	Cross - cultural cross-national study	Fred Riggs	Three levels	Ramesh Aropa explained	Importance of the Study
			U	1. Cross-cultural	
		Father of this Trend	Ramesh Aropa explained	2. Developmental Dimensions	
			1. Cross-cultural	3. Ecological Perspective	
	1	2	2. Developmental Dimensions	4. Goal orientation	
			3. Ecological	3	

Narmative to empirical	Ideographic	non-ecological to ecological

2.4 DEVELOPMENT ADMINISTRATION

The concept of Development Administration is a development of the post 1945 era. Following reasons are responsible for the emergence of this concept -

2.4.1 Reasons :

1. Emergence of newly independent developing countries.

2. Development schemes in the developing countries.

3. Establishment of comparative administration group in 1960

1. Emergence of newly independent developing countries :-

The traditional concept of public Administration as 'law and order machinery or revenue administration underwent transformation with the emergence of the 'Welfare state' during the 20th century. Also It a was response to the emergence of the 'Newly Independent states' in Asia and Africa, These countries have problems of poverty, unemployment, illiteracy, malnutrition etc. In these countries, the government and its administrative machinery are looked upon as agents of change. The necessities have made the administration in developing countries development - oriented.

2. Development schemes in the developing countries :-

These developments have had a profound impact on the public administration. The concern with administration for development has compelled attempts to formulate a system of thought capable of integrating complex socio-economic and political systems hitherto considered to be outside the area of public administration. Further, most

developing countries have realised that national development is essentially an integrated process of change. It is a dynamic process directed towards transforming the entire society, enmeshing its economic, social, political and administrative aspects, for an alround, balanced change.

3. Establishment of comparative Administration group in 1960-

D. Waldo, Fred Riggs, Weidner were talk of New Public Adminstration. These scholars in 1968, in Minnibook conference, attempted to define public Administration anew. They focussed on the concept of development administration, in different ecological settings, operates in order to achieve a set of social goals.

2.4.2 Meaning and definitions of development administration :

Weidner stated that Development Administration means "an action-oriended and goal-oriented administrative systems." Weidner emphasised that the study of development administration can help to identify the conditions under which a maximum rate of development is sought and obtained. He contended that existing models for comparison were limited in their usefulness because they made inadquate provision for social change. He suggested development administration as a separate focus for research, the end being to relate different administrative roles, practices, organisational arrangements and procedures to the maximising of development objectives. Pai Panadikar identifies Development Administration with "administration of planned change."

2.4.3 Hallmarks of Development Administration

1. Change - oriented

2. Goal - Oriented and result oriented

3. Citizen participation in the administration

4. Commitment to development

5. integrated and holistic process

6. It has two sides – one is development programmes and other is Its implication

7. Its scope of Operation is wide.

8. Stress on planning

9. believes in decentralization.

1. Change - oriented

Development administration is change-oriented. Traditional administration which was oriented towards the maintenance of stability and statusquo. Hence, Pai Panandikar said development Administration means 'administration of planned change'. The planned development is intended to achieve specific results within the specified time.

2. Goal-oriented and result-oriented

It is result-oriented. It expects specific results and expresses in most areas clearcut norms of performance. Consequently, it would also be judged on the basis of results achieved.

3. Citizen participation

Development being a process of social and economic change, citizen participation in the task of administration is vital. The public servants must be able to carry the citizens with them and draw them actively into the developmental processes. To basic change in the outlook of the civil servants.

4. Commitment to development

Development administration requires a firm commitment, a sense of involvement and concern on the part of civil servants, if the goals of development are to be realised.

5. Integrated and holistic process

Development administration is inter-related and holistic process of change. It refers to the structure, organisation and behaviour necessary for the implementation of schemes and programmes of socio-economic change undertaken by the governments of developing nations."

2.4.4

6. It has two sides

Firstly, it refers to the administration of developmental programmes, the methods used by large-scale organizations, especially governments, to implement policies and plans designed to meet developmental goals.

Secondly, Development Administration involves the strengthening of administrative capabilities. These two aspects are intertwined in development administration.

7. Its scope of operation is wide

Traditional public administration was limited to its function of maintaining law and order. But the scope of development administration is wider.

8. Stress on planning

It is planned change. The administrative capabilities are strengthened to achieve developmental goals.

This objective is linked with planning. The planned development is intended to achieve specific results within the specified time.

9. Believes in decentralization

Traditional administration believes in centralization. But Development administration believes in decentralization.

2.4.5 Difference between traditional public administration and Development Administration

Development Administration

1. change - oriented

2. goal and result oriented

3. flexible and dynamic

4. Its objectives are complex and multiple

5. Concerned with new tasks.

6. believes in decentralization

7. stress on planning

8. Creative and innovative

9. Stress on participation of people

Traditional Public Administration

1. Status-quo oriented

2. emphasis on economy and efficiency

3. It is hierarchical and rigid.

4. Its objectives are simple and limited.

5. Concerned with routine operations.

6. believes in centralization.

7. Does not rely much on planning.

8. It resists organisational change.

9. Stress on directions from authority.

2.4.6 Conclusion

Though there is difference in public administration and Development administration, yet both are supplimentary to eachother. One cannot sustain in the absence of another.

2.4.7   Table

Development Administration

1	2	3	4
Reasons of Emergence of public administration	Definitions	Hallmakrs	Difference between Development Administration
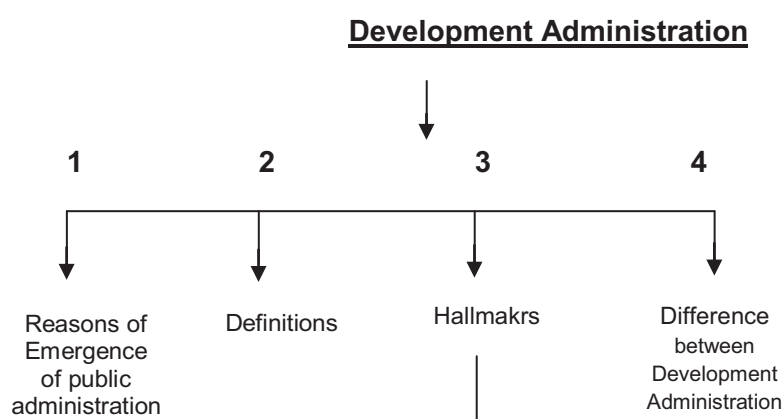
2.5 NEW PUBLIC ADMINISTRATION

Introduction :- In the evolution of Public Administration one more stage is the emergence of "New Public Administration." During 1960s it was found that the science of Public Administration displayed unawereness of numerous socio-economic and political problems as well as its inadequacy to offer any solution to the problems.

2.5.1 Emergence

In 1967, American Academy of political and social science organised a conference in Philedelphia. The topic was "The Theory and practice of Public Administration : Scope, objectives and methods." In this conference participants expressed their views and after discussion following points emerged -

1. Bureaucracy should be studied structurally as well as functionally.

2. Definition of the subject is as difficult as de-lineation of its scope.

3. A hierarchical view of organisational authority needs to be changed; administrators must view workers as "coordinates" rather than 'subordinates',

4. Policy and political considerations are replacing management concerns as the major focus of public Administration.

5. Future administrators should be trained in professional schools. Public Administration courses should emphasis not only Administrative organisation and procedures but also in interdisciplinary approach.

6. Public Administration has not been able to deal with societal problems.

Conclusion of the discussion was - Public Administration should be viewed as an acadmic discipline, as a field exercise and as administration in the public interest.

In 1968 in Minnowbrook conference Dwight Waldo expressed following points about new Public Administration.

1. What is the proper terrain of Public Administration?

2. What are the logics of inquiry appropriate to the tarrain?

3. What is the social relevance of knowledge in Public Administration?

In 1971, Frank Marini published a book 'Towards a new Public Administration' New Public Administration emphasis on the following themes

1. Rejected the value neutral view

2. Less generic and more public

3. Stress on social equity

4. Anti-bureaucratic, anti-hierachical, anti-technical.

5. Socially conscious and client oriented view.

6. Stress on Decentralization of administrative process.

7. Stress on qualitative transformation.

1. Rejected the value neutral view

The new Public Administration made clear its basic normative concern in administrative studies. It rejected the value neutral view taken by behavioural political science.

2. Less generic and more public

New Public Administration stresses on innovation and change. Hence, it take more public and client oriented view.

3. Stress on Social equity

The protagonists of new Public Administration state that the distributive functions and impact of governmental institutions should be Public Administration's basic concern. The purpose of public action should be the reduction of economic and social disparities and the enhancement of life opportunities for all social groups.

They take action-oriented stand and said that Public Administrators should work for the removal of the wrongs of society.

4. Anti-bureaucratic, anti-theoretic and anti-technical

To serve the cause of social equity is to actively work for social change. The attack is on the status-quo and against the powerful interest entrenched in permanent institutions.

5. Take client-oriented and socially Conscious view

In the third - world countries where Public Administration is in dire need of basic, qualitative transformation. New Public Administration displays an intense concern for relevant societal problems.

6.   Stress on Decentralization of Administrative process

New Public Administration give importance to Institutional pluralism. Functions, responsibilities should be distributed in many parts.

7.   Stress on qualitative transformation

It stresses ethics and values. It lays emphasis on change. The study of formal organisation, its structure and processes is of secondary importance to the new theorists.

According to this new approach the most important need of the times is to be alive to the contemporary issue and problems with a view to finding ways and means for their solution, and to have organisational change to suit the changing times.

2.6 CONCLUSION

Public Administration of the state will become more meaning and useful with this characteristics of new Public Administration.

Table - New Public Administration

1.   Origin and development

2.   Characteristics

3.   Conclusion

2.7 QUESTIONS

1.   Trace the evolution of Public Administration.

2.   Explain the changing nature of Public Administration.

3.   Comment on any one of the new concept in the science of Public Administration.

4.   Write short Notes.

1. Comparative Administration

2. Development Administration

3. New Public Administration

❖❖❖

3

Module II

PUBLIC ADMINISTRATION IN THE AGE OF LIBERALISATION, PRIVATISATION AND GLOBALISATION

Unit Structure

3.0 OBJECTIVES

Public Administration as a subject of inquiry as well as practice cannot remain isolated from the developments in the real world. As throughout the last century the political, economical, and social changes were engulfing the human life all over the world, these changes also influenced the public administration. Decade of eighties brought fundamental change in the orientation of public administration in the western world. These changes are owing to the wave of globalization. In this unit we are broadly entrusted with the task of understanding the impact of the globalization and liberalization on the public administration. Narrowly we will fulfil following objectives.

♦   To understand the meaning and dynamics of globalization and liberalization.

♦   To understand the concept of New Public Management

♦   To understand the concept of Good Governance.

3.1 LIBERALIZATION

Liberalisation means liberating the economy. It helps in accelerating the process of globalisation, reduces government control over the economy and opens it for national and international business organisations. In this process the national and international organisations are treated differently. In some cases the national organisations may have an advantage over the international/multinational or transnational companies. National companies are protected. The pace of change is determined by the concerned government.

Public and private sector companies can coexist in a liberalised economy. Liberalisation basically involves ending of the monopoly of government owned companies. In the 1990s the Indian Government liberalised the insurance sector which was the monopoly of the Life Insurance Corporation of India (LIC), a government owned company. After liberalisation private national and international players entered the field. LIC continued to operate in the new environment still under government ownership and control. This example clearly indicates that liberalisation doesn't necessarily mean privatisation of all government owned companies.

Liberalisation encouraged competition among the players. Consumers had better options to choose from. In case of the insurance sector it was practically impossible for LIC alone to cater to the needs of the huge Indian insurance market. Private players in the insurance sector have helped to expand the insurance market. The use of state-of-the-art technology by these companies has simplified the transactions for the consumers and has also compelled the LIC and other government owned companies to modernise their business.

Check Your Progress

Liberalization refers to (Select odd man out)

1. Market regulation
2. Privatization
3. Deregulation
4. Democratization

3.2 PRIVATISATION

The acceptance of policy of globalisation and liberalisation naturally leads to privatisation. It is also known as disinvestment.   It means selling off public sector enterprises to private industries. In some cases the government reduces its own share in the public sector companies – e.g. Some shares of the Maruti Udyog ltd. were sold in the open market through an initial public offer (IPO). Videsh Sanchar Nigam ltd. (VSNL) was sold to the TATA group. Centaur hotels in Mumbai at Santacruz and Juhu were sold to private companies. The Ashoka group of hotels, a government owned chain of hotels in various cities in India was sold to the private sector companies. BSES (Bombay suburban electric supply) was sold to Reliance group of industries. After 1990 many public sector industries were privatised.   Private sector telecom players have asked the government to privatise BSNL and MTNL, the two telecom giants in the public sector.

The disinvestment department was established in 1999 under the finance ministry. It supervises the disinvestment process in the country as a whole. Private industrialists have always asked for the privatisation of profit making public sector units. (PSU) Disinvestment releases the financial burden of the government.   Funds which are released can be invested in welfare activities.

The LPG policies have proved to be beneficial for the upper class people in India. They have become richer.   There are now many Indian industrialists listed by the Forbes magazine among the first hundred richest people in the world. We have many private airlines providing national and international services, FM radio stations broadcasting 24/7, Satellite television, malls, mobile phones, improved telephone services, international universities, call centres and fat salaries for the youngsters, broadband internet, E-commerce, E-trading, E-governance, full computerisation and national and international networking of banks, improved highways and three lane and four lane cement expressways, better railway services etc.

The industrial and the service sector received many concessions. There profit margins have increased. Now we have Indian multinationals. Many of these Indian multinational companies are aggressively involved in mergers and acquisitions world wide.   Share markets are attracting the neo rich and the rising middle class.   Investment in the share market has no longer remained a taboo for the middle class. Initial public offers are being oversubscribed heavily. (The initial public offer of Aditya Birla group company Idea Cellular in February 2007, was oversubscribed more than 57 times, generating the highest ever demand of Rs 1,21,557 crore -- surpassing Rs. 1,13,850 crore registered by the Reliance Petroleum IPO last year. The Reliance Petroleum IPO was oversubscribed 52 times - Economic Times). The Rupee has gained strength against the Dollar over the past few years.

But LPG process has its darker side also. All over India suicide cases of small and landless farmers are on the rise. They are heavily indebted. Rising unemployment is another grave problem among urban youth. Government has stopped almost all new recruitment in the administration. In the private sector lay offs and salary cuts have become routine. Often the pink slip (official notice telling you that you have been fired from your job) is issued to the employees. Private jobs are becoming more and more insecure.   Many workers loose their jobs at the age of 40 or 45 as a result of the company offering 'voluntary

retirement schemes'. Welfare schemes are closed down by the government. It has also reduced its spending on the education sector. Teachers are appointed temporarily on contract basis in schools and colleges, tuition fees for schools and college have been hiked.

Property prices in urban and semi urban areas have been zooming up making it impossible for the poor and the middle class to own even a small house there. They shift to remote suburbs, where they can have houses at comparatively cheaper rates and prefer to commute daily to the central business district through a poor public transport system for jobs. We have five star hospitals catering to the needs of the rich and the foreigners who enjoy medical tourism and poor medical facilities for the rural areas.

Urban centres are experiencing unplanned development. Slums and crime are on the rise in these areas. Encroachment on forest land is another problem. It is badly affecting the environment.

3.3 GLOBALIZATION

Globalization means

- "Integrating and connecting cultures and communities in new space-time combinations, and 'making the world in reality and in experience more interconnected"

Hall

- "Globalization is the integration of markets, finance and technologies in a way that is shrinking the world from a size medium to a size small and enabling each of us to reach around the world farther, faster and cheaper than ever before. Like all previous international systems, it is directly or indirectly shaping the domestic politics, economic policies and foreign relations of virtually every country."

Friedman

Globalisation is a complex concept. In this chapter we will basically consider economic globalisation. Globalisation in that sense means opening up the economic system of a nation to the world – to all other countries and particularly to the companies in other countries for all types of trade and commerce. Nations open up their systems and expect that other nations will follow suit.

The global economic system before 1980 was a closed system to a large extent. Many tariff and non tariff trade barriers existed. Barriers were created to protect the domestic economy. The volume of global trade was very limited. Smuggling of electronic goods and gold from the developed nations to the developing nations was rampant as their existed a demand for these commodities in the markets of developing countries and no legal channel was available to fulfil the demand. All types of imports were heavily taxed, some totally banned. There were many restrictions for foreign companies to operate in India. Communist systems didn't allow their citizens to have private property beyond certain essentials as a home or a two wheeler. But in the 1990s the world has changed upside down. The communist systems collapsed one by one, third world nations started opening up their economies, adopting liberal policies. This process gained momentum particularly after the fall of the Soviet Union in 1991.

The process of liberalisation and globalisation was initiated by US and UK in the 1980s. Following factors gave a boost to the process:-

1. The fall of the Berlin wall in 1989 and the union of east and West Germany.

2. The anti-communist revolutions in the erstwhile Communist countries dominated by USSR such as Hungary, Romania, Poland, Czechoslovakia, East Germany, Bulgaria, Albania, etc.

3. The disintegration of Communist Yugoslavia into three different republics of Bosnia & Herzegovina, Croatia and Slovakia based on ethnicity.

4. The disintegration of the USSR and creation of 15 independent republics. (Estonia, Latvia, Moldavia, Ukraine, Uzbekistan, Tajikistan, Armenia, Georgia, Kazakhstan, Azerbaijan, Turkmenistan, Kyrgyzstan, Lithuania, Byelorussia -now Belarus - and Russia.)

Particularly after the fall of the Soviet Union the process of Liberalisation, Privatisation and Globalisation (LPG) was made irreversible.

Globalisation proved beneficial to the developed nations of the world. The developing nations can't compete with the superior technology of the developed nations. The developed nations have advanced production techniques, information technology, expertise in the fields of law and finance. With the help of these factors the developed nations compete with the comparatively backward countries. They always remain ahead of the developing countries.

But for the developing nations it's a different story. They get capital and modern technology. There is no doubt that they are benefited by implementing and participating in Liberalisation, Privatisation and globalisation but the process has its problems also. There are cultural conflicts, and the problem of layoffs and unemployment which is the result of use of modern capital intensive technology.

China and Russia have adopted LPG in a different manner. China started changing its system gradually from 1979 onwards. Maintaining the communist character of the political system it opened up its economy for the world. It invited foreign direct investment on its own terms and requirements. Today after 30 years it has evolved as a giant economy. It has the potential to become an economic superpower. US considers it as a major threat.

On the contrary Russia adopted the process of LPG in haste as suggested by the international financial institutions (IFIs) – the IMF – the International Monetary Fund and the World Bank in the post 1991 period. It was just like a 'shock treatment' to the economy. The fragile economy can't survive the shock and sent Russia into doldrums. It recovered only after Mr. Putin emerged as the new leader of Russia, in 1999, after Yeltsin, stopped following the directions of the IFIs and adopted domestically suitable economic policies.

The process of globalisation is complex. Development in the world is not equal. All nations have not achieved the optimum level of development. A few are highly developed, some are developing and others are least developed.

1. Developed nations include the northern part of the world which includes US, Canada, European Union, the oil producing countries in the gulf, Australia, Japan and Russia

2. India, Brazil and other major Latin American countries can be categorized into developing nations.

3. Countries in the sub-Saharan Africa are the poorest in the world. They are also experiencing worst kind of conflict in the world.

The attitude of a particular country towards the process of globalisation largely depends upon its economic condition. The developed countries have benefited most from the process of globalisation so they are the most aggressive and active supporters of globalisation. The developing and backward nations have a mixed reaction. Some feel threatened by the process as they feel that they will not be able to cope up with the fierce competition posed by the giant corporations from the developed nations. Some have accepted the process as inevitable.

Within the nations we observe a similar picture. The rich support the process of globalisation whereas the poor are badly affected by the process. For example in India the Ambanis and Birlas are campaigning for faster implementation of the process of LPG whereas the left parties which claim to represent the workers and the poor sections of the Indian society are vehemently opposing the process. Reliance, Tata group of industries, Infosys, Wipro have emerged as the new Indian Multinationals.

Foreign investment both in the form of FDI (Foreign Direct Investment) and Portfolio investment has its pros and cons. It facilitates the acceleration of the process of development by providing and assuring the continuous flow of capital as and when required. But the continuity is not guaranteed. There is always a possibility of a sudden withdrawal of the capital. This has happened in 1997 in Asia. It triggered a grave economic crisis in the Asian countries. The foreign investors are not committed to the development of the country. Profit is their first priority. If they feel that they have a better opportunity elsewhere or they feel that the system where they have invested, will crash, they are tempted to withdraw and as a consequence the system actually crashes. The capital has strings attached with it. The conditions that are laid down may badly affect the social and political system of the borrowing country. It may invite trouble for the government and the society as a whole.

In order to understand the impact of globalization and liberalization on the public administration in general and in the form of New Public Management and Good governance in particular we will now focus on certain key issues which brought transformation in the theory and practice of public administration in the post World War II era.

Check Your Progress

1. Globalization implies compression of time and space in terms of communication, information, trade, culture. True/False

2. Globalization is uni-dimensional i.e. only economical True/False

_____

_____

_____

_____

3.4 PUBLIC ADMINISTRATION SINCE WORLD WAR II

Since World War II the development was considered a state activity. Due to this the role and function of government had witnessed an unprecedented increase in both developed and developing countries. The reverse trend is observed after 1980s in the developed world. The globalization of neo liberal economic formula as a model of development drive the economies towards a market-driven, private sector led 'development' which emphasized on the rolling back of the state. This shrinking of state affected the size and spending of the public sector. The New Right of Britain and America and the 'structural adjustment' policy of the World Bank directed the process of economical integration of world economy which sparked the wave of economic reforms that swept through the public sector after 1990s.

In the present situation the role of the state vis-a-vis the market is changed. Government and thus State now a days have lost a position of sovereignty which it enjoyed earlier. Increase in global interdependence in terms of international economic and financial relationships, and international institutional collaboration affected the capabilities of the governments to decide exclusively on the national affairs. National economic resources and political decisions have got global overtones. At the same time new issues of governance erupted with unprecedented intensity, like environmental management, ethnic minorities, tribal development, child labour, gender equality, social equality, human rights which increased the pressures over the present day governments.

"Thus the contradictory forces of globalization and liberalization on the one hand and the search of communitarian, egalitarian, eco-friendly, humanistic civilization on the other have thrown up challenging agenda items before public management today."

Check Your Progress

1   Since World War II functions of governments have been increased. True/False

2   Neo liberal economic theory advocate (select odd man out)

   a. Free market

   b. Development of private sector

   c. Shrinking of state d. State control of market

3.5 NEW PUBLIC MANAGEMENT

New Public Management is the development of the eighties in last century. It primarily emerged as a critic of traditional approach of Public Administration which was 'Weberian' 'Bureaucratic'. The guiding philosophy of traditional approach is the management of public interest and the separation of politics from administration. Some of the important principles of the traditional model of administration are:

• Institutional structure of work

• Rule orientation

• Impersonality

• Neutrality

• Anonymity

• Specialization

• Hierarchy of offices

• Centralization of command structure

• Public/private distinction.

The critics of this approach point out that:

• Its organizational design led to rigid hierarchical centralized structures dysfunctional to organizational goals.

• Public agencies became machine-like, rigid and impersonal.

• Effective management of the public sector and efficient production of organizational targets could not be correlated with the so-called universal principals of traditional public administration.

• In real life the bureaucratic mode of organization was not necessarily the most national, efficient or effective model of organizational design.

Thus the major concepts of traditional public administration are now challenged on the fronts of efficiency, effectiveness, accountability, transparency and responsiveness. The modern age with the rapid change in technology and societal demands ask for different paradigm of administration. At this juncture an idea of deploying private sector managerial tactics for the public service gained ground in the 1980s. Citizens are now increasingly viewed as consumers of public goods. Many of the flexible organizational designs and practices pioneered by the corporate sector and business administration are found introduced in the public agencies. Both sectors are now viewed as complementary to each other rather than separate and antagonistic. This new paradigm of public sector management is called as New Public Management with efficiency, economy and effectiveness as its watch words. New Public Management is theoretically rooted in Public Choice Theory and Neo -Taylorism

Public Choice Theory

- Principal exponents of Public Choice Theory are Buchanan and Tullock, Vincent Ostrom, Niskanen.

- Underlying assumptions of PCT are

1. Individuals act rationally with adequate information and ordered preference.

2. Individuals are utility maximizers.

Neo-Taylorism

- It believes that major reasons for the dysfunctionality of the public sector are the high cost of subsidizing the public services and lack of accountability of individual administrators.

- Public organizations are geared to routine and maintenance administration rather than adapt to the dynamics of rapid social change.

3.5.1 Features of New Public Management:

Some of the salient features of New Public Management are as follows:

- Public agencies should employ the private sector techniques to provide quality services to citizens with managerial autonomy to the public management.

- Emphasis should be on performance evaluation indicators to measure actual achievements and the quality of services.

- Central departments should be relieved from the operational activities which should be shifted to the field agencies.

- In order to make use of more expertise and employee creativity working conditions must be made flexible and contractual appointments must be promoted.

- Public agencies should publicize their results and performance on regular basis.

- Steps should be taken to create conducive environment for more effective and productive managerial leadership. To achieve this, hierarchical structure of organization should be abandoned. Recruitment and training of personnel should be based on merit and performance. Attractive salary structures and diverse roles should be offered to maintain the moral of the managerial force.

- Personal accountability and responsibility should be ensured by linking up rewards like pay structures with fulfillment of performance targets.

- Managerial decisions should reflect cost consciousness.

EXPERIENCE OF NPM

UK

The concept of citizen charter has been introduced to ensure greater citizens satisfaction.

New Zealand

• Public sector corporations are sold to private sector.

• Contracts have been entered between the Chief Executives of the Corporations and Ministries to specify the input and output.

• Autonomy has been granted to public sector organizations.

Canada

• Public Service has been more open and visible.

• The link between people and interest group on one hand and government on the other hand is strengthened.

• Powers are delegated to the public organizations and they have been made accountable for results.

India

Opened up new areas for private sector development, dismantling price controls, deregulation and privatization of loss making public sector enterprises.

3.5.2 Evaluation of NPM

In brief NPM advocate the progressive back tracking of government from the micro issues especially removal of political interference in the administration at the execution of the policies. 'Economic rationality' and 'performance' are the keywords of NPM. NPM attempts to refashion the bureaucracy as a dynamic, result-oriented, efficient, responsive and responsible public servant who is sensitive and aware of public needs, wishes and preferences. In order to achieve its objectives NPM attempts to downsize governments and tries to replace the philosophy of 'public interest' with that of the 'market' which is criticized by scholars of public administration. Its central concern about optimization of scarce public resources and development of new ways of public/private cooperation receive positive response but its emphasis on the relaxation to the market forces is targeted by many especially in the Third World.

Check Your Progress

1. Following are the watch words of the New Public management:

   A...........

   B...........

   C...........

2. New Public Management is theoretically rooted in Public Choice Theory and Neo - Taylorism

   True/False

3 Assumptions of Public Choice Theory are:

   A..

   B..

3.6 GOOD GOVERNANCE

Recently the term "good governance" is being increasingly used in development literature. Bad governance is being increasingly regarded as one of the root cause of all evil within our societies. Like New Public Management the concept of Good Governance is also the product of the 1980s which emerged out of the synthesis of development administration and the neo liberal restructuring of government. The concept is elusive and value laden. Thus proved to be difficult to define accurately.

Two documents attempted to sketch the outline of the concept. Firstly, the World Bank's 1989 document on Sub-Saharan Africa, and secondly World Bank's 1992 document.

In its document of 1989 World Bank cleared the concept of Governance with three parameters;

1. Public Sector Management and Accountability

2. Legal framework for development

3. Information and transparency

In the document of 1992 entitled 'Governance and Development' the World Bank stated three applications of the concept of governance;

1. In the form of political regime

2. The process by which governmental power is exercised in the management of a country's economic and social resources

3. The capacity of governments to design, formulate and implement policies

It is imperative to understand that present need to reconceptualise the governance is felt out of the compulsion of regulating developmental assistance given by the international

financial institutions like World Bank to the Third World countries. The World Bank after its establishment in 1944 in the Bretton Woods Conference, is committed to provide developmental assistance to the underdeveloped and developing countries for the purpose of poverty reduction, education, health, empowerment of weaker sections, environmental sustainability etc. Around 1980s the World Bank from its lending experience in many developing countries observed that despite of sound policy design, programmes and projects have failed due to institutional failures in those countries.

World Bank experts identified some of the problems as;

1. Governments in these countries are not determined enough to implement the policies.

2. There is an absence of proper accounting or budgetary system

3. Widespread corruption is prevailing in these countries.

4. General lack of popular participation due to public apathy and misinformation among the people.

In order to overcome these difficulties lending agencies like the World Bank insists on 'structural adjustment programmes' for the recipient countries which emphasize on downsizing the bureaucracy, opening up new sectors to the private sector for development and redefining the state role as an 'enabler' rather than a 'provider'. The development aid was linked up with promotion of open, market friendly competitive economical readjustment of the national economies, support for democratization and improvement of human rights records and insistence on the new package called 'good governance'.

OECD further clarified the expectations of lending countries vis-a-vis recipient countries under the following heads;

•   Participatory Development

•   Human Rights

•   Democratization

•   Legitimacy of Government

•   Respect of human rights

•   Rule of law

3.6.1 Features of Good Governance

From the above discussion we can spell out some important features of Good Governance. Good Governance insist on removal of corruption, voices for the minorities, participation of most vulnerable in decision-making and responsive to the present and future needs of society.
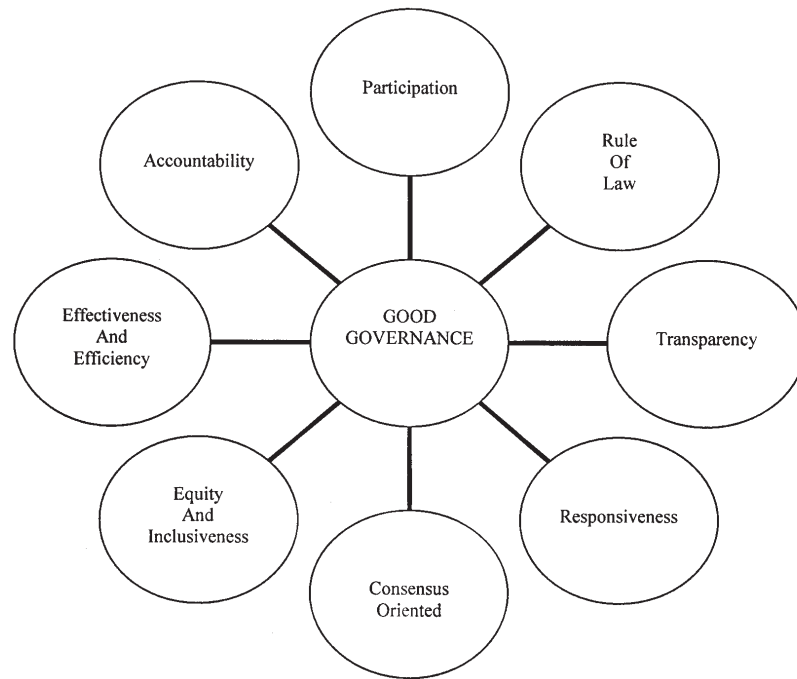
DIAGRAM: Features of Good Governance

Participation

Inequalities and discriminations of various kinds like gender, race, caste, creed, place of birth etc are addressed in the good governance by participation of various stakeholders in governance either through direct or through legitimate intermediate institutions or representatives. Informed and organized participation is emphasized. It means freedom of association and expression for all to raise their concerns.

Rule of law

Good governance requires fair legal frameworks that are enforced impartially. It entails protection of human rights, particularly those of minorities; impartial enforcement of laws which requires an independent judiciary and an impartial and incorruptible police force.

Transparency

Transparency suggest three things; firstly, decisions must be taken and enforced in proper legal manner, secondly, the information must be freely available and directly accessible to the affected, and thirdly, complete information in easily understandable forms and media.

Responsiveness

It suggests that governance must be responsive to the concerns of all stakeholders within a reasonable timeframe.

Consensus oriented

Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This needs sensitivity of the administration to the historical, cultural and social contexts of a given society or community. In political term it is called as political pluralism.

Equity and inclusiveness

Good governance must address the issues concerning justice and equity. None in the society should feel side lined or exploited in the process of development. Growth should be inclusive and equitable. Mostly the vulnerable and marginalized must share the fruits of the development and must have opportunities to improve and maintain their well being.

Effectiveness and efficiency

It means that developmental needs of the society must be achieved by the optimum utilization of the resources at their disposal. It further suggests sustainable use of natural resources and the protection of the environment.

Accountability

Accountability is a key of good governance. Both public and private institutions along with civil society organizations must be accountable to the public and to their institutional stakeholders. Transparency and Rule of Law are prerequisites of accountability.

3.6.2   Evaluation of Good Governance

Good governance is thus a vague normative formulation which is very difficult to practice in its original form. The criticisms of the good governance can be summed up in the following points:

- It draws very ideal picture of harmonious functioning of various stakeholders like State, Private Sector and civil society organizations like NGOs. In reality their relationship is complicated and guided by their struggle for supremacy in their respective spheres which hampers the process of governance and divert the resources in wrong directions.

- Good governance advocates increasing participation of private bodies in the issues of governance. However practice shows that accountability for an activity which has been contracted out, and maintenance of ethical standards in private sector is problematic to maintain.

- It seems that the concept tried to re invent the old politics administration dichotomy of the Wilsonian age which is nothing but a neo-liberal agenda to legitimize the profit making agenda of capitalist economies from the first world.

- Good governance attempt to impose western notion of democracy and governance over the Third World. It neglects indigenous structures of governance alternative paradigms of developments.

- To belittle the importance of public agencies in the Third World may prove disastrous due to the social and political issues (like communalism, casteism, racism, ethnic clashes) involved in the community life of the people from these countries.

Check Your Progress

Fill in the Blanks

Features of Good Governance are:

Participation   B..........................

C Transparency   D..........................

E Consensus oriented   F..........................

G Effectiveness and Efficiency H..........................

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3.7 PUBLIC CHOICE APPROACH

Public choice approach or the public choice theory is a novel approach to study bureaucracy developed by American economists in the second half of the twentieth century - in mid 1960s. . The founding fathers of public choice theory include Kenetth Arrow Duncan Black, James Buchanan, Gordon Tullock, Anthony Downs, William Niskanen, Mancur Olson, and William Riker. Public choice has revolutionized the study of democratic decision-making processes.

Public choice approach is best defined as application of the rational choice model to non-market decision making – application of laws of economics to political science.   It supports the neo-liberal policies. It is against the welfare state.

This theory challenges the Weber's approach towards the bureaucracy.   This approach assumes that decision making in government is based on unselfish motives. Bureaucrats are unselfish.

Public choice theory criticizes this approach.   They say that the bureaucrats are inefficient and unresponsive – and this is because bureaucracy is not subject to market forces.

Choice implies competition.   Public choice theory wants competition into public administration in order to make it efficient and responsive.

There is no correlation between public revenue and expenditure. The civil servant has little incentive to minimize the costs and maximize profits.   Bureaucrat is a budget

maximiser. The monopoly of bureaucracy must be reduced by exploring private sources of supply of public services.

Increasing dissatisfaction with the performance of the bureaucracy stands in sharp contrast to the success of the private sector. It believes in market values. It is against monopolies. Public choice theory wants to abolish the monopoly of the government in the supply of public services.

3.8   LET'S SUM UP

To sum up the entire discussion on the public administration in the age of globalization and liberalization we are in the position to say that failures of traditional welfare oriented approach to the governance to solve the major problems of the citizens lead to the rethinking of the role of public administration. In those circumstances Neo liberal theorist found a justification for the free market policy of liberalism. This results in discarding traditional Weberian bureaucratic model of administration and emergence of New Public Administration and Good Governance.

New Public Administration is the synthesis of public ethics and private competence. With the watch words of efficiency, economy and effectiveness NPM becomes synonymous with the Neo Liberal Agenda of development induced growth.

Good Governance altered the administrative fabric of the third world countries with its eight principles to be accountable for the assistance received from the international donor agencies for the developmental purposes.

New Public Administration and Good Governance along with its manifold problems of implementation have now become key words in the vocabulary of public administration after 1980s.

3.9 SUGGESTED READING

- Avasthi, Maheshwari; 2004; Public Administration; Lakshmi Narain Agarwal; Agra

- Basu Rumki; 2005; Public Administration Concepts and Theories; Sterling; New Delhi

3.10 UNIT END QUESTIONS

1.   Describe the shift in the theory and practice of public administration from traditional Weberian model to neo liberal market based model in 1970s.

2.   Explain the concept of New Public Management with its key features.

3.   Explain the concept of Good Governance along with its main characteristics.

4.   Briefly explain the Public choice approach.

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4

PRINCIPLES AND THEORIES OF ORGANISATION

Unit Structure:

4.0 OBJECTIVES

After studying this unit you will be able to:-

★   Understand the meaning and importance of delegation.

★   Discuss the different types of delegation.

★   Explain the various principles of delegation.

★   Discuss the limitations and hindrances to delegation.

4.1 INTRODUCTION

In the present era of large scale organisations. The volume of work of organization is increasing day by day. As a result of this in such large organizations head of the organisations cannot keep all the powers with himself. He is required to delegate his

authority to his subordinates. All organizations are organized on the basis of principle of hierarchy which binds different levels and units of the organization with a continuous chain of authority. The need for delegation of authority is greatly felt with the expansion of work in an organization. In this unit we shall discuss importance, characteristics, types and limitations to delegation in administrative organisations.

4.2 PRINCIPLES OF ORGANISATION (MEANING OF ORGANISATION)

Administration involves co-operative efforts by a number of people to attain common purpose. Such plan of action is called organization. Mooney defined organisation as "organisation is the form of every human association for the attainment of a common purpose. L. D. White defines that" organisation is the arrangement of personnel for facilitating accomplishment of some agreed purpose through allocation of functions & responsibilities. We are discussing Hierarchy, Delegation & Decentralisation as principles of organisation.

4.2 1 Hierarchy

The term 'Hierarchy' is derived from the Greek term for a ruling body of priests organized into ranks. It is also known as 'scalar' principle derived from 'scale' which means 'ladder' with several steps. Literally, the term 'hierarchy means control of the higher over the lower. IN administration it means an organization structured in a paramedical fashion with successive steps interlinked with each other, from top to bottom.

Mooney has explained the scalar chain in the following way. "The Scalar principle is the same form in an organization that is sometimes called hierarchical. A scale means a series of steps, something graded. In an organisation it means the grading of the duties, not according to different functions, but according to the degrees of authority and corresponding responsibility. For our convenience we shall call this phenomena of organisation the scalar chain."

While highlighting the universality of the scalar chain in the organisation, Mooney asserted that 'wherever we find an organisation even two of people, related as superior and sub-ordinate. We have the scalar principle. This chain constitutes the universal process of co-ordination, through which the supreme co-ordinating authority becomes effective throughout the entire structure." According to him, the scalar process has its own principle, process and effect.

The scalar system denotes that every employee is bound in a single chain of command. In the words of Stephen Robbins, "the chain of command is an unbroken line of authority that extends from the top of the organisation to the lowest echelon and clarifies who reports to whom."

Definition

According to L. D. White "Hierarchy consists of the universal application of the superior. Subordinate relationship through a number of levels of responsibility reaching from the top to the bottom of the structure."

According to Robert Presthus

"Hierarchy is a system of ranking positions along a descending scale from top to the bottom of an organisation."

Principles of Hierarchy

i) Principles of 'through proper channel', that is, all commands and communications should pass through a proper channel. No intermediate level can be skipped in transacting business.

ii) Principle of 'correspondence', that is authority and responsibility should be co-equal and coterminous at all levels. It is believed that "authority without responsibility is dangerous and responsibility without authority is meaningless."

iii) Principle of 'unity of command,' that is a subordinate should receive orders from one superior only. The following diagram illustrates the principle of hierarchy in administration.
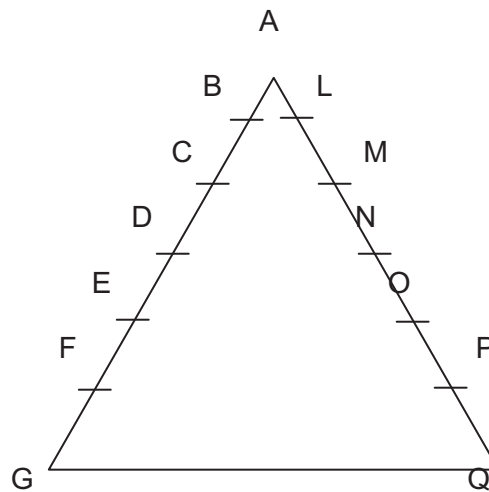
In the above diagram A is the head of the organisation. The immediate subordinate of A is B and immediate subordinate of B is C. But C is also subordinate to A through B. This is true of all the other levels in the line, that is D, E, F & G. Hence, orders flow from top to bottom, that is from A to B. B to C and so on, and communication flows from bottom to top, that is, from G to F, F to E, and so on. The same is true on other side that is A to Q. The communication between G to Q takes place through A, that is, it ascends to A from G and descends from A to Q in a step by step manner. This is called communication 'through proper channel.' The line of authority linking the entire organisation is represented in the above diagram.

Advantages

i) The hierarchical system promotes division of labour and specialisation. Responsibility and work is divided between the different levels of administration from top to bottom. A great deal of business is disposed of at the lower levels and only important matters of policy and direction are handed at the top level. This prevents congestion in the flow of

business. It relieves the chief executive and other top officers from the burden of attending to minor details.

ii) The hierarchy serves as a channel of communication upwards and downwards. Every person in the organisation is aware of the steps through which he has to proceed. He knows from whom he has to get work done and to whom he is answerable for his work.

iii) This system gives effect to the method of 'through proper channel.' It ensures that there will be no short circuiting of the procedure or ignoring of the intermediate links. It also promotes discipline in the service as a subordinate officer who is dissatisfied with his immediate boss cannot approach the next higher authority knowledge of the former.

iv) It helps to clarify and define the relative position and responsibilities of each and every post in the organisation. Everybody knows that what is the position and what are his powers without any doubt or confusion.

v) The scalar principle is based on the principle of delegation of authority by a superior to his subordinates. It is possible to establish various centres of decision and control without undermining the unity of command.

Disadvantages

i) The system of hierarchical organisation suffers from the defect of delays in administrative organisation. The procedure of through proper channel causes red-tapism which means delay in disposal of cases. Every paper has to move step by step and at every step it has to wait for certain time. When the superior is too 'officious' or too lazy, the paper may be lost in the files and may be found when it is too late. For e.g. a retired employee's pension may be sanctioned after his death.

ii) The hierarchy may cause rigidity in administration. Such rigidity is not conducive to the development of dynamic human relationships amongst its members.

iii) It creates superior-subordinate relationship due to differences at various levels in the following respects.

- Distribution of authority and privileges.

- Nature of responsibilities.

- Pay scales

- Qualifications and quality of the staff.

4.2.2. Delegation

Meaning of Delegation

Delegation means grant or conferment of authority by a superior to a subordinate for the accomplishment of a particular assignment.

According to Mooney delegation means conferring of specified authority by a higher to lower authority. It is devolution of authority by a person to his agent or subordinate, subject to his right of supervision and control. It implies that legally delegated authority still belongs to the delegator or the agent.

Characteristics of Delegation

i)   Not unlimited

Though the delegation involves the act of subordinate in independent manner the subordinate has to act within the limits prescribed by the higher authority the subordinate is not free to act arbitrarily but subject to the policy, rules and regulations framed by the delegating authority.

ii)   Dual Character

Delegation has a dual character. A superior delegates the authority to the subordinate but at the same time retains the authority.

iii) Partial Delegation

Delegation implies partial delegation of authority. The higher authority does not delegate his entire authority to his subordinates for in case, he delegates all his authority, he cannot exercise the power to supervise and control. Therefore delegation is always partial.

iv)   Subject to change

Authority once delegated is subject to change. It can be enhanced, reduced or cancelled. It depends on the time and accomplishment of task.

Need for Delegation

The need for delegation can be justified on the following grounds :-

i)   Volume of work

Increasing volume of work requires that there should be some sort of delegation. It becomes difficult for the head of an organisation to keep all the workload to himself. If he continues with it then there will be neither efficiency nor economy.

ii)   Complexity

Complexities of rules and techniques have further added to the volume of work. The operational procedures of the organizations are becoming more and more complex. The line agencies, being compelled by the complexities delegate the work of deliberation, thinking and formulation of plans to staff specialists, though the ultimate power to approve the plans lies with the line agencies.

iii) Saves time for policy formulation and planning

Executive head always needs more & more time for planning and policy formulation. If he remains busy with minor details, he would not be able to devote much time to planning

and decision making. The superior who delegates effectively, is free to do more supervisory work and overall planning.

iv) Educative value

Delegation has an educative value. As one of the major duties of the manager is to train his subordinates in the art of sharing responsibility and making decision, delegation plays a phenomenal role in this direction. It provides an opportunity to the subordinates to get training in the field of sharing responsibility.

v) Development of Management

The process of delegation provides managerial development training and helps in the creation of a managerial class of subordinates. The executives at different levels can make decisions and action on many vital issues on their own.

vi) Organisational Flexibility

Organisational Flexibility is possible due to delegation. Delegation removes rigidity and helps in acting in accordance with the changes in situation.

vii) Economy and Efficiency

Delegation of authority helps in the division of labour, essential for the discharge of duties efficiently. Delegation minimises delays and makes the organisation to act more efficiently and economically.

Check Your Progress

1)   What is the meaning of delegation?

2)   List three characteristics of delegation.

3)   Give four needs of delegation.

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Limits to Delegation

No doubt delegation is a must in all organisations, but no chief or superior officer can be allowed to delegate all his authority. The delegation of complete authority makes the executive superfluous. Though, the extent of delegation vary from case to case depending upon the nature of the case, circumstances and organizational structure, there are some well recognised limits to delegation as follows

i)   The supervision of work of the immediate subordinates.

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

iii)   Power to sanction new policies, plans and departures from established policy and precedent.

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

v)   Making specified higher appointments.

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

Without retaining these powers the chief executive cannot control the organisation effectively. It may reduce him to be an ineffective entity.

Check Your Progress

1)   Discuss the limits of Delegation.

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Let us sum up

Delegation is the most important principle of management. No organization can work without the provision of delegation. In simple words 'Delegation' means conferring specified authority and duties to others for the attainment of desired ends. Delegation however is not the final and authority can be taken by the person who delegates authority.

The need for delegation is evident, for all organisations. It helps in division of work and reduction of complexity in the working of organisational procedures. It helps in saving more time for policy formulation and planning. It makes the administration of an organization efficient by raising the morale of its employees. Complete delegation is neither essential nor practicable nor in the interest of the chief executive and the organization, it is subject to some limits. Powers pertaining to finance, appraisal, Formulation of policy and planning, power of appeal against unjust decisions etc. cannot be delegated.

4.2.3   Factors which govern Centralization or Decentralization__

J. V. Fester has noted the following four kids of factors which govern the process of centralization or decentralization.

a)   **The Factor of Responsibility:** This factor which generally acts as a deterrent to decentralization, favours centralization. The heads of the organization is always held ultimately responsible for everything in his organization. Naturally, he is not willing for the decentralization. He prefers to keep every important matter in his own hands to ensure smooth operations.

b) **The Administrative Factors:** There are many administrative factors like the age of the agency, stable policy and competence of the field officers etc. Decentralization is easier in an old agency than in a new one. Procedures and precedents are already crystallized in a fairly old organization whereas in the young agency constant reference to the headquarters is the order of the day. Frequent changes in policy matters do not favour decentralization for which a stable policy is essential. Centralization is inevitable if field personnel are not competent enough to work in responsible manner. Lastly, centralization cannot be avoided when there is pressure for urgency and economy.

c) **The Functional Factors:** Decentralization becomes necessary when a department is required to perform many functions of technical nature as the departmental head has neither time nor technical competence to look after them. Naturally, he leaves such functions under the charge of a division or branch with autonomous powers. On the contrary, centralization is necessary in such functions like defence and communication which require nation –wide – uniformly.

d) **External Factor:** The factors which are external to administration also decide the issue of centralization and decentralization For example when a popular or local support for a programme like family planning is necessary, only decentralization can ensure it. Secondly, the "grass-roots administration" is impossible without decentralization. Some political parties

On the other hand U.S.A. offers an example of a disintegrated administrative system. In that country, there are five different kinds of independent establishments as

1) the regulatory commissions

2) the government corporations

3) the professional service agencies

4) elected officials at the state-level like Treasurer and Attorney General and

5) the Auditors.

The authority of the President of America stops short at the nine great regulatory commissions which are described as "headless" and the fourth branch of the government. The American system of government consists of directly elected officers and un-coordinated departments, commissions, bureaus, boards and other agencies. The lack of unity is visible even at the national administrative level. The constitution which has vested the entire executive authority in the President, has failed to help him evolve a unified administrative structure. On the contrary, it has authorized Congress, the national legislative body to create administrative agencies whenever there is a need for the same. Hence the American system is an example of a largely disintegrated administration.

Merits of Integrated and Disintegrated system

The advocates of integration point out that integration help co-ordination whereas disintegration leads to conflicts. The pressure and interest groups try to capture independent agencies for their selfish ends. If they are integrated under a common constitutional head like American President they can be freed from the influence of dishonest and corrupt persons. The critics of integration, on the other hand, allege that the President may become

a dictator if his already great powers are enhanced by bringing independent organizations under his control. The danger of possible dictatorship would result into loss of individual liberty and democracy one day or the other. Secondly, the functional groups like educationists in the universities and social welfare workers who enjoy independent and autonomous status oppose integration. They fear that their freedom which is essential for their successful functioning will be threatened under integrated system of administration.

Unlike America, India has inherited the integrated system of administration from the past British rule. We have a parliamentary system with a responsible government. As such there in no fear of the executive becoming dictatorial due to increase in its powers. By and large, the theorists of the discipline of Public Administration are in favour of integrated and not disintegrated system. They pled that integration should be the rule and autonomous organization which lead to disintegration should be the exception. Our administration based on this principle only certain institutions like universities and professional bodies are given autonomous powers. Sometimes there are complaints that these bodies which are captured by certain vested interests grossly misuse their autonomy. Then government has tried to reform them by passing new bills in the legislature in order to tighten its control over them. In this way, government can correct the defects inherent in the disintegrated administrative system.

Centralization versus Decentralization

Meaning

Centralization means concentration of authority at or near the top decentralization means dispersal of authority among a number of persons or units of organization. According to White, "The progress of transfer of administrative authority from a lower to a higher level of government is called 'Centralization', the converse 'decentralization'." The essential element in decentralization is the delegation of decision making power. As stated by Charles worth, "The significant question in any large administrative undertaking is whether or not any definitive actions are taken by the centre – head which can be taken at the periphery."

According to Willoughby, "one of the important problems of organization is to reconcile the administrator's natural desire for complete control, uniformity and certainty with the people demand that government administration accommodate itself to local public sentiment." Indian Government is facing the similar dilemma as to centralize or to decentralize. The compulsions of economics planning, need for strong defence and national integration are pulling it towards centralization. On the contrary, growing demand for regional autonomy and establishment of democracy at grass – roots level, pull it in the direction of decentralization. The example of centralization trends is the Planning Commission. Panchayati Raj system is the example of decentralization.

There are five aspects of decentralization. The administrative aspects are:

a)   Large areas of discretionary power are entrusted to subordinate officers and very few questions are referred to the superior at the top.

b)   The head office grants all non-essential powers to the units and retains with it certain essential powers of control.

are quite influential in particular parts of the country. They insist on decentralization so as to retain their hold over the electorate.

Arguments in favour of and against centralization.

The central authority in modern times can communicate with its subordinates and field offices very quickly due to revolutionary changes in the communications system. Centralization which ensures economy and efficiency can avoid defects of inefficiency, waste etc. The personnel of central authorities are of higher calibre, wider outlook and more experienced than those in the field offices. Modern wars are total wars which require central direction and management to ensure uniform efforts. Similarly, rapid economic development also needs centralized efforts for optimum use of natural resources. The states, provinces and local authorities depend on central government for grants-in-aid. Hence centralization take place as it is natural that one who pays the piper should have right to call the tune.

However, centralization is criticized on the grounds that it creates bottle necks resulting from the congestion of business at the higher levels of administration and causes delays in the decision making process. The central authorities which are for away from the remote places do not possess adequate knowledge of local problems which vary from place to place. Centralization weakens democracy as it reduces the opportunities for the people's initiative and participation in administration. A decentralized system can also ensure economy and efficiency with proper care. Lastly it is argued that good government and self government are not incompatible and a decentralized system can provide both.

Merits and Demerits of Decentralization

Decentralization provides relief to the overburdened central authority by dispersal of authority, functions and responsibility. It also strengthens field agencies and grass-root units. Administrative programmes and operations are brought closer to the people. Overall efficiency of administration is increased by reducing delays and shortening red tape. The subordinate officers get an opportunity to shoulder their own responsibility by taking their own decisions. It is possible to conduct different experiments at different units to find out their results without affecting the whole organization as in the case of centralized administration. As stated by Charlesworth, "Decentralization has a more important justification than more administrative efficiency. It bears directly upon the development of a sense of personal adequacy in the individual citizen, it has spiritual connotations."

There are some demerits of decentralization. Too much decentralization is likely to lead to anarchy. It makes co-ordination & integration difficult to realize. Co-ordination & decentralisation is personnel budgeting accounting etc. is neither possible nor desirable. Needs of modern defence and compulsions of economic planning do not favour decentralization. Centralised housekeeping activities are more economic and efficient than the decentralized one. Lastly, decentralization cannot ensure common and uniform national policies like raising the standard of living, enforcing family planning and welfare schemes which can be better implemented by centralized administration.

Conclusion

It must be noted that every argument in favour of centralization or decentralization can be matched by an equally plausible argument on the other side. Neither centralization nor decentralization can, therefore, be accepted as an absolute principle of good organization. It

is necessary to have a compromise between the two principles or the application of the rival principles must be decided on their own merits depending upon the circumstances. The attitude of compromise demands that while policy making should be centralized, its administration should be decentralized. The field officers should have the power to take decisions on the spot, but the central authority should have power to post audit these decisions to test their conformity to the policy laid down by it.

4.3 EVOLUTION OF LEADERSHIP THEORIES

4.3.1 Fiedler's Contingency Theory

To Fiedler, stress is a key determinant of leader effectiveness (Fiedler and Garcia 1987; Fiedler et al. 1994), and a distinction is made between stress related to the leader's superior, and stress related to subordinates or the situation itself. In stressful situations, leaders dwell on the stressful relations with others and cannot focus their intellectual abilities on the job. Thus, intelligence is more effective and used more often in stress-free situations. Fiedler concludes that experience impairs performance in low-stress conditions but contributes to performance under high-stress conditions. As with other situational factors, for stressful situations Fiedler recommends altering or engineering the leadership situation to capitalize on the leader's strengths.

Fiedler's situational contingency theory holds that group effectiveness depends on an appropriate match between a leader's style (essentially a trait measure) and the demands of the situation. Fiedler considers situational control the extent to which a leader can determine what their group is going to do to be the primary contingency factor in determining the effectiveness of leader behaviour.

Fiedler's contingency model is a dynamic model where the personal characteristics and motivation of the leader are said to interact with the current situation that the group faces. Thus, the contingency model marks a shift away from the tendency to attribute leadership effectiveness to personality alone.

Least preferred co-worker (LPC)

The leadership style of the leader, thus, fixed and measured by what he calls the least preferred co-worker (LPC) scale, an instrument for measuring an individual's leadership orientation. The LPC scale asks a leader to think of all the people with whom they have ever worked and then describe the person, with whom they have worked least well, using a series of bipolar scales of 1 to 8, such as the following

Unfriendly	1 2 3 4 5 6 7 8 Friendly
Uncooperative	1 2 3 4 5 6 7 8 Cooperative
Hostile	1 2 3 4 5 6 7 8 Supportive
....	1 2 3 4 5 6 7 8 ....
Guarded	1 2 3 4 5 6 7 8 Open

The responses to these scales (usually 18-25 in total) are summed and averaged: a high LPC score suggests that the leader has a "human relations orientation", while a low LPC score indicates a "task orientation". Fiedler assumes that everybody's least preferred co-worker in fact is on average about equally unpleasant. But people who are indeed relationship motivated, tend to describe their least preferred co-workers in a more positive manner, e.g., more pleasant and more efficient. Therefore, they receive higher LPC scores. People who are task motivated, on the other hand, tend to rate their least preferred co-workers in a more negative manner. Therefore, they receive lower LPC scores. So, the Least Preferred Co-worker (LPC) scale is actually not about the least preferred worker at all, instead, it is about the person who takes the test; it is about that person's motivation type. This is so, because, individuals who rate their least preferred co-worker in relatively favourable light on these scales derive satisfaction out of interpersonal relationship, and those who rate the co-worker in a relatively unfavourable light get satisfaction out of successful task performance. This method reveals an individual's emotional reaction to people they cannot work with. Critics point out that this is not always an accurate measurement of leadership effectiveness.

Situational favourableness

According to Fiedler, the ability to control the group situation (the second component of the contingency model) is crucial for a leader. This is because only leaders with situational control can be confident that their orders and suggestions will be carried out by their followers. Leaders who are unable to assume control over the group situation cannot be sure that the members they are leading will execute their commands. Because situational control is critical to leadership efficacy, Fiedler broke this factor down into three major components: leader-member relations, task structure, and position power (Forsyth, 2006). Moreover, there is no ideal leader. Both low-LPC (task-oriented) and high-LPC (relationship-oriented) leaders can be effective if their leadership orientation fits the situation. The contingency theory allows for predicting the characteristics of the appropriate situations for effectiveness. Three situational components determine the favourableness of situational control

1. Leader-Member Relations, referring to the degree of mutual trust, respect and confidence between the leader and the subordinates. When leader-member relations in the group are poor, the leader has to shift focus away from the group task in order to regulate behaviour and conflict within the group (Forsyth, 2006).

2. Task Structure, referring to the extent to which group tasks are clear and structured. When task structure is low (unstructured), group tasks are ambiguous, with no clear solution or correct approach to complete the goal. In contrast, when task structure is high (structured), the group goal is clear, unambiguous and straightforward: members have a clear idea about the how to approach and reach the goal.

3. Leader Position Power, referring to the power inherent in the leaders positions itself.

When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered a "favourable situation." Fiedler found that low-LPC leaders are more effective in extremely favourable or unfavourable situations, whereas high-LPC leaders perform best in situations with intermediate favourability. Leaders in high positions of power have the ability to distribute resources among their members, meaning they can reward and punish their followers. Leaders in low position power cannot control

resources to the same extent as leaders in high power, and so lack the same degree of situational control. For example, the CEO of a business has high position power, because she is able to increase and reduce the salary that her employees receive. On the other hand, an office worker in this same business has low position power, because although they may be the leader on a new business deal, they cannot control the situation by rewarding or disciplining their colleagues with salary changes.

Leader-situation match and mismatch

Since personality is relatively stable though it can be changed, the contingency model suggests that improving effectiveness requires changing the situation to fit the leader. This is called "job engineering" or "job restructuring". The organization or the leader may increase or decrease task structure and position power, also training and group development may improve leader-member relations. In his 1976 book *Improving Leadership Effectiveness: The Leader Match Concept*, Fiedler (with Martin Chemers and Linda Mahar) offers a self paced leadership training programme designed to help leaders alter the favourableness of the situation, or situational control.

Examples

- Task-oriented leadership would be advisable in natural disaster, like a flood or fire. In an uncertain situation the leader-member relations are usually poor, the task is unstructured, and the position power is weak. The one who emerges as a leader to direct the group's activity usually does not know subordinates personally. The task-oriented leader who gets things accomplished proves to be the most successful. If the leader is considerate (relationship-oriented), they may waste so much time in the disaster, that things get out of control and lives are lost.

- Blue-collar workers generally want to know exactly what they are supposed to do. Therefore, their work environment is usually highly structured. The leader's position power is strong if management backs their decision. Finally, even though the leader may not be relationship-oriented, leader-member relations may be extremely strong if they can gain promotions and salary increases for subordinates. Under these situations the task-oriented style of leadership is preferred over the (considerate) relationship-oriented style.

- The considerate (relationship-oriented) style of leadership can be appropriate in an environment where the situation is moderately favourable or certain. For example, when (1) leader-member relations are good, (2) the task is unstructured, and (3) position power is weak. Situations like this exist with research scientists, who do not like superiors to structure the task for them. They prefer to follow their own creative leads in order to solve problems. In a situation like this a considerate style of leadership is preferred over the task-oriented.

Opposing views

Researchers often find that Fiedler's contingency theory falls short on flexibility. They also noticed that LPC scores can fail to reflect the personality traits they are supposed to reflect.

Fiedler's contingency theory has drawn criticism because it implies that the only alternative for an unalterable mismatch of leader orientation and an unfavourable situation is changing the leader. The model's validity has also been disputed, despite many supportive tests (Bass 1990). The contingency model does not take into account the percentage of "intermediate favourability" situations vs. "extremely favourable or unfavourable situations", hence, does not give a complete picture of the comparison between low-LPC leaders and high-LPC leaders.

Other criticisms concern the methodology of measuring leadership style through the LPC inventory and the nature of the supporting evidence. Fiedler and his associates have provided decades of research to support and refine the contingency theory.

Cognitive Resource Theory (CRT) modifies Fiedler's basic contingency model by adding traits of the leader (Fiedler and Garcia 1987). CRT tries to identify the conditions under which leaders and group members will use their intellectual resources, skills and knowledge effectively. While it has been generally assumed that more intelligent and more experienced leaders will perform better than those with less intelligence and experience, this assumption is not supported by Fiedler's research.

4.3.2 Trait Leadership

Trait leadership is defined as integrated patterns of personal characteristics that reflect a range of individual differences and foster consistent leader effectiveness across a variety of group and organizational situations. The theory of trait leadership developed from early leadership research which focused primarily on finding a group of heritable attributes that differentiated leaders from non leaders. Leader effectiveness refers to the amount of influence a leader has on individual or group performance, followers' satisfaction, and overall effectiveness. Many scholars have argued that leadership is unique to only a select number of individuals and that these individuals possess certain immutable traits that cannot be developed. Although this perspective has been criticized immensely over the past century, scholars still continue to study the effects of personality traits on leader effectiveness. Research has demonstrated that successful leaders differ from other people and possess certain core personality traits that significantly contribute to their success. Understanding the importance of these core personality traits that predict leader effectiveness can help organizations with their leader selection, training, and development practices.

History of research on trait leadership

The emergence of trait leadership dates back to Thomas Carlyle's "great man" theory, which stated that "the history of the world was the biography of great men". In other words - history is shaped by the forces of extraordinary leadership. Influenced by Carlyle, Galton advanced this idea and found that leadership was a unique property of extraordinary individuals, and the traits leaders possessed were immutable and could not be developed. Throughout the early 1900s, the study of leadership focused on traits. Cowley (1931) commented that the approach to the research of leadership has usually been and should always be through the study of traits (Cowley, 1931). Many theorists were influenced by Carlyle and Galton and believed that trait leadership depended on the personal qualities of the leader; however, they did not assume that leadership only resides within a select number of people. This trait perspective of leadership was virtually accepted until the late 1940s and

early 1950s, when personality traits were deemed to be insufficient in predicting leader effectiveness.

In 1948, Stogdill stated that leadership exists between persons in a social situation, and that persons who are leaders in one situation may not necessarily be leaders in other situations. This statement has been cited ubiquitously as sounding the death knell for trait leadership theory. Furthermore, scholars commented that any trait's effect on leadership behaviour will always depend on the situation. Subsequently, leadership stopped being characterized by individual differences, and behavioural and situational analyses of leadership took over and began to dominate the field of leadership research. During this period of widespread rejection, several dominant theories took the place of trait leadership theory, including Fiedler's (1967) contingency model, Blake and Mouton's (1964) managerial grid, Hersey and Blanchard's (1969) situational leadership model, and transformational and transactional leadership models.

Despite the growing criticisms of trait leadership, the purported basis for the rejection of trait leadership models began to be strongly challenged in the 1980s. Interestingly, Zaccaro (2007) pointed out that even Stogdill's (1948) review, although cited as evidence against leader traits, contained conclusions supporting that individual differences could still be predictors of leader effectiveness. With an increasing number of empirical studies directly supporting trait leadership, traits have re-emerged in the lexicon of scientific leadership research. In recent years, the research about leader traits has made some progress in identifying a list of personality traits that are highly predictive of leader effectiveness. Additionally, to account for the arguments for situational leadership, researchers have used the round-robin design methodology to test whether certain individuals emerge as leaders across multiple situations. Scholars have also proposed new ways of studying the relationship of certain traits to leader effectiveness. For instance, many are suggesting the integration of trait and behavioural theories to understand how traits are related to leader effectiveness. Furthermore, scholars have expanded their focus and have proposed looking at more malleable traits (ones that can be developed) in addition to the traditional dispositional traits as predictors of leader effectiveness. Context is only now beginning to be examined as a contributor to leader's success and failure. Productive narcissistic CEOs like Steven Jobs of Apple and Jack Welch of GE have demonstrated a gift for creating innovation. Whereas, leaders with idealized traits are more successful in more stable environments requiring less innovation and creativity.

Leader traits

The investigations of leader traits are always by no means exhaustive (Zaccaro, 2007). In recent years, several studies have made comprehensive reviews about leader traits which have been historically studied. There are many ways that traits related to leadership can be categorized; however, the two most recent categorizations have organized traits into

(1)   Demographic vs. task competence vs. interpersonal and

(2) Distal (trait-like) vs. proximal (state-like). Both these categorizations are described below.

Demographic vs. task competence vs. interpersonal

Based on a recent review of the trait leadership literature, DeRue and others (2011) stated that most leader traits can be organized into three categories: demographic, task

competence, and interpersonal attributes. For the demographics category, gender has by far received the most attention in terms of leadership; however, most scholars have found that male and female leaders are both equally effective. Task competence relates to how individuals approach the execution and performance of tasks (Bass & Bass, 2008). Hoffman grouped intelligence, Conscientiousness, Openness to Experience, and Emotional Stability into this category. Lastly, interpersonal attributes are related to how a leader approaches social interactions. According to Hoffman and others (2011), Extraversion and Agreeableness should be grouped into this category.

Distal (trait-like) vs. proximal (state-like)

Recent research has shifted from focusing solely on distal (dispositional/trait-like) characteristics of leaders to more proximal (malleable/state-like) individual differences often in the form of knowledge and skills (Hoffman et al., 2011). The emergence of proximal traits in trait leadership theory will help researchers answer the ancient question: Are leaders born or made? Proximal individual differences suggest that the characteristics that distinguish effective leaders from non-effective leaders are not necessarily stable through the life-span, implying that these traits may be able to be developed. Hoffman and others (2011) examined the effects of distal vs. proximal traits on leader effectiveness. He found that distal individual differences of achievement motivation, energy, dominance, honesty/integrity, self-confidence, creativity, and charisma were strongly correlated with leader effectiveness. Additionally, he found that the proximal individual differences of interpersonal skills, oral communication, written communication, management skills, problem solving skills, and decision making were also strongly correlated with leader effectiveness. His results suggested that on average, distal and proximal individual differences have a similar relationship with effective leadership (Hoffman et al., 2011).

Criticisms of trait leadership

Although there has been an increased focus by researchers on trait leadership, this theory remains one of the most criticized theories of leadership. Over the years, many reviewers of trait leadership theory have commented that this approach to leadership is "too simplistic" and "futile" Additionally, scholars have noted that trait leadership theory usually only focuses on how leader effectiveness is perceived by followers (Lord et al., 1986) rather than a leader's actual effectiveness (Judge et al., 2009). Because the process through which personality predicts the actual effectiveness of leaders has been relatively unexplored (Ng, Ang, & Chan, 2008), these scholars have concluded that personality currently has low explanatory and predictive power over job performance and cannot help organizations select leaders who will be effective (Morgeson & Ilies, 2007). Furthermore, Derue and colleagues (2011) found that leader behaviours are more predictive of leader effectiveness than are traits.

Another criticism of trait leadership is its silence on the influence of the situational context surrounding leaders (Ng et al., 2008). Stogdill (1948) found that persons who are leaders in one situation may not be leaders in another situation. Complimenting this situational theory of leadership, Murphy (1941) wrote that leadership does not reside in the person, and it usually requires examining the whole situation. In addition to situational leadership theory, there has been growing support for other leadership theories such as transformational, transactional, charismatic, and authentic leadership theories. These

theories have gained popularity because they are more normative than the trait and behavioural leadership theories (Schaubroeck, Lam, & Cha, 2007).

Further criticisms include the failure of studies to uncover a trait or group of traits that are consistently associated with leadership emergence or help differentiate leaders from followers (Kenny & Zacarro, 1983). Additionally, trait leadership's focus on a small set of personality traits and neglect of more malleable traits such as social skills and problem solving skills has received considerable criticism. Lastly, trait leadership often fails to consider the integration of multiple traits when studying the effects of traits on leader effectiveness (Zaccaro, 2007).

Implications for practice

Given the recent increase in evidence and support of trait leadership theory (Ng et al., 2008), scholars have suggested a variety of strategies for human resource departments within organizations. Companies should use personality traits as selection tools for identifying emerging leaders (Ng et al., 2008). These companies, however, should be aware of the individual traits that predict success in leader effectiveness as well as the traits that could be detrimental to leader effectiveness. For example, while Derue and colleagues (2011) found that individuals who are high in Conscientiousness, Extraversion, and Agreeableness are predicted to be more likely to be perceived as successful in leadership positions, Judge, Woolf, Hurst, & Livingston (2006) wrote that individuals who are high in narcissism are more likely to be a liability in certain jobs. Narcissism is just one example of a personality trait that should be explored further by HR practitioners to ensure they are not placing individuals with certain traits in the wrong positions.

Complimenting the suggestion that personality traits should be used as selection tools, Judge and colleagues (2002) found that the Big Five Personality traits were more strongly related to leadership than intelligence. This finding suggests that selecting leaders based on their personality is more important than selecting them based on intelligence. If organizations select leaders based on intelligence, it is recommended by Judge and colleagues (2002) that these individuals be placed in leadership positions when the stress level is low and the individual has the ability to be directive.

Another way in which HR practitioners can use the research on trait leadership is for leadership development programs. Although inherent personality traits (distal/trait-like) are relatively immune to leadership development, Zaccaro (2007) suggested that proximal traits (state-like) will be more malleable and susceptible to leadership development programs. Companies should use different types of development interventions to stretch the existing capabilities of their leaders.

4.3.3 Behavioural theory

Behavioural theory promotes the value of leadership styles with an emphasis on concern for people and collaboration. It promotes participative decision making and team development by supporting individual needs and aligning individual and group objectives. Behavioural Theories of Leadership, also known as "The style approach to leadership" focuses on the behaviour of the leader and what leaders do and how they act. Learn about the two general kinds of behaviours; task behaviours and relationship

behaviours and advantages of this approach to leadership. Learn more about this theory of leadership.

What are Behaviours?

Behaviour is the range of actions and mannerisms made by organisms, systems, or artificial entities in conjunction with their environment, which includes the other systems or organisms around as well as the physical environment.

What is Human Behaviours?

Human behaviour refers to the range of behaviours exhibited by humans and which are influenced by culture, attitudes, emotions, values, ethics, authority, rapport, hypnosis, persuasion, coercion and/or genetics. In humans, behaviour is believed to be controlled primarily by the endocrine system and the nervous system. Behaviours can be either innate or learned.

Human behaviour is experienced throughout an individual's entire lifetime. It includes the way they act based on different factors such as genetics, social norms, core faith, and attitude. Behaviour is impacted by certain traits each individual has. The traits vary from person to person and can produce different actions or behaviour from each person. As the questions about how to measure traits continued to challenge trait theory, researchers began thinking about measuring behaviour. While you can't easily measure confidence or honesty in a person, they noted, you can define a behaviour or a set of behaviours that seem to embody the trait. Researchers define behaviours as observable actions, which makes measuring them more scientifically valid than trying to measure a human personality trait.

What is Behavioural Theory of Leadership?

Behavioural Theory of Leadership is a leadership theory that considers the observable actions and reactions of leaders and followers in a given situation. Behavioural theories focus on how leaders behave and assume that leaders can be made, rather than born and successful leadership is based on definable, learnable behaviour. Behavioural theories of leadership are classified as such because they focus on the study of specific behaviours of a leader. For behavioural theorists, a leader's behaviour is the best predictor of his leadership influences and as a result, is the best determinant of his or her leadership success.

These theories concentrate on what leaders actually do rather than on their qualities. Different patterns of behaviour are observed and categorized as 'styles of leadership'. This area has probably attracted most attention from practicing managers.

Overview of Behavioural Theory of Leadership

Behavioural Theory of leadership is a big leap from Trait Theory, in that it assumes that leadership capability can be learned, rather than being inherent. This theory is based on the principle that behaviours can be conditioned in a manner that one can have a specific response to specific stimuli. Rather than seeking inborn traits this theory looks at what leaders actually do by studying their behaviours in response to different situations, assessing leadership success by studying their actions and then correlating significant behaviours with

success. The practical application of the theory is that leader's behaviour affects their performance and different leadership behaviours could be appropriate at different times. The best leaders are those have the adaptability to flex their behavioural style, and choose the right style suitable for each situation.

According to this theory, people can learn to become leaders through teaching and observation and certain behavioural patterns may be identified as leadership styles.

Advantages of Behavioural Theory of Leadership

Behavioural theory promotes the value of leadership styles with an emphasis on concern for people and collaboration. It promotes participative decision making and team development by supporting individual needs and aligning individual and group objectives. It helps managers evaluate and understand how their behavioural style as a manager affects their relationship with the team and promotes commitment and contribution towards organizational goals. This theory helps managers find the right balance between different styles of leadership, and helps them decide how to behave as a leader, depending on concerns for people and for productivity.

Criticism / Arguments against – Behavioural Theory of Leadership

As there were inherent limitations with the Trait approach to leadership, when early researchers ran out of steam in their search for traits, they turned to what leaders did, how they behaved and came with behavioural theory of leadership. This became the dominant way of approaching leadership within organizations in the 1950s and early 1960s but this theory too had its own limitations. Behavioural Theory of Leadership proposes leadership styles but a specific leadership style may not be best in all circumstances. When researchers really got to work on this it didn't seem to validate their assumptions. While behavioural theories may help managers develop particular leadership behaviours but they provide little guidance as to what constitutes effective leadership in different situations.

There were lots of differences and inconsistencies between studies. It was difficult to say which style of leadership was significant in enabling one group to work better than another. The styles that leaders can adopt are far more affected by those they are working with, and the environment they are operating within, than had been originally thought. Most researchers today conclude that no one leadership style is right for every manager under all circumstances.

Two Important Behavioural Studies:

Although many research studies could be categorized under the heading of the behavioural approach, the Ohio State studies, the Michigan studies, and the studies by Blake and Mouton are strongly representative of the ideas in this approach. By looking closely at each of these groups of studies, we can draw a clearer picture of the key concepts and implications of the style/behavioural approach to leadership. Of these the two Key Studies in behavioural theory at the University of Michigan and the Ohio State University became famous in the next generation of leadership research. These studies identified two key behavioural categories – orientation toward task and orientation toward people.

4.4 LET US SUM UP

After the discussion of the principal of organization and the behavioural theories, it is easy to understand that hoe the organization functions and the various aspect of organizational behaviour.

4.5 QUESTIONS

1. Discuss the merits and demerits of decentralization.

2. Examine the McClelland's theory in brief.

3. Elaborate Fiedler's contingency model.

4. Discuss the importance of behavioural theory in the study of   organization.

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5

EVOLUTION OF MOTIVATION THEORIES

In this unit, the following points of McGregor's views are discussed.

Unit Structure

5.0 OBJECTIVES

In this chapter we will study

- Early Motivational theories stated by

  o   Maslow

  o   McGregor

  o   Herzberg

- Contemporary motivational theories stated by

  o   McCleland,

  o   Cognitive Evaluation

  o   Victor Vroom's Expectancy theory

5.1 INTRODUCTION

Motivating employees for work is a major problem faced by administrators and managers. Normally all human beings are averse to work. They have to be motivated. There are many factors affecting the behavior of the employees. Psychologists all over the world have tried to build motivational theories. In this chapter we will summarize some of the major motivational theories.

Motivation is the force that drives a person into action. A manager motivates a person, means he inspires him to do a particular task that will lead to the accomplishment of organizational goal.

A person initially joins an organization for the monetary benefits. Once his financial needs are reasonably satisfied he looks forward to the satisfaction of his behavioral needs. A person who works at a position where enough financial rewards are offered but the level of job satisfaction is low will perhaps look for another job

Motivation is often a very complex task because the factors that motivate an individual to work are themselves very complex and complicated. Financial incentives may be important for one worker while non-financial incentives may be important for the other. The manager must, therefore, be well equipped in the skills of determining as to what motivates the human behavior

5.2 EARLY THEORIES – MASLOW, McGREGOR, HERZBERG

Maslow's theory

Abraham Harold Maslow (1908-1970) – an American Psychologist.

Abraham Harold Maslow's theory is the most well known theory of motivation. It is also known as the hierarchy of needs theory. We are familiar with the economic theory of limited means and unlimited wants. Every human being has unlimited wants. The list of things which a man or woman need during their lifetime is ever expanding and unending.
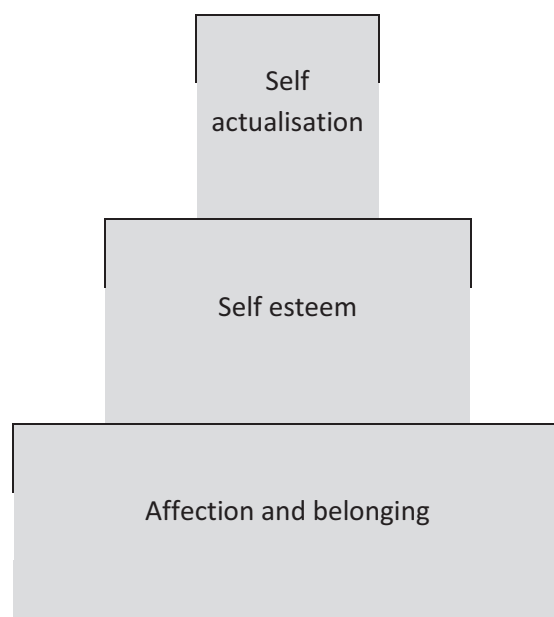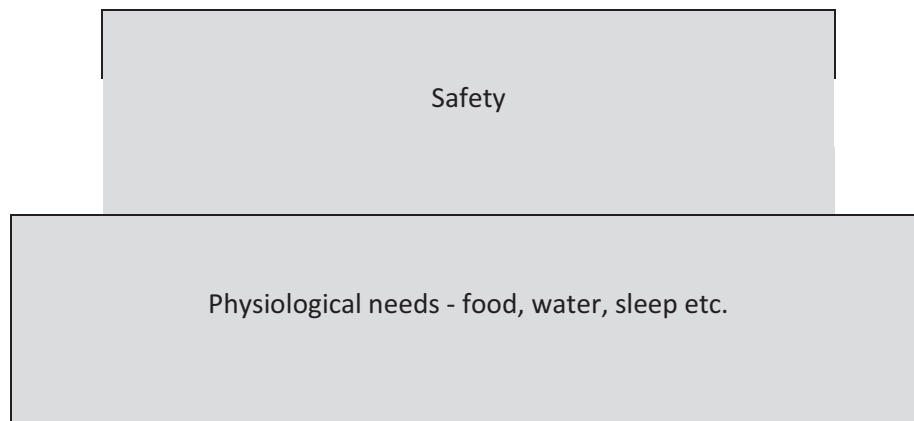
But Maslow argues that there is a hierarchy of needs. All men don't have the urge to fulfill all types of needs at once. He classifies the different needs in five categories and arranges them in a hierarchy as shown in the figure above. As soon as one set of needs is fulfilled the desire to fulfill higher set of needs comes forth. The basic set of needs is

1. the physiological needs – food, water, sleep, sex other bodily needs.

2. Safety – securing the body, health, property, family

3. Affection and belongingness – Social needs – friendship, acceptance

4. Esteem – Self respect, autonomy, status, recognition and attention.

5. Self actualization – This is the final stage of development of human being. There is harmony and a sense of fulfillment.

Administrators must be able to judge the stage of development of an employee or a group of employees and apply proper motivational techniques.

McGregor

A Brief Life Sketch of Mcgregor

McGregor was born in U.S.A. He earned his B.E. in Mechanical He completed his M.A. & Ph.D. in Psychology from Harvard university in 1933 & 1935 respectively. He worked as a Management Professor at MIT, Sloan School of Management. He was president of Antioch College, from 1948 to 1954. He also taught at Indian Institute of Management, at Calcutta.

McGregor wrote two classics - 1) The Human side of the Expertise & 2) The professional Manager. He also wrote numerous articles on professional managerial skills. His, 'The Professional Manager', focuses on linking the human side of the enterprise with appropriate managerial intervention & understanding.

Mcgregor's 'X' Theory

The most creative & lasting contribution of McGregor has been on management, development of managerial talent & managerial teamwork in an organisation. His basic question of enquiry was, whether managers are made or are born? 'Based upon his hypothesis that' every managerial act rests upon theory'; McGregor argues that management is an art; it cannot be a science because it serves a different purpose.

However, management can utilise scientific knowledge in the achievement of practical objectives of the organisation, was his belief.

As an organisational Psychiatrist, McGregor understood that the management's hold on controlling its human resource, determine the whole character of the enterprise. He also argued that the most important problems of management lie outside the realm of improving the selection of managers with technical potential. The top executive, with higher potential & capacity cannot attain organisational objectives because of lack of utilisation of employees' talent. McGregor rejected the misconception that human behaviour in an organisation needs to be controlled. A top executive should not expect to achieve desired goals through inappropriate managerial action. So, he very aptly advances a hypothesis that all control is selective adaption. His deep observation led him to conclude that control in human affairs can be viewed as an integration of human behaviour either through coercive compulsion or through motivational self control. He developed these two assumptions & scientifically tested their validity to propound his theories of managerial control, popularly known as 'X' theory & 'Y' theory. His 'X' theory is a traditional view of direction & control. In his book 'The Human side of the Enterprise', published in 1960, he has examined theories on behaviour of individuals at work.

The 'X' Theory

- The average human being has an inherent dislike of work & will avoid it, if he can.

- Because of their dislike for work, most people must be controlled & threatened before they will work hard enough.

- The average human prefers to be directed, dislikes responsibility, is unambiguous & desires security above everything.

- These assumptions lie behind most organisational principles today & give rise both to 'tough' management with punishment & tight controls & 'soft' management, which aims at harmony at work.

- Both these are 'wrong' because man needs more than financial rewards at work; he also needs some deeper higher order motivation - the opportunity to fulfil himself.

- Theory 'X' managers do not give their staff this opportunity so that the employees behave in the expected fashion.

The 'X' theory of McGregor resembles 'carrot stick theory.' This can be one type of managerial strategy. This theory does not describe human nature. It considers humans as fearful, one who dislikes to work & an insecure beast. These assumptions limit managerial strategies. New managerial strategies, new organisational goals, new pattern of leadership etc. do not fall under this 'X' theory. He came to a conclusion that 'as long as the assumptions of theory 'X' continue to influence managerial strategy, we will fail to discover, let alone, utilise the potentialities of the average human being.'

McGregor's 'Y' Theory

McGregor was largely influenced by Maslow's theory of hierarchy of human needs. McGregor viewed human needs with emotional commitment. McGregor's Y theory suggests

alternate assumptions for the integration of the individual & organisational goals. He wanted selective adoption in managerial strategy. McGregor arranged a new set of assumptions which will invite morals & motivation. The following assumptions are embodied in the 'Y' Theory:

- The expenditure of physical & mental effort in work is as natural as play & rest.

- Control & punishment are not the only ways to make people work. Man will direct himself if he is committed to the aims of the organisation.

- If a job is satisfying, then the result will be commitment to the organisation.

- The average man learns, under proper conditions, not only to accept but to seek responsibility.

- Imagination, creativity, ingenuity can be used to solve work problems by a large number of employees.

- Under the conditions of modern industrial life, the intellectual potentials of the average man are only partially used & utilised.

McGregor's 'Y' theory attacks on the 'X' theory that employees are lazy, indifferent & are dislike accepting responsibility. They are uncooperative. McGregor argued that it is not the fault of human nature but of manager's strategy of control. If there is integration in the behaviour of employees, the organisational goals could be achieved.
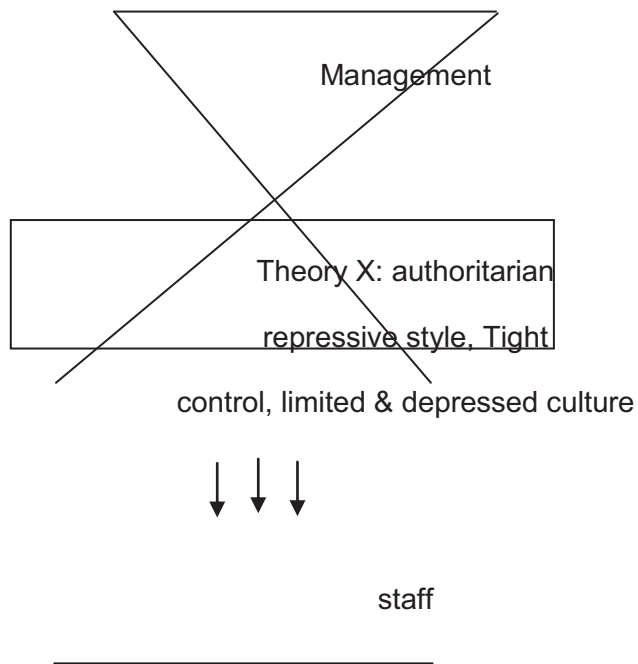
How the integrity amongst the employees can be achieved? The employees should have self control. Integration & self control can be possible if the individual needs & organisational needs are properly recognised. McGregor's theory aims to encourage & create motivation amongst employees. This is a way to innovation. McGregor had a deep knowledge of individual Psychology & group sociology, which he wanted to offer to modern management. So he wanted to establish a high co-relation between the acceptance of responsibility & commitment to the objectives of the organisation. The motivational performance of employees through self control & integrative behaviour can bring better results. The employees should be given greater opportunities to play an active part in decisions affecting their careers.
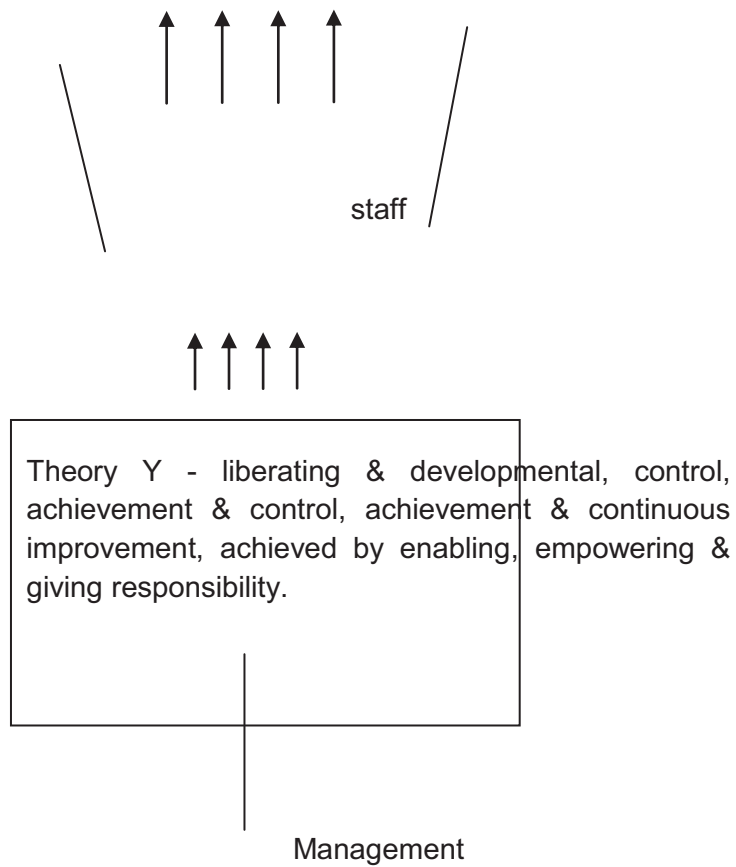
The Scanlon plan:

Based upon the 'Y' Theory, McGregor further collaborated with Fredrick Hesiaur, who was carrying research on union Management Cooperation, popularly, known as Scanlon plan. The Scanlon plan is consistent with 'Y' theory of McGregor. The Scanlon plan is based upon two central features - 1) lost reduction sharing   2) effective participation.

A Diagram of 'X' Theory & 'Y' Theory

Theory 'X'

Management

Theory X: authoritarian

repressive style, Tight

control, limited & depressed culture

↓ ↓ ↓

staff

Theory 'Y'

↑ ↑ ↑ ↑

staff

↑ ↑ ↑ ↑

Theory Y - liberating & developmental, control, achievement & control, achievement & continuous improvement, achieved by enabling, empowering & giving responsibility.

Management

The Scanlon plan proposes that, 'used wisely & with understanding participation is a natural commitment of management by integration & self control.'

The Relevance of 'Y' Theory

'The Human side of the Enterprise of McGregor aims to educate future manager, professional manager. He wanted to bridge the organisational goals with the aims, values & methodology of behavioural science. To him, management styles & strategies should be evolved & continuously adjusted in the light of the empirical reality, consistent with the findings of behavioural knowledge. This makes his theory relevant with practice. He also had an assumption that management science has transnational influence.'

One important relevance of Y Theory of McGregor, to modern industry is related to the Line & Staff Agencies in the organisation. Modern industries are mostly operated by skilled staff. Their knowledge & experience influence decision making process in the organisation. The 'Line' employees increasingly depend upon specialised staff. However, the 'Y' theory of McGregor can coordinate Line - staff relationship. The conflict between Line & staff bring lowered commitment to organisational objectives. The 'Y' theory establishes improved human resources, either for resolving conflicts or taking best decisions. McGregor had also written on leadership qualities of a manager. He had placed an idea of integration within the conceptual mould of transnational concept of power & influence.

Discussing and resolving the conflicts within the organisation, McGregor suggests three strategies to be adopted a) divide & rule b) suppression of differences & c) working through of differences. The first two are based upon 'X' theory, whereas the third one is based upon 'Y' theory.

Appraisal & Criticism

Appraisal: The professional & human side of McGregor reveals a very colourful person of wide vision & scientific temper. His 'Model' of a manager was apt for industry, governments & nations. His books are guidelines to a future manager, to understand human nature & proper utilisation of human resources.

From his Human side to the professional side, the writings of McGregor show a systematic evolution of his ideas. This has helped a lot to industrial society of U.S.A. As a scholar of behavioural management, his writings have helped the managers to sharpen their potentials to readjust their strategies of management for tomorrow.

The 'X' Theory & 'Y' theory represent the behavioural patterns of the employees. McGregor had his deep observation of human nature & human behaviour. He wanted to relate theory to practice. McGregor wrote on both - a) the employees as well as - b) the managers. A 'Y' theory manager can communicate openly with subordinates, can minimise the differences between superior & subordinates, can create a comfortable environment in which the subordinates can develop & can use their abilities. McGregor suggests Managers to be more positive to their employees, to trust the employees & to make proper utilisation of human resource for development.

Criticism - However, McGregor is largely criticised by his critics. The main criticism is that, his theories are fine but are difficult to bring into practice. Especially his 'Y' theory seems to be difficult to bring into practice.

McGregor tried to answer this question by claiming that each person must find his own answer. A manager has to think about the deal with himself, his role, his style, his own power & the issue & control over others.
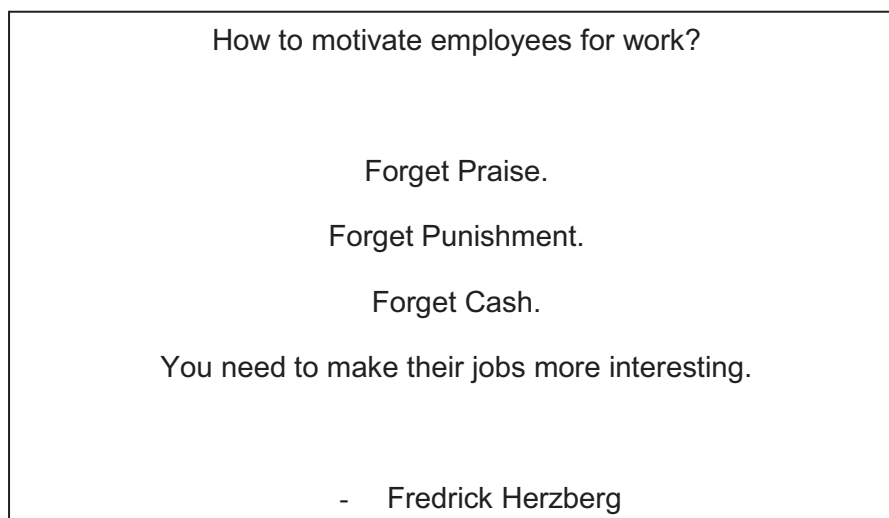
McGregor is also criticised on the ground that neither his 'X' theory nor 'Y' theory represent human behaviour or human relationship. These theories are tools by which managerial skills can be studied & analysed. The current research in management has gone beyond 'Y' theory to 'Z' theory.

Today, any theory is seldom used explicitly. The managers & the employees somewhere fall in between these two poles of 'X' theory & 'Y' theory.

However, McGregor's 'X' & 'Y' theories are still important theories in the field of management & motivation. His 'X' theory & 'Y' theory still remain a guiding principle of positive approaches to the management, to the development of organisation & to bring improvement in organisational culture.

Herzberg

Fredrick Herzberg (1923-2000) American Psychologist with a great contribution in the field of business management. His article published in 1968 in the Harvard Business Review – *"One more Time: How do you motivate your employees"* has become very popular. Till 1987 more than a million reprints were ordered.

How to motivate employees for work?

Forget Praise.

Forget Punishment.

Forget Cash.

You need to make their jobs more interesting.

-   Fredrick Herzberg

Herzberg stated the two factor theory of job satisfaction. It is also known as the motivation-hygiene theory. According to this theory employees are affected by two types of factors – there are certain factors at the workplace which cause job satisfaction and certain factors which cause dissatisfaction.

Frederick Herzberg interviewed 203 American accountants & engineers, as these were the most important professions in the business world.

When Frederick Herzberg researched the sources of employee motivation during the 1950s and 1960s, he discovered a dichotomy that still intrigues and baffles managers: The things

that make people satisfied and motivated on the job are different in kind from the things that make them dissatisfied.

What makes workers unhappy at work?

1. Irritating boss

2. Low salary

3. Uncomfortable work environment

4. Cumbersome rules.

These factors are certainly de-motivating. But even if this situation is changed favourably they don't motivate anybody to work much harder or smarter.   People are basically motivated by interesting work, challenge and increasing responsibility.

Herzberg's work influenced a generation of scholars and managers

Two factor theory:-

Hygiene	*Motivators*
Salary	*Nature of work*
Job security	*Sense of achievement*
Working conditions	*Recognition*
Level and quality of supervision	*Responsibility*
Company policy	*Personal Growth*
Administration	*Advancement*
Interpersonal relations	

5.3 CONTEMPORARY MOTIVATIONAL THEORIES- McCLELAND, COGNITIVE EVALUATION VICTOR VROOM'S EXPECTANCY THEORY

McCleland's Theory

McClelland's Need Theory, created by psychologist David McClelland, is a motivational model that attempts to explain how the needs for achievement, power and affiliation affect the actions of people from a managerial context. It is often taught in classes concerning management or organizational behaviour.

Need for achievement

People who are achievement-motivated typically prefer to master a task or situation. They prefer working on tasks of moderate difficulty, prefer work in which the results are based on their effort rather than on luck, and prefer to receive feedback on their work.

Need for affiliation

People who have a need for affiliation prefer to spend time creating and maintaining social relationships, enjoy being a part of groups, and have a desire to feel loved and accepted. People in this group do not typically make effective managers because they worry too much about how others will feel about them.

Need for power

This motivational need stems from a person's desire to influence, teach, or encourage others. People in this category enjoy work and place a high value on discipline. The downside to this motivational type is that group goals can become zero-sum in nature. That is, for one person to win, another must lose. However, this can be positively applied to help accomplish group goals and to help others in the group feel competent about their work. McClelland proposes that those in the top management positions should have a high need for power and a low need for affiliation. He also believes that although individuals with a need for achievement can make good managers, they are not suited to being in the top management positions.

Cognitive Evaluation theory

It is a psychological theory explaining the impact of external factors on motivation. Motivation as related to the level of competence or incompetence of the individual. This theory also deals with how likely it is that people will believe that what they do is controlled either internally by themselves or externally by their environment and other people. People view tasks in terms of their level of comfort and how well that task meets their needs to feel in control of their actions and competent in performing those actions.

One relevant psychological principle related to cognitive evaluation theory is called locus of control. People whose internal locus of control is stronger will feel that they are in charge of how they behave and of their level of proficiency when they complete tasks. Those whose external locus of control is stronger believe that other people or their environment have more influence over what they do than they personally do themselves. Most people have a degree of both of these loci of control but have one that is stronger than the other. People's locus of control determines whether internal or external influences will have more of an effect on their successful completion of tasks and their accompanying feelings of competence.

Cognitive evaluation theory says that when people are internally motivated, their feelings of competence and their drive to succeed also come from within. They are less dependent on the praise or criticism of others or of rewards or punishments to complete tasks successfully or to change their behavior. When people are more geared toward an external locus of control, their motivation to succeed relies more on how others react to them and their environment, and they believe that they have less control over their own success or failure.

An example of cognitive evaluation theory at work might involve a worker whose internal locus of control is stronger. She would feel that she had more control over her work and other aspects of her life than other people or her work environment did. The way to motivate a worker like this might be to give her important projects and the responsibility and authority to complete them. If her boss offered her monetary rewards such as a bonus for her work, it might actually make her feel less competent and less likely to succeed at her task or to feel motivated to do it.

Another worker whose external locus of control is stronger, on the other hand, might feel more competent when he receives praise from his boss, a raise or a certificate of recognition

for his contributions. This worker would require more external validation for his efforts. Any external validation that he received would, in turn, increase his motivation and help him to feel more competent. Criticism or failure related to a task that he completed at work, however, would lower his feelings of competence and self-worth and would decrease his motivation.

Victor Vroom's Expectancy theory

There are three important elements in Vroom's expectancy theory:-

1) **Expectancy**: - This is a person's perception of the likelihood that a particular outcome will result from a particular behaviour or action. The likelihood is probabilistic in nature and describes that relationship between an act and an outcome. For example, if a person works hard, he may except to perform better and increase productivity. Similarly, if a student works hard during the semester, he expects to do well in the final examination.

2) **Instrumentality:-** This factor relates to a person's belief and expectation that his performance will lead to a particular desired reward . it is the degree of association of first level outcome of a particular effort to the second level outcome – which is the ultimate reward for example , working hard may lead to better performance, which is the first level outcome ,which may result in a reward like raise in pay or promotion or both, which is the second level outcome.

   If a person believes that his performance will not be recognized or lead to expected rewards, he will not be motivated to work hard to improve on his techniques of teaching and communication (first level outcome) in order to get promotion and tenure (second level outcome) Accordingly to, the instrumentality is the performance- reward relationship

3) **Valence:-** Valence is the value a person assigns to his desired reward. He may not be willing to work hard to improve performance, if the reward for such improved performances not what he desires. It is not the actual value of the reward but the perception of the reward in the mind of the worker that is more important. Some may consider recognition and status more important. Another person may be more interested in job security than status.

Accordingly, the level of motivation of a person depends upon:-

   a) **Expectancy:-** A worker must be confident that his efforts will result in better productivity and that he has the ability to perform the task well.

   b) **Instrumentality: -** The worker must be confident that such high performance will be Instrumental in getting desired rewards.

   c) **Valence: -** The worker must value these rewards as desired and satisfactory.

   Simply making motivation factors available to people is not enough. People must believe that by working, they will receive rewards that are important to them. People's actions are based on their expectations as well as their needs. Unless there is a positive expectation of a reward that well satisfies a need, an individual will not take action.

The experience of one manufacturing company indicates the importance of expectations. The management head decided to expand the company, and it knew that a number of supervisors would be needed to prepare for the expansion, the company decided to run a training programme for its employees (non-supervisors) to prepare them to become supervisors. The programme was free and open to all employees. When the programme started, only three people attended. Management interviewed the employees who did not participate to find out the reasons for their poor participation. Many employees stated that they would like to be promoted but did not feel that attending the programme would help." promotion is based on whom you know," was the commonly expressed opinion. In other words although promotion was a motivating factor to employees, they did not participate in the training programme because they did not believe it would help them in getting promotion.

Similarly, how hard people work is affected by their needs and whether or not they expect a good job performance to result in rewards that will satisfy their needs. To be motivated, people must believe that by working hard, they will fulfil the needs that are important to them. In short, we can say, that if a manager wants to motivate his employees, he should do the following: -

1. Try to offer rewards (motivation factors) that are important to his employees.

2. Create positive expectations.

Vroom's theory recognizes the importance of various individual needs and motivations. It thus avoids some of the simplistic features of the Maslow's and Herzberg's approaches. It does seem more realistic.

5.4 CONCLUSIONS

We have seen all the major motivational theories in brief in the above sections. Many other thinkers have criticized these theories but still they remain relevant and provide valid explanations of motivation. The early theories laid the foundations for the contemporary theories. The most important point is that all these theories have practical value. Managers and Administrators in public and private enterprises still depend upon these theories to analyse behavior of employees.

5.5 SUGGESTED READINGS

1) S. R. Maheshwari: Administrative Thinkers; Macmillan India Ltd, New Delhi, 1998.

2) D. Ravindra Prasad; V. S. Prasad; P. Satyanarayana (Ed); Administrative Thinkers; sterling Publishers Pvt. Ltd., New Delhi, 1989.

5.6 UNIT END QUESTIONS

1. Discuss Maslow's motivational theory

2. Critically discuss McGregor's 'X' Theory.

3. Critically explain the 'Y' Theory of McGregor.

4. What are the features of 'X' Theory?

5. Discuss the characteristics of 'Y' Theory.

6. In what way, McGregor's 'Y' theory has relevance today?

7. Explain the concept 'Scanlon Plan'.

8. What is carrot stick theory?

9. Explain 'Y' Theory of McGregor in collaborating Line & staff relationship.

10. Discuss Herzberg's two factor theory.

11. Discuss McLeland's motivational theory

12. Discuss the cognitive evaluation theory

13. Discuss Vroom's expectancy theory

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EMERGING TECHNIQUES AND TOOLS IN PUBLIC ADMINISTRATION

Unit Structure

6.0   Objective

6.1   Introduction

6.2   Meaning

6.3   E-Governance

6.4   Public Private Partnership

6.5   References

6.6   Unit End Questions

6.0 OBJECTIVE

The main objectives:-

- ➢ To understand the new tools helping the administration

- ➢ Concentrate on two main processes –

    - o E-Governance

    - o Public Private Partnership

6.1 INTRODUCTION

Ever increasing population, urbanization, slums, environmental problems, natural disasters and other increasing complications are making administration very tough and nightmarish for the administrator. There are two basic problems – number one the ever increasing scale and magnitude of problems and secondly ever shrinking funds. Thanks to these new tools the administrators are breathing a sigh of relief.

E-Governance or electronic governance, i.e. governance with the help of computers, networks and other information and communication technology tools has helped a lot to solve the problem of magnitude.   The robust databases help to keep track of individual records out of billions of records with an ease. Raw data is organized systematically. It can be easily processed to obtain useful information which forms the basis of decision making process. Searching, editing and updating information that too on a real time basis has

become possible. Furthermore all this can be done with a single click. No manual intervention is required.

Public Private Partnership has solved the financial problem to a large extent. Roads and bridges are constructed through public private partnership schemes. A large network of expressways has been constructed in the last decade. All these express ways are maintained regularly.

In this chapter we will deal with the nitty-gritty of all these new tools.

6.2 MEANING

The impact of information technology on Indian Administration finds manifestation in the Electronic governance, i.e. e-governance. EG is the application of ICTs to the processes of government functioning to accomplish simple, accountable speedy, responsive and transparent governance.

E-G is not about simply automating their current ways of doing business. With the new tools of a networked society, government is not merely computerising existing government; it is transforming the existing government." E-G is the ICT enabled route to achieving good governance. It integrates people, processes information and technology for meeting governance goals. E-G represents a journey from passive information giving to active citizen involvement:

Informing The Citizen; Listening to the citizen; Representing the citizen; consulting the citizen; engaging the citizen.

"E-G involves new styles of leadership, new ways of debating and deciding policy and investment, new ways of accessing education, new way of organising and delivering information and services."

The Principal goals of expanding e-government are

To Make it easy for citizen to obtain service and interaction with the government at different levels;

- Improve government efficiency and effectiveness; and

- Improve government responsiveness to citizens.

Government to Citizen (G2C) initiatives are to bring one-stop, online access to benefit and services. This potential for under activity is identified as one of the most important elements in the way E-G will change the nature of government.

Government to Business (G2B) initiatives will adopt processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses and enable digital communication with business using the language of e-business.

Government to Government (G2G) initiatives will enable sharing and integration of Central, State and local data to facilitate better leverage of investments in IT systems and to provide better integration of key government operations.

Internal Efficiency and Effectiveness initiatives will bring commercial best practices to important government operation, in particular, supply chain management, human capital management, financial management and document workflow.

The application of information technology to administration is described as E-Administration. This process includes computerisation of land records which are very vital to the rural community, electronic access to administration and its functionaries and immediate availability of information sought as well as redressal of grievances.

Potential Benefits of E-G and E-A

E-G is widely recognised as an effective instrument to:

- reduce poverty and spur sustainable development

- foster democracy, efficiency and transparency.

- provide better services for its citizens and

- promote competition and innovation thus improving the quality of life for communities.

Electronic delivery of services and information would enable governments to

- reduce geographical and language barriers

- facilitate timely delivery

- accommodate special needs

- integrate processes and functions to achieve efficiencies and cost reduction.

- respond to rapid changes and

- be available to the public anytime, anywhere.

Countries like India have the opportunity to leapfrog development cycles by adopting proven best practices in governance.

E-G yield three broad sets of benefits

- Improving government processes;

- Connecting citizens;

- Building relationships with and within civil societies.

Automation can cut financial and time costs and support efficiency or productivity improvements. In developing countries where relatively inexpensive manpower is available, replacing them with costly ICTs cannot be justified on financial cost ground; ICTs need to be justified in the context of other long term imperatives.

The source of efficiency gains are

- Governance that is cheaper: producing the same outputs at lower cost;

- Governance that does more: producing more output at the same total cost;

- Governance that is quicker: producing the same output at the same total cost in less time.

The sources of effectiveness gains are

- Government that works better: producing the same outputs at the same total cost in the same time but to a higher quality standard;

- Governance that is innovative producing new outputs.

Other benefits

- Internally providing such benefits as close monitoring of process performance or better staff motivation or an improved public image;

- Externally, by delivering cheaper, better services to those who depend on government or transferring power, authority and resources to lower, more localised levels of administration.

Connecting citizens:

- Talking to citizens: Providing details of government activities, making public servants more accountable for their decisions and actions.

- Listening to citizens: Making public decisions more responsive to citizen's views or needs.

- Improving public: Delivering quality, services convenience, and competitive cost.

E-G helps forge better working relationship with business: digitising procurement from services to businesses improve quality, convenience and cost. E-G also contributes to developing communities.

The Process of Implementing E-G

Following framework will help to understand the issues involved in planning E-G initiatives.

Vision and context: What is possible and desirable through the use of e-government? What are the opportunities and challenges?

Responsiveness: How can e-government make governments more responsive to the need of society?

Capacity: How can e-government make government's internal operations more efficient and effective?

Operations: What is required for e-government to work?

Measurement: How do we measure the impact?

Within this framework, an E-G initiative will address specific issues such as:

- What are citizen's expectations of e-government? How can government ensure the needed capacity to collect and respond to these expectations? Can governments keep pace with rising expectations for e-services?

- How will e-government affect governments' external relation with citizens, businesses and civil society? What impact will it have on society in general?

- How will e-government offer the role and functioning of democratic institutions, including the relationship between Parliament and the Executive?

- How can e-government strategies be best formulated and managed to achieve national policy objectives?

- Will e-government result in changes in procedures and/or lines of accountability that increase transparency and accountability?

- How can administrations best organise and plan to take full advantage of the communications and networking potential of e-government?

- How can e-government contribute to the cost efficiency of government services?

- What will be the implications for government structures and processes?

The above questions address such aspects of public administration as the delivery of services, decision-making, knowledge management, communication, human resources and financial management and regulations. They will also help assess the potential impacts of e-government in transparency and accountability, efficiency and effectiveness and overall coherence of government.

Stages of Implementation of E-G

United Nations has identified five phases for assessing a Country's progress towards E-G.

Phase I - Emerging Web presence: This is the start-up phase of Passive relationship between the government and the public. Government and its clients do not communicate on the Web. A Country may have a single or a few official national government Websites that offer static information to the user. Laws, regulations and rules, guidelines, handbooks, directories, etc. are published on the Internet.

Phase II - Enhanced Web presence: This phase represents an Active / Passive relationship; the government is active in disseminating information but users are passive. The number of government Web pages increases as information becomes more dynamic with users having more options for accessing information. Users may be able to download specific forms.

Phase III - Interactive Web presence. In this Active/Active Relationship, interactions between government and the public can be completed on the Web. Users can obtain a tax form on the Web, fill it in on the Web, and send it back to the tax authority through the Web.

Phase IV - Transactional Web presence: E-government matures at this phase. Business transactions can be fully completed on the Web, electronic filing and subsequent

electronic funds transfer. Restructuring the government becomes imperative at this stage.

Phase V - Fully Integrated Web presence: This phase represents the complete integration of all online government services through a one-stop-shop portal.

Two Most Important Electronic Delivery Channels

Two of the most popular and effective electronic delivery channels for government information and services are Public Kiosks and World Wide Web Home Pages/Internet.

Websites

Internet's WWW is the most, ubiquitous and least expensive medium to disseminate information for government (in fact, anybody) on its services and initiatives as well as culture, economic and other subjects unique to a region. Government and government agencies across the world are creating large number of Websites to exploit this medium.

There are, however, two disadvantages: usage is available only to those individuals with access to a personal computer and internet; only transmission of information not for the actual transmission of services.

Public Kiosks

International examples abound of the effective use of Kiosk technology deliver government information and services. A variety of concepts are used to describe public access communication and information services, commonly known as teleservice centres.

One of the greatest attraction of telecentres is that costs are kept low by taking advantage of the fact that communication and computing technologies allow voice, fax and internet data to travel over the same telecommunication link.

In countries like India with low computer literacy, and low computer/ internet connectivity, relevance of telecentres is extremely high. The intervention of a human intermediary with skills and knowledge between the citizen and growing digital infrastructure of e-governance, as is provided at a telecentre, is of vital importance.

Telecentres can be publicly or privately owned, be part of a public or private franchise or may be owned or operated by government departments, schools, community organisations and NGOs. Telecentres are started in co-operatives, libraries, community centres, churches, and farmers' groups, or even operated by a community radio station. They can operate as individual businesses, as part of a franchise or as multi-branch company.

Worldwide, telecentres will range from a Micro centre with pay phone(s) with a built-in web browser and possibly a smart card reader and receipt printer to a Full Service Telecentre with many phone lines, multimedia PCs with internet access; printers, a scanner, a digital camera, a video camera, a TV, and overhead projector, a photocopier, a laminator, meeting rooms; and a telediagnostic and video conferencing room.

Typically, telecentres will provide a range of services as well as information on a variety of subjects which a visitor wants to access. The services include Web-based content in local languages, email/voice mail; word processing and desk top publishing; online display

of examination results; telemedicine; online grievance redressal; e-commerce; music and games; internet telephony; distance education, training and skill development; information access through CDs; downloading forms/ applications and online submission; and telemarketing

Pre-conditions for Success in Implementing E-G

Management of information is a complex task because of its complex characteristics, more so when you deal with that of an institution like Government.

The path to E-G is strewn with many obstacles - reluctance to accept change; many governments see the free flow of information as a threat; some use IT to empower the people, others to gain more control; legacy of paper-based systems; existing laws and regulations; deeply-entrenched cultural habits of civil servants security and confidentiality concerns; shortage of skilled knowledge workers; and high public expenditure.

Lack of readiness for E-G contributes to both lack of and failure of E-G initiatives. A wide range of infrastructure has to be in place before a government can effectively take on E-G.

Data System

The management systems, records and work processes have to be readied to provide the quantity and quality of data to support E-G.

Capability to use local languages in their systems has to be ensured. Content on the Website should be current, accurate, understandable, trustworthy and available in a timely manner.

Legal Infrastructure

The laws and regulations required to support E-G should be enacted. For instance, creation of Public key Infrastructure and Certification Authorities are essential without which e-commerce and E-G. in the final phases, cannot take off effectively. Public Key Infrastructure is to encrypt communications for security, authentication and non-repudiation for facilitating online transactions.

Technological Infrastructure

Creation of network infrastructural in which computing, connectivity, interoperability and security are assured is of vital importance. Developing a high-capacity communications infrastructure is essential to reduce the current digital divide between high bandwidth (generally urban) and low speed dial up users'.

Human Infrastructure

People with the right skills, attitudes or mindsets are essential to initiate, implement and sustain E-G. Most of those in the government tend to resist change, lack customer orientation and resist information-sharing.

Ensuring this is the greatest challenge.

Institutional Infrastructure

There has to be a dedicated institution to act as a focus, to lead and drive E-G.

Leadership and Strategic Thinking

Successful   E-G initiatives demonstrate that one champion or a small group of champions provide the leadership and vision to take other along and put E-G on top of the agenda of a given government. The passion with which Chandrababu Naidu, the Chief Minister of Andhra Pradesh, has been pursuing E-G initiatives is a case in point.

Think Big, Start Scale Fast" is   robust guideline to pay attention to while implementing E-G programmes.

6.3 E-GOVERNANCE IN INDIA

A wide range of E-G initiatives are being pursued at the national as well as the State-level with varying levels of commitments and success.

According to NASSCOM, the southern States of Andhra Pradesh, Karnataka and Tamil Nadu are leading in terms of implementation at different citizen-Government interfaces. Others, Kerala, Gujarat, Maharashtra, West Bengal and Rajasthan are catching up fast.

Nevertheless, other than a few show-case projects, E-G has not made much progress due-to several operational, financial, personnel, planning and implementation challenges.

The major hurdles

- **Operational hurdles**

  No clear revenue stream for the private sector; lack of coherent government policies; inappropriate processes for tendering, RFPs and bid assessment.

- **Financial**

  Government unwilling to commit funding; uncertainties in viability   of public-private partnerships.

- **Planning and Implementation**

  No clear roadmap with measurable milestones; focus on computerisation and hardware spend; low emphasis on process re-engineering and management change.

- **Personnel**

  Absence of appropriate work Culture; lack of ownership of projects and frequent personnel transfers, NASSCOM has recommended a **three-phase Action Plan for E-Governance.**

Phase I: By end 2003

- IT training to be made mandatory for all Class I government personnel.

- Tendering and bid evaluation procedures are re-written to encourage participation.

- NISG (National Institute of Smart Governance) to be operational. Role of NIG (National Informatics Centre) to be clearly defined.

  IT champions in Government departments.

Phase II: By end-2004

- State 'wide' area network in place

- PC: Personnel ratio of 1:4 in all departments

- Identify core projects to be automated

- Citizen ID cards

- Computerisation of all land records

- State funding from Centre to be linked to e-Governance spending.

Phase III: By end-2005

- States to offer citizen services online

- 50% of all government, procurement to be online

- Focus on developing applications for primary health, disaster management and education.

- Accelerate public-private partnership when core infrastructure and procedures in place.

- Secure multi-lateral funding to accelerate e-Government spending.

Some E-Governance Initiatives

A brief account of some noteworthy e-governance initiatives is as under:

1. Gyandoot

Gyandoot (Messenger of Information) Project, India's most successful government-to-citizen intranet project, set up over 30 internet-connected villages in a district in Madhya Pradesh provide user-charge-based services to the rural people.

The capital investment involved in setting up the kiosk is taken care of by the District Council and is operated by a carefully chosen local matriculate who runs it on commercial lines. He bears the cost of stationery, maintenance and electric and telephone bills. He Pays 10% of income as commission to the District council for maintaining the net. Each kiosk operator is expected to earn a net income of at least-Rs. 36,000 per annum at conservative projections.

The services and facilities offered are

Prices of agriculture produce at different auction centres (at a nominal charge of Rs. 5/-

); on-line registration of applications for obtaining income/caste/domicile certificates (for Rs. 10), on-line public grievance redressal (Rs. 10/-); a fee based e-mailing facility; village auction site at Rs. 25/-) one can put one's Commodity on sale for three months and Rs. 10/- for browsing the list of saleable commodities); on line matrimonial site (Rs. 25/- for three months); information regarding government programmes.

The public expects government services to be comparable with the best services available from the private sector in terms of quality, accuracy, timeliness and user-friendliness. They no longer tolerate delays, bureaucratic mistakes or excessively time consuming difficult procedures. They expect to be treated individually and to have range of options available to them, enabling them to select the best combination for their needs.

Decision-makers in government today are confronted with proposals for reinventing, reengineering, redesigning; downsizing or outsourcing the processes of their organizations. All driven by Information and information and Communication Technologies (ICTs).

"E-government is a tool. And like any tool, no matter how powerful, it has limited value and relevance in itself. Its value arises from its application to specific goals and objective.

In the final reckoning, what matters is how far E-G initiatives help improve the quality of life and foster sustainable human development by bringing together public and private interests to build the digital infrastructure, or by refashioning government processes to bring them more in line with the operating practice of business, or by improving the policy formulation process to make policy more effective and responsive in a changing environment.

"While many governments are making strides, too few are moving quickly enough, and none can afford to be left behind", IBM.

A recent study done at the Brown University, USA, analyzing the performance of 1197 national government Websites *in* 198 countries on a 100-point scale using two dozen different criteria Indicates

- Services offered in 88% of government Websites are not executable online.

- 86% of the Websites have no privacy policy.

- 91% have no Security policy.

- 75% did not respond to an email responsiveness test.

Of course, considering the newness as well as the complexity of the technology and its application, what we have achieved is surely not unremarkable. The point however, is that for Leveraging the full benefit of the greatest technology of our times for E-G, lot more remains to be done.

Kerala - FRIENDS

The Dept. of IT, in association with the local bodies and seven government departments have set up an Integrated Services Centre called FRIENDS (Fast, Reliable, Instant, Efficient, Network for Disbursement of Services) with a view to enabling a smooth and transparent C2G interface. These centres accept rail utility bills, taxes and fees

pertaining to the participating departments and offer quality services to the citizens. FRIENDS have been launched in all 14 district headquarters in the States.

Kerala - AKSHAYA

The project is envisaged as a practical, commercially viable enabler to impart basic IT literacy to at least one member of each of the 65 lakh families in the State and to extend the training initiative into a service delivery mechanism for the local citizen conceived as a Public Private Partnership programme. Each of the Akshaya centres will be equipped with necessary equipment like computers, fax, printers, telephones, broad band Internet connection and software so as to cater to the information and communication requirements of the local citizens.

The Internet (arguably the most important communication tool the world has seen, so far), powerful microprocessors, high capacity digital services, low-cost memory, and broadband networks are redefining the world as we know it.

The breathtaking pace of technological change transforming every institution. Human knowledge is doubling every seven to ten years. Communication is now nearly instantaneous. These changes are causing staggering upheaval in the familiar systems including governance.

6.4 PUBLIC- PRIVATE PARTNERSHIP

Objectives

1.   To define the concept of PPP

2.   To understand its necessity

3.   To know how it is implemented

4.   To know which sectors have priority

5.   Consider sector wise details

Introduction

Resource crunch is a major problem faced by all governments world over. Public Private Partnership has been considered the best solution to this problem. It basically means utilization of private capital and other resources such as technical expertise for national development. Government of India has adopted the policy of PPP. Following is a brief introduction to PPP and initiatives taken by government of India.

What is PPP?

The Government of India policy document provides a comprehensive definition of PPP:-

"Public Private Partnership means an arrangement between a government / statutory entity / government owned entity on one side and a private sector entity on the other, for the provision of public assets and/or public services, through investments being made and/or management being undertaken by the private sector entity, for a specified period of time, where there is well defined allocation of risk between the private sector and the public entity

and the private entity receives performance linked payments that conform (or are benchmarked) to specified and pre-determined performance standards, measurable by the public entity or its representative."

1. It is an arrangement between a public and private entity

2. Provision of assets and services is its main aim

3. Investment is made by the private entity

4. The project may be managed by the private entity or by the public entity or by both – that differs from project to project.

5. A time limit is specified for the project – it is not a perpetual project – it will definitely end at some point of time

6. Risk is allocated between the public and private entity – mere outsourcing can't be considered as a PPP project.

7. Private entity receives performance linked payments

8. Performance must conform or benchmarked to specified and predetermined performance standards

9. And the performance standards must be measurable by the public entity or its representative.

Why PPP is essential?

We (over a billion Indians) require faster and faster internet services, Wi-Fi connectivity everywhere, we wish to use our mobile phones all over India without extra roaming charges, we want 24/7 uninterrupted power supply – we need many more things including smooth expressways, fastest railways in the world – like the legendary bullet train of Japan, air connectivity between all urban centres, universities and technical institutes imparting high quality education, malls, multiplexes – the list is unending and ever-growing. We desperately need all these things. Our aspirations are growing day by day.   Huge investments are required to fulfil these demands. Resources are always scarce and therefore it is considered that PPP is the only way out.

India is in need for capital flows in order to reduce its current account deficit (CAD) which reached a record high of 4.8% of the GDP in the previous financial year. In 2012-13, India received FDI worth $22 billion which was 38% lower than what had it had received in the previous financial year.

Leading industrial association in India ASSOCHAM (Associated Chambers of Commerce and Industries of India) feels that PPP is the only model left for development. According to the organization

"As the Centre is able to spend less than 15% of its entire expenditure budget on creating capital assets, the only way left for India to build infrastructure such as roads, ports and airports is to push the public-private partnership "

"That leaves a big question as to where the resources are going to come from for building roads, hospitals, colleges, ports and airports. If we have to achieve our aspiration of reviving and maintaining plus eight per cent GDP growth, we

desperately need this basic infrastructure. Otherwise, our manufacturing, service and the social sectors would suffer from high rates of inefficiencies and cost escalations"

It said the only option left is to go in aggressively for the PPP model of development for which a greater clarity is required in terms of assuring transparency, reasonable return to investors and a fair deal to the users of infrastructure like highways, airports.

For building infrastructure India needs new source of capital. There are too many administrative and regulatory hurdles in the process of development of a PPP project. Very few MNCs want to deal with the government and its regulators on a daily basis.

Government of India's PPP policy

India has one of the most ambitious public-private partnership (PPP) programmes for infrastructure in the world. The private sector accounted for 30 per cent of all investment in infrastructure in the last Plan period and is supposed to mobilize 50 per cent ($500 billion) of the planned infrastructure spending for 2012-17.

The Government of India has designed a national PPP policy. It feels that PPP complements the inclusive growth aspirations of the nation. PPP will help in improving the level and the quality of economic and social infrastructure services across the country. India has already witnessed considerable growth in PPPs in the last one and half decade. It has emerged as one of the leading PPP markets in the world.

Government of India has set up Public Private Partnership Appraisal Committee to streamline appraisal and approval of projects. Transparent and competitive bidding processes have been established.

Government of India has also realized the necessity of a broad policy framework to set the principles for implementing projects in diverse sectors and accordingly has designed a broad policy framework. It ensures value for money rationale, facilitates competitiveness, fairness and transparency in the whole process.

Major PPP projects are being undertaken in the following sectors:-Following sectors have been identified by the government for PPP

1. Power

2. Tele - communications

3. Roads

4. Ports - With 13 major ports and over 180 minor ports, the 7,517-kilometer long Indian coastline plays a key role in maritime transport amongst international trade capabilities. It is forecasted that by the end of 2017 port traffic will amount to 943.06 million tons for India's major ports and 815.20 million tons for its minor ports.

   The government has developed its port infrastructure through an investment of US$25 billion through public-private partnerships (PPP). An independent Crisil credit rating report focusing on Indian ports and maritime transport estimated that port capacity grew by 160 percent over the 2011–12 period. Cargo handling at the major ports grew at 7.7 percent annually during 2011-12, while cargo traffic reached 877 million tons by

2011-12. Containerized cargo is expected to grow at 15.5 percent over the next seven years.

5. Civil Aviation & Airports - Including grass runways, India has a total of almost 500 airports, of which 16 have international status. Of these, the Airports Authority of India (AAI) manages 125. The AAI has stated it aims to upgrade all of these as well as adding new locations to better unify the country within the next 10 years. This will require significant infrastructure investment in terminals, runways and related construction to generate full operational and passenger management capabilities.

6. Petroleum & Natural Gas - Private sector involvement has been sought to help the government meet the fund requirement given high crude oil prices. This involvement is meant for the 12.5 million tonnes (mt) of additional strategic storage facility planned during the 12th Plan period (2012-17).

   Participation will be allowed on the condition that crude oil should be available for release at the government's discretion. Crude oil from these reserves will be released in situations when there is a short-term supply disruption, a natural calamity or a global event such as a war that may lead to an abnormal increase in prices.

7. PPP in Education - "Public-private partnerships can revolutionise education in India and facilitate growth to help prevent millions of children missing out on quality education. They can raise the standards of education provision in India and help meet the demand for quality education from a growing middle class with increasing incomes," spokesperson for the Global Education and Skills Forum Chris Kirk, said. Government is setting up five Jawahar Navodaya Vidyalayas under Public-Private Partnership. So far, there are 586 JNVs across 576 districts fully funded by the HRD ministry.
   The five JNVs under PPP would be set up at Nandurbar (Maharashtra), Narmada (Gujarat), Dahod (Gujarat), Palamau (Jharkhand) and Gaya (Bihar).
   The private partner will be entrusted with the design, construction and landscaping of the school. The private partner will also be responsible for operation and maintenance of all services and financing of capital and operating expenditure. The total cost of each JNV will be less than Rs 100 crore. Teaching and academic activities will be entirely managed by the Navodaya Vidyalaya Samiti.

**Some projects undertaken under the PPP programme**

   Several initiatives have been undertaken by Government of India to enable a greater PPP framework in order to eradicate the above mentioned constraints. Various foreign as well as private investments by waving off charges are encouraged. Framing of standardized contractual documents for laying down the terminologies related to risks, liabilities and performance standards have been devised. Approval schemes for PPPs in the central sector have been streamlined through Public Private Partnership Appraisal Committee or PPPAC. A website has been launched for the purpose of virtual PPP market serves as an online database for PPP projects.

1. Construction of Container Terminal at Ennore Port in Tamil Nadu on BOT (build operate and transfer) basis

2. Four laning of Hazaribagh-Ranchi stretch of NH 33 from Km 40.500 to Km114.000 including Kujju bypass in the State of Jharkhand. under National Highways Development Project (NHDP) Phase IIIA on BOT(Annuity) Basis

3. Six laning of Krishnagiri-Walahjpet section of NH 46 from Km 0 to km 148.30 in the State of Tamil Nadu under NHDP V on BOT basis
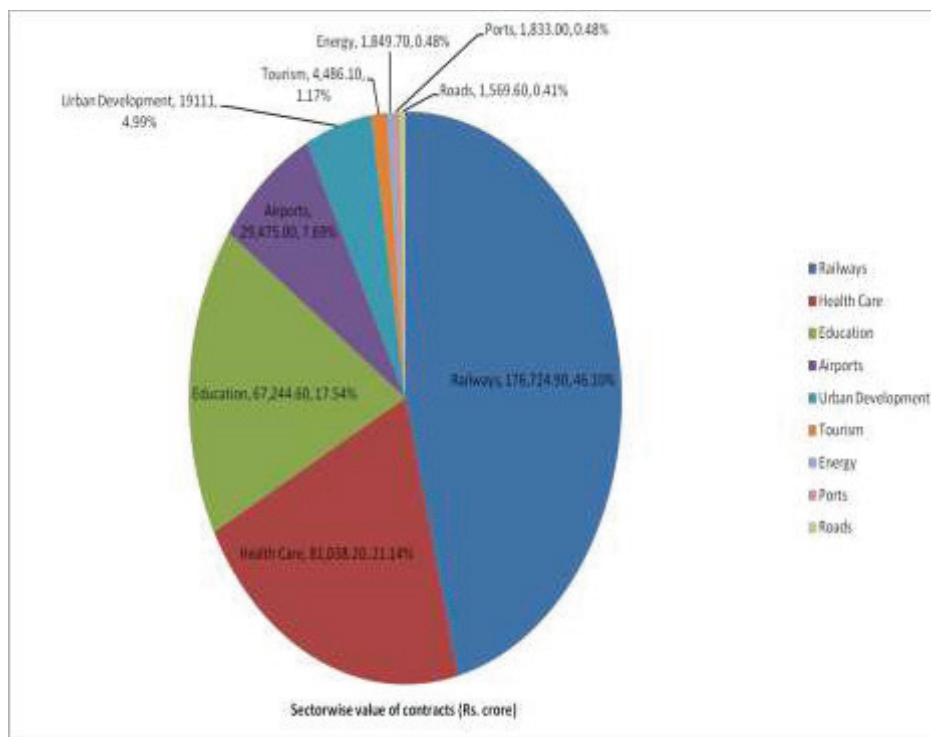
4. City side development of Amritsar Airport through PPP

5. Development of 13th to 16th Multipurpose Cargo (other than Liquid/Container) Berths at Kandla Port basis

6. Redevelopment of New Delhi Railway station

7. Operations, Management and Maintenance of Shyama Prasad Mukherjee Swimming Pool Complex (New Delhi) on PPP Basis

8. Development of Housing cluster for Central Para Military Forces (CPMF) under Ministry of Home Affairs in PPP Mode in various states

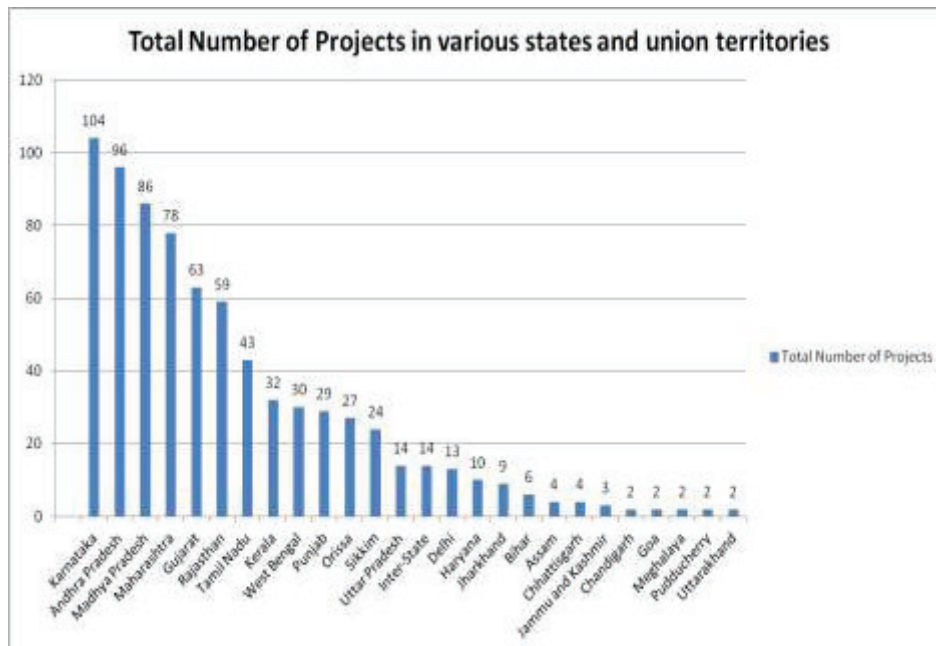9. Development of the Assam -1 Housing Cluster on BOT (Annuity Basis)

A detailed list of all projects is available at this site

Sector	Total Number of Projects	Based on 100 crore	Between 100 to 250 crore	Between 251 to 500 crore	More than 500 crore	Value of contacts
Airports	5	-	-	303	18808	19111
Education	17	424.2	365.5	460	600	1,849.70
Energy	56	337.6	934	3,083.00	62,890.00	67,244.60
Health Care	8	315	343	275	900	1,833.00
Ports	61	86	1,745.30	4,304.80	74,902.10	81,038.20
Railways	4	-	102.2	873	594.3	1,569.60
Roads	405	4,364.60	11,696.50	38,520.50	1,22,143.30	1,76,724.90
Tourism	50	1,132.60	1,503.50	800	1,050.00	4,486.10
Urban Development	152	2,812.00	3,136.90	6,688.20	16,838.00	29,475.00
Total	**758**	**9,471.90**	**19,826.90**	**55,307.50**	**2,98,725.80**	**3,83,332.10**

Sectorwise Projects
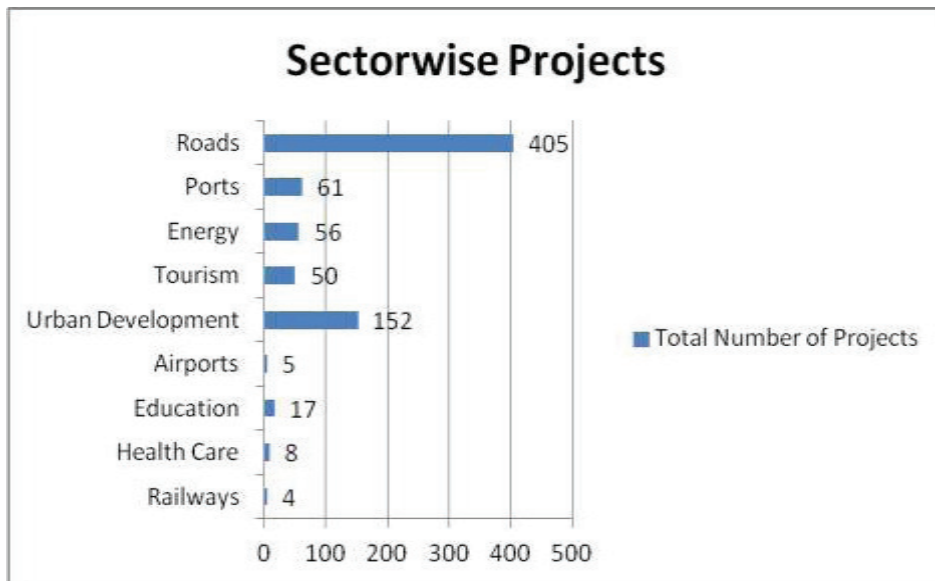
The above graph and table clearly shows that maximum number of projects is in the roads sector

Sectorwise value of contracts (Rs. crore)

Total Number of Projects in various states and union territories

The master list of all PPP projects in India till 2011 is available at this site - http://www.pppindiadatabase.com/Uploads/Master%20List%20PPP%20Projects%20in%20India%20as%20on%20January%2031,2011.pdf

6.5   REFERENCES

- http://www.pppinindia.com/
- http://www.pppindiadatabase.com/

6.6 UNIT END QUESTIONS

1) Briefly discuss the emerging techniques in administration.

2) What is E-Governance?   Briefly explain the concept with special reference to developments in India.

3) Discuss the development of PPP in India with suitable examples.

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7

CRITICAL PATH METHOD, PROGRAMME EVALUATION AND REVIEW TECHNIQUE, MANAGEMENT INFORMATION SYSTEM

Unit Structure

7.0 OBJECTIVES

- To understand Critical Path Method (CPM) and Programme Evaluation and Review Technique (PERT), their advantages and limitations.

- To study Management Information System (MIS), its different types, enterprise applications and advantages.

7.1 INTRODUCTION

Recent years have witnessed an increased pressure on governments to introduce major reforms in their public administration system. An increased efficiency, economy and effectiveness in public management are expected to be brought about through a reorganisation of institutional space and a reorientation of government. Total quality management is required not only in the processes for administering ongoing programs and services in the private sector, but also in the implementation of a public policy. The requirements of project management are to marshal and coordinate the resources necessary to complete the project on time and in a way that is efficient and that accomplishes all the goals of the project. There are several approaches to management tasks that are especially appropriate for projects. This chapter examines three techniques/ tools - Critical Path Method (CPM), Programme Evaluation and Review Technique (PERT) and Management Information System (MIS) by which planning and execution of complex projects have been made easier.

7.2 CRITICAL PATH METHOD (CPM)

In 1957, DuPont an American Chemical Company developed a project management method designed to address the challenge of shutting down chemical plants for maintenance and then restarting the plants once the maintenance had been completed. Given the complexity of the process, they developed the **Critical Path Method** (CPM) for managing such projects.

CPM is a graphical technique for planning and scheduling of projects. It is used as a decision making tool for analysing and administering large complex projects to be performed in some technological sequence. CPM is an activity oriented technique of network analysis. CPM is commonly used with all forms of projects, including construction, aerospace and defense, software development, research projects, product development, engineering, and plant maintenance, among others. Any project with interdependent activities can apply this method of mathematical analysis. Although the original CPM program and approach is no longer used, the term is generally applied to any approach used to analyse a project network logic diagram. There are a number of software and training programs for critical path method advertised and available on the Web.

7.2.1 Steps in CPM Project Planning

A critical path method is a network of events, each one of them linked to the following activities. Each activity is represented as a node on the network, and connecting lines are drawn to represent the time schedule to complete that activity. A critical path method schedule must be completed using the following steps:

- **Specify the Individual Activities**
  From the work breakdown structure, a listing can be made of all the activities in the project. This listing can be used as the basis for adding sequence and duration information in later steps.

- **Determine the Sequence of the Activities**
  Some activities are dependent on the completion of others. A listing of the immediate predecessors of each activity is useful for constructing the CPM network diagram.

- **Draw the Network Diagram**
  Once the activities and their sequencing have been defined, the CPM diagram can be drawn. CPM originally was developed as an activity on node (AON) network, but some project planners prefer to specify the activities on the arcs.

- **Estimate Activity Completion Time**
  The time required to complete each activity can be estimated using past experience or the estimates of knowledgeable persons. CPM is a deterministic model that does not take into account variation in the completion time, so only one number is used for an activity's time estimate.

- **Identify the Critical Path**
  The critical path is the longest-duration path through the network. The significance of the critical path is that the activities that lie on it cannot be delayed without delaying the project. Because of its impact on the entire project, critical path analysis is an important aspect of project planning.
 The critical path can be identified by determining the following four parameters for each activity:

➢ ES - earliest start time: the earliest time at which the activity can start given that its precedent activities must be completed first.

➢ EF - earliest finish time, equal to the earliest start time for the activity plus the time required to complete the activity.

➢ LF - latest finish time: the latest time at which the activity can be completed without delaying the project.

➢ LS - latest start time, equal to the latest finish time minus the time required to complete the activity.

The slack time for an activity is the time between its earliest and latest start time, or between its earliest and latest finish time. Slack is the amount of time that an activity can be delayed past its earliest start or earliest finish without delaying the project.

The critical path is the path through the project network in which none of the activities have slack, that is, the path for which ES=LS and EF=LF for all activities in the path. A delay in the critical path delays the project. Similarly, to accelerate the project it is necessary to reduce the total time required for the activities in the critical path.

● **Update CPM Diagram**

As the project progresses, the actual task completion times will be known and the network diagram can be updated to include this information. A new critical path may emerge, and structural changes may be made in the network if project requirements change.
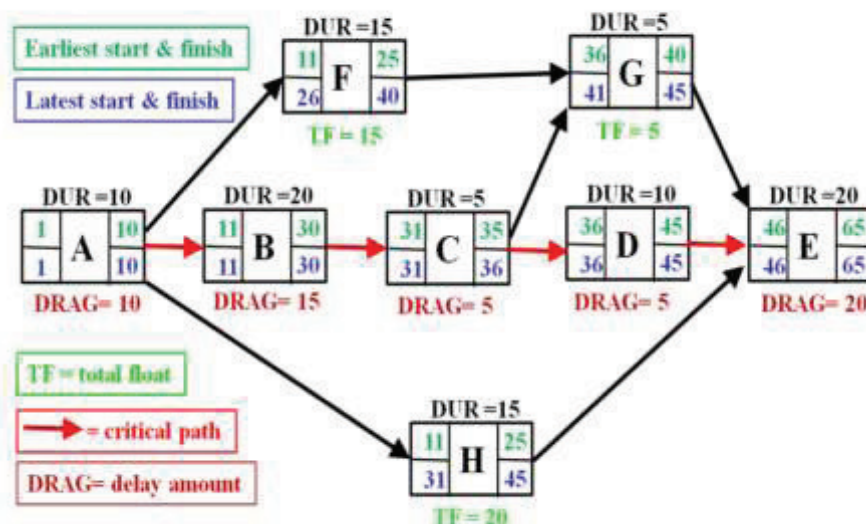
Activity-on-node Diagram showing Critical Path Schedule, along with total float and critical path drag computations

In this diagram, Activities A, B, C, D, and E comprise the critical or longest path, while Activities F, G, and H are off the critical path with floats of 15 days, 5 days, and 20 days respectively. Whereas activities that are off the critical path have float and are therefore not delaying completion of the project, those on the critical path will usually have critical path

drag, i.e., they delay project completion. The drag of a critical path activity can be computed using the following formula:

1. If a critical path activity has nothing in parallel, its drag is equal to its duration. Thus A and E have drags of 10 days and 20 days respectively.

2. If a critical path activity has another activity in parallel, its drag is equal to whichever is less: its duration or the total float of the parallel activity with the least total float. Thus since B and C are both parallel to F (float of 15) and H (float of 20), B has a duration of 20 and drag of 15 (equal to F's float), while C has a duration of only 5 days and thus drag of only 5. Activity D, with duration of 10 days, is parallel to G (float of 5) and H (float of 20) and therefore its drag is equal to 5, the float of G.

These results, including the drag computations, allow managers to prioritise activities for the effective management of project completion, and to shorten the planned critical path of a project by pruning critical path activities, by "**fast tracking**" (i.e., performing more activities in parallel), and/or by "**crashing the critical path**" (i.e., shortening the durations of critical path activities by adding resources).

7.2.2 Evaluation

As a technique in project planning and implementation, CPM is helpful in:

- Project Planning and Control

- Time-cost trade-offs

- Cost-benefit analysis

- Contingency planning

- Reducing Risk

However, there are following limitations of CPM:

- CPM assumes low uncertainty in schedule dates

- Does not consider resource dependencies

- Less efficient use of buffer time

- Less focus on noncritical tasks that can cause risk

- Based on only deterministic task duration

- Critical Path can change during execution

7.3 PROGRAMME EVALUATION AND REVIEW TECHNIQUE (PERT)

The Programme Evaluation and Review Technique, commonly abbreviated PERT, is a statistical tool, used in project management, which is designed to analyse and represent the tasks involved in completing a given project. As the projects in the modern times became more complex and unusual – dams, tunnels, space programmes, involving vast resources with large number of people working for months and years, new methods of management for working under conditions of uncertainty were needed. It is commonly used in conjunction

with the critical path method (CPM). CPM was developed for complex but fairly routine projects with minimal uncertainty in the project completion times. For less routine projects there is more uncertainty in the completion times, and this uncertainty limits the usefulness of the deterministic CPM model. An alternative to CPM is the PERT project planning model, which allows a range of durations to be specified for each activity.

PERT was developed during the 1950s through the efforts of the U.S. Navy's special Projects Office working on the Polaris missile project under the leadership of Admiral W.F.Raborn. Concerned about the growing nuclear arsenal of the Soviet Union, the U.S. government wanted to complete the Polaris project as quickly as possible. The Navy used PERT to coordinate the efforts of some 3,000 contractors involved with the project. Experts credited PERT with shortening the project duration by two years.

7.3.1 Steps in Programme Evaluation and Review Technique

- To use PERT a project is analysed. Complex projects may have hundreds or thousands of events. Every task in the project is arranged in a network of activities over a time scale as an interrelated series of events.

- Each event is numbered and graphically connected with arrow to show activity relationship. PERT can effectively use computers to display graphically the network of predecessors and successor events as well as parallel events. The graphic displays gives managers day to day control of the whole programme.

- After all the events are listed in a network, their times for accomplishment are calculated. PERT managers may face situations where the tasks have never been performed before, so they calculate three possible times for each event.

- Optimistic Time (O): The minimum possible time required to accomplish a task, assuming everything proceeds better than is normally expected.

- Pessimistic Time (P): the maximum possible time required to accomplish a task, assuming everything goes wrong.

- Most Likely Time (M): The best estimate of the time required to accomplish a task, assuming everything proceeds as normal.

- Expected Time (T_E): The best estimate of the time required to accomplish a task is calculated as $T_E = (O+4M +P) \div 6$

- After the times are assigned, a computer can run simulations to show the critical path in the network. The critical path is the longest path of events. Any delay along the critical path will delay the whole project completion. Other path will have slack time, that is, tasks can be completed without pressure. As work on the project is completed computer updates can show any delays. Late completion of slack time events may change the critical path, or events may be shifted to other paths in order to complete the project on time.

The basic PERT plan just described is called PERT/time because it focuses on the time restraints. In addition PERT/cost has been developed to manage the costs of a programme. PERT was developed at the same time as the CPM. They are similar network-scheduling techniques, but they differ in terminology, time values assigned and in other ways. Features from each are sometimes used together. PERT has been used by the Federal Aviation Agency, the Atomic Energy Commission, the Office of Management and Budget, and others in the US.

7.4 MANAGEMENT INFORMATION SYSTEM (MIS)

Information is a critical resource in the operation and management of organisations. Timely availability of relevant information is vital for effective performance of managerial functions such as planning, organising, leading, and control. An information system in an organisation is like the nervous system in the human body: it is the link that connects all the organisation's components together and provides for better operation and survival in a competitive environment. Indeed, today's organisations run on information. Information consists of data that have been processed and are meaningful to a user. A system is a set of components that operate together to achieve a common purpose. Thus a management information system collects, transmits, processes, and stores data on an organisation's resources, programmes, and accomplishments. The system makes possible the conversion of these data into management information for use by decision makers within the organisation. A management information system, therefore, produces information that supports the management functions of an organisation.

7.4.1 Evolution of MIS

Initially in business and other organisations, internal reporting was produced manually and only periodically, as a by product of accounting system and with some additional statistics. Data was organised manually according to the requirements of the organisation. Though conceptually, MIS does not need computers, almost all the modern organisations have computerised their MIS. The concept of MIS evolved over the years. In the 1950s and 1960s, many organisations realised the potential of computers to process large amount of data with speed and accuracy. Early business computers were used for simple operations such as tracking sales or payroll data, with little detail or structure. Over the years, these computer applications became more complex, hardware capacity grew, and technologies improved for connecting previously isolated applications. The term MIS arose to describe such applications that provided managers with information about sales, inventories, and other data that would help in managing the enterprise.

Since computers are extensively used for the design, development and application of MIS, to an observer, computer systems and information systems may appear synonymous. But both are different. Computer systems provide only the technology (or automation) component, while successful information systems call for an understanding of organisational dynamics, processes as well as control systems in the organisations. Information systems are specific to an organisation or managerial context. In other words, they focus on solving problems specific to an enterprise. The successful MIS supports an organisations long range plans, with feedback loops that allow for the improvement of every aspect of the enterprise, including recruitment and training. MIS not only indicates how things are going but why and where performance is falling to meet the plan. These reports include near-real-time performance of cost centres and projects with detail sufficient for individual accountability.

7.4.2 Types

Most management information systems specialise in particular commercial and industrial sectors, aspects of the enterprise, or management substructure. There are

five major types of information systems that serve the needs of different levels of manager in an organisation:

- A transaction processing system is a computer based information system that records and executes the routine day to day transactions required to conduct an organisations business.

- An Office automation systems (OAS) facilitates communication throughout the organisation and increases the efficiency and productivity of managers and office workers through document and message processing. OAS may be implemented at any and all levels of management.

- Decision support systems (DSS) are computer program applications used by middle management to compile information from a wide range of sources to support problem solving and decision making.

- An executive support system is a computer based information system that supports decision making at the top levels of an organisation. It that provides quick access to summarized reports coming from all company levels and departments such as accounting, human resources and operations.

- A management information system is a system that gathers data and organises and summarises it in a form that is of value to managers.

7.4.3 Enterprise Applications

- Enterprise systems - also known as enterprise resource planning (ERP) systems - provide integrated software modules and a unified database that personnel use to plan, manage, and control core business processes across multiple locations. Modules of ERP systems may include finance, accounting, marketing, human resources, production, inventory management, and distribution.

- Supply chain management (SCM) systems enable more efficient management of the supply chain by integrating the links in a supply chain. This may include suppliers, manufacturers, wholesalers, retailers, and final customers.

- Customer relationship management (CRM) systems help businesses manage relationships with potential and current customers and business partners across marketing, sales, and service.

- Knowledge management system (KMS) helps organisations facilitate the collection, recording, organisation, retrieval, and dissemination of knowledge. This may include documents, accounting records, unrecorded procedures, practices, and skills.

7.4.4 Advantages

The following are some of the benefits that can be attained for different types of management information systems:

- Companies are able to highlight their strengths and weaknesses due to the presence of revenue reports, employees' performance record etc. The identification of these aspects can help the company improve their business processes and operations.

- Giving an overall picture of the company and acting as a communication and planning tool.

- The availability of the customer data and feedback can help the company to align their business processes according to the needs of the customers. The effective

management of customer data can help the company to perform direct marketing and promotion activities.

- Information is an important asset for any company in the modern competitive world. The consumer buying trends and behaviours can be predicted by the analysis of sales and revenue reports from each operating region of the company.

7.4.5 MIS in Public Administration in India

Information management in public administration means support activities that ensure the performance of public administration tasks and make use of the methods and means of information and communication technologies. Public administration information system means a data file or data reserve composed of information gathered for a particular purpose and stored using automatic data processing, which the user can use to produce services or perform other tasks in accordance with the purpose of the system and the information processing requirements. Some of the examples of MIS in Public administration in India are as follows:

- A web enabled MIS **www.nrega.nic.in** has been developed for the effective implementation and monitoring of the Mahatma Gandhi National Rural Employment Guarantee Act. This makes data transparent and available in the public domain to be equally accessed by all. The village level household data base has internal checks for ensuring consistency and conformity to normative processes. It includes separate pages for approximately 2.5 lakh Gram Panchayats, 6465 Blocks, 619 Districts and 34 States & UTs. The portal places complete transaction level data in public domain for example - Job cards, Demand for work and Muster rolls which is attendance cum payment sheet for worker. All critical parameters get monitored in public domain:

➢ Workers' entitlement data and documents such as registration, job cards, muster rolls

➢ Work selection and execution data including, shelf of approved and sanctioned works, work estimates, works under execution, measurement

➢ Employment demanded and provided

➢ Financial indicators such as funds available, funds used, and the disaggregated structure of fund utilizations to assess the amount paid as wages, materials and administrative expenses

- RTI Request and Appeal Management Information System (RTI-MIS) based on the Right to information Act, 2005 has been developed by National Informatics Centre, New Delhi. It includes RTI usage status, submission of RTI complaint and appeal to the Central Information Commission.

- The Government of Gujarat launched the Hospital Management Information System (HMIS) in 2006 for streamlining the day to day operations and enabling real-time monitoring of government hospitals across the state.

- In Maharashtra the State Disaster Management Action Plan (DMAP) has been prepared for its operationalisation by various departments and agencies of the Government of Maharashtra and other Non-Governmental Agencies which are expected to participate in disaster management. This plan provides for institutional arrangements, roles and responsibilities of the various agencies, interlinks in disaster management and the scope of their activities. A computer based MIS has been developed for this plan.

7.5 CONCLUSION

In the era of globalisation, liberalisation and privatisation the government organisations world over are emulating the private sector enterprises' prctices to improve efficiency for better delivery of services. Increasing political pressure calling for efficiency and financial savings in state authorities and organisations forces their management to use tools and technologies which have been typical for the private sector.Together CPM and PERT rationalise the central tasks of project management – forecasting the completion date of projects while coordinationg resource allocation to maximise efficienct and effectiveness. MIS is designed to acquire, store and convert data into timely , relevant information to keep managers carry out the planning , control and operational functions of organisations.

7.6 SUMMARY

- Critical Path Method (CPM), Programme Evaluation and Review Technique (PERT) and Management Information System (MIS) are important techniques by which planning and execution of complex projects have been made easier.

- CPM and PERT are network analysis techniques used in complex project plans with a large number of activities.

- CPM was developed for complex but fairly routine projects with minimal uncertainty in the project completion times. For less routine projects there is more uncertainty in the completion times, and this uncertainty limits the usefulness of the deterministic CPM model.

- An alternative to CPM is the PERT project planning model, which allows a range of durations to be specified for each activity. It was developed to meet the challenge of highly complex, first-ever, one of a kind programme.

- Information is one of the most important resources for managers. MIS is a set of interrelated components working together to provide useful information to problem solvers and decision makers in the organisations.

- MIS is based on four major components: data gathering, data entry, data transformation, and information utilisation.

7.7 REFERENCES

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2. Project Management Institute, A Guide To The Project Management Body Of Knowledge (Fourth Edition), Project Management Institute, 2008.

3. Mantel, Samuel J. and Others, Project Management in Practice (Fourth Edition), John Wily &Sons Inc., NJ, 2010.

7.8 UNIT END QUESTIONS

1. Discuss Critical Path Method (CPM) technique and state its limitations.

2. Explain the steps in CPM project planning.

3. Elucidate Programme Evaluation and Review Technique (PERT).

4. Explain the concept of Management Information System (MIS) and discuss its advantages.

Write notes on:

1. Types of MIS

2. Enterprise Application of MIS

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