

Public Organization and Management
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Lecture – 28
Structure of Public Organizations – III

Hello, dear learners. Let's continue our discussion that we have started on organizational structure. In the previous session, I have talked about various dimensions, its meaning, and how they are influencing the structures in the organizations. And we have concluded that perhaps it is not true that the context of public and private organization influences the structure of organization, rather, the situational components and variables as we have discussed, dimensions, they actually come together in ways which according to the situation of an organization and tries to give organization a particular shape, organization structure a particular shape. In this session, we are going to focus on organizational design and we are going to discuss about interesting insights from the Henry Mintzberg organizational design in the paper which is published in Harvard Business Review. So let's first of all find out what is the meaning of organizational design and what is the contribution of this particular paper and then we will continue our discussion on types of organizational structure, examples and some interesting insights from the literature therein.

First of all, let's try to find out the meaning of organizational design and we just discuss about the organizational structure, what is the meaning of design. Let's understand in this way, see structure is the final shape that one's looking in terms of how various activities are to take place inside the organization. Now before doing that, there is a shape which we see in terms of design that what goes into the structure of an organization. So let's try to see what is the meaning of design and then we'll talk about some of the design strategies.

Now, organization design is the overall configuration of structural components that define jobs, groupings of jobs, the hierarchy, patterns of authority, approaches to coordination, line and staff differentiation into single unified organizational system. So what we say this in terms of design we will look at the overall configuration that how various components of the structure they come together you know in terms of jobs, how grouping of jobs will take place, what about hierarchy, what will be the pattern of authority, how the coordination will take place, what is the difference between line and staff. Staff function is more of an advisory function that they play into a single unified organizational system. So, in terms of how these structural components come together as a design to give organization structure a particular shape, that is the meaning of organizational design here. Now, in terms of if you look into the research insights on the

concept of organizational design, Galbraith in his paper in 1974 on 'Organizational design: An information processing view', given it a shape from the perspective of information processing, design strategy from the perspective of information processing.

Like the design of the organization can take place depending upon the information processing and it can lead to designing and coordinating the organizational activities. Now, it says that at any point in time, the organization will always need some kind of information from the environment to have functioning, to have smooth, effective and efficient functioning. Now, as the environment of the organization become more complex and uncertain, the organization will need more and more information. So, what is happening is information flow is increasing in the organization with increase in the task uncertainty. So, depending upon this thing, we will need how much more information we need in the organization.

So, more information means more information overload is coming inside the organization because tasks are uncertain. So, in this case, when this is the case, when we are dealing in with the task uncertainty, there is lot of dynamics involved and we need to rely on more information and there is more information flowing in the system. The coordination will then be done by various rules and programs. Hierarchy of authority. There will be span of control which will be put in place where subordinates can reach out to the superiors to get clarity on what kind of uncertainty is there and with respect to information that they would need.

With more and more number of information, when things become more complex, then the coordination will take place by targets and goals where subordinates need not to rely on their supervisor for some kind of advice. So, their coordination will take place by targets and goals as far as information overload has increased. Now, once it becomes more and more in terms of information incoming, processing becomes difficult. The authors also suggested additional alternatives to reduce the need of information. Two different kind of methods suggested, creation of slack resources, mean have more resources and reduce the level of performance so obviously if you are reducing the level of your performance meaning that you are making your task less uncertain so information need would be less so by creation of slack resources mean having more resources available with you by reducing the amount of performance that you are you know in terms of output you are creating you are reducing the requirement of the information needed to for the purpose.

Now, what will happen with this? When you will need lesser information, there will be lesser information overload and things will be taken care of. Another is creation of self-contained tasks. Say that task forces should be put in place, specialized teams put in place, those will handle the individual targets and works which will make the organization more effective in terms of their functioning. Another additional alternative

like we can if the information increase is there and that has to be dealt with we can increase information processing capacity by investment in vertical information systems. We're talking about making use of technology and information systems to take care of the information inflowing so that the information can be used and with the help of technology to make the functioning more smoother or creation of lateral relations.

They're talking about, you know, liaison's role, task forces who can actually handle the information overload, process it and then pass it on to the organization for the smooth functioning. So this particular design strategy, the author has proposed from the information processing approach. Let's look into the design approach by Henry Mintzberg in 'Organizational Design: fashion or fit' published in Harvard Business Review in 1981. First of all, we will look into the design elements of the structure, what kind of different kind of structures, elements the author talked about and then we look into what kind of different structures the authors proposed. First is, in case of design elements of structure, author talks about specialization of task.

I have already talked about this thing to you before, what is the meaning of specialization of task. But in here, let's try to look into little more detail with respect to how Mintzberg has given task specialization a shape. According to Mintzberg, specialization of task, which is called as job specialization, According to him, it refers to the number of tasks an individual has to perform. Number of tasks in the given job and workers' control over these tasks. What are the number of tasks in the given job? And what is the control of worker on that job? Job specialization.

Because people have to perform that kind of work, right? Now, what happened is... In case of specialization, the jobs can be both horizontally specialized and vertically specialized. Horizontally specialized to the extent to which the job will have narrowly defined task, right? Vertically specialization task extend to which workers lack control, meaning that people in the level higher than the lower level will have more control on the task than the people in lower level.

I'm repeating once again job specialization is about number of tasks in the given job and how much control workers have on these tasks as the author explained and also it says that job specialization can take place in two ways both horizontally and vertically if I talk about horizontally the extent to which the job which the worker has to do and the number of tasks in the given job, they are narrowly defined. Horizontal specialization, vertical specialization, extent to which the workers lack control over the job that they are to do. Let's look into the two important concepts here. One is the concept of job enlargement. Other is the concept of job enrichment. Job enlargement means addition of the task horizontally. Addition of the task into the job horizontally. More number of tasks are added to particular job. Job enrichment on the other hand is expanding the scope of the work where the extension also happens in terms of giving more control to someone

performing that particular job. In case of enlargement, we are only adding the number of tasks. But in case of enrichment, somebody also is being passed on control how that person is to complete their work. So, these are the two important things that you need to take into consideration when we talk about the concept of job specialization. Enlargement only means addition of tasks horizontally. Enrichment means in addition to the task horizontally, the workers are also being given more control over how they want to do their particular work, right? This is about job enrichment. So, this is about the job specialization.

Then comes the second dimension of this particular structure which the author talks about is the formalization of the procedure. Now, in terms of the formalization, the authors talk about the concept of behavior formalization. Now here the author meant the standardization of work processes. How will standardization happen in the work processes? It can happen with rules, regulations, it can happen with job descriptions. People know what they are supposed to be doing, what is the scope of their work, what they are allowed to do, what they are not allowed to do.

Standard procedures, then operating instructions. With this, what is happening is with the help of rules and regulation, job description, standard procedure and operating instructions, we are trying to standardize the work processes, right? Now, when this standardization is being created we're talking about the formalization of procedures, it is very clear to the people what is supposed to be done, how they are supposed to be doing their work within the scope of the job description, what rules they need to follow, ultimately it leads to the behavioral formalization, also people know what they are supposed to be doing when certain tasks are being assigned to them so we have formalization of procedure. Then comes the aspect of formal training and indoctrination. See, we know that we have now work, specialization tasks are there, there is a work. Training refers to the use of programs, instructional programs, to do what? To establish and standardize programs to establish and standardize, in people, required skills.

What is the function of the training? Required skills that they will need, knowledge to do work. Now, whatever work that we have assigned to these people, these people are to do this work effectively and for that you need to ensure that procedures are established for imparting required skills and knowledge to the people so that they can do their work effectively, it is very very important that people know what is supposed to be done and if they are not, they need to give the required training. What is the meaning of indoctrination? Complying with certain aspects in the job without asking any questions. See, there's a way in which a work has to be done, right? Without raising any kind of concern about it, without raising any kind of, you know, concerns and actions about it, one has to comply with that work. That is basically meaning indoctrination, asking somebody or telling somebody to do something without question being asked because that's the way that work has to be done.

Then comes the grouping of units, unit grouping is referred to the, you know, we talked about this, similarity, depending upon the similarity of the task. The positions are grouped together into units and then these units are put in the order, higher order. For example, the lower level will have some jobs, the higher level will have some jobs and these groupings are being done where we have actually created what? Positions are grouped together in such a way that some people at the lower level and some people at the higher level and there is a hierarchy being formed. There is a common supervision there. The people at the higher level will become more supervisor and the things like that. Then comes the unit size, size of each unit that how many number of people are there refers to the number of positions, people in the organization.

I would rather say use the term positions because those positions will then be filled by the people in the organization. So, this number refers to the position contained in the single unit. Also, it leads to something called as span of control, that how many number of people the supervisor is need to supervise right? So what happened is? When expert coordinate extensively the work of the the people the largest span of control and the narrow span of control you know become the part of discussion here. So if we have a narrow span of control what is happening is interactions are happening, if we have a broader span of control, there are vertical interactions where more number of people are attached to a particular supervisor that also depends upon what is the level of maturity in the lower level employees in the organization so, size of each unit is another important dimension of organizational design, which impact the functioning of the unit their organizational unit. Then planning and work systems as the authors define it.

They are used to standardize outputs. And they talked about two different type of systems. One is action planning systems and then they are talked about the another type which is performance control systems. Now understand this when they say action planning systems these refer to specify the results, I am sorry specify the results before action, before they are taken. For example, you need to tell them what is supposed to be done in terms of planning. Proper planning is being done. They are supposed to be told, specify the results that they have to achieve before the action has been taken or the action has already taken place. Other is performance control system. They are the one which specify results. Please understand the difference. These specify the results of actions after the fact.

Okay, so performance control system can be referred to depending upon some previous, you know, the benchmark that you have for controlling the performance of the particular system. For example, one should increase profit of the organization by 20%, right? On the other hand, if you look at the action planning system, we are saying that specify the result before the action is taken, tell them. For example, if you're talking about the job instructions, right? A particular job has to be completed in some way and some of the procedures are to be taken into a sequence, right? For example, if you were to turn on a

particular machine, which of the particular switch to be turned on first, right? Or how to operate that particular machine, how the systems are to be put in place in the sense that the whole work, the task which is given to them, it follows the sequence for which it has to work, right? So this is about action planning and the process control system. Then there is the discussion on liaison devices. These are basically acting as the coordinating mechanism between two units.

For example, we need to coordinate the activities between two units. We are putting in some people as liaison. The articles give an example of putting a liaison between the purchase and engineering department. between purchase and engineering department, to control the coordination between these two department we are to put in place a liaison device which will actually coordinate the activities, this liaison device is nothing but some other person for example let's say purchase manager who will take care of the activities between purchase department and the engineering department coordination for the coordination. Then the aspect of vertical decentralization and horizontal decentralization.

Horizontal decentralization meaning that the non-managerial people they are allowed to take some kind of decision vertical decentralization means the people at the lower level are allowed to take some kind of decision right these are two different kind of distinction that they make is, horizontal decentralization talks about extent to which non-manager controls the decision processes horizontal decentralization non-managers control the decision making vertical decentralization meaning that the managers delegate the decision making power down the middle line. So, these are the some of the design elements of the structure which Henry Mintzberg talk about in terms of the organization design, some of which we have already discussed in the previous discussion on when we talked about the various dimension and its influence on the structure. Moving on, the article also talked about five basic parts of an organization. Let's look into what the author talked about this.

Now, first one is the strategic apex. You see that wherever a business is to initiate, there is an idea. An idea lies with few people who want to initiate the business, right? That particular idea or the number of people who are coming up with the idea, they become the top management and they would be considered as strategic apex. They would be termed as strategic apex. Somebody who comes with the idea, they form, some of the people got together, they had the idea and they come up with something interesting and they become the part of top management who are responsible for initiating the business. Entrepreneur, they become the part of strategic apex.

Then, these people will have some people with them who will be working on things that particular aspect will be termed as operating core, okay as the business grows as the business grows what will happen the strategic apex will actually you know include a

layer in between which is called as middle line, which will act as a representative or reference between the top management and the operating core strategic apex and the operating core. There will also be techno structure these are the people who will be responsible for planning the work activities of the individuals in the organization for example workflow they will take care of the workflow of the people in the organization, techno structure and there will be support staff which will be supporting the various activities of the organization, it can be legal, can be related to HR, can be related to any support function that you can think of, that becomes a part of support staff. Now, if you look, try to look it in the form of visual representation of the, you know, the strategic apex, as the article describe it, if you look at the strategic apex, the top level in the organization, people having idea and they initiate the business.

They will get the work done from the team who will be actually working on they become the part of operating core, now till this point what is happening the author suggests that the complexity is not much the expansion of business not much so strategic apex and operating core are in direct contact, there are continuous interactions which are happening between the two, you know the parties here strategic apex and the operating core, as the complexity increases there is addition of the middle level layer here, middle line wherein some part of the responsibility is handed over to the middle line and they will take care of the operating core activities now you see that middle line here is acting as a representative between strategic apex and operating core and then techno structure and the support staff is actually helping the organization to work effectively. Technostructure responsible for workflow, action planning and the control mechanism. Support staff is the supporting function. So that's how it looks in, right? So five basic part the author talked about. Strategic apex, operating core, middle line, technostructure and support staff. We will continue our discussion in the next session on different type of configurations and the structures which the author proposed as per the Organization design: fashion or fit'.