

Principles of Public Administration

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Directorate of Distance Education

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Unit I Public Administration

Learning Objectives:

After going through this unit, the student should be able to:

- Define administration and public administration
- Have a clear understanding about the nature and scope of public administration
- Focus on the concept of politics and administration dichotomy, starting from Wilsonian era
- Differentiate clearly between public and private administration
- Figure out the relationship of public administration with other social sciences

Structure:

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1.1 INTRODUCTION

Administration is a societal activity that dates back to the dawn of time. However, it began as a field of study in 1887 with Woodrow Wilson's contribution in the form of study of administration. Administration is common to both public and private organizations. It occurs in a variety of situations, including businesses, labour unions, religious or benevolent organizations, educational institutions, and so on. The sphere with which it is involved has an impact on its nature. When we speak about public administration, there is also an existence of private administration. But public administration has existed as a part of government action since the beginning of the political system(s). While public administration is concerned with government activities, private administration is concerned with the management of private businesses.

1.2 WHAT IS ADMINISTRATION?

The term 'administer' have its origin from 'ad' and 'ministrate'. These two Latin words mainly imply to look after the people including their welfare, to provide services to the people and manage their affairs. "Group action that requires collaboration and coordination for the aim of accomplishing desired goals or objectives" is how administration is defined. In general, the term "administration" has the following contextual meanings:

1. **As a separate discipline:** A body of knowledge imparted in academic institutions.
2. **As a profession/occupation:** A type job that requires skill and such skill is normally developed by means of professional training.
3. **As a process:** All sorts of action needed to execute the public policies and provide services to the societal members.
4. **As a synonym for 'word' executive or government:** Pointing to the leader in charge of whole administration, such as the Modi Administration, the Trump Administration, and so on.

Noted below are definitions by a few famous writers.

E.N. Gladden

"Administration is a long and slightly pompous word, but it has a humble meaning, for it means to care for or look after people, to manage affairs.... is determined action taken in pursuit of conscious purpose".

Brooks Adams

"Administration is the capacity of coordinating many, and often conflicting, social energies in a single organism, so adroitly that they shall operate as a unity".

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Felix A. Nigro

“Administration is the organization and use of men and materials to accomplish a purpose”.

J.M. Pfiffner and R. Presthus

“Administration is the organization and direction of human and material resources to achieve desired ends”.

L.D. White

“The art of administration is the direction, co-ordination and control of many persons to achieve some purpose or objective”.

Luther Gulick

“Administration has to do with getting things done, with the accomplishment of defined objectives”.

F.M. Marx

“Administration is determined action taken in pursuit of a conscious purpose. It is the systematic ordering of affairs and the calculated use of resources, aimed at making those things happen which one wants to happen and foretelling everything to the country”.

Herbert Simon, D.W. Smithburg and V.A. Thompson

“In its broadest sense, the administration can be defined as the activities of group cooperating to accomplish common goals.”

A quick review of the definitions above indicates that administration is made up of three components: (1) coordinated effort, (2) cooperative effort and (3) the pursuit of common goals. Administration has no meaning if shared work is devoid of any collective efforts. As a result, administration is a process that is similar to all forms of collective endeavour, irrespective of the nature of the organization. It is the way things are done at all levels of functional organizations like education, health, infrastructure or even local government.

1.3 DEFINITIONS OF PUBLIC ADMINISTRATION

Though there is a substantial difference between public administration and private administration in its structure and objectives, L.D. White remarks that there is an underlying resemblance, if not identical, between the two. Public administration might be linked to the sort of administration that functions in a certain ecological context as an inherent part of such a broad term. It's a way for the political administration to put its policy decisions into action.

Along with it, the word 'Public' in 'public administration' has special connotations and helps to provide a distinctiveness. The term 'public' can be technically defined as 'governance.' So, public administration is government machineries in action, in different socio-politico-economic setting, with a particular

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concentration on public bureaucracy. Public administration, according to the Encyclopedia Britannica, is “the implementation of a state’s policies by its government.” As a result, public administration refers to the component of administration that deals with the government’s administrative operations.

Let’s have a look at some of the many researchers’ definitions of public administration.

Woodrow Wilson

Public administration is the detailed and systematic application of law. Every particular application of law is an act of administration.

L.D. White

“Public administration consists of all those operations having for their purpose the fulfilment or enforcement of public policy”. As per White, postal deliveries, the public land auction, signing negotiation treaty, declaration of compensation to the aggrieved parties, the quarantine of COVID positive people, cleaning of public places, producing nuclear heads, use of nuclear energies, and administration of space programs are all included by this term. It encompasses both military and non-military affairs, most of the work of tribunals, and all of the government’s specific spheres of operation, such as police, public order, education, health, local administration, public works building, conservation, social security, and many more. In sophisticated civilizations, the administration of public affairs necessitates the use of practically every profession and talent, including engineering, law, medicine, and education, as well as crafts, technical specializations, office skills, and many more.

Percy McQueen

“Public administration is related to the operations of government be at local or central”.

Luther Gulick

“Public administration is the branch of administration that deals with government; it is largely concerned with the executive branch, which is where the government’s work is done, though there are certainly connections with the legislative and judicial branches as well”.

J.M. Pfiffner

“Administration consists of getting the work of government done by coordinating the efforts of people so that they can work together to accomplish their set tasks”.

H.A. Simon, D.W. Smithburg and V.A. Thompson

“By Public Administration is meant, in common usage, the activities of the executive branches of national, state and local governments, government corporations and certain other agencies of a specialized character. Specifically

excluded are judicial and legislative agencies within the government and non-governmental administration.”

Dwight Waldo

“Public administration is the art and science of management as applied to the affairs of State.”

M.E. Dimock

“Public Administration is concerned with ‘what’ and ‘how’ of the government. The ‘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, the principles according to which co-operative programmes are carried through to success. Each is indispensable, together they form the synthesis called administration”.

Nicholas Henry

“Public Administration is a broad-ranging and amorphous combination of theory and practice; its purpose is to promote a superior understanding of government and its relationship with the society, it governs, as well as to encourage public policies more responsive to social needs and to institute managerial practices attuned to effectiveness, efficiency and the deeper human requisites of the citizenry”.

Traditional definitions of public administration, such as those listed above, reflect the belief that public administration is solely responsible for carrying out the government’s policies and programmes. It implies that it has no role in policy-making and that it is located in the executive branch, but today the term public administration is used in a broader sense, implying that it is not only involved in carrying out government programmes, but also plays a key role in policy formulation and evaluation as well and encompasses all the three branches of government like legislative, executive and judiciary. In this context, we may reflect on the definition offered by F.A. Nigro and L.G. Nigro. According to them Public Administration:

- is essentially a collective group effort in a public sphere;
- covers the entire gamut of executive, legislative, and judicial – the three organs of a state and also their inter-relationships;
- has something to do with the public policy formulation and thus involves political process;
- is substantially different from private administration; and
- works closely with private individuals, groups and organizations in rendering public services.

In sum, public administration:

- expresses the sovereign will, strives to achieve the ends of the state, protects public interests, and serves as the custodian of laws;

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- deals with governmental business activities and, in the process focuses more on policy execution, than policy formulation;
- covers legislative, executive and judiciary branches, but more concentration on the executive branch;
- disseminates various goods and services to the societal members to meet the end goals and also regulate various activities;
- differs from private administration
- is inter-disciplinary.

1.4 NATURE OF PUBLIC ADMINISTRATION

Nature of public administration is broadly discussed from both integral and managerial angle.

‘Administration,’ according to the integral perspective, is the sum total of all actions - manual, clerical, managerial, and so on – that are conducted to achieve the organization’s objectives. In this view, all activities of government officials, from the Attendant to the Secretaries of State and the Head of State, form Public Administration. Supporters of this viewpoint include Henri Fayol and L.D. White.

The management perspective of administration defines public administration in terms of managerial activities like planning, organizing, commanding, coordinating, and controlling. This viewpoint sees administration as the process of getting things done rather than the process of doing things. This viewpoint is supported by Luther Gulick, Herbert Simon, Smithburg, and Thompson. Non-management tasks such as physical, clerical, and technical operations are excluded from the managerial view.

In many ways, the two perspectives are diametrically opposed. The contrast between the two viewpoints, according to Prof. M.P. Sharma, is fundamental. The integral perspective considers the actions of all people involved in administration, whereas the management perspective focuses solely on the activities of a few people at the top. The integrated perspective portrays all sorts of operations in an organization, from house-keeping to managerial, non-technical to more skilled, whereas only the managerial activities are considered in managerial view. Furthermore, according to the integral view, administration differs from one area to the next depending on the subject matter, however this is not the case from a management perspective because the managerial view is connected with the managerial practices universal to all disciplines of administration. The distinction between the two perspectives is based on the differences between management and its operation, or, to put it another way, getting things done vs doing things. The accurate definition of the term administration, on the other hand, would be determined by the context in which it is employed. Dimock, Dimock and Koenig summarize in the following words:

“As a study, public administration examines every aspect of government’s efforts to discharge the laws and to give effect to public policy; as a process, it is all

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the steps taken between the time an enforcement agency assumes jurisdiction and the last break is placed (but includes also that agency's participation, if any, in the formulation of the programme in the first place); and as a vocation, it is organizing and directing the activities of others in a public agency."

1.5 SCOPE OF PUBLIC ADMINISTRATION

By the scope of public administration, we should consider public administration as an activity and as a discipline.

1.5.1 Scope of Public Administration as an Activity

In a broad sense, public administration encompasses all government functions. Hence, the extent of public administration is comparable to that of state action. People in the modern welfare state demand a lot from the government, including a wide range of services and protection. In this sense, the government provides a variety of welfare and social security services to the general populace. It also has to administer and regulate government-owned and private-sector enterprises. Within the scope of public policy, public administration encompasses all areas and activities. As a result, in today's state, the scope of public administration is rather broad.

1.5.2 Scope of Public Administration as a Discipline

Public administration as a discipline has two sets of views – POSDCoRB and subject-matter.

The POSDCoRB view

The scope of public administration has been described in a variety of ways by various authors. Gulick summarizes the subject's scope with the initials POSDCoRB, which stand for Planning, Organization, Staffing, Directing, Coordinating, Reporting and Budgeting. Planning is laying out in broad outline the tasks to be completed and the techniques to be used to achieve the goal. The formation of a formal authority structure through which labour is subdivided, structured, specified, and coordinated is referred to as organization. Staffing refers to the hiring, training, and working conditions of employees. Making judgments and providing orders and instructions are all examples of directing. Interconnecting the activities of multiple divisions, sections, and other areas of the organization is what coordination entails. Reporting entails telling the executive's supervisors inside the organization about what is going on. Budgeting entails financial planning, management, and reporting.

All organizations, according to Gulick, engage in POSDCoRB activities. There are frequent management issues that may be encountered in a variety of agencies, regardless of the work they conduct. POSDCoRB adds consistency, precision, and definiteness to the investigation and makes it more methodical. The POSDCoRB actions, according to detractors, were not the entirety of administration, nor even the most essential portion of it. The POSDCoRB perspective ignores the reality that various agencies confront unique administrative

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challenges due to the nature of the services they provide and the responsibilities they perform. The POSDCoRB viewpoint considers just the administration's common tactics and overlooks the examination of the 'subject matter' that the agency is involved with. The POSDCoRB opinion lacks any connection to the policy's design and execution, which is a serious flaw. As a result, the administration's reach is narrowed, making it overly inward-looking and focused on top management.

The Subject Matter View

Many people are familiar with how the government handles everything from defence to education to public health to agriculture to public works to social security to justice and welfare, to name a few. These services necessitate not only the use of POSDCoRB techniques, but also the use of crucial specialized approaches under the POSDCoRB processes. Police Administration tactics for crime detection, law enforcement, and other areas are significantly more crucial to effective police work than the formal concepts of organizational structure, personnel management, coordination, or financing, and this is true for other services as well. As a result, public administration research should focus on both processes (that is POSDCoRB techniques and the substantive concerns). With the version of Lewis Meriam, we may here conclude: "Public administration is an instrument with two blades like a pair of scissors. One blade may be knowledge of the field covered by POSDCoRB, the other blade is knowledge of the subject matter in which these techniques are applied. Both blades must be good to make an effective tool".

We may wrap off the topic with Herbert Simon's insight that public administration has two major components: decision-making and doing things. The first is the foundation for the second. Without thinking or deciding, no discipline can be imagined. As a result, public administration is enormous and heterogeneous but judicious mix of theory and practise.

1.5.3 New Public Administration (NPA)

During the 1950s and 1960s, certain revolutions in society compelled the formation of NPA. Theoretically, because of technological advancements, when it came to all aspects of life, mathematization and quantification took centre stage. Because values/emotions cannot be defined, they have been largely abandoned in most disciplines, including public administration. The emergence of a behavioural approach to public administration reflects this.

In practice, there was issues with unemployment and youth unrests in the United States during this time. The scenario was sparked by the United States' reversals in the Vietnam War. These increased conflicts prompted a youthful group of public administration professors and practitioners to propose a new thesis titled "New Public Administration," which breathed new life into the old field of administration.

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NPA's Inception and Growth

The origins of NPA may be traced all the way back to the late 1960s. The NPA came into being for a variety of reasons. By that time, the world was party to two Great Wars, and a number of organizations, such as the United Nations, Bretton Wood twins, the World Health Organization, and the United Nations Children's Fund, had been established to alleviate human suffering. However, in the absence of competent and efficient administration systems in various countries, these agencies found it impossible to do their jobs. Unemployment, poverty, and population growth were all fast expanding, and it was assumed that these issues were caused by administrative inefficiency as well as a lack of understanding of the scope of public administration in relation to the demands of the people. It was believed that the public administration is still primarily utilized to protect the status quo, which benefited the wealthy.

Old Public Administration valued "administration" over "public"; placed a premium on "principles" and "procedures" over "values" and "philosophy"; and emphasized efficiency and economy over "effectiveness" and "service efficiency." As a result, scholars believe that the public administration's machinery should be used to initiate and sustain social change in order to alleviate the public's growing dissatisfaction. They also believed that in the rush to turn public administration into a science, the value content of the profession had been overlooked, i.e., the focus had previously been on a value-free administration, which meant that rules were applied equally and no positive concessions were made to the weakest of the weaker sections of society. As a result, there was a need to reconsider the goals and scope of public administration, and the notion of NPA was born.

In a nutshell, the NPA concept asserts that there is no such thing as an island of public administration, and it is essential that it be aware of the ills and problems that beset the population it serves. The following are the stages in the development of the notion of NPA:

- (a) **Honey Report on Public Service High Education, 1967:** It drew attention to institutional flaws in the field of public administration, as well as a lack of contact between public administration professors and practitioners. It also addressed the issue of uncertainty and ambiguity surrounding the discipline's status.
- (b) **Philadelphia Conference on Public Administration Theory and Practice, 1967:** The conference emphasised the viewpoint that as the notion of state has evolved from a police state to a welfare state, the administration's obligations have multiplied. Currently, administrators are involved in various stages of policy formulation and policy implementation. Given the widening socioeconomic divides, government officials should devote more attention to social issues and work to achieve social fairness.
- (c) **The Minnowbrook Conference, held in 1968 and chaired by Waldo:** This conference was convened to critically examine public administration

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research and practice in light of the quickly changing environment. The conference argued for a normative approach rather than a value-free one, and stated that practise in public administration should focus on reducing economic, social and psychological hardships. The conference's overarching topic was public administration's responsiveness to the public's interest, yet no single theory dominated the discussion. Participants at Minnowbrook included a group of public administration scholars who were open to fresh ways of thinking about their area.

Minnowbrook I (1968)

"New Public Administration" was a radical departure from popular perceptions of government. It emphasized a normative approach rather than a value-free approach. The "New Public Administration" had four aims and three counter-goals. The authors proposed four strategies to attain the aims, which have been dubbed the "4 D's": decentralization, de-bureaucratization, delegation, and democratization.

NPA's Four Important Goals

- 1. Change:** It was claimed that in the rush to carry out the State's status quo activities (law and order, etc.), questions of change were overlooked. Even in the Weberian paradigm, the public administration system was designed solely to protect the status quo. NPA, on the other hand, believes that public administration should be change-oriented and responsive to the numerous socio-economic and political changes that occur in society. To accommodate these developments, the administrative system should include operational flexibility and organizational adaptation.
- 2. Relevance:** There are unique problems in every society. When it comes to policy changes, the public sector should only focus on those that are culturally or socially important. In order for people to regard a change to be relevant, it must be adapted to the region's and its people's specific requirements. The relevance and rationality of people were ignored in earlier approaches to NPA because they were seen only as relevant by administrators. The NPA proposes that people's rationality be factored into the policy-making process as well.
- 3. Equity, Fairness, and Justice:** According to NPA, the most common vehicle for guiding human growth is social equity. Administrators should become ambassadors for the underprivileged elements of society in order to achieve social fairness. The core concern of public administration should be distributive justice and the goal of equity. A public administration system that does not work for change and does not address minority' problems is likely to be utilized to suppress minorities in the future. As a result, the purpose of administration should be to achieve social equity, fairness, and justice, consequently, encouraging social peace and integration.

4. **Values:** In order to attain all of the above goals, the public administration's ideology/philosophy must be altered. We committed to the ideals of value-freeness and impartiality in our quest to make public administration scientific and rational. This needs to change. The administrative system should be value-oriented, with a commitment to the state's ideology and philosophy. It is the position of behavioural political science and management-oriented public administration to take a value-neutral posture, which it explicitly opposes. Value neutrality is neither feasible nor desirable in public administration. It highlights the importance of personal and organizational values or ethics, as well as the personal commitment of administrators to the objectives.

NPA also contained the following essential ingredients:

- Administrations must place a higher focus on morals and ethics. They should not be regarded as robots, with a focus solely on mechanical concerns such as efficiency and cost.
- It promotes client loyalty, public participation in administration, community control over street-level bureaucracy, and heterogeneity in dealings with inhabitants.
- We were decentralizing the organization by calling for a humanistic approach that prioritized individual growth and dignity over institutional hierarchy.
- It was challenging neutrality by advocating for programme allegiance.
- Future administrators should be educated at professional schools. Training in public administration and private administration should not be mixed. Public administration training programmes should not only give management competencies and technical capabilities, but also improve social sensibility.

NPA's above concepts are summarized by Frank Marini under five headings: relevance, values, social equity, change, and client-focus. These five goals, according to Golembiewski, give NPA a hopeful outlook. For example, it promotes social equity as a common vehicle for guiding human development (administrative value neutrality is neither possible nor desirable), is determinedly relational, and emphasizes innovation and change as its pervasive themes. It also emphasizes the central role of personal and organizational values. It should be noted that in advocating for the above new principles, the classical values of administration were not completely ignored. It only stated that even if a government is committed to efficiency, economy, and impartiality, inequality, injustice, and poverty can still be perpetuated. As a result, trade-offs between the above-mentioned new values and the classical values are required.

Anti-Goals of NPA

Along with the aforementioned, NPA promotes three anti-goals, which is why its literature is referred to as "anti-positivist."

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1. Rejecting the concept of public administration as a value-free endeavour. As a result, government management should be based on the principles of value creation.
2. Refusing to accept a rationalist and perhaps deterministic view of humans because of the unpredictable nature of human actions. Courses in public administration should place more emphasis on what administration “becomes” rather than what it “should be.”
3. Rejecting the politics-administration divide, today’s administrators are active in all levels of policy creation and implementation. A dichotomy like this also draws administration away from values.

The NPA movement’s overarching goal appears to be to make administration less “generic” and more “public,” less “descriptive” and more “prescriptive,” less “institutional” and more “client-oriented,” less “neutral” and more “normative,” but no less scientific.

Minnowbrook-II (September, 1988)

The second conference’s goal was to assess the impact of Minnowbrook-I. It brought together male and female researchers from the 1980s and older generations to explore the influence of NPA and progress on other major issues at Minnowbrook-I. The major similarities between Minnowbrook-I and II are:

1. Social justice concerns
2. Democratic values, with an emphasis on ethics and transparency.
3. The importance of public administration has been underlined in order to strengthen society. Government will always exist.
4. The preceding discussion on normative and behavioural viewpoints is still ongoing.
5. Government employees are viewed as more conservatives than change makers.
6. Concerns about the status of public administration discipline.
7. Everyone who was present at the 1968 conference was invited.
8. The requirement for unrestricted interaction between “generalists” and “specialists.”

On the other hand, Minnowbrook-II is different from Minnowbrook-I on the following aspects:

1. The composition was more varied. Previously, the majority of participants had a political scientific background; but, in Minnowbrook-II, they came from a variety of policy sciences, including history, economics, political science, sociology, and law.
2. Minnowbrook-II had better gender parity and individuals of a higher age group. Minority groups, on the other hand, were underrepresented. The latter reflects a rise in popularity of the discipline, as a result of which weaker teams are unable to compete. Those who entered the profession in

the 1960s valued public interest above all else, but those who came in the 1980s valued privatization.

3. Minnowbrook-I was abrasive, aggressive, and questioned the discipline's core premises, such as the politics-administration divide, the public-private divide, administration as a science, the hierarchical perspective of organization, and so on. Minnowbrook-II was more courteous, realistic, and appreciative of the discipline's superiors.
4. Leadership, constitutional and legal viewpoints, technological policy, and economic perspectives were all new topics at the conference.
5. Minnowbrook-I was more normative and anti-behavioral. In fact, NPA arose from political science's post-behavioral revolution. Minnowbrook-II had a better understanding of the role of behavioural sciences in public administration.
6. There were differences in the social, political, and economic settings. Minnowbrook-I met amid a climate of profound mistrust against government as a result of the Vietnam War disaster. Even while bureaucracy was criticised, M-II did not see such a deep scepticism about government. The retreating state was gaining ground on the positive state. Privatization and Third-Party Government were both in the works. There was more governance than government.
7. Minnowbrook-I was phenomenological, but Minnowbrook-II shied away from action.
8. The politics-administration duality was rejected by Minnowbrook-I. It was accepted by Minnowbrook-II.
9. Minnowbrook-I had high hopes that the NPA would address all of society's issues. Minnowbrook-II had restrained optimism, believing that the state was here to stay but not wanting to overburden it.

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Minnowbrook-III (September, 2008)

The following are the goals of Minnowbrook-III:

1. Public sector concerns and solutions will be discussed in a wide variety of contexts, cultures, and environments. Focus on the global public sector, network governance, and training for the next generation of public servants.
2. To set up a group of academics who can work together in the future and share ideas about how to improve public service.
3. To publish a carefully edited reader of the top papers given at Minnowbrook-III for courses in public policy and business schools around the world.

"The Future of Public Administration, Public Management, and Public Service Around the World," as coordinated by Rosemary O'Leary of Syracuse University, was the focus for the third gathering. It was divided into two parts.

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What's new in NPA?

Various detractors have questioned the New Public Administration's novelty. They claim that something is only new for a certain amount of time. When that period of time has passed, it is no longer considered new. As a result, NPA, which was novel at the time of its development, is no longer novel.

Furthermore, critics have questioned whether NPA contains anything "novel." They claim that the ideal that underpins the NPA notion existed previously. Earlier, there were concepts such as welfare-oriented administration, decision-making based on values, and so on. Weber had mentioned the normative issues of management. In a similar vein, Herbert Simon discussed the importance of values in decision-making.

Even the proceedings of the 1968 Minnowbrook conference have been questioned by some. The Minnowbrook conference had to be re-convened in 1988 to talk on how to put the 1968 conference's idea of NPA into practice. Critics argue that NPA varies from older PA only in that it responds to a different set of socioeconomic issues than previous periods, such as the Great Depression. Weber's model of status-oriented bureaucracy was devised to help stabilize European society following modernization; it was a response to the expanding demands of a capitalist economy. Taylor's Scientific Management was developed in response to the chaotic condition that existed in huge organisations at the time. According to Marxists, the Human Relations Approach was created to relax the organization's rigidities in reaction to the burgeoning labour movement.

However, in today's world, the concept of NPA is no longer relevant. Now, ideology has been replaced with principles such as New Public Management and good governance, among others.

1. NPA is not new in terms of what it has to say, but it is new in how it looks. It did not come up with any new ideas, but it put them together in a way that made sense. For example, some of its ideas, like change orientation and client orientation, had already been talked about. In the 1950s, the Organizational Development movement advocated for organizational democracy. F. M. Marx and Simon rejected the politics-administration divide. The NPA, on the other hand, brought them all together.
2. People's problems were supposed to be solved at all times during the welfare state era. Whereas the term "new" was used by NPA to make explicit what was previously just implied.
3. The fact that NPA identified issues that had previously been raised indicates that the latter had failed to address them. NPA, on the other hand, was successful in other areas, such as the politics-administration dichotomy, which had been criticized since 1946 and was only abandoned in the 1970s after NPA. Similarly, human relationists opposed hierarchical organizations earlier, but they were only realized in the 1980s and 1990s, as seen by the UK's Next Steps Agencies.

4. It was novel in terms of identification. Previously, political science and generic management were combined to form public administration.
5. It was novel in that it brought a societal viewpoint to a discipline that had previously been centred solely on the organization, such as classical theory, human relations, and behavioural approaches.

NPA has been accused of being anti-theoretical, anti-positivist, and anti-management. Its positive worth, on the other hand, is in bringing public administration and political science closer together. Client-centered, normative, and socially conscious public administration is especially important in third-world nations, where public administration is in desperate need of de-bureaucratization and fundamental qualitative transformation.

Waldo outlined positive and bad aspects of NPA in his 1980 book “Enterprise of Public Administration.” In a positive sense, it is a movement toward normative theory, philosophy, social concern, and activism. On the negative side, it rejects positivism and scientism. He explicitly said that the NPA programmes had three perspectives: client-oriented bureaucracy, representative bureaucracy, and citizen participation. NPA, according to Golembiewski, is a transitory and ephemeral phenomenon. Value-free scientific positivist variety is a primary target for NPA supporters, according to him. In political theory, public management is ultimately a problem, as Wallace Sayre has stated. NPA was a watershed moment in the discipline’s evolution. Waldo’s inspiration and the academic leadership of Frank Marini, George Frederickson and Joseph Uvages led to the development of NPA, which represents a post behavioural, post-positivist and existentialism phenomenology based (value-fact mixed), cross-disciplinary, social equity-oriented, public policy-based approach to administration.

Check Your Progress

1. Who has told public administration as detailed and systematic execution of law?
2. What is the full form of POSDCoRB?
3. What are the two views regarding the nature of public administration?
4. What to you think about managerial view of public administration?

1.6 POLITICS-ADMINISTRATION DICHOTOMY

Since its inception, the relationship between politics and administration has been a major source of contention in public administration. It has a substantial impact on public administration practice and is a key pillar of the profession, all of which make it a vital part of the public administration identity. The political-administrative gap is one of the most important and contentious issues in this sector. Since Wilson first outlined it, it has seen ups and downs in terms of development. Despite the fact that it set the foundation for public administration, academics were unanimous in their condemnation of the work. Even yet, how to define the link between politics and administration is still crucial to the theoretical and practical evolution of public administration. As a result, people are continually reflecting on

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and criticizing the political-administrative divide, which objectively promotes public administration thought in theory and practice.

We need to know what it means right from the start. Wilson, the father of administrative science, said emphatically that politics and administration are two distinct domains of study. He agrees with Bluntschli that administration is beyond the purview of politics. The problem of administrative administration isn't one of politics. Although politics determines the mission of administrative management, politics does not have to go to great lengths to control the administrative agency. Politics is a significant and global issue. Administration is the state's action in individual and delicate affairs in terms of national operations. Politics is a politician's specialty, while administration is a technical staff issue. Wilson divides politics from politics based on this idea. Later, it was included into the political-administrative dichotomy idea.

Wilson was not sure about the separability or inseparability of politics and administration. Wilson was aware of the interdependence between administration and politics. It was evident in many of his writings. For example, he wrote "no lines of demarcation, setting apart administrative from non-administrative functions can be run between this and that department of government without being run uphill and down dale over dizzy heights of distinction and through dense jungles of statutory enactment.....". However, in some places he argued in favour of separability between politics and administration. For him, politics is the special province of the statesman and administration is of technical official. He also says that, "bureaucracy can exist only where the whole service of the state is removed from the common political life of the people, its chiefs as well as its rank and file". Wilson's confused mind about (in)separability of politics from administration provided fuel to later scholars to interpret differently.

Wilson also probed into the relationship between public opinion and administration. To Wilson, public opinion takes the place of an authoritative critic. When used to oversee policy, public criticism is not only beneficial but also unavoidable in the nitty-gritty minutiae of administration. Because of this, Wilson believed that the administrative study should discover the optimum means of giving public criticism this power while still keeping it completely isolated from administration.

1.7 PUBLIC AND PRIVATE ADMINISTRATION

For a little more than half a century, the extension of the public sector into industrial firms has been a reality. In order to function effectively, public sector organizations draw substantially from private sector business expertise, administration, and process orientation. There is, however, a significant distinction between these two administrative approaches.

To have a better understanding, it would be interesting to study about the parallels and differences between these two. Prior to examining what writers and subject matter experts have to say, let's examine the distinctions between the two.

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According to Paul H. Appleby, public administration differs from private administration in three key ways: first, it is political; second, it is broad in scope, influence, and consideration; and third, it is accountable to the public. In the light of our own investigation of the issue in prior publications, these discrepancies appear to be extremely basic and very real.

Josia Stamp went even farther, identifying four points of distinction, the only one of which is identical to Appleby's: public accountability and responsibility, as Stamp defines it. The other three are:

- Principle of uniformity,
- Principle of external financial control,
- Principle of service motive.

Herbert Simon identified extremely practical and simple contrasts based on common ideas and imagination, which may appear more enticing. According to him, the bureaucracy of public administration is a far cry from that of private administration. Public administration, on the other hand, is apolitical. Most people agree that government management is marked by red tape, but private administration is not.

Peter Drucker, a management guru, summarizes the differences in a more complete manner. According to him, the intuition that controls both types of administration is distinct from one another. While the public sector operates on the basis of service intuition, the private sector operates on the basis of business intuition. They also serve a variety of purposes, each with its own set of requirements, values, and goals. Both of them provide distinct kind of contributions to society. In a public administration, performance and achievements are measured differently than in a private one.

Let us now examine the similarities between the two and determine how similar they are and in what ways. You might be shocked to learn that the methods in which a public and private administration operate are quite similar. Some subject field specialists and authors, such as Henry Fayol, M.P. Follet, and Lyndall Urwick, do not consider them to be distinct. Regardless of whether they are public or private, all types of administration, according to Fayol, operate on a same concept. All administrations follow the same planning, organizing, commanding, and regulating procedures.

The foregoing reasons, as well as numerous additional points offered and proven by other authors, clearly show that the two regimes have more similarities than we see and comprehend.

- For public and private administration, the administrative components of planning, organizing, coordinating, and controlling are the same.
- Accounting functions such as account keeping, filing, analytics, and stocking are present in both organizations because of the hierarchical structure of the chain of command or other forms of reporting.

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- As a result of the other's best practices, both are affected, adopt, and adapt their own methods. Moreover, they can draw on the same pool of employees and deal with the same personnel and financial difficulties.

1.8 PUBLIC ADMINISTRATION AND OTHER SOCIAL SCIENCES

The social sciences study numerous elements of human behaviour in society in a methodical way. Economics, political science, public administration, and history are all part of the social sciences. Because all of these disciplines focus on man in society, they are multidisciplinary fields that are intertwined.

Public administration is a broad, multidisciplinary approach that incorporates information from a variety of fields in the social sciences. Because of its increasingly multidisciplinary character, it draws on other social sciences and uses the information, ideas, methodologies, and instruments created by them to its research.

As a result, it is critical for anybody interested in studying public administration to have a basic understanding of other social sciences and their connections. We'll look at how public administration interacts with political science, history, economics, and sociology, psychology, law, ethics, and business management in the following sub-sections.

1.8.1 Public Administration and Political Science

The study of states and government structures is at the heart of political science. It is all about having the right kind of authority and having the right kind of influence. One of its main purposes is to ensure that all members of society receive authoritative ideals. Political science and public administration are inextricably linked, if not identical. Public administration is government in action, whereas political science is concerned with government. For public administration, political science provides a fundamental framework through which to operate. Public administration and political science share several subjects of study, making them more like a brother and sister.

1.8.2 Public Administration and History

As a discipline, history focuses on how humans have evolved as a society over time. There are many different aspects to history that can be analyzed via the lens of this field. In the study of public administration, historical resources can be helpful. The birth and collapse of states, their organizations, roles, achievements and failures, as well as economic and social progress, religion, intellectual and creative movements, are all covered. Throughout history, people's experiences have been put to the test. A wide range of administrative practices from throughout history have informed our research. An assessment of the administrative structure of a country is incomplete without an investigation of the country's history.

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1.8.3 Public Administration and Economics

Economics is concerned with characteristics of human behaviour that come from a lack of resources to accomplish a goal. The tight link between public administration and economics is shown by Adam Smith's description of economics as the art of administering the people's and government's resources. Economic considerations are present in a number of sectors of public administration. Public finance, the Planning, Programming, and Budgeting System (PPBS), economic planning, and the administration of public companies, for example, are all frequent topics of study. It is important to consider the economic impact of the government's development goals and programmes while designing and implementing them. Consequently, economic planning brings the government and economy closer together. Economic growth is also highly influenced by the government. In many rising countries, economic planning has become a fundamental part of the government's social and economic policies.

1.8.4 Public Administration and Sociology

Sociology is a wide term that refers to the study of all human social connections. It's a field of study that combines political, economic, family, religious, and other interactions in order to get a comprehensive picture of man's social existence. Public administration is concerned with the management of man's administrative issues in society, as well as the fulfilment of community requirements such as life security, health, and education.

Prof. Dimock was right in pointing out the intimate relationship between Public administration and sociology in the following words, "... administration exists in a social setting and the pattern of administration is determined by society; but through sensitive administrative leadership, society itself may be changed. That the administrator is not merely an executive; he is also a social engineer, helping society to fulfil itself".

It is clear from the contributions of numerous sociologists that sociology has a significant impact on public administration. The most significant contribution to the theory of bureaucracy was provided by the eminent German sociologist Max Weber. Aside from bureaucracy, these professions frequently study concepts and terminology like authority, organization, affiliation, alienation, and social change. Administration's relationists have drew heavily on sociology.

1.8.5 Public Administration and Psychology

Public administration is the study of human activity, while psychology is the study of human behaviour in society. Psychology, as a social science, aims to comprehend individuals and organizations by defining general rules and investigating specific examples. While framing a public policy, public administration uses psychology as a guide. A person's psychological behaviour drives their actions. As a result, psychology and public administration are inextricably linked.

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The administrators of the 18th and 19th centuries did not place a high value on psychology. They saw man as a rational animal whose actions were guided by logic and reason. Later studies, on the other hand, revealed that psychology has a lot to contribute to the study of public administration. Human behaviour isn't as logical as administrators believed it to be. It is now well acknowledged that man's actions are not only motivated by logic. Instinct, emotions, mimicry, and other factors all play a significant influence in a man's life. As a result, administrators are now adopting a psychological approach to administrative issues.

1.8.6 Public Administration and Law

Law is a set of laws designed to regulate and organize human interactions in a community. Law and political science are both intimately tied to public administration. Because of its strong ties to law, public administration is taught in law schools in continental countries such as France and Germany, as well as in other countries such as Japan. In India, public administration courses are taught in the law and governance departments of several institutions.

Administrative law, delegated legislation, administrative tribunals, and other themes in law and public administration are all prevalent. The legal method, which considers public administration as saturated with legal and adjudicatory problems, is one of the earliest approaches to the study of public administration. It is critical that government agencies function within the legal framework. Various sorts of legislation, such as constitutional and administrative law, tend to limit and affect how government agencies operate.

The legal framework determines the institutional form, powers and tasks of administrative entities, and the limits imposed on them. The law not only tells a manager what he can and can't do, but it also sets boundaries on his power. He must behave himself in such a way that he always acts within the bounds of legal authority. If he acts outside of his legal authority, the courts will rule that his actions are illegal and so invalid. As a result, courts maintain government agencies within lawful bounds.

Administrative law serves as the primary connection between government and the law. Administrative tribunals, made up of administrative officials and specialists, are in charge of enforcing administrative law. Furthermore, according to Woodrow Wilson, the major duty of public administration is "detailed and systematic execution of public law." As a result, every administrator functions as a law enforcement officer. Because legal interactions are such an important aspect of the administrative role in the execution of policy, public managers benefit greatly from knowing the current legal system.

A public administrator not only enforces the law, but also helps to create it. "He is a builder because he creates law every time, he applies existing law to new conditions." When implementing current laws, administrators are in a better position to recognize the need for new laws or amendments to existing laws. As a result, public managers frequently propose new laws or change existing laws based on their experience, which are authorized by the law-making authorities. Public

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administrators are also responsible for the formulation of legislation. Under delegated legislation, administrators can use their discretion and rule-making powers to determine what the law is, as well as what it entails in terms of action. As a result, administrators contribute to the creation of new legislation.

1.8.7 Public Administration and Ethics

Ethics and public administration are intertwined in the sense that the former establishes norms of integrity and honesty for human behaviour, while the latter is dedicated to supporting the former. Ethics is concerned with the community's moral ideals. As a result, it is critical that the government considers these principles while executing public policy.

The study of public and professional morality is now an intrinsic aspect of public management. "Moral performance originates with individual self-discipline on the part of officials, encompassing all that is indicated by the word character," Appleby writes on this topic. There are times when this isn't enough, as a systematic approach that takes into account the varied levels of competence and the diverse obligations people have to one another as well as to the public is needed. This isn't always possible, though. Officials, both individually and collectively, must be concerned with more than just being honest; they must be devoted to ensuring that democracy remains a living, breathing reality.

1.8.8 Public Administration and Business Management

Public administration and management are so interconnected that even at times people get confused in use of both. The relationship is truly reflected by the definition of management as offered by Ordway Tead when he opines, "administration is the direction of people in association to achieve some goals temporarily shared. It is the inclusive process of integrative human efforts so that a desired result is achieved. Thus, management tries to achieve goals which a public administrator sets before itself. In fact, no goals can be achieved unless public administration and management work in close co-operation with each other."

Nonetheless, the two are distinct. Policies are decided by the public administrator, but it is up to management to put them into action. As a result, one is focused with policy formation, while the other is concerned with policy implementation. The former is in charge of setting goals, while the latter is in charge of devising strategies for achieving them quickly.

Check Your Progress

5. What do you think about politics-administration dichotomy?
6. According to Josia Stamp, what are the four principles on which public administration is different from private administration?
7. What are the similarities between public administration and private administration?
8. How public administration is related to law?
9. Is there any link between public administration and business administration?

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1.9 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Woodrow Wilson has viewed public administration as detailed and systematic execution of law. He had occupied the position of the US president. He is regarded as the father of public administration.
2. Luther Gulick has given the POSDCoRB view of functions of public administration, which stands for planning, organizing, staffing, coordinating, reporting and budgeting.
3. Regarding nature of public administration, there are two views namely integral and managerial. The integral view has an all-catch nature covering all the actions in public organizations. On the other hand, managerial view covers only the managerial activities.
4. The managerial view of public administration defines public administration as the managerial actions covering planning, organizing, commanding, coordinating, and controlling. This viewpoint sees administration as the process of getting things done rather than the process of doing things. Non-management tasks such as physical, clerical, and technical operations are excluded from the managerial view. They are included in integral views.
5. Politics-administration dichotomy points to the level of interdependence between politics and administration. Since the time of Wilsonian era, it has been dominating the debates between separability and inseparability of politics from administration.
6. In modern times, there are tremendous similarities between the practice of public administration and private administration. But Josia Stamp enlisted four principles on which public administration can be differentiated from private administration. They are – principle of accountability, principle of uniformity, principle of external financial control, principle of service.
7. Scholars like Fayol, Follett and Urwick didn't see any distinct differences between public and private administration. This is because, both the subjects have enormous similarities between them. For public and private administration, the administrative components of planning, organizing, coordinating, and controlling are the same. Both include a hierarchical chain of command or reporting as the organizational structure. Both are affected by, adopt, and modify their own procedures in light of the other's best practices. They also have access to the same pool of workers, and they face similar personnel and budgetary issues.

8. The relationship between public administration and law could be ascertained from the very definition of Wilson, when he told it as the systematic application of law. The legal framework determines the institutional form, powers and tasks of administrative entities, and the limits imposed on them. The law not only tells a manager what he can and can't do, but it also sets boundaries on his power. Administrative law serves as the primary connection between government and the law.
9. Though there are differences between public administration and business management or administration, both enjoy tremendous similarities. Thus, management tries to achieve goals which a public administrator sets before itself. In fact, no goals can be achieved unless public administration and management work in close co-operation with each other.

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1.10 SUMMARY

All societies have their political systems and economic systems, so also, they have their Public Administrative Systems.

In contemporary societies, Public Administration has proved to be indispensable. Its scope is very wide; it includes all the activities undertaken by the government in public interest.

There are two views regarding the Nature of Public Administration, that is, Integral and Managerial.

According to the integral view, 'administration' is the sum total of all the activities – manual, clerical, managerial, etc., which are undertaken to realize the objectives of the organization.

According to the managerial view of administration, the managerial activities of people who are involved in planning, organizing, commanding, coordinating and controlling constitute Public Administration. This view regards administration as getting things done and not doing things.

The scope of public administration, can be discussed from two angles - public administration as an activity and as a discipline.

As an activity, public administration encompasses all government functions. As a result, the extent of public administration is comparable to that of state action.

Scope of public administration as a discipline can be discussed from two angles – POSDCoRB and subject-matter.

Gulick summarize the subject's scope with the initials POSDCoRB, which stand for Planning, Organization, Staffing, Directing, Co-ordinating, Reporting and Budgeting.

Public administration is concerned with both procedural and substantive issues, such as defence, law and order, education, public health, agriculture, public works, social security, justice, and welfare, to name a few. These services necessitate not

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only the use of POSDCoRB techniques, but also the use of crucial specialized approaches that are not covered by POSDCoRB procedures.

The link between politics and administration has been a central problem in public administration since its inception. It is intimately linked to the identity of public administration, as well as having a significant impact on public administration practise and being an important cornerstone of the profession. One of the most significant and debated topics in this area is the political-administrative divide.

In order to function effectively, public sector organizations draw substantially from private sector business expertise, administration, and process orientation. There is, however, a significant distinction between these two administrative approaches.

Public administration is a broad, multidisciplinary approach that incorporates information from a variety of fields in the social sciences.

Because of its increasingly multidisciplinary character, it draws on other social sciences and uses the information, ideas, methodologies, and instruments created by them to its research.

As a result, it is critical for anybody interested in studying public administration to have a basic understanding about its linkage with other social sciences like political science, history, economics, and sociology, psychology, law, ethics, and business management.

1.11 KEY TERMS

- **Administration:** The term 'administer' comes from two Latin words 'ad' and 'ministrare,' which imply to look after or care for people, to serve or manage various matters.
- **Public Administration:** Public administration is government administration in action, or a socio-economic and politico-administrative confluence, with a particular concentration on public bureaucracy.
- **POSDCoRB:** It means Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting.
- **Politics-administration dichotomy:** It means separability of public administration from politics.

1.12 SELF-ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What is administration?
2. What is public administration?
3. What do you mean by POSDCoRB?
4. What is politics-administration dichotomy?

5. What is managerial view of public administration?
6. How is public administration related to political science?
7. What do you mean by integral view of public administration?

NOTES**Long Answer Questions**

1. In modern times, the line of demarcation between public administration and private administration is blur - Discuss.
2. Discuss the nature and scope of public administration.
3. By focusing on the relationship of public administration with other social science subjects, substantiate the need of multi-disciplinarity of public administration in current times.
4. "Politics and administration are two sides of same coin. Hence, debate on politics-administration dichotomy is irrelevant". Examine the validity of the saying.

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Unit II Organization

Learning Objectives:

After going through this unit, the student should be able to:

- Define organization
- Explain organization and its characteristics
- Know the principles and bases of organization
- Know about hierarchy, unity of command, span of control, etc.
- Know the role of chief executive
- Conceptualize line, staff and auxiliary agencies with suitable examples

Structure:

- 2.1 Introduction
- 2.2 Concept of Organization
 - 2.2.1 Characteristics of Organization
 - 2.2.2 Types of Organization
- 2.3 Principles of Organization
 - 2.3.1 Hierarchy
 - 2.3.1.1 Importance of Hierarchy
 - 2.3.1.2 Basic Features of Hierarchy
 - 2.3.1.3 Advantages of Hierarchy
 - 2.3.1.4 Disadvantages of Hierarchy
 - 2.3.2 Span of Control
 - 2.3.2.1 Importance of Span of Control
 - 2.3.2.2 Factors Affecting Span of Control
 - 2.3.2.3 Graicunas' Formulae
 - 2.3.2.4 Span of Control under Revision
 - 2.3.3 Unity of Command
 - 2.3.3.1 Importance of Unity of Command
 - 2.3.3.2 Factors Affecting Unity of Command
 - 2.3.3.3 Exceptions to Unity of Command
 - 2.3.3.4 Arguments in Favour of Unity of Command
 - 2.3.3.5 Arguments against Unity of Command

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- 2.3.4 Centralization and Decentralization
 - 2.3.4.1 Types of Decentralization
 - 2.3.4.2 Factors Affecting Centralization and Decentralization
 - 2.3.4.3 Merits and Demerits of Centralization
 - 2.3.4.4 Merits and Demerits of Decentralization
- 2.4 Bases of Organization
- 2.5 Organizational Structure
 - 2.5.1 Significance of Organizational Structure
 - 2.5.2 Components of Organizational Structure
 - 2.5.3 Types of Organizational Structure
 - 2.5.3.1 Functional
 - 2.5.3.2 Divisional
 - 2.5.3.3 Adaptive
- 2.6 Chief Executive
 - 2.6.1 Types of Chief Executive
 - 2.6.2 Functions of Chief Executive
- 2.7 Line, Staff and Auxiliary Agencies
 - 2.7.1 Line Agencies
 - 2.7.2 Staff Agencies
 - 2.7.3 Auxiliary Agencies
- 2.8 Answers to 'Check Your Progress'
- 2.9 Summary
- 2.10 Key Terms
- 2.11 Self-Assessment Questions and Exercises
- 2.12 References

2.1 INTRODUCTION

We'll talk about the importance of organization in terms of administration in this unit. Administration, as we all know, is a collaborative group effort aimed at reaching defined objectives or goals. Public administration is a structured activity that aims to provide services while also imposing limits on individuals and groups in society. To avoid misunderstanding and working at cross-purposes, it is evident that different people's activities must be coordinated according to a predetermined strategy. When tasks with a clear end objective and a clear set of duties are properly assigned and coordinated, Katz and Kahn note that this rational coordination is organization. As a result, public administration need organization. Organization, on the other hand, may take many different shapes and maximize a wide range of values.

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The behaviour of the organization as a whole, as well as its individual members, is influenced by its structure. The same may be said about the procedures that organizations use. Different purposes can be achieved by establishing organizational structures and procedures of various types. Organizations are formed to achieve a certain purpose or aim; for example, the United Nations Organization was founded after the Second World War with the noble intention of protecting the world from the horror of another war. Similarly, World Trade Organization (WTO) was made to deal with global trade rules, so that smooth, and free trade can be possible. And we know that formal organizations, of which government agencies are only one example, are where much of the cooperative human endeavour takes place. Private businesses, labour unions, religious organizations, hospitals, colleges, professional groups, and political parties are among the others. As a result, understanding the organization is critical. As David H. Rosenbloom correctly points out, the organization of administrative activity is at the forefront of, or is dealing with, topics that students and practitioners of public administration should be interested in.

2.2 CONCEPT OF ORGANIZATION

The term ‘organizing’ comes from the word ‘organism,’ which refers to a structure made up of pieces or components that are integrated in such a manner that their relationship to the whole dictates their relationship to one another. When a goal needs to be met, individuals meet together and share the burden of achieving it. Hence, an organization is a platform that allows individuals to join together for the purpose of sharing and mutual understanding in order to achieve a shared goal.

Noted below are the definitions by few famous writers:

Nicholas Henry

“Organizations are different creatures to different people, and looking at different facts of various organizations such phenomenon appears to be unavoidable”.

Victor A. Thompson

An organization is “a highly rationalized and impersonal integration of a large number of specialists cooperating to achieve some announced specific objective”.

Chester I. Barnard

An organization is “a system of consciously coordinated personal activities or forces of two or more persons”.

E. Wight Bakke

An organization is “a continuing system of differentiated and coordinated human activities utilizing, transforming, and welding together a specific set of human material, capital, ideational and natural resources into a unique, problem-solving whole whose functions is to satisfy particular human needs in interaction with other systems of human activities and resources in its particular environment”.

Gortner, Harold F., Julianne Mahler, and Jeanne Bell Nicholson

“An organization is a collection of people engaged in specialize and interdependent activity to accomplish a goal or mission”.

John M. Gaus, L.D. White, and M.E. Dimock

John M. Gaus, L.D. White, and M.E. Dimock express almost similar views about organization. Their definitions highlight the following:

“Organization is the arrangement of personnel for facilitating the accomplishment of some agreed purpose through the allocation of functions and responsibilities. It refers to a relationship of efforts and capacities of individuals and groups engaged in a common task in a coordinated way to secure the desired objective with the least friction and the most satisfaction to those for whom the task is done and for those engaged in the enterprise”.

Max Weber

“Organization is a corporate group – that is, a social relationship which is either closed or limits the admission of outsiders by rules. Its orders are enforced by the action of specific individuals. The focus is on legitimate interaction patterns”.

Herbert Simon

“Organization means a planned system of cooperative effort in which each participant has a recognized role to play and duties and tasks to perform”.

L. Urwick

“Organization determines the activities those are necessary for a purpose (or plan) and arranging them in the group, which may be assigned to individuals. In this definition, while the identification of the tasks and their grouping is given priority, the individuals to whom the functions are entrusted come later”.

Pfiffner and Sherwood

“Organization is the pattern of ways in which a large number of people, initiate face-to-face contact, and relate themselves to each other in the conscious and systematic accomplishment of a mutually agreed purpose”.

Dimock, Dimock and Koenig

“Organization is the systematic bringing together of inter-dependent parts to form a unified whole through which authority, co-ordination and control may be exercised to achieve a given purpose. Because the interdependent parts are made up also of people who must be directed and motivated and whose work must be co-ordinated in order to achieve the objectives of the enterprise, organization is both a structure and human beings.”

Amitai Etzioni

Organizations are “social units (or human groupings) deliberately constructed and reconstructed to seek specific goals. Corporations, armies, schools, hospitals, churches, and prisons are included; tribes, classes, ethnic groups, friendship groups,

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and families are excluded”. Etzioni mentions the following characteristics of the organizations:

- (i) Division of labour are not random or traditionally patterned, but deliberately planned to enhance the achievement of specific goals;
- (ii) The presence of one or more power centres that control and direct the organization’s concerted efforts toward its goals; and
- (iii) Personnel substitution, i.e. unsatisfactory people can be replaced and new people assigned to their tasks. Transfers and promotions can also be used to recombine the organization’s people.

James D. Mooney

Organization “refers to more than the frame of the edifice. It refers to the complete body, with all its correlated functions. It refers to those functions as they appear in action, the very pulse and heartbeats, the circulation and respiration, the vital movement, so to speak, of the organized unit. It refers to the co-ordination of all those factors as they co-operate for the common purpose”.

Ernest Dale

Organization is a system of communication, a means of problem solving and a means of facilitating decision-making. For him, an organization is “the process of determining what must be done if a given aim is to be achieved; dividing the necessary activities into segments, small enough to be performed by one person; and providing means of co-ordination, so that there is no wasted effort, and the members of the organization do not get into each other’s ways”.

Even though organizations represent different things to different people, it is not enough to “define” organization, as James G. March and Herbert A. Simon has rightly opined that, “organizations are more earthworm than ape”.

These characteristics characterize our governmental and private sector working models. What we mean is that an organization is more than just a structure; it is also a collection of complicated human collective behaviour aimed at achieving a certain purpose or objective. Most who worked on organizations, according to Nicholas Henry, identified the aforementioned qualities of the organization and emphasized distinct components or attributes. The literature may be divided into three broad streams, according to James D. Thomson: open, closed model, and the modern tradition which seeks to synthesize both models.

2.2.1 Characteristics of Organization

Organizations have the following distinguished characteristics.

1. **Distinguishable collection of people:** A recognized aggregate of human beings is referred to as an organization. The identification is feasible because a human group is more than a random collection of people; it is a collection of people who are linked to one another. An identifiable grouping does not imply that every member of the group knows each other personally because this is impossible in large organizations. The

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organization's limit is determined by an identified group of human or people. The elements of the organization are separated from other elements in their surroundings by such a border. The permeability of the organization's barrier may be conceived of as the quantity of interaction. The movement of people and information over the border is referred to as this.

2. **Planned and conscious creation:** An organization is a human group that has been purposefully and consciously formed. It suggests that the organization's connection with its members is contractual. They are hired under a contract and may be replaced at any time, meaning that dissatisfied employees can be fired and replaced with others. Promotions, demotions, and transfers can also be used to recombine the organization's people. As a result, organizations can last far longer than their members. Casual or concentrated gatherings with ephemeral links, such as a mob, and social units are distinguished by such purposeful and conscious development of human groupings.
3. **Purposive:** The organization is a purposeful construct, in the sense that all organizations have some sort of goal or set of goals. The members of the organization come to an agreement on the goals. An organizational goal is a desirable condition of things that the company tries to achieve. As a result, organizations serve as intermediary factors between requirements and their fulfilment. The fulfilment of an organization's objectives determines its success or failure.
4. **Coordination:** There is coordination of members' activities that are closely related inside the organization. It is necessary to coordinate the efforts of all members in order to achieve a common goal. Actions, not persons, are the focus of coordination since only certain of an individual's activities are important to achieving a specific goal. In this case, the organization must define the actions or duties that must be performed in order to attain the goal. It may be unimportant to the notion of organization who fulfils this function, but it will be crucial to how effectively the organization really runs.
5. **Structure:** The organization of human activity necessitates the creation of a framework into which varied persons may be fitted. The structure includes power centres that coordinate and manage the organization's coordinated efforts and guide them toward its objectives. Without some way of regulating, leading, and timing the various people or groups, coordination among numerous varied persons is obviously impossible. If an organization is large enough, there may be multiple centres of power, and this is because individuals are organized in a hierarchical fashion.
6. **Rationality:** The coordination of activity or behaviour is reasonable. Every organization has certain defined norms and standards of behaviour; these norms and standards are established jointly by individuals, and every member of the organization is expected to follow them. The

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organization's reward and penalty system acts as a cohesive force on its members, influencing their behaviour. Desirable behaviour is rewarded, whereas unfavourable behaviour is punished.

These features set an organization apart from other social groupings. Modern organizations, albeit not all, are typically vast and complicated. From the perspective of management, such features are critical. Organizations, in simple terms, are:

- Purposeful, complex human collective activities;
- Secondary (or impersonal) relationships;
- Specialized and limited goals;
- Sustained cooperative activity;
- Integrated within a larger social system;
- Provide services and products to their environment and there is always an interaction with the environment.

2.2.2 Types of Organization

There are basically two types of organizations. They are formal and informal.

Formal Organization

Workplace norms and procedures vary greatly from company to company. As a result, they help to keep everything running smoothly. They also aid in the smooth flow of communication among the employees. Through a formal structure, this can be achieved. Notably, management is in charge of structuring the formal organization in such a way that it clearly defines power and responsibility boundaries. It facilitates the attainment of organizational goals when combined with methodical coordination among diverse tasks.

Once again, management is in charge of establishing the structure of the company. By outlining the nature of the interrelationships between distinct work positions, it guarantees that the firm operates smoothly. In addition, they ensure that the goals of the organization are realised in their entirety. Formal structure also makes it easier to coordinate, link and integrate the various departments within an organization. The final point is that it focuses more on the task at hand rather than on interpersonal relationships. Formal organization is the biggest contribution of classical school of public administration. Scholars like Fayol, Gulick, Weber and Taylor are advocates of formal organization.

Advantages:

- The job links are laid out in great detail by the official organization. Thus, keeping track of responsibilities is a breeze.
- A chain of commands ensures that there is a unified command.
- Because each member's responsibilities are clearly defined, there is no ambiguity or uncertainty in individual jobs. Furthermore, there is no duplication of work, resulting in no waste.

- Organizations can achieve their aims and objectives by using it. This is because of the existence of cultures and interactions at work that are meticulously planned and organized.
- A formal organization has well-defined rules and procedures. This demonstrates that the members' behaviour and interactions are well-known in advance of each meeting. As a result, there are no chaos in the organization.

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Disadvantages:

- In a formal organization, decision-making is sluggish. It's critical to understand that every organizational demand must first pass via the appropriate chain of command before being handled.
- Formal organization is inherently inflexible. This indicates that there is complete discipline and no deviations from the processes. As a result, there may be a lack of talent acknowledgment.
- Lastly, because it exclusively discusses structure and labour, the formal organization ignores the social dimension of persons.

Informal Organization

It's understandable that when we engage with someone on a frequent basis, we prefer to become more casual with them. This is because we form interpersonal interactions with them that aren't exclusively professional. Rather, these friendships may develop as a result of common interests, such as discovering that your co-worker supports the same football team as you. In reality, informal organization is a by-product of formal organization. This is because we can't force individuals into a tight and entirely formal framework when they interact often. Instead, they establish groups based on friendship and social contacts and connect around shared interests.

In contrast to formal organizations, informal ones are more *ad hoc* and have no set rules. In essence, it is a web of loosely connected social networks that has grown organically through time. Unlike a formal organization, it cannot be compelled or controlled by management. In addition, rather than relying on externally imposed rules and norms, social norms are the primary source of behaviour standards. Even if there are no defined structures or communication channels in informal groups, it is more likely that random interactions will occur, and independent communication routes are more likely to arise. It is worth to be mentioned here, a formal organization is required for the development of an informal organization. The informal organization received its importance with human relations theory of Elton Mayo.

Advantages:

- Communication in this form of organization does not have to follow a strict sequence. Instead, it can take a variety of paths. This means that communication in an informal organization moves considerably more quickly than it does in a formal organization.

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- Humans are, after all, social animals. The need to socialize is ingrained in our DNA. Within the company, the informal organization guarantees that there is socializing. As a result, members feel a sense of belonging and happiness at work.
- It's difficult to acquire accurate comments and reactions in an informal organization. As a result, numerous constraints of formal organization are concealed in informal organizations.

Disadvantages:

- The haphazard nature of the informal organization might lead to the spread of rumours. We can't govern or regulate informal organizations, yet again. As a result, the organizations' operations may become chaotic.
- It is critical to recognize that without the support of the informal organization, it is impossible to make changes and expand. This might be beneficial to the company's growth or detriment.
- To reiterate, informal organization adheres to group norms and behaviours. If such behaviours are detrimental to the organization's interests, they may result in its disintegration.

Apart from the above two discussions, organizations can be classified according to their objectives. It can be government organizations, religious organizations, social organizations and many more. More types of organization would be discussed in the coming sections, while we discuss the organization structures.

Check Your Progress

1. What is an organization?
2. What are the important features of an organization?
3. Who are the advocates of formal organization structure?
4. Which theory laid the foundation stone of informal organization?
5. What are the features of a formal organization?

2.3 PRINCIPLES OF ORGANIZATION

A standard or acknowledged guidance to action is what the term 'principle' means in the dictionary. It is a hypothesis or notion, according to L.D. White, that has been sufficiently tested by observation or experiment to be sensibly put up as a direction to action or a way of comprehending something. Principles, according to Henri Fayol, are accepted facts seen as processes on which one may rely. Many scientists, who examined organizations to enhance their performance, developed some rules to regulate administration, whether public or private, either to manage the work of subordinates or to improve the organization's structure. Scholars like James. D. Mooney, Alan C. Reiley, Henri Fayol, Luther Gulick, Urwick and F.W. Taylor prescribed various principles of organization as guidelines for planning an efficient organizational structure. It is pertinent for us to throw light over the principles of organization evolved by some scholars:

He has derived a set of fourteen principles of organization.

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- (i) **Division of work:** This principle's main goal is to enable labour to do more and better work with the same amount of effort. Work is separated into categories based on specialty.
- (ii) **Authority and responsibility:** Each position's occupant should be given sufficient authority to carry out all of the responsibilities that have been assigned to him, i.e., responsibility is a corollary of authority; it is its natural consequence and essential counterpart; and wherever authority is exercised, responsibility exists.
- (iii) **Discipline:** Discipline or obedience implies that members act in accordance with the organization's established agreement with its members.
- (iv) **Unity of command:** Only one senior officer should provide commands to the subordinate employee.
- (v) **Unity of direction:** Each employee has a single point of contact, and each action has a single plan.
- (vi) **Subordination of individual interests to general interests:** Individual or group interests should not take precedence over the interests of the entire organization. The organization's interests should take precedence above the interests of individuals and groups.
- (vii) **Personnel remuneration:** The wage or remuneration offered to an employee for services done should be fair, encouraging, and not extravagant or beyond reasonable boundaries.
- (viii) **Centralization/decentralization:** This simply means that entire responsibility is centralized in the hands of the chief executive or decentralized among other authorities.
- (ix) **Scalar chain (hierarchy):** The scalar chain (hierarchy) is the chain of authority that runs from the top to the bottom of the hierarchy.
- (x) **Order (placement):** A place for everything in its position, i.e. an employee occupies the job that allows him or her to provide the best service.
- (xi) **Equality:** Organizations should foster an environment of equity in employer-employee interactions based on friendliness and fairness so that workers may devote themselves to their work.
- (xii) **Stability of tenure:** A fair period of continuous employment at a certain location should be provided to allow employees to settle in and acclimatize to the demands of their positions.
- (xiii) **Initiative:** Employees should be given the chance to demonstrate initiative in order to increase their abilities and sense of involvement.

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- (xiv) **Esprit de corps:** This principle adds to the requirement for collaboration and the preservation of harmonious and cohesive interpersonal connections.

James D. Mooney and Alan C. Reiley

They proposed four principles of organization:

- (i) Coordinating Principle
- (ii) Scalar Principle
- (iii) The Functional Principle
- (iv) Staff and Line

The functional concept of organization was also mentioned by Mooney and Reiley. All occupations, they claim, entail one of the three functions. The three functions are the determinative function (defining objectives), the application function (doing purposefully to attain the goals), and the interpretive function (interpreting the goals) (decision making). They claim that management has to be aware of these functions in order to be ready to do them when needed. As a result, they have contributed to the advancement of administrative management theory.

Luther Gulick and L. Urwick

Gulick and Urwick concentrate their attention to the discovery of principles based on which the structure may be constructed after emphasizing the importance of the structure as a designing process. Gulick contributed ten principles of organization:

- (i) Division of work or specialization;
- (ii) Bases of departmental organization;
- (iii) Co-ordination through hierarchy;
- (iv) Deliberate co-ordination;
- (v) Co-ordination through committees;
- (vi) Decentralization;
- (vii) Unity of command;
- (viii) Staff and line;
- (ix) Delegation;
- (x) Span of control.

L. Urwick

Urwick attributes a considerable percentage of societal conflict and misunderstanding, as well as its primary effects, to inadequate organizational systems. He contributed eight principles of organization:

- (i) **The principle of objectives:** The manifestation of a purpose should be reflected in the organization.

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- (ii) **The principle of correspondence:** Authority and accountability must be on an equal footing.
- (iii) **The principle of responsibility:** The supervisors' accountability for the job of their subordinates is total
- (iv) **The scalar principle:** It refers to the grading of responsibilities in an organization, not according to various functions, but according to the degree of authority and responsibility. The term hierarchy refers to a graded organization comprising multiple successive stages or levels, in which each lower level is instantly subservient to the next higher level, which is then subordinate to the next higher level, and so on, all the way to the top.
- (v) **The principle of span of control:** This principle points to the supervisor's ability to control the work of a certain number of subordinates. A manager should not supervise directly the work of more than five or six subordinates whose work interlocks;
- (vi) **The principle of specialization:** Administrators would be unnecessary if specialization did not exist. The goal of work division is to generate more and better work with the same amount of effort.
- (vii) **The principle of coordination:** The phrase coordination refers to a company's personnel cooperating and working together as a team. It also entails the integration of numerous pieces into a logical whole in order to meet the organization's goals.
- (viii) **The principle of definition:** Job of every member of the organization must be clearly defined.

H. Eric Frank

He has identified eleven principles of organization:

- (i) The objectives of the enterprise and its component elements should be clearly defined and stated in writing. The organization should be simple and flexible.
- (ii) The responsibilities assigned to a position should be confined, as far as possible, to the performance of a single leading function.
- (iii) Functions should be assigned to organization units on the basis of homogeneity of objectives to achieve the most efficient and economic operation.
- (iv) There should be clear lines of authority running from the top to the bottom of the organization, and accountability from the bottom to the top.
- (v) The responsibility and authority of each position should be clearly defined in writing.
- (vi) Accountability should always be coupled with corresponding authority.
- (vii) Authority to take or initiate action should be delegated as close to the scene of action as possible.

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- (viii) The number of levels of authority should be kept to the minimum.
- (ix) There is a limit to the number of positions that can be effectively supervised by a single individual.
- (x) Everyone in the organization should report to only one supervisor.
- (xi) The accountability of higher authority for the acts of its subordinates is absolute.

We can observe that the majority of past researchers offered concepts for the creation and construction of an effective organization. The fundamental issue, though, is the organization's disregard of the human aspect. Humans have been dismissed as unimportant in the administrative process. They have displayed a preoccupation with formal organization to the exclusion of all other organizational processes. As a result, human relations and behavioural studies arose as a result. By understanding organization primarily as a human relationship, these studies compensated for the shortcoming of the previous researchers. Human, i.e., people, as we all know, must be continually motivated to put their efforts toward the achievement of established goals. It is not only vital to have a good structure, but it is also important to know how to drive employees inside a company. As a result, any organization should be founded on principles that apply to both the physical and social components of the business.

In the following sub-sections, we will check some important principles in detail.

2.3.1 Hierarchy

According to the dictionary, the term "hierarchy" indicates "ruling or control over the lower." When it comes to administration, a hierarchical structure is one that has several interconnected levels or phases. It is a mechanism in which the contributions of numerous persons within an organization are combined. There are a few who command and others who are commanded in every organization. An organization's superior-subordinate relationships are developed through a variety of levels of responsibility. The 'Scalar Process,' as Mooney and Reiley name it, involves the construction of a pyramidal structure. The grading of responsibilities according to degrees of power and accompanying responsibility is known as scalar in organizations. Mooney opines that this scalar chain is a global phenomenon. The scalar principle may be found in any group of people who are linked as superiors and subordinates. The term 'Scale' is derived from the word 'ladder.' There are consecutive levels in hierarchy, just as there are steps in a ladder.

Different individuals have defined hierarchy in various ways. "Hierarchy consists of the universal application of the superior-subordinate relationship across a variety of levels of responsibility extending from the top to the bottom of the structure," writes L.D. White. To put it another way, hierarchy refers to the power of the higher over the lower. In administration, hierarchy refers to a tiered structure with numerous levels or phases.

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Earl Latham described it as an ascending scale, an organized structure of lesser and superior individuals. The good leader lives at the pinnacle, where he can probe the hearts of his lowest subordinates with his awful eye and mould their actions to his command. Hierarchy refers to the grouping of units into a larger unit for the purpose of activity direction and control. It is a structure of interlocking superior subordinate relationships from top to bottom that coordinates the activities of diverse persons to achieve a common objective. J.D. Millet described hierarchy as a means for coordinating the work of several persons.

Every organization has a goal in mind. It separates its duties into numerous roles or sections in order to attain that goal. Until one reaches the base, these units are further split into sub-units. Step-by-step or level-by-level, authority is transferred in a hierarchical structure. In a hierarchical system, one must ascend or descend in order to progress. There are various tiers of responsibility and power. Every employee is required to follow his superior's directions and to provide orders to his subordinates. As a result, hierarchy serves as a medium of communication as well as a chain of command between different levels of power. When dealing with higher or lower levels, the hierarchy principle requires that no intermediate level be ignored. This is referred to as 'working through the correct channel.' As a result, every communication should originate from the immediate superior or subordinate, depending on the situation. Every commander keeps only the power he needs and delegated the rest to his subordinates. As a result of hierarchy, distinct levels of decision-making emerge. Because of the hierarchical structure, the chief executive may give directives and delegate responsibilities to any level of the organization.

2.3.1.1 Importance of Hierarchy

It's impossible to imagine a company without a hierarchy. The separation of functions among a group of people is what organization is all about. Functions and responsibilities are distributed both horizontally and vertically. A company's structure can expand both vertically and horizontally. Vertical growth is defined as the addition of extra layers to an organization. Horizontal expansion, on the other hand, occurs when new functions or roles are introduced without increasing the number of levels. It is through vertical distribution that a company's upper and middle management levels, supervisors, and levels of individual performance are all developed. These levels do not, strictly speaking, indicate intrinsic superiority or inferiority. However, superior subordinate relationships do exist in the organization owing to differences in the type of responsibilities at various levels, differences in wage scales, and differences in the qualifications and characteristics of employees working at various levels. The requirement for the hierarchy is recognized for two reasons:

- (i) The split of labour into its most economic pieces in order to pursue the management philosophy goal of task specialization.
- (ii) Patterns for combining the many behaviours and activities of the specializations into a single coordinated effort.

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2.3.1.2 Basic Features of Hierarchy

The following are some of the key characteristics of hierarchy:

- Units and sub-units are used to organize the administrative function.
- These components are arranged in a pyramid, one on top of the other.
- Power is delegated at numerous levels.
- The notion of 'through suitable channel' is followed by hierarchical organizations.
- All orders and correspondence should be sent through the right channels. No intermediate level should be overlooked.
- A person is only given commands from one senior officer and no one else. This indicates that the principle of command unification has been followed.
- Authority and accountability are well-balanced. Responsibility without authority is pointless, but authority without responsibility is hazardous.

2.3.1.3 Advantages of Hierarchy

The following are some of the benefits of employing the hierarchical principle in the workplace:

- Every organization should have a common goal, which can only be realized through a hierarchical structure.
- Hierarchy unifies an organization's numerous parts into a coherent whole. M.P. Sharma opines that it is a tool for organizational cohesion and integration. It is the equivalent of mortar or cement in terms of organizational structure.
- It acts as a communication conduit inside an organization, both above and below. It makes it plain to every official who he should deal with.
- It allows us to assign accountability to each level and position inside the organization. Every employee understands his or her role and responsibilities in the organization, as well as who he or she is responsible to.
- The 'through appropriate channel' scale generated by the hierarchy concept assures strict adherence to protocol and prevents short-circuiting or disregarding intermediate links.
- Hierarchy reduces the amount of effort required at the top and decentralizes decision-making. Below the top executive, it develops a number of subordinate tiers. Each subordinate level serves as a decision-making centre for the subjects that have been entrusted to it. Every employee of the company is taught how to make judgments and lead his or her employees. Simultaneously, it relieves the top executive of labour and fosters a sense of belonging among the subordinates.

- It streamlines the file movement method and makes it easier to know where a certain file is.

2.3.1.4 Disadvantages of Hierarchy

A strict practice of hierarchy principle has also certain disadvantages.

- Directions flow from top to below in a hierarchical structure. Those on the lower levels are supposed to follow their superiors' orders mechanically, with little initiative or desire.
- Administrative rigidity and stagnation are the result, and it conflicts with the dynamic growth of interpersonal relationships among its members.
- The success or failure of this method is highly dependent on the personal preferences of the organization's leader. It will be a success if he can provide vitality and a personal touch to the organization. Otherwise, it will very certainly be a flop.
- The most important disadvantage of hierarchical organization is that it generates excessive delays in job completion.

2.3.2 Span of Control

The word 'span' literally refers to the space between a person's tip of thumb and little finger when extended out, but the word 'control' refers to the power or authority to direct, order, or constrain. Span of control refers to the number of subordinates an official may effectively control in public administration. It also refers to how many subordinates an officer may command. The span of control may also be defined as the number of subordinates or work units that an administrator can directly supervise. "The span of control" is defined as "the number of direct, habitual communication connections between the top executive of a business and his primary fellow-officers" in Dimock's books. Related to span of control, V.A. Graicunas offered the concept of 'span of attention'.

The span of control is proportional to the span of attention. At any given time, none of us can handle more than a fixed number of tasks. According to numerous studies conducted by psychologists on the subject of "attention," a person's ability to focus on more than a certain number of things at once is normally limited, and this limit should not be exceeded. Because span of control in public administration is connected to span of attention in psychology, a superior officer's ability to control a large number of people is limited. If the number of subordinates to be monitored by a senior officer is expanded beyond that limit, it is detrimental to the organization, leading to chaos.

The exact limit of the range of control is a point of contention among public administration scholars. The restriction was set at 3 to 4 by Sir Ian Hamilton. A supervisor, according to Haldane and Wallace, might manage 10 to 12 subordinates. Urwick distinguished between higher and lower levels in terms of control span. According to him, at the upper levels, a supervisor cannot directly monitor more than 5 to 6 subordinates, although at the lower levels, where the task is basic and

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regular, the span of control should be between 8 to 12. According to a survey done by Wallace in 1957, a chief executive's breadth of influence varies by nation.

2.3.2.1 Importance of Span of Control

The breadth of control problem is a natural extension of the hierarchy or scalar system theory. As previously said, hierarchical organization entails a number of levels or steps in an organization, each of which is led by a single individual. The number of such levels that an organization should have is determined by the total number of employees to be managed at the bottom and the number of subordinates that each superior officer can successfully supervise. This demonstrates that hierarchy and scope of control are inextricably linked. As a result, the hierarchy's levels or tiers should be determined after considering a senior officer's control span. When a senior officer is asked to control a larger number of people than he is capable of, the outcome is inefficiency and delays. Effective control and supervision are essential for an organization's work to be of high quality. As a result, the notion of span of control is extremely important. It is impossible for any organization to ignore it. When the span surpasses one individual's capabilities, the organization falls apart.

2.3.2.2 Factors Affecting Span of Control

It is impossible to define the optimal number that makes up the span of control in administrative theory or practice. However, there are some broad grounds of agreement about this issue. To begin with, it is well-acknowledged that each level of supervision has a control span that cannot be surpassed without risking a collapse. In this regard, L. Urwick, quoting V.A. Graicunas, observes that if a superior adds a sixth subordinate to his five, the additional aid he may gain is only 23%, but the increase in supervision may be 100%. The reason for this is because not only individual subordinates must be watched, but also the various permutations and combinations of their reciprocal ties. As a result, there is a universal span of control that cannot be surpassed without causing a breakdown. A wide range of circumstances and factors, such as the function, the time, and the location in which it is carried out are all considered to influence the extent of control.

The type of the job to be overseen is referred to as function. When the nature of the work is repetitive, quantifiable and identical, the span of control is greater than when the nature of the task is different. Monitoring several typists is easier because their work is quantifiable; however, this will not be true if surgeons and engineers, all need to be monitored at once.

The age of an organization is referred to as time. Practices get perfected and things settle in older and more established organizations. Rapid monitoring and a wider range of control are key features of such organizations. However, in newer organizations, precedents will be few, and new issues will necessitate frequent referrals to superiors. Employees become more dependent on their superiors, which reduces the span of control.

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The term “space” relates to the work environment. When subordinates and supervisors live in the same house, oversight becomes easier and faster. When they work at separate locations, oversight becomes more difficult because they are no longer under his direct control. In this context, when it comes to a manager’s “direct supervision,” Urwick makes an important distinction. Despite the fact that an officer can only supervise a limited group of people directly, he or she can give the organization more flexibility by allowing a large number of subordinates “access” to him.

Personality is defined as “the sum total of all human behaviour features.” It encompasses a person’s physical and mental characteristics. A skilled, active, and clever supervisor can oversee the work of a large number of subordinates. Otherwise, he will be able to oversee a smaller number of employees. Similarly, if a big number of subordinates are competent, enthusiastic, and clever, it is simpler to oversee their job. Otherwise, a supervisor can only supervise a certain number of subordinates.

The superior’s supervisory techniques have an impact on the span of control. Because subordinates do not require close monitoring, the span of control will be increased if supervision procedures are standardized. The breadth of control will be reduced if the supervisor’s direct monitoring is necessary.

2.3.2.3 Graicunas’ Formulae

Graicunas devised a mathematical formula to describe the increase in the complexity of the executive’s range of authority when additional subordinates are added. Every CEO weighs the weight of his supervisory responsibilities in terms of a single connection between himself and his employees. Graicunas believes that the relationships between an executive and his subordinates in any organization cannot be measured just on the basis of a single connection. There are also cross linkages, according to him, that rise in mathematical proportion. The number of subordinates always rises in the same proportion as the direct single relationship. In this instance, each new member of the group would only have one direct relationship. However, Graicunas claims that there are direct group and cross ties that grow at a faster rate than the number of subordinates. This is due to the fact that the addition of each person creates as many cross and direct group links as the number of people already in the group. As a result, the number of relationships grows at an exponential rate. Graicunas provides a method to quantify the number of linkages based on his research, allowing executives to assess the complexity of the span of control.

If there are three subordinates in an organization, the number of direct single relationships, the number of cross relationships, and the number of direct group relationships will all be equal to nine, based on these calculations. The number of direct single ties will remain at four even if a new member is added, but the number of cross relationships will increase to 12 and the number of direct group relationships will exponentially increase to 28. This explains why putting all of the group’s members under the direct control of the executive would make direct management nearly unfeasible, if not impossible. Graicunas also mentioned that for

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four subordinates, every group arrangement is simple to understand and retain. However, it becomes impossible to recall after the age of five since the linkages get increasingly muddled.

2.3.2.4 Span of Control under Revision

In recent years, the very concept of span of control has been questioned. The information revolution and the growing engagement of specialists are largely responsible for this transformation. Communications have been simplified and accelerated because to automation and mechanical processes. As a result of the conquering of time and space, the delay in paper work has been greatly reduced. Mechanization has also been used in tasks such as tabulating, accounting, purchasing, sorting, and calculating. Now-a-days, all activities have benefited from automation. Modern technology, such as computers and other electronic devices, allows managers to access a variety of data and accurate information at a rate that would normally require a large team to work together. As a result, the supervisor's control span has grown significantly, and he or she may now supervise a larger number of subordinates.

2.3.3 Unity of Command

One of the most pressing issues in public administration is ensuring collaboration and teamwork so that employees in organizations do not operate in conflict with one another. This is achieved through unity of command, in which decision-making authority and the ability to give orders are unambiguously delegated to different levels of the organizational structure. Employees in organizations should only receive commands from one superior, according to the concept of unity of command. According to Henri Fayol, a staunch supporter of this notion, "an employee should only get commands from one superior." According to Pfiffner and Presthus, the notion necessitates "that each member of an organization must report to one and only one leader." This will safeguard the employee from the perils of conflicting orders. There is a risk of conflicting commands if a person gets orders from more than one senior officer in an organization. This makes it difficult for employees to know what to do and who to follow. As a result, the employee is rendered ineffective. Employees must have a clear understanding of their roles and objectives in order to be productive in the workplace. Lack of role and purpose clarity is caused by duality and/or plurality of command. As a result, for employees to be productive in organizations, unity of command is critical.

2.3.3.1 Importance of Unity of Command

The importance of command unity in an organization cannot be overstated. When an employee gets orders from many superior officers, confusion and disagreement are more likely than clarity of purpose. An employee finds it challenging to accomplish his work with clarity of purpose in such a setting. As we've seen, duality and/or plurality of command causes employees to be conflicted over 'whom' and 'what' to follow. In absence of unity of command in an organization, this is one probable flaw. Another option is that an employee with manipulative abilities will use one superior against the other to avoid doing his job.

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In this procedure, such an employee manipulates his superiors, undermining the goal of the organization. In organizations, a lack of command unity either causes confusion or allows for exploitation. Receiving two contradicting orders can lead to inefficiency and even paralysis inside an organization. Both of these things are detrimental to a company's success. To prevent these errors and challenges in organizations, the notion of unity of command is critical.

2.3.3.2 Factors Affecting Unity of Command

As you may be aware, organizations are growing in both size and complexity. As a result, the number of experts on staff and auxiliary agencies is growing, and their power and influence is expanding significantly. These agencies have begun directly issuing administrative, technical, legal, and other forms of directions to officials of executive agencies. This gravely jeopardizes the notion of command unity. A worker must choose who to follow, what to pursue, and when to abide each of these factors. A confounding scenario, to say the least. As a result, an employee is given more authority and discretion because more individuals are giving him directions. Manipulative skills can be used to tamper with an organization's mission. Is there a way to prevent this from happening? Even when an employee is given orders from a variety of supervisors, only one person is responsible for evaluating his work. As a result, command is delegated to the officer in charge, who is responsible for monitoring the work of his subordinates. Thus, a superior with the authority to evaluate performance holds the key to achieving a unified command structure.

2.3.3.3 Exceptions to Unity of Command

The principle appears unassailable in theory. However, due to the expansion and complexity of modern organizations, there are many exceptions in practice. Personnel may be overseen by one senior officer for administrative purposes and another senior officer for technical purposes. All technological fields, including space, information technology, health, education, agriculture, and so on, are affected by this trend. It is nearly hard to avoid receiving directives from many superiors in such situations.

The notion of unity of command was rejected by F.W. Taylor, the doyen of the scientific management movement. He replaced it with functional direction and supervision, often known as "functional foremanship". In the end, the person who analyses the performance of an individual or persons in an organization is the true source of unity of command. As a result, the ability to evaluate one's own performance is the single most important element affecting command unity in our organization. In an industrial organization, for example, a member may work in a team who performs various technical jobs, but the personnel manager evaluates his work. Furthermore, a state tax collector, for example, is given instructions by the local government on how to collect entertainment tax. However, the business taxes department conducts his annual evaluation. An employee is said to benefit from specialized supervision by specialists for each of his tasks if this approach is followed. Taylor had advised eight supervisors or foremen for each worker as a result. The nomenclature used by Taylor for eight supervisors are gang boss, speed

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boss, inspector, repair boss, work and route clerk, instruction card clerk, time and cost clerk; and shop disciplinarian. The first four supervisors labour in the plant, issuing orders and guidance in their respective functional areas. The last four are planning bosses who give orders. Multiplicity of command, according to Taylor, assures division of labour and allows specialization. Because no single person can be an expert in all of the Specialized domains, a variety of commands helps to ensure competent supervision.

Applied in the realm of public administration, Taylor's original concept was a breakthrough. We now have different technical professionals working side by side with general administrators in the field of public administration in today's world. They are both in charge of the people under their command. The alternative point of view is held by Millet, who believes that there is a need for harmony between the two. Technical supervision should be concerned with a worker's expertise in the performance of a task, whereas administrative supervision should be concerned with the efficient use of available resources.

2.3.3.4 Arguments in Favour of Unity of Command

The concept's proponents say that it exists and that it also operates. They claim that even when many superiors provide directions to an individual, the directives are all directed in the same direction. According to Seckler Hudson, "he may receive policy directions from one, personnel orders from another, budget orders from a third, and supply and equipment from a fourth." The notion of command unity is valid as long as there is no contradiction between these instructions and directives.

Another distinguishing aspect is that the technical professionals who place orders are merely advisors and assistants to the employee. In the event of a dispute, an employee must eventually obey the directions of his or her immediate boss. This adds to the argument that organizations have a unified command structure. When compared to other organizations, certain organizations, such as the military forces and intelligence services, have stronger unity of command. That means that in certain organizations, unity of command is a must.

According to Dimock and Dimock, in organizations, someone must be the boss, numerous directions are confusing, and clear lines of authority and connections are "necessary for good cooperation." Otherwise, they contend, the signals are muddled, wires are crossed, a suitable flow of information is absent throughout the programme, and all pieces required for the completion of a unified job are dispersed. As an example, Gulick emphasizes the significance of this concept by pointing out that any blind obedience to the principle of unity of command could result in absurdities. However, they are insignificant when compared to the certainty of disarray, inaccuracy and carelessness that follows a violation of the concept of accountability. As a result, the principle's importance rests in establishing a coordinating framework inside an organization. Other advantages of unity of command include the absence of contradiction in

instructions, effective monitoring of staff, and unambiguous responsibility fixation. Henri Fayol warned of the hazards of violating the concept in practice.

2.3.3.5 Arguments against Unity of Command

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The idea of unity of command states that an employee should only report to one supervisor for commands and instructions. However, it faces a number of challenges in terms of practical application in real-world administrative scenarios.

Many people criticize the theory; for example, Seckler Hudson pointed out that in complicated governmental contexts, the concept of a single supervisor for each individual is rarely applicable in practise. According to the author, numerous interrelationships exist outside of the direct line of command that need working with and reporting to a large number of people in order to function effectively and efficiently. Seckler Hudson claims that the government's administration has many superiors, and he can't ignore any of them.

In organizations, unity of command, like other concepts, is more of a theoretical statement than a practical one. Committees, commissions, and independent organizations have little in common with this idea. Furthermore, the approach will be unproductive in organizations such as research laboratories. Such principles are barely relevant in a fast-changing culture, with technological breakthroughs and transformation. Working with a variety of technical and generalist officials in Development Administration entails accepting commands and directions from both. As a result, principles such as "one man, one boss" in development administration may lead to administrative opposition. As John D. Millet points out, the principle of unity of command must be harmonized with the knowledge that supervision of any activity may be dual in nature – technical and administrative in nature, as well as both. The two types of supervision may be under the control of different people. In the performance of a task, one type of competency may be concerned with professional competency, whilst the other is concerned with the efficient use of the job's resources, which include employees and supplies. Even Luther Gulick, a classicist, recognized that strict devotion to the idea of unity of command would result in absurdities.

2.3.4 Centralization and Decentralization

The consolidation of official authority at the upper levels of an organization is known as centralization. It is a trend geared at centralized performance. As a result, it is the polar opposite of dispersal and delegation of authority: it has a significant impact on policy formation and decision-making processes. If a company is highly centralized, these two important areas of administration or management are known as the senior management's reserves. Lower levels of an organization's hierarchy always look to the top for guidance, advice, clarification, and interpretation, among other things. Even the parent organization's field units or agencies have no decision-making authority and are completely reliant on the central authority. The field units must carry out the decisions in accordance with the pre-determined instructions provided by the central authority, which are handed down to them by the headquarters. A more intensive kind of centralization occurs when an

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organization operates from a single location, i.e., when and does not have any special agents. “centralization has been used to denote processes other than the distribution of authority,” writes Harold Koontz. It frequently refers to departmental operations, such as service divisions, centralized similar or Specialized tasks, or Specialized activities within a single department. When it comes to management, however, centralization refers to the delegating or withholding of authority, as well as the distribution or concentration of authority in decision-making. As a result, centralization may be defined as the concentration of physical resources and/or decision-making power. To put it another way, centralization is the use of limited and restrictive delegation. “Everything that goes to raise the importance of the subordinate’s function is decentralization, everything that goes to lessen it is centralization,” Henri Fayol remarks while discussing decentralization versus centralization.

Individuals and groups have diverse interpretations of the word decentralization. Administrative procedures are often described as one of the most difficult and confounding aspects of professional administration, according to Louis A. Allen. According to Pfiffner and Sherwood, “decentralization has become a ‘gospel’ of management.” There are three reasons for this: (i) it is a faith-based lifestyle, (ii) it is idealistic and democratic, and (iii) it is tough to begin with since it requires a shift in behaviour that goes against the grain of humanity’s cultural norms. Because of this, recent decentralization research focuses on how to alter organizational habits. When it comes to delegating, thinking in abstracts, listening rather than providing commands, and assessing other men and their work in terms of overall outcomes rather than annoyances and stresses of the present, men have a hard time. Yet, in a decentralized organization, this is the most important aspect of leadership behaviour. Decentralization is clearly not simply a technique for delegating or dispersing administrative control, but also a democratic process of devolution of political authority. Furthermore, democratic rules must be followed in a decentralized organization. These standards aid the various levels of the administrative organization in developing a realistic competence for exercising authority in order to obtain the most desirable decisions. Furthermore, they assist them in assimilation of the benefits of increased contacts not only among the various levels of the organization, but also between the organization and its clients in the broader public.

Decentralization, according to some, relates to the physical placement of facilities and the level of power dissemination within an organization. Because of this, it is a model in which the primary authority and responsibility for results are assigned to units scattered around the country. The core of decentralization, it is said, is the assignment of functions and responsibilities to subordinates or subdivisions for efficient and effective performance. In a decentralized organization, lower levels are permitted to make numerous decisions, and only a few situations requiring important policies or interpretations are brought to the organization’s upper levels. However, the phrases decentralization and de-concentration, as well as devolution and delegation, are sometimes used interchangeably in common

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jargon, despite the fact that they have different implications. Devolution affects both political and legal authority; de-concentration and delegation solely affect administrative power. The political, legal, and administrative realms of authority are all affected by decentralization.

2.3.4.1 Types of Decentralization

Administrative, political, functional, and geographical decentralization are the four forms of decentralization that may be distinguished. Administrative decentralization refers to the delegation of authority to lower-level authorities in an organization's administrative hierarchy. It might also imply delegating authority or tasks to lower units. The term "functional decentralization" refers to the decentralization of functions to Specialized groups or departments, such as education or health. When political power and responsibility are moved from higher to lower levels of government, this is referred to as "political decentralization." Authorities known as "panchayati raj agencies" devolve political decision-making authority from the state government to locally elected bodies such as panchayats, samitis and zilla parishads (village councils). Delegation of responsibilities from headquarters to regional offices is another benefit of geographical decentralization. As an example, most state government heads of departments' powers are decentralized to their field officers at the regional and district levels. This allows for rapid decision-making while keeping in mind local constraints.

2.3.4.2 Factors Affecting Centralization and Decentralization

The two extremes of authority operations, centralization and decentralization, are relative words. We can no longer imagine an organization that is entirely centralized or decentralized, because there is always a continuum of authority between the two. A good blend of the two generates a stable organization, accountability, efficiency and effectiveness. Its democratic use would be governed by the objectives, lifetime and size of the organization as well as the nature of its services. It has been claimed that in order for an organization to continue to exist, it must carry out certain activities that are essentially centralizing in nature and impact. Furthermore, they must execute from a central point of authority. Initiation and decision-making in connection to core management activities like planning, organizing, motivating, coordinating, and regulating the work of subordinates as well as field units are two such significant functions. As a result, higher levels tend to reserve genuine authority at the organization's key points by performing initiation and decision-making activities. On the contrary, Earnest Dale argues that decentralization is more prevalent under the following situations:

- (i) The degree of decentralization is proportional to the quantum of decisions made at the lower levels of the management hierarchy.
- (ii) The higher the degree of decentralization, the more crucial the decisions taken at the lower levels of management. When the leader of the field unit, for example, has the authority to approve financial investments or expenditures without consulting anyone else.

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- (iii) In a decentralized structure, more choices are made at lower levels, affecting the majority of the organization's operations as a whole. Because of this, organizations that delegate only operational decisions to independent branch units are considered to be less decentralized than organizations that delegate financial and human resource decisions to separate branch units.
- (iv) Decentralization is also greater when the judgement requires less scrutiny. When no check is performed at all, decentralization is stronger; it is less when superiors must be told of a decision after it has been made; and it is much less when superiors must be contacted before a decision is made. Fewer people are involved in the decision-making process, which increases the level of decentralization.

As a result, it is obvious that the application of the two notions is impacted by a variety of conditions. There is a need to employ the centralized and decentralized patterns of power for the utmost advantage of the people in current times, when we have a variety of administrative and political organizations. A welfare or service state must have this as a prerequisite. Although public opinion is shifting in favour of decentralization, some political groups and the bureaucracy continue to oppose decentralization for obvious reasons. According to Pfiffner and Sherwood, "Decentralization will always have conflict between those who want to be subordinated and those who don't want to be coordinated. What is needed is to acquire a way of life in which the coordinating process is as unrestrictive as possible, in which people may pursue their own aims to the fullest while still working in peace toward community goals with those who have different perspectives".

2.3.4.3 Merits and Demerits of Centralization

Now we'll look at the benefits and drawbacks of the centralization and decentralization philosophies. Organizations that follow the centralization concept give central guidance in the creation and implementation of policies and programmes. According to Louis A. Allen, such an organization allows for the introduction of dynamism into the organization through the active participation of personal leadership; it also aids in the implementation of an integrated approach to carrying out organisational activities, resulting in homogeneity of action across the organization. Furthermore, this principle comes in helpful in emergency situations and when coping with unexpected events.

Merits of Centralization

- (a) In a centralized organization, it is easier to adopt standard policies and practices. Furthermore, it may efficiently establish conformance to the required processes and improve coordination across the organization's various divisions and levels.
- (b) A structure like this boosts the status and power of senior executives. Because power is concentrated at the top, it is simpler to identify the crucial person(s) who wield true authority. This aids in the creation of an

environment conducive to the fulfilment of the ambitions of those executives or leaders who desire to blend status with real-world activities.

- (c) Duplication in an administrative organization can be avoided if the centralization process is improved.
- (d) According to Mervin Kohn, a centralized organization generates a corporate identity by allowing the organization's staff and equipment to be fully used.

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It might be argued that the benefits of centralization are quite limited and can be realized primarily in small businesses. In larger organizations, however, it becomes a roadblock to successful policy formation and execution.

Demerits of Centralization

- (a) Second-line executives cannot grow in a centralized organization since everyone below them is more dependent on the orders and directives from the top executives. Emergent circumstances necessitate quick judgments in order to achieve the intended outcomes. If an emergency arises at the unit level in a centralized organization, their remedies are complicated by the unity itself, as they lack decision-making authority.
- (b) The principle of centralization works against the organization's potential diversity or expansion. The centralized executive cannot comprehend the organization's local demands in the appropriate light.
- (c) The idea of delegation of authority is rarely used since true authority is always held at the highest levels of the organization. As a result, the senior executive must be consulted for each decision. As a result, such an organization concentrates all decision-making authority in a few people and reduces the bulk of its employees to mere implementers of instructions from above.
- (d) Because subordinates must contact superiors for even simple choices, the organization's work suffers and needless delays occur.

2.3.4.4 Merits and Demerits of Decentralization

Many researchers have found that in a decentralized organization, the lower-level management hierarchy has significant decision-making authority, and the number of decisions made at the lower levels is fairly great when compared to the number of decisions made at the top levels.

Merits of Decentralization

- (a) A decentralized organization is more sensitive to the local community's and people's needs and expectations. It has the ability to recognize and appraise genuine issues, as well as make judgments about how to solve them effectively. In the United Kingdom, local government organizations have considerable influence in dealing with local issues. Local government entities in India have been given some limited autonomy for making decisions at the local level.

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- (b) In a decentralized organization, delegation of authority is critical. The authority of higher-level organizations is shared with lower-level organizations. The upper tiers of the process deal with the most essential concerns, while the lower levels are free to deal with less significant ones. As a result, senior management is relieved of unneeded burdens.
- (c) A decentralized organization fosters innovation by welcoming fresh ideas and new procedures suggested by the organization's lower levels. Furthermore, this method aims to include the best of the organization's generalist and expert people. It encourages increased contact among employees. Furthermore, a decentralized approach stimulates the growth of the organization and allows for beneficial variation in the pursuit of objectives.

Demerits of Decentralization

1. Communication between levels becomes difficult in a decentralized organization. When the communication from the top reaches the concerned individual in the organization, it might get muddled and change its contents and meaning. Furthermore, geographic distance complicates the implementation of effective communication and control systems.
2. It is extremely difficult to develop a system of effective coordination at the levels of policy making and policy execution.
3. Due to a lack of exact and lucidly defined duties and responsibilities in most organizations, there is a lot of overlapping and redundancy. In a decentralized organization, duplication of staff functions is the rule rather than the exception.
4. Because the highest levels of the organization have comparably less influence, it may be difficult to maintain desirable uniformity in decision-making criteria.
5. Because the system is decentralized, the operating expenses are inevitably higher. Many variables might contribute to such a predicament, but one plainly recognized issue is the under-utilization of potential talent inside the organization.

Besides the above discussions in detail, it is worth to mention the other important principles as well. Principle of coordination, division of labour and delegation have received enough supports from the scholars. The delegation principle emphasizes the necessity for administrators to retain the necessary authority to act and delegate the remainder to their subordinates. Subordinates cannot execute their responsibilities without such delegating. "One of the most common causes of failure in organizations is a lack of guts to delegate correctly and understanding of how to do it," says Urwick. Executives who do not delegate duties to their subordinates, according to Urwick, do not perform efficiently. Additionally, the significance of distributing responsibility to executives who have been given

power is highlighted, and they should be individually accountable for their employees' actions.

On the other hand, the notion of work division suggests that in order to improve an organization's efficiency and effectiveness, work should be split and assigned to individuals who are experts in that field. In fact, Gulick believed that division of labour is the fundamental concept of organization and the basis for its existence. 'Every large-scale or intricate operation requires many individuals to push it ahead,' he added. When a large number of guys are working together, the best results are achieved when labour is divided among them. He claims that man invented organization because he was unable to complete the task on his own. As a result, he had to split the job, which was the catalyst for the emergence of organization. Individuals differ in terms of their abilities, productivity, and attitudes. It is not feasible for a single person to work in two places at the same time. He can't do more than one thing at the same time, either. The division of labour and entrusting different types of work to separate persons is unavoidable for these reasons, as well as in the context of rising knowledge in many fields. The division of labour increases the organization's productivity and efficiency. A division of labour, on the other hand, has its own set of constraints. The volume of labour, technology, custom, physical, and organic restrictions are all relevant constraints, according to Gulick. If the job is too little, it cannot be split. Only when there are personnel available with the necessary expertise can work be split. The division of work is followed by the integration of separated portions. According to Gulick, division of labour and integration are the bootstraps that humanity uses to hoist itself out of the abyss of civilization.

Principle of coordination is also equally appealing. This concept underlines the importance of coordinating labour when it is separated and assigned to diverse personnel in order to complete organizational responsibilities. It is impossible to complete the assignment without adequate coordination. Coordination is the process of bringing together the efforts of several personnel within an organization. Mooney claimed that the underlying basis of every human organization is coordination. He goes on to say that the term organization and the principle that governs it interact in every type of concentrated human activity, even when only two people are engaged. 'Here we have coordination, the basic principle of organization,' he argues, using the example of two men attempting to move a stone.

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2.4 BASES OF ORGANIZATION

Bases of organization mainly points to the theory of departmentalization. It is one of the most fundamental administrative management ideas. This theory tackles the issue of dividing work in an organization and creating departments on the basis of these divisions. Basic departments are developed on four different grounds (called as 4P), according to Luther Gulick. These are Purpose, Process, People, and Place.

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Purpose: First and foremost, the task may be split into key purposes or functions. To build specific departments, one must first determine the organization's key functions and goals, then create departments for each of the functions. The welfare department, for example, was established with the 'goal' of ensuring people's well-being. Similarly, additional departments may be founded for other reasons. The benefit of such departments is that they are self-contained organizations with low coordination costs associated with their operation. These departments have a better chance of meeting their objectives. Purpose-based departments, on the other hand, have several drawbacks, such as the inability to divide labour, the failure to employ up-to-date technology, and so on.

Process: Some departments are named after a procedure or a talent that is required for them to function. The engineering department, for example, may be classified as a 'process' department. After it is established that a process is the foundation, any task that is based on related processes or abilities should be put together since it necessitates the deployment of similar understanding, expertise and procedures. According to Gulick, the benefit of a process-based department is that it brings together a considerable volume of each type of work in a single office, allowing for the most efficient division of labour and specialization. Second, it allows for the most efficient utilization of labour and machines in mass manufacturing. The main problem of this foundation is that it leads to pointless departmental separation and expansion.

Person: The third foundation of departmental organizations is labour specialization based on the clients serviced. The 'old age welfare department,' for example, caters to a certain group of people who require special care. Employees in this sector develop Specialized talents over time in order to service a certain customer. However, the drawback of this department is that due to overlapping and duplication, coordination across such organizations becomes difficult.

Place: Some organizations, such as the 'district' administration or the tribal area department, establish a base at this location. Here, all of the duties done in a certain region are grouped together and a department is formed. This foundation is beneficial for the rapid growth of any place. Members of such departments also become professionals in their respective fields. However, lack of functional specialization and expansion may be a problem for such departments.

The notion of departmentalization has been questioned since the foundations of departments are incompatible. They're all pretty hazy, and there's a lot of overlap between them. Because it includes skills, the department of medicine, for example, can be classified as a process-based department. It may also be classified as a mission-driven organization, as the department was established for a specific reason.

Check Your Progress

6. What is esprit de corps in Fayol's fourteen principles of organization?
7. Write the principles of organization given by Mooney and Reiley.
8. What is unity of command?

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9. What is unity of direction?
10. Write the importance of hierarchy in an organization?
11. Who has given the concept of 'span of attention'?
12. Enlist the factors that may affect span of control.
13. What is 4Ps of organization?
14. What are the merits of decentralization?
15. What is functional foremanship?

2.5 ORGANIZATIONAL STRUCTURE

The established pattern of interactions among the organizational components is known as its structure. The network of interactions among persons and roles in an organization is referred to as the organization structure in this context. As defined by Jennifer and Gareth, organizational structure refers to “the structured network of job-related and reporting relationships that supervises, directs and motivates individuals to engage with one another in order to achieve the goals of the organization.” In reality, the structure of an organization serves to describe the framework of that organization. Organizations have structures that determine their parameters, just as human individuals have skeletons that define theirs. It's similar to a building's architectural plan. Before constructing an organization structure, managers must examine aspects such as benefits of specialization, communication challenges, problems in generating authority levels, and so on, much as an architect evaluates numerous elements such as cost, space, and specific features needed, among others.

The manager organizes individuals into groups and assigns them to superiors, prepares job descriptions, and defines the work activities that will get the task done. He creates performance criteria and sets objectives and deadlines. A reporting system is used to keep track of operations. The entire structure is shaped like a pyramid. The structural organization entails the following:

- Formal interactions with well-defined roles and responsibilities;
- Hierarchical relationships within the organization between superiors and subordinates;
- The responsibilities or activities delegated to various individuals and departments;
- Organizing and coordinating multiple tasks and activities;
- A system of rules, procedures, standards, and techniques for evaluating performance that have been developed to govern people and their actions.

The formal structure of an organization is a carefully organized arrangement. However, the formal structure of ties does not necessarily dictate people's actual operations and behaviour. As a result, social and psychological forces frequently alter the formal arrangement, while the functioning structure serves as the foundation for the organization.

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2.5.1 Significance of Organizational Structure

In the following ways, the organizational structure aids in the effective operation of the organization.

- **Clear authority relationships:** The structure of an organization determines who has authority and who has responsibility. It states who is in charge of who and who is responsible for what outcomes. The structure aids an organization member in understanding his or her position and how it interacts with other responsibilities.
- **Patterns of communication:** The communication and coordination patterns are provided by the organizational structure. Structure enables communication between employees focused on their professional duties by grouping activities and persons. People who are working on an issue together frequently need to share information.
- **Decision-making centres' placement:** The location of decision-making centres in an organization is determined by the organization's structure. A department store, for example, would have a system that delegated pricing, sales promotion, and other decisions to separate departments to guarantee that diverse departmental situations are taken into account.
- **Right balancing:** As a result, group activity coordination is prioritized in the organization's structure. Priority may be given to those areas of the business that are most critical to its success. Research in a pharmaceutical company, for example, may be assigned to the company's chief executive for reporting purposes. Activities of equivalent relevance might be assigned to nearly equal levels in the hierarchy to ensure that they are given equal weight.
- **Inspiring creativity:** A well-structured organization encourages creative thinking and initiative among its members by establishing clear authority patterns. Everyone is aware of his specialization and the areas in which his efforts will be valued.
- **Escalating growth:** An organization's structure offers the foundation for the operation of a business. It will assist in meeting difficulties and providing possibilities for growth if it is adaptable. A solid organizational structure aids business growth by boosting the ability of the company to handle greater levels of activity.
- **Technological advancement:** A strong organizational structure that is responsive to change can make the most of the newest technologies. In the aftermath of technology advancements, it will alter the present structure of authority-responsibility relationships. In summary, having a solid organizational structure is necessary for effective management. By establishing a structure within which individuals can work together most effectively, a well-designed organization may aid in boosting teamwork and efficiency. As a result, an organizational structure should be designed in accordance with the demands of the organization's employees.

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2.5.2 Components of Organizational Structure

The division of tasks, grouping of activities, coordination of activities, and total completion of tasks are all influenced by the structure of the organization. Because organization structure refers to the organization's generally constant relationships and processes, all contributing elements must be considered while building the structure.

"How tasks are assigned and who is responsible for reporting to whom are two of the most important aspects of an organization's organizational structure," says Robbins. John Ivancevich and Michael Matteson shared this viewpoint, arguing that managers must make the following four considerations when constructing organizational structures:

- Breaking down the overall work into smaller tasks.
- Responsibilities are distributed evenly throughout the occupations.
- The suitable size of group reporting to each superior; and
- The bases on which individual duties are to be put together.

Division of Labour

In his famous work, *Wealth of Nation*, Adam Smith stressed the division of labour. Henry Ford employed assembly line techniques to manufacture vehicles in the early twentieth century. Each employee was given a certain monotonous duty. The assignment was broken down into a series of smaller segments or activities. Each stage has to be accomplished by a different person. As a result, the person became a specialist in that specific activity. Work specialization has been widely used in the industrial industry across the world. The following benefits accrue to the organization as a result of the division of labour that leads to work specialization.

- Performing a specialized task increases work efficiency. As a result, the employees' abilities may be put to the best possible use.
- Because the job's work cycles are so short, workers may achieve excellence on the job rapidly.
- It improves the organization's productivity.
- Workers may be readily trained to execute repeated tasks.
- The expense of training is lowered.
- It's less difficult to connect people to specific job abilities.

Regardless of these advantages, the division of labour has been criticized for the following reasons.

- It isn't suitable for all forms of work.
- It might cause monotony and boring.
- It concentrates on the physical components of the job and ignores the workers' behavioural parts.

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The advantages of division of labour outnumber the disadvantages. As a result, work specialization has become a popular method of increasing organizational productivity.

Delegation of Authority

As a manager, it is your job to delegate the work that has been assigned to you so that you can devote your time and energy to the tasks that are most relevant to your position. Delegation is the legal authority given to a management or employee to do certain tasks. His supervisor's directions and the customary framework of corporate goals and policies, rules and procedures allow him to act independently without consulting his supervisor. As a result, delegation entails: a) entrusting work to another for completion, b) granting power, right, or authority to undertake the job, and c) imposing a duty on the person to whom power is delegated.

One of the most crucial aspects of the organizational process is delegation of authority. A network of activities and duties characterizes an organization. Delegation is the process of establishing interrelationships among persons in various jobs within an organization. Because it is physically difficult for a single person to manage the business of a huge organization, delegation is required. A manager's capacity to replicate himself via others determines his success. Today's businesses are not just big, but they're also complicated. The fact is that no manager can possibly claim to have all of the skills and knowledge required to perform all of the many sorts of work. There is no single location where large-scale economic activity is concentrated. Branches and units may be located in different parts of the country. Delegation becomes essential for the successful operation of these branches.

An organization is a series of events that occur throughout time. Managers are not perpetual, but the organization remains in place. Delegation ensures that the organization's activities run smoothly. Delegation is beneficial to an organization's managerial development. Delegation is vital for every organization since it relieves management of their responsibilities and allows them to focus on more critical issues. It is a mechanism for developing and training subordinates to take on greater responsibilities. It ensures the organization's continuity and fosters a positive working environment by increasing employee comprehension. The following are some of the most significant advantages of delegation:

- Delegation promotes professionalism.
- Managerial choices may need creativity and innovation.
- In the organization, a competitive climate may be developed.
- Managers may be able to make swift judgments.

The following are some of the drawbacks of delegation of authority:

- Managers may refuse to delegate power.
- Managers may require training in order to make judgments, and training expenses may be greater.

- Not everyone is capable of making high-level decisions in an effective manner.
- Administrative costs may rise as well.

Despite these drawbacks, delegation of power improves organizational efficiency.

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Departmentalization

The division of labour breaks down jobs into smaller chunks of work. These activities are grouped together to make them easier to arrange. Departmentalization is the method by which various activities are grouped together. It is the process of creating departments or separating an organization's functions into a number of discrete units for the goal of effective operation. Depending on the organization, this phrase might mean a lot of various things. Division, department, and section are words used in business; branch, department, and section are terms used in government; regiment, battalion units, and company are terms used in the military.

Departmentalization has the effect of separating executive duties and grouping operational functions. Every level below the apex of the hierarchy is departmentalized, and each lower level after that entails even more departmental distinction. Departmentalization has the following significant advantages:

- Departmentalization leads to specialization since distinct organizational activities are organized according to their relationship to certain roles or objectives.
- Departmentalization aids in efficient management control by allowing performance standards for each department to be explicitly written out. Every department has a distinct goal. This also makes it easier to stay under budget.
- It is simpler to fix the accountability of different managers for the execution of various duties since the work of the organization is separated into manageable parts and authority and responsibility are clearly defined.
- The departments formed as a result of departmentalization are semi-autonomous. Their chiefs are given enough power to oversee their respective departments. The departments' efficiency improves as a result of this.
- Departmentalization aids in the growth of managers by allowing them to make autonomous decisions and take initiative. Executives can improve their skills in order to advance to higher positions.

Span of Control

The job kinds that are grouped together are reflected in the departmentalization. These tasks are carried out by a variety of people. They must be closely supervised at all times. The amount of people a manager can effectively supervise is referred to as the span of control. As a result, it is necessary to limit the number of workers reporting directly to a supervisor in order to provide efficient

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supervision and control. This is a result of the budget and time constraints available to CEOs. Occasionally, it is suggested that the control span should not be too wide nor too narrow. To put it another way, the number of subordinates should not be too high or tiny. Because the type of occupations and individual capacity differ from one organization to the next, determining the number of subordinates is difficult. Furthermore, the duration of monitoring has a variety of effects on the organization. With a large span, there are fewer layers of management and communication is easier. Because to the time constraints, only general supervision is possible. A short span, on the other hand, necessitates more layers of supervision and, as a result, more communication time. It is more costly and makes communication more difficult.

Managers can exert strict oversight and control with a small span, on the other hand. Even though there are limits to the scope of control, there has been a shift in recent years away from specifying a specific number because it has been recognized that the ideal scope is dependent on a number of factors such as work nature, managerial abilities, organizational efficiency, support staff, time available for supervision, degree of decentralization, ability of subordinates and the span of control.

Because of this, it should be evident that no one limit can be applied to all scenarios when it comes to the extent of the span of control. There are a variety of variables that can affect the appropriate number of employees for a certain company's control span. The construction of tall and flat structures is also influenced by the span of control.

Tall and Flat Structure

Many hierarchical levels would be present in a tall organizational system. Between the top most management and the bottom most manager, there is a significant gap. There are several job titles and a career path available to employees. The organizational structure would be higher if a manager was responsible for a smaller number of subordinates. A flat structure, on the other hand, would allow for a wider range of management. There would be fewer levels of hierarchy. The organizational structure would be flatter if each boss had a larger number of subordinates to guide. For two reasons, selecting a proper management span is critical. First, efficiency is affected. A broad spread might indicate that supervisors are overworked and that subordinates are receiving little supervision or control. Managers may be compelled to ignore or condone major errors if this happens. A limited span, on the other hand, may indicate that supervisors are underused. Thus, the breadth of task division, the kind of delegation of power, the departmentation process, and the need for effective supervision, i.e., span of control, all impact the design of organizational structure.

2.5.3 Types of Organizational Structure

On the basis of activities, various types of organization structure can be created. Accordingly, there are three types of structural forms like functional, structural and adaptive.

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2.5.3.1 Functional

The term “functional structure” refers to the creation of units and sub-units of activities in an organization based on functions. As a result, Specialized operations such as production, marketing, finance, and people comprise discrete units of every industrial organization. All actions associated with each of these functions are grouped together in a single unit. Sub-units are developed at lower levels in each unit as the volume of activity grows, and the number of people reporting to each manager at various levels grows. As a result, the interconnected locations form a pyramid shape.

As a result of an organization’s functional structure, employees profit from increased operational efficiency while the organization benefits from the specialization that occurs inside each unit. Inter-functional issues can be resolved and connected functions managed by CEOs in direct communication with the heads of the functional units. Additionally, the CEO has direct access to all levels of the business and thus is well-versed on the current state of affairs. Despite its suitability for small and medium-sized firms, the functional organization cannot handle the problems that occur as a company grows larger and more complicated. Higher-level managers pay insufficient attention to the problems of lower-level sub-units, while other activities are over-emphasized. When a vast number of sub-units undertake a variety of operations, functional units become foolish and difficult to govern. Personal contact between supervisors and subordinates has become infrequent, and communication has grown delayed, resulting in coordination and control issues.

2.5.3.2 Divisional

The divisional organizational structure is better suited to all major businesses, especially those that deal in different items to serve multiple markets. The organization is subsequently broken down into smaller business units, each of which is in charge of distinct goods or market areas. In other words, under the general direction of the head office, separate divisions (product divisions or market divisions) are formed. Each divisional manager is granted complete authority over all product, market segment, and regional market duties. As a result, each division may be responsible for a variety of support services. Two or more product divisions, market or territory divisions can make up a divisional structure. Each division in a divisional system delivers budgeted revenues to the organization but otherwise operates as a separate entity. The functional units are led by managers, while the divisional manager is in charge of coordinating and controlling the operations of the division’s numerous functional units. Aside from providing funds, the organization’s top management determines the organization’s goals and policies.

Decentralization of power is a feature of the divisional organization. As a result, managers are able to make quick judgments and tackle challenges specific to their divisions. It also allows divisional managers to take initiative in topics that fall within their authority. However, due to the duplication of supporting functional units for the divisions, such a structure comes at a high financial cost. It also needs a sufficient number of skilled managers to lead the relevant divisions and functional units.

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2.5.3.3 Adaptive

The structure of an organization is frequently created to deal with the specific character of the activity and the scenario. Adaptive structure is the name for this sort of structure. There are two types in structures.

- (i) Project organization, and
- (ii) Matrix organization.

Project organization: The project organization is considered to be the best ideal when an organization conducts any Specialized, time-bound task requiring one-time activities over a lengthy period of time. In this case, the current organization forms a dedicated unit to work on a project without interfering with its usual operations. When a certain work or project is impossible to complete, this becomes required. The project might include establishing a new project, installing a plant, or constructing an office complex inside the current system. A project management organization is led by a project manager in charge, who is a middle manager who reports directly to the CEO. The project organization's other managers and staff are selected from the parent company's functional units. They return to their parent departments once the project is completed.

The fundamental benefit of such a structural design is that it does not disrupt routine activity. It is only concerned with the task of completing project work on schedule and in accordance with the performance criteria related to the project's purpose. Because the project manager has the appropriate power and is solely accountable for the results, there is superior management and control over project operations. However, project management can sometimes cause issues. Functional managers frequently dislike the project manager's exercise of authority in their functional domains, resulting in conflict. The functional departments' stability is occasionally disrupted by employee transfers to project activities. Personnel movement from project to project stymies their progress in specialized sectors.

Matrix organization: Different from the more traditional adaptive structures, this one makes use of both functional specialization and autonomy in project management. Functional departments with specialized people assigned to work full-time on many projects under the general guidance of project managers in the matrix organization structure. When a project's work is over, the people who worked on it return to their functional departments to be allocated to another project. This system works well in situations when the organization is involved in contractual project operations and has a significant number of project managers, such as in a major construction or engineering firm. The matrix structure provides a flexible framework that is well adapted to changing situations. It allows Specialized and technical professionals from various functional divisions to be pooled and assigned to a variety of projects. They gain great experience dealing with a wide range of challenges in project work. As they operate under the coordinating authority of project managers, they communicate information and make decisions quickly.

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Matrix organizations have a major drawback when it comes to specialized functional departments and their employees, who are subject to both the authority of the functional managers and that of the project managers. The notion of command unity is therefore jeopardized. Because the same person is working on many projects at the same time, this causes tension and strain in project management.

2.6 CHIEF EXECUTIVE

The executive branch of government is in charge of putting legislation into effect. It is made up of a number of administrative entities that are responsible for putting legislation into effect. “The executive branch of government in Public Administration is a really visible form,” says F.A. Nigro. The executive branch of government consists of the president and civil officials who carry out the laws passed by the legislature. As a result, the function of the executive is critical. The individual or group of people in charge of a country’s administrative structure is referred to as the “chief executive.” Pyramidal in shape, a country’s administrative structure has a wide base and a narrowing summit that all point to a single apex. The chief executive sits atop the organizational food chain. The executive power has been delegated to him or a group of individuals for the purpose of achieving specified duties. In a political system, the person or persons who hold the executive power of the government are referred to as the “chief executive.” An organization’s activities are carried out by the chief executive, regardless of whether the organization is public or private.

The chief executive is responsible for a variety of political and administrative tasks. In the whole administration, he has a key position. He establishes the organization’s goals, develops plans, assigns tasks, establishes priorities, makes critical choices, mobilizes resources, hires staff, organizes the work of all departments reporting to him, stimulates employees, and oversees the implementation of plans. He ensures to it that the organization’s objectives are met with utmost efficiency and resource efficiency. As a result, the chief executive’s dynamic nature and character determine whether an organization succeeds or fails.

2.6.1 Types of Chief Executive

The sort of executive differs depending on the type of government. In a dictatorship, the chief executive is installed by a military coup and maintains power with the help of the army. There are two types of modern democracies: presidential and parliamentary. Both are elected by and answerable to their respective legislatures.

The Parliamentary and Presidential Types of the Chief Executives

The Prime Minister and several Ministers make up the top executive in parliamentary systems like India and the United Kingdom. In these nations, the Prime Minister is in charge of the cabinet. Because the cabinet is answerable to parliament under the parliamentary system, there is a tight, ongoing, and intimate executive legislative interaction. The President is the chief executive of a

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presidential government such as the United States. The President is neither a member of parliament nor responsible to it in such a system. The Congress has the power to impeach and remove the President of the United States from office. Because of the checks and balances system in place in the United States, Congress, the President, and the court have all become separate and independent bodies.

The Titular and the Real Chief Executives

In the parliamentary system of government, the titular or constitutional leader holds all executive authority, and all decisions are made in his name. When it comes to government leaders, this means that they are only allowed to take action on the advice of their ministers, not by themselves. Although the President or the King is given these rights by the Constitution, they are not his real powers and cannot be utilized by him without the assent of ministers. In this arrangement, the chief executive is only a fictitious or notional figure. The true executive is the Council of Ministers or the Cabinet, to which the titular executive's legal powers are transferred. It means that while he has no legal authority, he utilizes all of the functions granted in the titular head in practice. The Queen of England and the President of India are the nominal rulers, but the true executive in both nations is the cabinet led by the Prime Minister. In nations such as the United States, the President is the true top executive, as he exercises the legal authorities bestowed in him autonomously.

Single and Plural Chief Executives

The genuine chief executive in nations with a parliamentary style of government is the cabinet, which is a plural body. The Prime Minister and several ministers make up the body. The Prime Minister follows his ministers' recommendations. In contrast, in a Presidential form of government (such as the United States), the main executive is a single person, the President. Despite the fact that he operates under a system of separation of powers and checks and balances, he makes his own judgments.

The Collegial Executive of Switzerland

The Swiss Executive does not belong to any of the two categories, i.e., plural or singular, but it contains characteristics of both. The Collegial Executive is the name for this sort of executive. It combines some of the fundamental ideas of both parliamentary and presidential government. The Swiss Executive, like the parliamentary kind, is a plural body with multiple members. It is really collegial since no one has a position of supremacy in it like the Prime Minister. Its members are all of the same rank and are accountable to the legislature. Unlike cabinet members and the US President, the Swiss Executive is elected for a set term and remains in place throughout that time.

2.6.2 Functions of Chief Executive

The country's chief executive is the country's leader, with broad legislative, executive, and judicial responsibilities guaranteed under the country's constitution. Aside from him, there are a slew of state and municipal chief executives who are responsible for a variety of legislative, executive, and judicial tasks in their

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respective jurisdictions. At every level, the type and amount of functions change. The chief executive of a company or corporation has the critical job of interpreting the Board of Directors' policies to the rest of the management and the general public. He is responsible for ensuring that all staff are aware of the board of directors' policies and programmes. He must create the numerous organizational methods as well as its structure. At whatever level, the chief executive has a dual duty to play: political and administrative.

Political Functions

The people are the primary source of political power in a democracy, followed by the legislature, which is the people's representative body. The chief executive is elected by the citizens of his country. It signifies that the chief executive's position is the ultimate consequence of an apolitical procedure. The chief executive needs the support of the legislature and the public in order to carry out the tasks of his office and ensure that the administration runs smoothly. As a result, he must constantly strive to gain the support of the legislature and the electorate. The chief executive must carry out his duties while keeping the public's and the nation's interests in mind.

People and administration must interact in order for the administration to function effectively. As a result, political management is a key responsibility of the chief executive. Chief executives also leave at various levels, such as in public organizations, private businesses, and so on. The chief executive has a significant political role to play at these levels as well. An organization's top official actually performs several duties normally performed by the organization's top officials in a non-parliamentary system of government. A corporation's Board of Directors governs the executive, whereas the legislature controls the executive in a parliamentary system. Even if the chief executive of a public organization is not elected, he must communicate with the public, the press, and others in order to administer the organization. He coordinates the work of the employees in order to fulfil the organization's objectives. This means that a chief executive's political involvement is critical, and he cannot ignore it, whether at the national, state, or municipal level. His political role of galvanizing the whole government to action in pursuit of agreed-upon aims and objectives, as well as gaining the people's support and permission, becomes increasingly important.

Administrative Functions

The chief executive is in charge of a wide range of administrative responsibilities. POSDCoRB is Luther Gulick's shorthand for these functions, which he has already described in earlier courses. In one line, Marshall Dimock sums up these responsibilities: "He is a trouble-shooter, a supervisor, and an advocate of the future programme." We'll now go through the chief executive's main responsibilities in greater depth.

Administrative policy formulation: Determining and formulating administrative policy is one of the chief executive's main responsibilities. He offers a number of precise policy directives, either in writing or orally, that enable

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administrative personnel to carry out their responsibilities properly. They genuinely function as a management guide. On certain significant and contentious issues, the chief executive is advised by department heads and other administrative officers. His abilities and personality have a significant impact on administrative effectiveness. The Legislature only passes legislation that are broad in scope. To make them suitable for application, the executive fills them with information.

Decision on organization details: The legislature mandates the creation of major organizational entities such as departments, commissions, and companies to carry out numerous laws. The chief executive, on the other hand, is responsible for filling in the specifics of internal organization. The chief executive has the authority to form new administrative agencies or reorganize those that already exist. The chief executive also directs how the operating people should carry out some or all of their responsibilities. As a result, the organization's structure is authorized by the CEO.

Issuing of directives, and orders, etc.: By directing, the top executive ensures that each decision is put into action and becomes actually important. For administrative acts to be in line with legislative requirements as well as instructions, circulars and other papers, the chief executive issues a wide range of documents such as proclamations, orders and directives. The tone of the administration is determined by the type and number of directives, orders, and other documents issued by the chief executive. He must instruct the staff on how to begin, halt, or change an activity.

Hiring and firing of personnel: The chief executive is responsible for ensuring that the leaders of several departments carry out their responsibilities honestly and efficiently. As a result, he has the authority to choose the officers. In practically all countries, the president appoints people to higher positions. All major appointments in India are made by the chief executive. The Public Service Commission conducts competitive tests to recruit administrators to other levels. As a result, even if a merit-based hiring system is common, the chief executive makes critical selections. The chief executive makes significant appointments in both public and private organizations. Under his leadership, and with his authorization, the hiring of new employees takes place. Public employees can also be fired or demoted if the chief executive thinks it is necessary for administrative efficiency. Certain constitutional provisions apply to dismissals. He is guided by the rules when it comes to removing employees from the lower ranks.

Coordination of activities: Modern administration is made up of a number of departments, commissions, divisions, and sections, each of which is responsible for a certain aspect of the job. A high level of coordination and integration is required to achieve unity in this massive mass of diverse activity. The chief executive must promote unity, resolve problems, and avoid administrative overlapping and redundancy. Interdepartmental committees and other coordination bodies at various levels may be formed to help him accomplish this. As a result, one of the most important responsibilities of the CEO is coordinating the many departments. It is his primary responsibility to ensure that multiple operations carried out by various

departments in the implementation of a policy resulted in the achievement of administrative objectives.

Managing finance: As the head of state, he is responsible for drafting the budget and submitting it to the legislature for their approval. He should provide a full account of the past and present, as well as a statement on how the government's revenue and spending demands will be met in the future. When the legislature approves the budget, it is the chief executive's responsibility to ensure that it is properly executed and implemented.

Supervision and control: The chief executive is responsible for overseeing the appropriate conduct of government business. Administrative activities are overseen by him, as well as their efficient functioning. He must examine reports pertaining to the operations of several departments. He must provide orders, 'warn' when the task is not being done properly, and 'encourage' when everything is going well. To this end, he has the authority to appoint inquiry organizations like the Indian government-established CVC and CBI, as well as to undertake investigations into any administrative matter. These businesses aid the CEO in carrying out his managerial duties.

Public relations: In order to keep the public at large aware about the meaning and importance of public administration's operations, it must always be open and honest with the public. As a result, the chief executive serves as the administration's spokeswoman, announcing public policies and informing the public about key administrative decisions and actions as needed. When the administration and the public are at odds, it is his obligation to defend the administration. For example, he maintains regular contact with the media and a wide range of groups and individuals, including members of the opposition.

Maintenance of a communication system: The top executive maintains a good line of contact with the rest of the administrative divisions. It is critical for the efficient operation of any organization that information be communicated in an intelligible and clear way from superior to subordinates and vice versa. To ensure good communication amongst employees, the CEO must enable successful engagement among organization members.

As a Leader: The organization's leadership is provided by the chief executive. He should motivate the whole administrative apparatus to work together to achieve organizational objectives. He should endeavour to instill ideals of hard effort, loyalty, quality, and a high rate of production in the individuals who are responsible for achieving the goals. The leader must also thoroughly examine the employees' sentiments, goals, and working styles. A leader's position is crucial in administration because it affects how administrative machinery functions. His role as a leader necessitates him to prevent hasty decisions and haphazard actions, as well as to help maintain control, encourage fresh perspectives, and reduce uncertainty and expenses inside the firm.

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2.7 LINE, STAFF AND AUXILIARY AGENCIES

No single Chief Executive can accomplish all of the aforementioned duties. He needs assistance, which is supplied by the organs linked to the chief executive's office. "There are always too many things to think about, too many elements to contemplate, and too diverse a knowledge necessary for a solution for one leader's unassisted capacity to embrace," Mooney says. As a result, the top executive will be unable to operate without support. As a result, labour and authority must be delegated. Even if part of his duties were transferred, the chief executive maintained ultimate control over the delegated and more significant obligations allocated to his office's affiliated organizations. As a result, delegation does not conflict with his supreme obligations. Staff and line agencies are delegated authority. The chief executive is relieved of pressure from his staff and line agencies. Both the names "line" and "staff" come from military jargon. In organizational terms, the line refers to the command structure, which stretches from the top officers down to the lowest-ranking personnel who are responsible for carrying out the chief executive's decisions and policies. The term "staff" refers to the guidance and counselling provided to the chief executive. The chief executive is assisted by staff agencies, which provide him with the information he requires to make decisions.

2.7.1 Line Agencies

In every administrative system, a number of ministries or administrative departments are established to carry out the government's most important and fundamental functions. As a result of their direct involvement in the implementation or accomplishment of the government's key objectives, these agencies are referred to as 'line agencies.' They make all crucial decisions and issue directives in order to carry out the programmes sanctioned by the legislative authorities. They are in charge of the administration's management, regulation, direction, and leadership. They interact with the public on a regular basis, dealing with individuals and providing services to the community. They are in a position of power and authority. They bear the primary duty for carrying out the government's functions. As a result, these agencies are referred to as 'line' agencies. The Government of India's line agencies include the Departments of Education and Health, Indian Airlines, and the Central Board of Direct Taxes, to name a few. In their particular sector, they are directly accountable for carrying out specified core government objectives.

Line agencies are responsible for achieving the organization's principal, primary, or substantial goals. The main role of any institution, for example, is to give education through teaching. Teaching departments are the 'line units' of a university since they are directly responsible for achieving this goal. However, because the accounting department, examination department, and library do not actively teach or impart instruction, they are classified as "staff" or "auxiliary" units rather than "line" units. Decisions and orders are made by line units, and they have the authority to command, lead and govern the administration. There is a

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command hierarchy among them. Everyone in the Police Department, from the Director General of Police to the police constable is, for example, closely involved in maintaining law and order. You can run them all at the same time from the same command line. However, the Police Training Academy is classed as “a staff unit of the Home Department” because it is outside of the chain of command. Legislative and executive branch policies and programmes are carried out by the government’s line units. Finally, they are responsible for the entire policy implementation. They are in charge of the administration, making decisions, issuing instructions, and commanding and directing it. Line agencies work directly with people, come into touch with citizens, and give services to them, for example, a teacher educates pupils, a police officer defends a citizen, a doctor looks after a citizen’s health, and so on. Line agency reports directly to the CEO, and are managed and directed by him or her. As a result, they are also answerable to both the executive and legislative branches of government, such as the Minister in charge of a government department. It is not different when it comes to the board of directors of a public company.

Most countries have three types of line agencies that are primarily responsible for administrative functions. There are three types of organizations in these three categories: government departments, public corporations and the Independent Regulatory Commission. Because of its unique constitutional structure and political ideology, the IRC is primarily based in the United States. Departments and corporations are popular in India, the United Kingdom, and practically every nation.

2.7.2 Staff Agencies

All executives, including the CEO, need the help of the ‘staff’ to accomplish line jobs. No line agency can function well without the assistance of personnel, and no CEO can accomplish all of his duties on his own. As a result, ‘staff units’ play a critical role in administration.

The definition of the term ‘staff’ in the dictionary illustrates the nature of the staff units rather well. “A wooden stick carried in the hand on which one cart leans for support,” says the dictionary. It is unable to move by itself and requires assistance. Only if both you and your hand want it to, can it move. While it cannot start you on your journey, the baton in your hand will help if you decide to take the step. The role of ‘staff units’ in a country’s administrative organization is precisely this. “A body of officers assigned to a commanding officer to assist him in his task,” according to another dictionary definition. This makes it apparent that the ‘staff’ job is one of support and assistance. The ‘staff’ units are responsible for the administration’s subsidiary rather than principal functions. The ‘line’ units and executive agencies are in charge of the major line functions. Executives require assistance, guidance, counsel, support, information, and data in order to carry out their duties, and staff agencies or staff officers supply all of these services.

In public administration, ‘line’ functions are more important than ‘staff’ functions, and ‘line units’ are more important than ‘staff units,’ according to the preceding description. However, this is not the case. In administration, both are

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equally vital and compliment one other. Line units are in charge of making decisions, issuing instructions, and commanding administrative organizations. They cannot do anything without the 'staff's' help and advice, though. Staff units lack power and influence, but they often have 'influence' and 'advice,' both of which are just as valuable as either lack of authority or lack of power. For instance, in our country, the Prime Minister serves as the chief executive. As a staff agency, the Prime Minister's Office (PMO) advises and aids him in all of his activities. The Prime Minister wields power and authority, but the Prime Minister's Office (PMO) plays a critical part in this process. Today, this PMO, which is a staff agency with a broad variety of skills, wields a great deal of power and influence over our government. Similarly, the Union Public Service Commission (UPSC) advises the government on civil service concerns and offers several valuable suggestions. They have the 'power' to be accepted or rejected by the government. But, in actuality, we know that the UPSC has a lot of clout in personnel affairs, and that the government generally accepts all of its recommendations. Thus, we can safely assume that staff agencies exert influences, but may not be authority.

Line agencies provide the main role in all nations, whereas staff agencies conduct the secondary one. Their job is mostly supporting and advising. In the military, we have seen that line units combat and staff units help in combat; line units administer and staff units aid them in administering. Unlike the staff function, the line function is a goal in and of itself. Secondary functions are just as important as the primary ones in administration. The nature of the staff agency precludes them from having authority or power. They don't make choices or give orders. Staff assists the front line in exercising power and authority. Staff agencies are there to support and help them with their task. They stay in the background. They aren't in charge of the executive job directly. If the government succeeds, the Prime Minister is to be credited; if it fails, he is to be blamed. He must answer for his actions. No one in the administration or government can be held responsible for the success or failure of the organization. Line agencies work with the general public on a one-to-one basis. Instead of serving the general public, the staff agencies work for the line agencies.

2.7.3 Auxiliary Agencies

A third type of agencies serves all other agencies with common housekeeping services. Auxiliary agencies are what they're called. Auxiliary services, according to some writers, are included in the staff services. As auxiliary services are distinct from those provided by staff, they must be evaluated on their own merits, according to some academics.

There are several line agencies in each country's administrative structure. All of these organizations serve various purposes. All agencies require certain common, housekeeping services, such as office maintenance, typing, security, and so on, in order to carry out their principal functions. All of these operations are tangential to the agency's core or major mission. They are vitally required for the organizations to realize their principal goals. Auxiliary services are what they're called. In reality, it is the responsibility of each line agency to acquire the necessary furniture and

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equipment, to hire servants, to keep accounts and records, and so on. It used to be that these auxiliary activities were handled by each line agency independently, which meant that each agency had to make its own arrangements. As auxiliary services are shared by all divisions, it is more efficient and cost-effective if these functions are allocated to separate organizations. When we specialize in the delivery of common services, we profit from the efficiency gains that come with specialization. It relieves CEOs of their responsibilities and allows them to devote their time and attention to more vital tasks. As a result, distinct auxiliary agencies have been formed in most nations. To cite an example, Government of India auxiliaries include the Central Public Works Department (CPWD). Such auxiliary organizations can be found in other countries as well.

Acronyms for the term “auxiliary” in the dictionary include “subsidiary,” and “allied.” An auxiliary service is one that is not the primary but rather additional or subsidiary in character in management. They assist the line agencies in a secondary capacity. It’s akin to enlisting the aid of allied forces in the service of a nation. A nation must rely on its own forces, but in rare instances, it can enlist the assistance of ally (friendly) country’s troops. Auxiliary services in administration are those that are common housekeeping services required by all line agencies, such as acquiring equipment, recruiting staff, managing accounts, and so on.

Check Your Progress

16. What does an organization structure imply?
17. What are the components must be remembered, while organizing a structure?
18. Differentiate between tall and flat structures.
19. Enlist the three types of organizational structures.
20. What are the features of a divisional organizational structure?
21. Write a few lines about matrix type of organization.
22. Write down on collegial style of executive of Switzerland.
23. What are the three categories of line agencies?

2.8 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. When certain objectives are to be achieved, some people come together to share the work and, in the process, an organization is formed.
2. The important features of an organization are:
 - Purposeful, complex human collective activities;
 - Secondary (or impersonal) relationships;
 - Specialized and limited goals;
 - Sustained cooperative activity;
 - Integrated within a larger social system;
 - Provide services and products to their environment and there is always an interaction with the environment.

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3. Scholars like Henry Fayol, Luther Gulick, Max Weber and F.W. Taylor are the famous advocates of formal organizational structure.
4. Human relations theory of Elton Mayo laid the foundation stone of informal organization. This theory has come from a series of experiments conducted at Hawthorne.
5. In the formal organizations, key power and responsibilities are clearly defined. It ensures the smooth operation of the company by defining the nature of interrelationships between various job positions. In addition, formal organization makes it easier to coordinate, interconnect, and integrate the many departments within an organization because of clear rules and regulations. Formal organization has a clear pyramidal structure. Finally, it places a greater focus on the job at hand rather than on interpersonal connections.
6. Espirit de corps is the last principle of Henry Fayol, which mainly points to the need of teamwork, solidarity, and harmonious relationship among fellow workers.
7. Mooney and Reiley has given four principles of organization named as principle of coordination, scalar principle, functional principle and line & staff.
8. Unity of command means an employee should be supervised by one boss only.
9. Unity of direction means, there should be one plan and one head for each activity.
10. The importance of the hierarchy in an organization is ascertained from two angles:
 - The split of labour into its most economic pieces in order to pursue the management philosophy goal of task specialization.
 - Patterns for combining the many behaviours and activities of the specializations into a single coordinated effort
11. 'Span of attention' concept was given by V.A. Graicunas. He believes that the relationships between an executive and his subordinates in any organization cannot be measured just on the basis of a single connection. There are also cross linkages, according to him, that rise in mathematical proportion.
12. Span of control is affected by a number of factors like type of job, age of the organization, work environment, personality of the subordinates and supervisors, supervisory skills of the leader.
13. Luther Gulick has suggested 4P as bases of departmentalization. It stands for person, process, place and purpose.
14. Decentralization is the opposite of centralization and mainly refers to deconcentrating power and authority. He has many advantages, due to the

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vastness of organizational activities today. The following points are important merits of decentralization.

- A decentralized organization is more sensitive to the local community's and people's needs and expectations.
 - The authority of higher-level organizations is shared with lower-level organizations. The upper tiers of the process deal with the most essential concerns, while the lower levels are free to deal with less significant ones. As a result, senior management is relieved of unneeded burdens.
 - A decentralized organization fosters innovation by welcoming fresh ideas and new procedures suggested by the organization's lower levels.
15. Functional foremanship is a technique suggested by F.W.Taylor to support his scientific management theory. By means of functional foremanship, an employee is supervised by eight supervisors. This principle of Taylor directly contradicts the principle of Fayol's unity of command.
 16. An organizational structure implies the following points:
 - Formal interactions with well-defined roles and responsibilities;
 - Hierarchical relationships within the organization between superiors and subordinates;
 - The responsibilities or activities delegated to various individuals and departments;
 - Organizing and coordinating multiple tasks and activities;
 - A system of rules, procedures, standards, and techniques for evaluating performance that have been developed to govern people and their actions.
 17. The division of tasks, grouping of activities, coordination of activities, and total completion of tasks are all influenced by the structure of the organization. John Ivancevich and Michael Matteson shared this viewpoint, arguing that managers must make the following four considerations when constructing organizational structures:
 - Breaking down the overall work into smaller tasks.
 - Responsibilities are distributed evenly throughout the occupations.
 - The suitable size of group reporting to each superior; and
 - The bases on which individual duties are to be put together.
 18. An organization can be tall or flat on the basis of hierarchical levels in an organization. Many hierarchical levels would be present in a tall organizational system. Between the top most management and the bottom most manager, there is a significant gap. There are several job titles and a career path available to employees. The organizational structure would be higher if a manager was responsible for a smaller number of subordinates.

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A flat structure, on the other hand, would allow for a wider range of management. There would be fewer levels of hierarchy. The organizational structure would be flatter if each boss had a larger number of subordinates to guide.

19. There are three types of organizational structures and they are functional, divisional and adaptive.
20. The divisional organizational structure is better suited to all major businesses, especially those that deal in different items to serve multiple markets. The organization is subsequently broken down into smaller business units, each of which is in charge of distinct goods or market areas. Each division in a divisional system delivers budgeted revenues to the organization but otherwise operates as a separate entity. The functional units are led by managers, while the divisional manager is in charge of coordinating and controlling the operations of the division's numerous functional units. Decentralization of power is a feature of the divisional organization. As a result, managers are able to make quick judgments and tackle challenges specific to their divisions. It also allows divisional managers to take initiative in topics that fall within their authority.
21. Matrix is an adaptive structure that tries to combine the benefits of autonomous project management and functional specialization. There are functional departments with Specialized staff deputed to operate full time in different projects, sometimes in more than one project, under the general leadership and direction of project managers in the matrix organization structure. When a project's work is over, the people who worked on it return to their functional departments to be allocated to another project. This system works well in situations when the organization is involved in contractual project operations and has a significant number of project managers, such as in a major construction or engineering firm. The matrix structure provides a flexible framework that is well adapted to changing situations. It allows Specialized and technical professionals from various functional divisions to be pooled and assigned to a variety of projects.
22. The Swiss Executive does not belong to any of the two categories, i.e., plural or singular types of chief executive. Rather it is a combination of both. It combines some of the fundamental ideas of both parliamentary and presidential government. The Swiss Executive, like the parliamentary kind, is a plural body with multiple members. It is really collegial since no one has a position of supremacy in it like the Prime Minister. Its members are all of the same rank and are accountable to the legislature.
23. The three categories of line agencies are department, corporations and independent regulatory commissions (IRC). While departments and corporations' type of line agencies are widely practiced across the globe, IRC is available in USA.

2.9 SUMMARY

In today's organizational world, organizations are everywhere. Organizations have existed since the dawn of mankind.

They cater to every aspect of human life, including social, emotional, spiritual, intellectual, and economic needs. According to Argyris, organizations are typically founded to achieve goals that are better accomplished as a group. Organizations are social constructs that enable people to work together to achieve a common purpose.

They bring together structure and relationships – technology and people. To various people, organizations are distinct animals, and this phenomenon is inescapable. As a result, organizations are defined in terms of the settings and viewpoints of the person doing the defining.

There are official and informal ways to organize. Organization is built on a set of ideas and foundations. There are certain principles of organization like hierarchy, span of control, unity of command etc.

Scholars like Fayol, Gulick, Urwick have propounded their own principles.

Organization structure is of three types namely functional, divisional and adaptive. Moreover, adaptive structures can be project or matrix type.

Every organization is headed by a chief executive. Depending upon the nature of organization like public or private, the chief executive has a number of functions categorized into political and administrative.

The chief executive is a part of line agency of the whole organization.

The line agencies are in charge of the organization's principal duties, whereas the staff persons assist the line agencies. Both are essential in order to achieve the goals. Auxiliary agencies provide some assistances common to all the positions in an organization.

2.10 KEY TERMS

- **Organization:** The term 'organizing' comes from the word 'organism,' which refers to a structure made up of pieces or components that are integrated in such a manner that their relationship to the whole dictates their relationship to one another.
- **Division of work:** This principle's main goal is to enable labour to do more and better work with the same amount of effort. Work is separated into categories based on specialty.
- **Unity of Command:** Only one senior officer should provide commands to the subordinate employee.
- **Unity of Direction:** Each employee has a single point of contact, and each action has a single plan.

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- **Scalar Chain (Hierarchy):** The scalar chain (hierarchy) is the chain of authority that runs from the top to the bottom of the hierarchy.
- **Esprit de corps:** This principle adds to the requirement for collaboration and the preservation of harmonious and cohesive interpersonal connections.
- **Centralization:** The consolidation of official authority at the upper levels of an organization is known as centralization.
- **Departmentalization:** Departmentalization is the method by which various activities are grouped together. It is the process of creating departments or separating an organization's functions into a number of discrete units for the goal of effective operation.
- **Line:** The line refers to the chain of command, which extends from the highest-ranking officers to the lowest-ranking employees who carry out the chief executive's choices and policies.
- **Staff:** The term "staff" refers to the guidance and counselling provided to the chief executive. The chief executive is assisted by staff agencies, which provide him with the information he requires to make decisions.

2.11 SELF-ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What is organization? What are its characteristics?
2. Write a short essay on hierarchy?
3. What are the factors that affect the span of control?
4. Write the merits and demerits of centralization.
5. How do the staff agencies help the chief executive in carrying out his functions?
6. Write briefly about 4Ps as bases of departmental organization.

Long Answer Questions

1. Discuss the principles of the organization given by H. Fayol and its relevance in modern times.
2. Extend some arguments in favour of and against unity of command.
3. With suitable examples, discuss different types of decentralization.
4. Do you think that the study of formalization, centralization and complexity help in enhancing the efficiency of the organization? Discuss.
5. Explain various types of organization structure. How do they facilitate the smooth functioning of the organization?
6. Discuss various administrative functions of the chief executive.
7. Distinguish between staff and auxiliary agencies.

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Unit III Personnel Administration

Learning Objectives:

After going through this unit, the student should be able to:

- Explain the concept of public personnel administration
- State the meaning of bureaucracy and its various types
- Explain the various features of bureaucracy
- Know the idea of bureaucracy of Max Weber and Karl Marx
- Have a clear picture about the Indian Civil Service
- Know various processes of personnel administration like classification, recruitment, training, promotion, retirement, etc.
- Define the practices of above-mentioned processes in Indian context

Structure:

- 3.1 Introduction
- 3.2 Concept and Meaning of Personnel Administration
- 3.3 Civil Service
 - 3.3.1 Civil Service in India
 - 3.3.2 Classification of Services
 - 3.3.2.1 Meaning and Importance
 - 3.3.2.2 Bases of Classification
 - 3.3.2.3 Advantages of Classification
 - 3.3.2.4 Types of Classification
 - 3.3.2.5 Classification in Pre-Independence Period
 - 3.3.2.6 Classification in Post-Independence Period
 - 3.3.3 The Civil Service's Changing Role
- 3.4 Recruitment
 - 3.4.1 Importance of Recruitment
 - 3.4.2 Meaning of Recruitment
 - 3.4.3 Process of Recruitment
 - 3.4.4 Types/Methods of Recruitment
 - 3.4.5 Merit System
 - 3.4.6 Methods of Testing Merit
 - 3.4.7 Recruitment System in India

NOTES**3.5 Training**

3.5.1 Importance of Training

3.5.2 Meaning of Training

3.5.3 Objectives of Training

3.5.4 Types of Training

3.5.5 Process of Training

3.5.6 Indian System of Training

3.6 Promotion

3.6.1 Importance of Promotion

3.6.2 Meaning of Promotion

3.6.3 Need of Promotion in Civil Service

3.6.4 Principles of Promotion

3.7 Retirement**3.8 Meaning of Bureaucracy**

3.8.1 Features of Bureaucracy

3.8.2 Types of Bureaucracy

3.9 Answers to 'Check Your Progress'**3.10 Summary****3.11 Key Terms****3.12 Self-Assessment Questions and Exercises****3.13 References****3.1 INTRODUCTION**

The people of a country, like the people of organizations, are valuable assets. An organization's ability to function depends on its manpower and leadership quality. Manpower does not contribute to an organization's development on its own; it must be transformed into human resources through methodical planning, effective training, and correct education. An organization's goals and objectives can never be realized without the expansion of human resources, often known as human capital. Human capital is the sum of a society's people's knowledge, skills, and aptitudes. Human resource development is a serious challenge for developing and least developed countries alike. Adequate human resource utilization would inevitably lead to optimal financial, physical, and technological resource utilization. Without competent management of all of an organization's resources, no organization can fulfil its objectives, but human capital is the most important component. Personnel administration is concerned with the management of human resources, therefore understanding its concept, scope, and objectives is critical. Recruitment, training, promotion, and other processes are all part of the personnel administration.

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3.2 CONCEPT AND MEANING OF PERSONNEL ADMINISTRATION

Every day, the government's responsibilities grow. The expansion of government and its administrative machinery has resulted from development and welfare goals. There is an ever-increasing pressure on employees at all levels of public and private companies to fulfil their duties effectively. As a result, personnel administration's job is to provide a consistent supply of individuals who can contribute to an organization's success while also meeting the expanding demands of development. To comprehend various processes of personnel administration, one must first comprehend the definition and nature of the term.

Meaning of Public Personnel Administration

Personnel management is the area of management that deals with employees and how they interact with one another on a day-to-day basis. It includes all aspects of a company's relationship with its human capital, from the time of hire through the time of departure. Human resource management encompasses a wide range of activities, including recruitment and staffing, performance evaluation, on-the-job training, and monitoring and improving output and productivity. Personnel management has a direct impact on an organization's ability to perform.

The word 'personnel administration' has no defined definition. Despite this, there is general agreement among writers on the meaning, scope, and purpose of the document. Flippo defines personnel function as the process of acquiring, developing, compensating, integrating and maintaining a company's workforce in order to support the attainment of the organization's most important goals and objectives. Instead of "Personnel management," Dale Yoder prefers the phrase "manpower management," which encompasses both labour relations and personnel administration. "The phrase effectively describes the processes of planning and controlling the application, development, and use of human resources in the workplace," he says. Employers, employees, unions, and government organizations all play critical roles in these processes.

"Personnel administration is a code of ways of organizing and treating individuals at work so that they each get the greatest possible realization of their intrinsic abilities, thus achieving maximum efficiency for themselves and their group, and thus giving to the enterprise of which they are a part, its determining competitive advantage and optimum results," writes Thomas G. Spates.

Personnel administration, according to Michael Jucius, is the field of management concerned with the planning, organizing, and regulating numerous operative functions of purchasing, developing, maintaining, and employing a labour force in such a way that:

- (a) The organization's goals are met in a cost-effective and efficient manner;
- (b) Employee goals are met to the greatest extent possible;
- (c) Community goals are properly recognize and served.

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Personnel management is defined by the Institute of Personnel Management in the United Kingdom as that component of the management function that is principally concerned with the organization's human interactions. Its goal is to keep such interactions going on a foundation that allows everyone involved in the project to contribute their full potential to the project's success by considering the individual's well-being.

A more detailed definition has also been approved by the Indian Institute of Personnel Management. This part of management deals with individuals at work and their connections inside a company and is known as personnel management. Individual and collective well-being is taken into account when determining the performance of an organization, and this is the primary purpose of the programme. Administration of personnel is particularly concerned with the development of regulations of following areas:

- Human resources planning, recruitment, selection, placement and termination
- Orientation, training and career development
- Employment terms, standards of remuneration and appraisal
- Working conditions and employee services
- Negotiation and implementation of agreements on salaries and working conditions
- Procedures to avoid conflicts by proper employee-employer relationship.

It is also important to consider how changes in internal organization and working habits, as well as changes in the economy and society, affect the people who work in the company and the society at large. When it comes to a company's human resources (HR), personnel management deals with everything from recruiting to training to disciplining employees to providing them with retirement benefits. Interactions between individuals within organizations, as well as those between individuals and organizations, are all addressed in the book. Personnel administration encompasses all of an organization's operations and tasks related to policy creation, planning, policy implementation, social change and modernization, administrative reforms, and public relations. Its mission is to get the most out of every employee by making the most efficient use of their time and talents.

There are a variety of terminology for personnel administration, including "human resource management," "labour relations," "human capital," and "manpower management," to name a few. A wider definition includes both people management and labour relations, although the term "personnel administration" encompasses them all. Contrary to popular belief, the terms labour relations and industrial relations should never be used interchangeably with the term personnel administration. The term "labour relations" refers to the relationship between management and organized labour. Contract negotiations with labour unions are part of the process. Labour unions and corporate leaders are involved. In some firms, a labour relations officer or director has a primary role in advising and

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assisting management in dealing with collective bargaining. The existence of this official may or may not be communicated to the HR administration. When a unionized company does not have a labour relations officer or director, the personnel administrator serves in their stead. Because of this, personnel administration aims to do the following:

- Effective use of human resources
- Desirable working relationships among all employees of the organization
- Maximum development
- Meeting the organization's social and legal obligations

Personnel administration deals with the planning, organizing, directing, coordinating and managing of individuals' joint activities inside an organization in order to achieve these goals.

3.3 CIVIL SERVICE

The government establishes civil services to ensure that all of its aims and programmes are translated into concrete actions. Commonly used terminology refers to the branch of government that is in charge of enforcing rather than creating laws, which is known as the civil service. There are two sections to the executive branch of government: ministers and civil servants. Ministers' directives are carried out by civil servants, who also advise them on policy development. "Civil Service is the name of an important government institution that comprises the staffs of the state's central administration," writes E.N. Gladden. Since the ethos of modern democracy is based on public servants who devote their careers to community service, it is more than that. In administrative jargon, "public services" refers to a broader group of employees, including those who work in public sector enterprises, financial institutions, and other quasi-governmental organizations that are sponsored wholly or partially by the government, as well as civil officials. Aside from elected officials and judges, civil employees who work for the Crown and are compensated through budgets set by Parliament are acknowledged in the United Kingdom. In summary, "Civil Service is a professional body of officials, permanent, paid, and skilled," as defined by H. Finer, who further divided the British Civil Service into three categories: administrative (policy formulation and execution); technical (scientific and specialized categories such as doctors, engineers, and others); and manipulative. In emerging countries, public service is an important tool for political modernization. Electoral democracy comes after a well-knit and well-organized public bureaucratic organization. It ensures that the government's system is stable and consistent. Expertise, vitality, and leadership are all characteristics of public service. This combination allows the public sector to operate independently and efficiently.

3.3.1 Civil Service in India

The growth of public services in India is neither a modern-day phenomenon nor, as is commonly supposed, a result of British control. Although there is

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historical evidence of an old Indian civil service system, it lacked a robust operational foundation and institutional frameworks. Every time a regime was changed, the civil service had to adapt to match. The name “civil service” and “civil service system” were coined by the British initially. The civil service, as we know it today, was developed under the supervision of the East India Company and the Crown.

Civil Service until the Arrival of the East India Company

Indian Public Services and their management before the Mauryan period, which began around 321 B.C., are not well documented. Written in 300 B.C., the *Arthashastra* of Kautilya is an exhaustive guide to political science. As legend has it, the Mauryan period saw the rise of ‘*Amatyas*’ and ‘*Sachivas*’, two of the most prominent officials. ‘*Sthanikas*’ used to be executive officers. The ‘*mantrins*,’ who were selected from the ‘*Amatyas*,’ were the highest-ranking officers in the administrative hierarchy. Civil government was supposed to be under the control of the ‘*Mantrins*’ throughout the Gupta time as well. It was also around this time that a new foreign policy office, the ‘*Sandhivigrahika*,’ was founded. Recruitment to these positions was done in ancient times based on genetics and family background. India had not yet adopted a system of open, competitive recruitment, which had been used in China since 120 B.C. Throughout the Mughal era, the administrative structure was centralized. Civil and military governance were one and the same. When it came to the civil service, the military was in command of it, and it was organized on a military basis. Traditional Indian administrative practices and Arabic administrative practices were blended into Mughal administration in India. Foreign influences can be evident in the Mughal administration’s handling of their territories.

Civil Services under The East India Company (1675-1875)

The formation of India’s civil services may be traced back to early 17th century, when some British merchants travelled to India for trade under the flag of the East India Company. “Covenanted Civil Service,” which was made up of men who worked for the East India Company as “civil employees” and carried out its business, was the first structured civil service in British India. These were distinct from the naval and military officers of the company. These workers were simply referred to as factors, who ran the seaside trading stations that the firm had put up. This group of “factors” consisted primarily of those with a working knowledge of trade in the eastern nations, rather than statesmen or administrators. In 1675, the firm began regularly assessing posts. As a result, a young guy was hired as a ‘apprentice,’ afterwards advanced to a ‘writer,’ and then promoted to a ‘factor’ after five years of service. After three years of service, the ‘factors’ may be promoted to ‘Junior Merchants,’ and after another three years of service, they may be elevated to ‘Senior Merchants.’ These authorities were conducting business in a commercial capacity. Initially, the Court of Committees had the right to appoint to these positions. The Court of Directors nominated the company’s officers in 1714, however, and those individuals were then appointed by the Board of Directors. An indenture is a written agreement between the writer and the corporation. It was a

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long-term agreement that obliged the writers to follow, keep and fulfil all of the company's and the Court of Directors' commands, and featured terms and conditions like "loyal, honest, diligent, and careful service." Their title was "covenanted civil servants" because of this. It was a system that took several forms up until 1833, when a little competitive element was added to the selection of corporate writers.

The service remained solely commercial for over a century and a half. Later, as commerce expanded, administrative work rose, and the company's civil service began to assume greater administrative responsibilities. The phrase 'civil servant' was first used in the company's records in 1765. The Mughals granted the Company Diwani in 1765, marking yet another milestone in the company's territorial expansion and, as a result, a rise in the administrative responsibilities of the company's civil workers. In 1772, the company's directors chose to act as diwans and took control of the administration. Aside from this issue of covenanted workers being employed in private trade activities, the public service needs to be streamlined because of this.

To distinguish between the company's civic and commercial work and to create an employee classification, the Regulating Act of 1773 established a clear distinction. Employees in charge of revenue and judicial administration were to be kept separate from the company's financial operations. All civil personnel in charge of tax collection or judicial administration were likewise forbidden from engaging in private trading under the Act. Only those involved in business transactions were allowed to engage in private trading. Public officials were prohibited from accepting presents from the public. As in the recruitment of servants, the patronage principle was also applied to service promotions. The civil service was demoralized as a result of the pervasiveness of nepotism. A clause in the 1784 Pitt's India Act required that vacancies in the Governor General's Council be filled by officials who had signed a covenant with the British government. In order to remove or recall any of the company's employees, the Crown was given jurisdiction. Age restrictions were put into place as part of an Act that was never done before in a company's history. It established a minimum age of fifteen years and a maximum age of eighteen years for appointment to the position of writer.

The Charter Act of 1793 can be regarded to have had a substantial impact on the development of India's civil service. It said that any vacancy in any of India's public positions must be filled by a civil servant from the firm belonging to the Presidency in which such vacancies occurred. Outsiders were unable to join the military even if they have connections in the country. A closed and exclusive service was created in an effort to improve morale in the civil service. The age at which a writer can be appointed has been increased from 17 to 22 years. A government servant training school was established at Fort Williams in 1800 by Governor General Wellesley. In contrast, the Board of Directors was opposed to this. A training school was established in Haileybury, England, in 1806 by the Court of Directors after receiving formal recognition under the Charter Act of 1813. Nominated writers had to complete a two-year programme at the university and

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pass an examination before being confirmed by the Court of Directors of the company. The course included a wide range of topics, including European classical languages, law, political economy, general history, and eastern languages. The College was eventually shut down in 1857. While merchants, factors and other titles continued to exist until at least 1842, they did not engage in any commercial activity following 1833's Charter Act. This Act, which outlawed trade and commerce, necessitated a comprehensive overhaul of the government's administrative structure. It advocated that a restricted competitive examination be implemented. In the 1830s, the demand for a strong bureaucracy arose as a replacement for the Company's patronage. A system of open competition based on examinations was advocated, as well as proper education and training for civil officials. Lord Grenville's concept for an open competition, which he first proposed in 1813, never came to fruition. On July 10, 1833, Lord Macaulay addressed the British Parliament on the Charter Act, saying, "I cannot but foresee the happiest effects from this change". A clause was added to the company's Charter Act saying that, from now on, fitness will be the basis for civil service eligibility, regardless of caste, creed, or colour. The proposition for open competition did not become law until 1853, despite the fact that the Charter Act contained a clause to that effect. In reference to all vacancies occurring on or after April 1854, the Court of Directors' old powers, rights, to suggest applicants for entry into Haileybury College were to terminate. Members of India's covenanted civil service would be appointed following a competitive test in London, according to the Act. President of the Board of Control Sir Charles Wood appointed Lord Macaulay as Chairman of a five-member committee to advise him on how to carry out the Act of 1853, which put all Indian Civil Service appointments open to competition. The Committee on the Indian Civil Service (also known as the Committee on Haileybury College Admissions) imposed age limits for entrance. Minimum and maximum ages were recommended to be increased to 18 and 25 years old. Young civil servants were encouraged to join, but it also stipulated that they should have received the greatest and most liberal education the government could provide at the time. This system prioritized general education and comprehension above specialized training. The Committee advised that candidates be chosen based on the results of a competitive test, and stressed the importance of completing a probationary period before ultimate appointment. It was opposed to the College at Haileybury remaining open. It further stated that the examination should be conducted in such a way that candidates with thorough rather than superficial understanding are selected. The Board of Control accepted these recommendations, and regulations controlling the examination and selection of civil service candidates were drafted. In 1856, the Board of Control held its first examination.

Imperial Civil Service (1858-1917)

When the company's rule ended in 1858, the Crown took over the administration of the Indians. The Government of India Act of 1858 gave Her Majesty the ability to make superior political appointments. A cabinet minister and a fifteen-member council were in charge of her duties, not an undersecretary and a

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secretary in the Cabinet. Transferred authorities and functions were given to Secretary of State in Council, including the Board of Control and Court of Directors' duties. Recruitment to Her Majesty's civil service was delegated to the London-based Civil Service Commission, which had been founded in 1855.

A new era of public service in India began in 1858. Covenanted service members were given priority in the selection process. The Indian Administrative Service, which succeeded the Indian Civil Service after Independence, retains some of its responsibilities in this regard. Covenanted service positions were established under the Indian Civil Service Act of 1861. These posts were all arranged in advance. It also stated that any Indian or European citizen who has lived in India for at least seven years could be appointed to any of the offices named in the Act's schedule. There was a vernacular language test, as well as any other requirements set by the government, for anyone who was hired under this provision. Within a year of being filed to the Secretary of State, all appointments were void if he didn't accept them. Clearly, the Indian public's yearning for Indianization of services was not adequately addressed by this Act. The Act essentially remained a moribund partly due to authorities' reluctance to give it effect, and mostly due to the fundamental difficulty of enforcing the Act's recruitment requirements. Educated Indians were increasingly looking for work in the Covenanted Civil Service. Government of India Act of 1833, and Queen's Proclamation of 1858, were two promises made by the British that they failed to keep. Under the East India Company's government, no Indian "should be prohibited from holding any place, or vocation because of his or her religion, location of birth, ancestry, or skin colour, or any combination of these". Indians were barred from joining the service because of the patronage system. Despite the fact that the Charter Act of 1853 established open competition, requirements such as meeting fitness conditions for competition and having examinations in London prevented Indians from competing.

Indians with "established talent and ability" could be appointed to any rank or position in the British civil service after an act passed in 1870 overrode an earlier law that only allowed certain positions to be filled by Indians from the covenanted service. It did not make much progress, either, because opinions were split on whether all civil appointments should be open to all Indians or whether there should be a proportion of Indians and Europeans in higher-ranking positions. In 1879, new rules were enacted that established the Statutory Civil Service, which required natives to fill one-fifth of all covenanted civil service positions. As a condition of this appointment, the Government of India and the Secretary of State had to provide their approval. Regulation regimes have also failed to meet their stated objectives despite their best efforts. After the Indian National Congress passed a resolution in its first session in December 1885 calling for simultaneous civil service examinations in England and India, the drive for Indianization grew even more intense. The British government decided to explore whether Indians should be admitted to the covenanted civil service or to positions formerly restricted only for members of the service.

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In 1886, a commission chaired by Sir Charles Aitchison was formed to establish a plan for allowing Indians to work in all government departments. It was meant to look at the issue of Indians being engaged in both the covenanted civil service and the uncovenanted civil service, which includes lower-level administrative jobs. The Commission rejected the idea of altering the recruitment process for the covenanted public service. It advocated removing the Statutory Civil Service and creating three categories of civil service: Imperial, Provincial and Subordinate. Indians were only employed in the province service in the public sector. Additional recommendations included reductions in the number of posts designated for covenanted civil service members under the Act of 1861 and transfer of a few postings to provincial civil service departments.

By following the Commission's advice, the Statutory Civil Service was abolished. Imperial, provincial and subordinate levels of government were established, and the country's civil service was restructured as a result. The Secretary of State in Council was in charge of recruiting for the imperial civil service, which included the highest positions. The provincial civil service was given its name after the province to which it belonged. Lower-level grades of the uncovenanted service were restructured to form a subordinate service. Despite the Commission's efforts, the practice of requiring civil service applicants to take entrance exams continued in England. In order to retain the government's English concepts and practices, exams in England were considered vital because the Indian Civil Service was India's only permanent English-speaking official element.

The urge for Indianization grew stronger, and pressure mounted to hold simultaneous examinations in England and India. New Zealand's then-Governor Lord Islington convened a commission in 1912 to investigate the topic of Indianization once more. According to the Commission, just 5% of the civil service was made up of Indians at the time. According to the Commission, there should be two alternative pathways for people to enter the Indian Civil Service: one in England (open to anyone) and one in India (available to statutory natives of India only). Reserving 25% of the jobs, or 189 out of 755 available slots, was part of an effort to boost the number of Indians in high-ranking posts. Class I and Class II services were suggested as a way to organize the Indian government's offerings. When it came to civil service reforms, the Commission saw no need for major alterations in organizational structure. In addition, the report's completion was delayed by approximately four years. As a result of the passage of time, India's informed public opinion has come to see the suggested remedies as inadequate.

Government of India Acts of 1919 and 1935

On that historic day in 1917, British Secretary-General of State for India, E.S. Montague, made an important declaration in the Houses of Common, announcing the British Government's new policy of increasing the participation and development by Indians in every branch and institution of the administration in order to gradually bring about a competent government in India as an essential part of the British Empire. Montague and Chelmsford (the then Viceroy) both advocated boosting civil service recruitment in England by fixing a specific percentage of

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recruits from India in their joint report on constitutional amendments a year later, in 1918. For superior positions, the proportion was set at 33%, with an annual rise of 1%. They proposed that the percentage of people recruited for other services in India be increased. They argued that postings should be open to anybody in the government, regardless of race, and that a second test should be held in India.

It was recommended by the Government of India Act of 1919 that services should be classified into three categories: all-India, provincial and subordinate. The term 'All-India Services' was used to refer to all Imperial services operating in the provinces at the period, whether in reserved or transferred departments. In terms of dismissal, salaries, pensions and other benefits, members of the All-India Services were afforded exceptional safeguards. Public Service Commissions were envisioned as a safeguard against political intervention in service recruiting under the Act.

The Civil Service Commission oversaw the first competitive examination, which took place in 1922. The Indian candidates chosen based on the findings were placed on a two-year probationary period at an English university. Due to an outcry in Indian politics over the British response to Indianization of services and a number of complex issues related to public service difficulties, Lord Lee convened a Royal Commission on Superior Civil Services in India in 1923. Among the recommendations made by the panel was a three-tiered system of national, regional and provincial levels of service. Foreign policy, Indian state relations, state railroads, postal and telegraph services, customs, audit and accounts, and technical divisions were all under the purview of the central services. Indian Civil Service, Indian Police Service, Indian Medical Service, Indian Forest Service and Indian Service of Engineers should be controlled by the Secretary of State pursuant to the Commission's recommendations for a reformed All-India Service structure. It was recommended by the Lee Commission that local governments should recruit and appoint personnel to work in transferred fields (such as the Indian Educational Service, the Indian Agricultural Service, and the Indian Veterinary Service, for example). Some services were to be transferred to the provinces as a result. Existing All-India Services Officers were to maintain all of their rights as All-India Services Officers, but provincial governments were only given the ability to appoint new All-India Services Officers when vacancies arose. Political, Imperial Customs and Ecclesiastical departments in the central services were given the authority to nominate the Secretary of State. The Indian government was tasked with making all other appointments to the federal government's central bureaucracy. There should be 20% promotion from provincial service for superior posts, says the Commission.

The Commission suggested the establishment of the Statutory Public Service Commission to preserve superior recruitment standards by limiting patronage (as recommended by the Government of India Act, 1919). This Public Service Commission was to select employees for the All India, central, and provincial services, as well as execute various quasi-judicial functions related to service discipline, control, and protection. It also gave specific recommendations on a

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variety of service-related issues such as pay, pensions, leave, passage, and housing. For every 100 Indian Civil Service positions, it was suggested that 40 be filled by direct recruitment of Europeans, 40 through direct recruitment of Indians, and 20 through promotion from the provincial service, resulting in a split of Indians and Europeans in the workforce by 1939.

The British government adopted the Lee Commission's recommendations. Among the All-India Services still in operation after the cessation of All-India Services in the transferred departments were the Indian Civil Service, India Police, Indian Engineer Service (Irrigation Branch), Indian Medical Service (Civil Branch) and Indian Forest Service (except in the provinces of Burma and Bombay). On behalf of the Civil Service Commission of England, the Public Service Commission of India conducted a civil service examination in 1927.

The Act of 1935, which established regional autonomy under responsible Indian Ministers, ensured that civil service personnel's rights and privileges were protected. Governors and the Governor General had a duty to uphold the rights and privileges of the civil service. An employee of the government could not be sacked by someone with less authority than the people responsible for his appointment. Salary and emoluments were not subject to parliamentary approval. Although two or more provinces could agree to form a joint public service commission, the Act also established a federation-wide public service commission and provincial public service commissions.

After the Indian Autonomous Provinces Act established provincial autonomy, only the Indian Civil Service, Indian Police Service, and Indian Medical Service would remain All India Services. Provinces have taken over recruiting and supervision of other All India Services, such as the Indian Agricultural Service, the Veterinarian Service, the Educational Service, the Engineers Service, and the Forest Service. The serving members' contracts were not changed, and their service conditions were entirely protected.

Post-Independence Period

During the country's transition to independence, the civil service was restructured. All-India Services, Central Services and State Services are all subcategories of one another. Since independence, the Indian Constitution has only recognized two All-India Services: the Indian Administrative Service and the India Police Service. After the Indian Civil Service and the Indian Police Service were abolished in 1951, the Indian Administrative Service was established. In 1966, the Indian Forest Service was created as a separate All-India Service. Central government recruits and trains members of the All-India Services (AIS), although AIS personnel are dispersed across the country. However, disciplinary action against them can only be taken by the President of India after consulting with the UPSC, as they work for states to which they have been allocated. Their working conditions are also governed by states. It is assumed that they will return to their respective states after a predetermined period of time.

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In 1951, the All-India Services Act was enacted. A new set of rules and regulations for the All-India Services was enacted by the federal government because the old ones had become obsolete in some areas. The Central Services, which administer central themes, report to the Union Government. Indian Foreign Service, India Audit and Accounts Service, Indian Postal Service and others are included. The administration of state affairs is essentially the responsibility of state services, which are under state government jurisdiction. However, state service promotions account for 33% of all postings in the All-India Service. The Constitutional arrangement of dividing subjects into Union, State, and Concurrent is reflected in this three-tiered classification of services. This is also a distinctive aspect of our federal government.

This Commission for Administrative Reforms (ARC) was set up in 1966 as a follow-up to a similar commission that had been set up in 1964. Aims were to highlight the need of ensuring the highest standards of efficiency and integrity in the public sector, while also making public administration an appropriate instrument for attaining economic growth and development goals while also being responsive to the people. The Commission's twenty reports, totaling 581 recommendations, were ground-breaking endeavours for:

- Modifying the administrative system or procedure to meet the needs of developmental functions or tasks;
- Enhancing productivity, reducing costs, and strengthening administrative standards;
- Striking a balance between current demands and future requirements, as well as inventive change and administrative stability;
- Enhancing the administration's responsiveness to the public.

The Commission, with the help and advice of three study teams, made a passionate case for civil service professionalism and specialization. It presented proposals for civil service cadre management, new performance rating and promotion processes, Civil Service Tribunals, and training, among other things. It was believed that the establishment of a central personnel agency reporting directly to the Prime Minister would have a substantial impact on the central government's human resource management system. Structural restructuring was aimed at streamlining and rationalizing human resources management from a single point of view.

3.3.2 Classification of Services

India's Civil Services have gone through numerous stages and phases, from mercantile to government, from colonialized (British) to the present Indianized form. The structural elements, organizational structures, and employment patterns have all been tailored to the times and the controlling authority's individual needs. In 1947, the Government of India inherited a British-designed service organization and kept its core elements without making any significant or drastic changes. The services were classified according to a philosophy, a principle, and a pattern that

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were all identical. In truth, India's independence in 1947 did not result in any changes to the country's administrative system; rather, it formally institutionalized and then constitutionalized inheritance. The current system of service classification is only a slightly modified version of what existed prior to 1947.

3.3.2.1 Meaning and Importance

Simply said, categorization is the process of dividing items or people into groups based on shared qualities. In personnel management, categorization refers to the grouping of diverse roles based on their tasks and activities. Positions with similar tasks and duties are grouped together in one class. Stahl defines a class as 'a set of positions sufficiently identical in their activities and responsibilities to justify uniform treatment in numerous employment processes.'

The significance of service classification cannot be overstated. Classification offers order to the system and ensures that all people who are classified together based on particular criteria are treated equally. It also allows for the justification of differential privileges accorded to different categories of people. Duties, responsibilities, certification criteria, eligibility conditions, income, status, and even the authority to be vested all rely on the right classification system to a large extent. As a result, it has a lot of utility and validity. 'The effectiveness of recruitment, the ability to create a reasonable promotional structure, and the equitable treatment of personnel working in different divisions all depend on accurate classification', Finer says.

According to classification, each service has a distinct set of operational authorities, as well as a distinct set of tasks to be completed and occupations to be performed by its occupants. It is easy to see the various levels of the organization's structure and the various ways in which its services perform. If done correctly, classification can convey a sense of satisfaction to the officials.

3.3.2.2 Bases of Classification

Classification is the process of arranging items that are similar in one or more qualities into groups based on a set of criteria. As a result, it is critical that we understand the foundations of such classification. One such foundation is functional identity. Job tasks, duties and responsibilities are used to define functions. In the indexing process, occupations with similar types of work produce an occupational category that can include both higher and lower categories of work units that are nearly equivalent. There may be a set of general or job-specific qualifications needed to work in these professions.

Qualifications, roles, and obligations are only a few examples of classification grounds. However, from an administrative standpoint, classification based on duties and responsibilities, nature and domains of activity, job similarities, and other factors is suitable and useful. The importance of a post is determined by the duties and obligations allocated to it, not by its qualifications or remuneration. A 'class' is made up of a group of positions that are similar or identical. The qualifying requirements and remuneration structure for employment in the same class are the same. In India, the classes are divided into large occupational divisions known as

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‘services,’ such as All-India Services, Central Services, and State Services. In India, we use the rank classification system for services.

3.3.2.3 Advantages of Classification

The classification of services is no longer viewed as an organizational necessity, but rather as a functional necessity. To put it another way, its primary argument has been not only to streamline the services it provides, but also to give management with broad and complete assistance. An additional benefit of classification is the provision of precise and realistic planning tools.

- 1. Assists in the proper division of labour:** The classification system serves as a management tool that supports in the formation of a command chain and the proper division of labour. Managers can easily arrange their work and distribute it among the various levels with this system in place. In addition, the classification system defines the appropriate levels and hierarchies within the classification.
- 2. Abolition of arbitrary standards:** The categorization system can eliminate arbitrary standards by institutionalizing pay structures and other service terms and conditions. This allows management to eliminate individualized considerations in problems connected to civil services and ensure that personnel are treated fairly. In the perspective of the typical employee, it creates a strong sense of safety and justice.
- 3. Employee motivation is improved:** Management can use the classification system to direct its operations as well as maintain staff motivation and give required incentives. A carefully created classification scheme allows management to identify work areas, differentiate amongst employees based on the jobs they accomplish, and promote individuals who demonstrate potential for higher-level responsibilities, thereby recognizing deserving and worthy people.
- 4. Ensures that manpower planning and utilization are both effective:** It is simple to examine the type and quantity of abilities available within an organization, and to locate the people who are skilled in each area. It is simple to keep track of skill intake in relation to needs and to build up a personnel inventory.
- 5. Establishes workplace standards:** To help current employees work more efficiently and effectively, the classification system makes it possible to create similar work standards for all levels. It prevents talent waste by ensuring that employees are assigned jobs that are appropriate for their abilities. It is now possible to achieve a precise minimum quality of work output, allowing high-priced and rare abilities to be more effectively utilized.
- 6. Streamlines the hiring process and identifies training requirements:** Classification can also be used as a planning tool. It is easy to prepare for the supply of necessary employees once they have been constituted at various levels of an organization’s hierarchy. Candidates’ applications

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and examinations can be standardized much more easily by a recruiting firm. For example, the staffing agency can promote for a group of similar jobs, organize the recruitment schedule by the time intervals, and even devise a speedy recruitment plan in a critical region.

The recruitment process will immediately reveal training needs if you use a good classification system. When there is a shortage of individuals with specific skill set, it highlights to the responsible authority the necessity to design specific training programmes. In the same way, selecting the type of training plan that will assist employees reach the requirements of a higher-level job becomes easier when they are promoted to a specific level of employment.

7. **Assists with the upkeep of current personnel records:** The classification system also makes it simple to keep personnel records up to date. Individual instances or those of a group can be treated in a systematic way if record-keeping is integrated into the system. Records that may be easily accessed help determine the service's overall size, as well as its levels, functional groups and turnover. There are a variety of service difficulties, employment trends and patterns that may be analyzed using this information.

3.3.2.4 Types of Classification

There can obviously be various criteria for classification, as it is a process of grouping items that are similar in one or more qualities into classes. Both the UK and the US have their own well-known classification systems that they use to classify things. Position versus rank is the main difference between the British and American civil service systems. These two well-known approaches have been used to classify government posts almost everywhere in the world.

Position Classification

The 'position' classification system is the more advanced of the two. This is very common in the United States. One's full-time or part-time work is required for a position, which is defined as a set of current duties and responsibilities delegated by a responsible authority. To put it another way, it is described as the work that a competent authority assigns a person or official to perform.

The functions of the position—the obligations and responsibilities associated with the work he or she performs—determine a person's rank, compensation, and other benefits. In this case, the job's obligations and responsibilities are more significant than the individual who performs those functions. By categorization, according to Milton M. Mandell, we mean the grouping of occupations based on similarity of duties and qualification requirements. International Civil Service Advisory Board argued that organizations agree that the basic level of tasks and responsibilities is only practical basis for establishing comparable classification of posts.

In position categorization, similar positions are grouped together into a 'class.' All jobs in a given category are considered to be part of the same "class" or "class

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of jobs” in terms of: (a) subject matter, (b) level of complexity and responsibility, and (c) job qualification requirements, to allow for same administrative action in terms of pays and privileges. So, in a position classification system, a class is generated in this manner.

Examine the meaning of the word ‘grade,’ which is used in another context. For all roles that are similar in difficulty and responsibility and in qualifications for the job, notwithstanding their differences in sort or subject matter (examples include civil engineer, accountant and geologist), a grade is used to symbolize all classes of employment. As a result, in a grade, all courses are grouped together, regardless of employment, but only those with equivalent degrees of responsibility.

Each position should be assigned to the appropriate class under the position categorization system. Each class should be assigned to the correct grade level. Because of this, we create classes for jobs that are comparable or closely related. Positions in a single class share many of the same duties, responsibilities and qualifications, so that they can be handled as a single entity for personnel, budgetary and organizational considerations. Series of classes creates an occupational pattern and defines the organization’s hierarchy of responsibilities. Another reasonable classification is that of grades. We group together all classes with comparable responsibility, regardless of employment, into a grade. As a result, grades form logical categories for determining pay scales.

Rank Classification

United Kingdom and India are examples of countries where this form of categorization is applied. For decades, government employees have been structured into hierarchies depending on their rank, much like the military.

The British “Treasury Classes” classification, which the Indian Public Services closely resembles, is a good example of classification by rank system. A person’s rank and income are established here based on the service to which he or she is allocated after recruitment. A member of the IAS, for example, could work in the Secretariat, the field, or any Corporation, but there are no differences in terms of pay or position between these scenarios.

The conventional assumption that a person’s environmental experience and general educational achievement qualifies them to undertake any and all types of government jobs is no longer accepted by modern position classification. Administrative specification is thus a science that requires the prescription and approval for each “level,” “post,” or “position” in the public sector of certain abilities and expertise. As a result, position classification attempts to categorize public service on the basis of a common job language. The major goal of position categorization is to provide the groundwork for equal treatment of public service employees by accurately defining, organizing, and evaluating each employee’s position in the public sector. Classification is based on job performance in an array of functional positions performed by a group of people with diverse qualifications, experience and aptitude, but all of them have the same or similar rank.

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3.3.2.5 Classification in Pre-Independence Period

The civil services in India were categorized on the British model as a result of British rule. Similarly, in British era, the arrangement of service classification underwent numerous revisions.

Covenanted and Uncovenanted Services

Indian superior services were nearly entirely manned by Europeans, most of whom belonged to the “Covenanted Services,” until the end of the 18th century. The Company required public officers appointed in England for duty in India to sign covenants “by which they obligated themselves not to trade, not to take presents, not to enroll for pensions, and so forth.” In order to work with them, the writers had to agree to a variety of terms and conditions. These principles were codified in a document called the “Covenant,” leading to the coinage of the term “Covenanted Civil Services.”

Prior to 1781, it was the goal of the East India Company to keep all civil jobs in India exclusively for English-trained officers. The Charter Act of 1793 mandates that all positions below the rank of councilor be held by English-trained covenanted civilians. However, the Company’s rising needs outstripped the restricted supply of covenanted civilians. As a result, persons who were not part of the English-dominated covenanted civil service were forced to serve in lower-level positions and were referred to as the “Uncovenanted Service” rather than the covenanted civilians. Indians made up the bulk of the uncovenanted service.

Slowly, the development of western education in India, backed mostly by Lord Macaulay’s efforts, instilled in Indians a strong desire to work in the higher offices designated for the Covenanted Civil Service. Native Indians would be allowed to work in any position without facing any negative consequences under the terms of the 1833 Charter Act. Charter Act of 1853 made all Covenanted Civil Service jobs open to public competition later on. When it came to competitive examinations in England, the exception of a few cases practically prevented Indians from using their right to compete. Then, in 1858, the Government of India Act transferred power from the Company to the Crown, and Queen Victoria issued a proclamation promising free and impartial admission of Indians to offices in Her Majesty’s Service, giving people in the country new hope.

The Aitchison Commission’s classification system for services

The Public Service Commission (also known as the Aitchison Commission) was established in 1886 under the presidency of Sir Charles Aitchison. Investigation into how ‘native Indians’ were allowed to join the Covenanted Civil Service, may be under 1858 or 1870 Acts, was the chief goal. It proposed a three-tiered service classification system:

- (i) With the renaming of the “Imperial Civil Service of India,” the old Covenanted Service was to be replaced with a competitive examination process in England.

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- (ii) In each province, a local civil service dubbed the “Provincial Civil Service” was mooted, comprising of all positions not designated for Covenanted Service members. It advocated removing the lower-level appointments from this category in lieu of with a few highly compensated positions generally held for Covenanted Civil Service members. Each province was to recruit for this service using a variety of approaches according to the local conditions.
- (iii) Lastly, the “Subordinate Civil Service” was planned to be created by transferring lower-level postings from the previously stated uncovenanted service.

In 1892, the Government of India passed a resolution enacting the Secretary of State’s directives on the Aitchison Commission report. The former classification system of covenanted and uncovenanted was abolished. The “Indian Imperial Civil Service” and the “Provincial Civil Service,” named after the provinces to which they belonged, were established. The Imperial and Provincial Services were the upper levels of service, and in addition to Subordinate Services, there were Inferior Services, which included clerks, typists, peons, and messengers. The classification of higher public service employees was based on their recruitment rather than any rational formula of tasks or activities. In fact, the Islington Commission (1912-15), a Royal Commission on Public Services in India, pointed out this discrepancy and proposed a new classification consisting of two classes in the Services: Class I and Class II.

Government of India Act, 1919

A new law passed in 1919 renamed the Imperial Services as the “Superior Services,” dividing them into two categories based on the subjects they administered: those directly managed by India’s central government and those principally governed by its provinces. Because of their wide range of roles and locations, these two types of government employees were known as “Central Services” and “All India Services,” respectively. For nearly a century, provincial government departments have been separated into “reserved” and “transferred” categories since the Government of India Act of 1919 established diarchy at the province level. Thus, services offered by provinces became divided into one of two categories: public or private. There was a large number of services that were mostly reserved for the reserved realm, including the Indian Civil Service (including the whole cadre in Assam, and excluding Burma and Bombay) and the Indian Forest Service. These services were recruited and supervised by the Secretary of State.

It was determined to keep these services, both in “reserved” and “transferred” sectors, under the authority of Secretary of State in Council. The Secretary of State created, determined, and was also the guarantor of service conditions, and in effect, they were the Secretary of State Services, with the right of deployment ultimately vested in the higher authority in London.

The service structure was altered as a result of the Government of India Act of 1919. The superior or Imperial Services were divided into two categories: All-India

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Services and Central Services, which are still in use today. According to the Civil Services (Classification, Control, and Appeal) Rules, India's public services were divided into (i) All-India Services, (ii) Central Services, Class I, (iii) Central Services, Class II, (iv) Provincial Services, (v) Specialist Services, and (vi) Subordinate Services in 1930. The Provincial Services, for example, were under the control of the provincial governments. Some technical fields, such as engineering, were covered by the expert services. Class I, Class II, Subordinate Services, and Inferior Services made up the Central Services.

The fundamental difference between the Class I and Class II Services at the time was that the Governor-General in Council made the initial appointments for the former, whereas a subordinate authority made the appointments for the latter. The "gazetted" position was mainly possessed by Class I and Class II officers, while 'subordinate' and 'inferior' officers had no such rank mark. The Subordinate Services included ministerial, executive, and outdoor posts, while the lesser services included peons and messengers.

3.3.2.6 Classification in Post-Independence Period

It was a three-tiered system: All-India Services (common to the federal government and the states), Central Services (for just federal government matters), and State Services (for all state government matters).

The Central Government recruits and trains the All-India Services, but they are sent to different States for work, just as the Central Services. They work for state governments and are subject to state regulations, with the exception that only the President of India can take disciplinary action against them, after consulting with the UPSC. Many of them are sent on deputation to the central government and return home after a specific duration. In compliance with the All-India Services Act, 1951, state and federal agencies (UPSC) work together to develop new service regulations and policies. The 'creation of Indian Administrative Service (IAS) and Indian Police Service (IPS)' is codified in Article 312 of the Indian Constitution. As a result of a resolution made at the Premiers' Conference in 1946, this was done on the eve of independence. The Indian Forest Service was afterwards added to the list as the third All-India Service.

3.3.3 The Civil Service's Changing Role

Because governmental responsibilities are becoming more complex, future managers will need to learn about the latest management techniques, as well as social and behavioural sciences, and administrative research and development. An inherent consequence of using science and technology to address administrative problems is this. In light of the new problems of change that the public sector is facing, it cannot avoid two compulsions: one of adaptation and the other of professionalization. Various causes, such as shifting political landscapes, rising public demands, expanding administrative operations scale, and evolving information technology, are compelling civil services to adopt various changes through professionalization.

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For Gabriel A. Almond, public sector workers are expected to carry out certain tasks with politicians in a confidential or open manner depending on the circumstances of the situation. In this regard, seven types of functions comprising input and output functions were suggested. Political socialization, interest articulation and aggregation, and political communication are all input functions. Rule-making, rule-application, and rule-judgment are among the output functions. The public services must dedicate themselves to two sorts of relationships in order to successfully discharge these functions: one of mutual compliance, referred to as “internality” relationship, and the other of adaptation, referred to as “externality” relationship. Both have an impact on the performance of government services and, as a result, must be combined. To handle these massive responsibilities, the public sector must acquire and develop sufficient and enough capabilities. They cannot assist in the fulfilment of programme and policy goals unless they are adequately equipped, and this can result in a significant gap between declared and realized objectives. Public officials must engage in capacity-building programmes in accordance with the specific demands, specific environment, local culture, and ethos of the area in which they work. As public services become more involved in public sector firms and other quasi-government enterprises, they must become more flexible and adaptable.

Check Your Progress

1. What is the meaning of personnel administration?
2. Write the goals of personnel administration.
3. What is civil service?
4. Write down the types of British Civil Service mentioned by Herman Finer.
5. Mention the civil service position in Pre-independence period, particularly in Government of India Act, 1919.
6. How many recommendations were given by Administrative Reform Commission (ARC) in 1966?
7. What is classification of civil service?
8. Enlist the merits of classification system.
9. Which classification system is popular in India and what it is?

3.4 RECRUITMENT

We all know that ministers and civil servants work together to carry out the many functions of modern governments. Civil servants are the government’s full-time, salaried, long-term employees. Recruiting is the process through which they are accepted into the government’s workforce. Civil service quality and efficiency are influenced by recruitment policy. With stronger and more effective civil workers in place, the administration will undoubtedly succeed if the government’s recruitment campaign is effective. When recruitment is neglected, the government will fail and civilization will be crumbled. This means that the most important component of human resource management in all countries is recruitment. If a country’s government is staffed by unworthy and incompetent individuals, no

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substantial training can help it. Many new difficulties have arisen before the administration in recent years as a result of scientific and technical progress. Ability and meritorious people in administration are required to solve these difficulties. Old methods of recruitment have completely altered, and practically all countries now recognize the 'merit system' for civil servant recruitment. The recruitment system of a country is heavily influenced by the country's constitutional requirements and socio-political policy.

3.4.1 Importance of Recruitment

Staffing is a critical function of any organization's management structure. The tone and quality of public officials are determined by the recruitment process. The utility and relevance of government and administration to society depends on an effective recruitment mechanism. People that are dumb, inept and inefficient will be hired into the government if the recruitment policy is defective and inaccurate, making administration weak and inefficient in the long run. Even the best training and promotion plans will not be able to improve the capacity and efficiency of poorly recruited individuals. As a result, a sound recruitment strategy is implemented consistently and fairly is essential.

Recruitment is the process by which people enter the civil service. Effective public service necessitates it. According to Stahl, recruitment is the foundation of the entire government workforce. Administration has become increasingly intricate and complex in modern times as a result of technology advancement. It necessitates the use of the best, most talented, and most efficient individuals in the administration. Furthermore, in today's world, civil service has become the most significant job option. The recruitment policy is the most significant aspect of the career service.

- Increase the number of people applying for opportunities within the company.
- To aid in the selection of the best candidates for your firm, create a candidate talent pool.
- Determine the organization's existing and future needs as part of the organization's personnel planning and job analysis procedures.
- The act of bringing together potential employees and employers is known as recruitment.
- Increase the number of potential employees at the smallest investment.
- Reduce the amount of job candidates who are plainly overqualified or underqualified in order to improve the success rate of the selection process.
- Make it less likely that newly hired employees will leave after a short period of employment. Employee composition must be in accordance with the organization's legal and social obligations.
- Begin discovering and preparing potential job candidates who will be suitable for the position.

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- Improve the efficiency and efficacy of diverse recruiting approaches and sources for all types of job candidates.

3.4.2 Meaning of Recruitment

The term 'recruitment' has no clear definition. Authors like L.D. White believe that the word should be used just to attract the best qualified and appropriate candidate for a certain post. There are many who believe that recruiting comprises all the steps involved in filling vacancies, from advertising a vacancy through making an offer and placing an employee in that position. In the words of J.D. Salinger, "Public recruiting may be described as the process of inducing suitable individuals to compete for appointments to the public service," writes Kingsley.

As a result, we may argue that recruiting is an important element of the larger 'selection' process, which includes examinations, interviews, and certification, among other things. The overall process of filling openings in government services appears to be wider than recruitment. Recruitment, on the other hand, is typically viewed as the process of bringing people into the service to fill open positions. In both the corporate and public sectors, recruitment is a regular practice. However, we must keep in mind that in the public sector, recruiting policy is influenced by constitutional obligations as well as political outlook. In the case of private administration, there are no such restrictions.

"Recruitment is the process of searching for individuals for employment and encouraging them to apply for jobs in the organization," says Edwin B. Flippo. Recruitment is the process of connecting businesses and job seekers. In order for management to select a suitable candidate from this pool of potential employees, candidate recruitment is the first step in the process of creating a pool of candidates. In expediting the selecting process, the primary purpose of the recruitment process is in the absence of open positions, a company's recruitment efforts focus on building a pool of qualified candidates for future manpower need. Typically, the hiring process begins when a manager issues an employee requisition for a specific or expected vacancy.

3.4.3 Process of Recruitment

When it comes to recruiting and selecting employees, the human resources department plays a critical role in the organization's competitiveness and strategic advantage. When it comes to hiring new employees, the hiring process is extensive and time-consuming, and it requires a lot of effort and resources. The following is a general recruitment procedure:

1. Job/position requisitioning
2. Job analysis
3. Creation of application forms
4. Advertisement
5. Examining applications

6. Examinations, interviews, and other tests, among other things
7. Certification
8. Selection
9. Appointment
10. Placement

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Requisitioning of Positions/Jobs

The first step in the government recruitment process is to inquire about the staffing requirements of various government departments and agencies. How many people are needed? How many positions will be filled only by direct appointment? How many positions will be filled by promotions? All of this information is gathered by the recruiting authority prior to the start of the recruitment process. The various open positions are categorized, and the overall final needs are calculated. Simultaneously, the criteria of the many available positions are taken into account when defining the credentials, experience, and other requirements for the positions.

Job analysis

The job analysis, which includes the job description and specification, is the second phase. A job description is a description of the job, whereas a job specification is a list of the job's requirements. As a result, after requisitioning employment, the next stage is to define the requisite qualifications and other requirements for publication in newspapers, bulletins, and other media. At this point, decisions are made about minimum educational credentials, prior experience, age limit, domicile, nationality, physical fitness, and so on. Before making a decision, the constitutional provisions as well as the government's policies on recruitment are taken into account.

Creation of Application Forms

Applicants for various posts or openings will now be asked to fill out an appropriate application form. When submitting an application, it should include columns for the applicant's age, educational qualifications and other relevant information. For various positions, examinations, or services, several application forms are designed.

Advertisement

The next stage is to market the post and any examinations in newspapers, bulletins and others, following the determination of qualifications and other criteria and requirements. The advertisement contains all of the necessary information to attract and encourage the greatest number of qualified individuals to apply for the competitive examination. All those who want to apply are given application forms by a certain deadline. Candidates are sometimes invited to apply on their own after seeing the 'proforma' of the application form in the newspaper. The 'advertisement' is frequently printed, aired, or transmitted in order to attract more and more eligible individuals. For the benefit of potential applicants, the recruiting agency may print its own publications. For advertisement, recruitment agencies in

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government could designate a specific day. As a result, advertising is a key element in the recruitment process.

Examining the Applications

The applications are received in the stipulated proforma by a certain day and time, and they are scrutinized. At this stage, applicants who do not meet the minimum criteria are deemed invalid and told as soon as practicable of their failure to be accepted. Candidates that meet the basic requirements for participation in the competition are informed about their selection, interview, or examination schedule. 'Call letters' for interviews or 'hall tickets' for examinations are provided to eligible candidates if necessary, and include information such as the date, time, and location of the examination/interview. At this point, many inefficient and unqualified candidates are weeded out of the selection process. Again, it must be reminded that the responsible authorities should scrutinize the application form extremely thoroughly to ensure that no qualified candidate is denied.

Exams, interviews, and tests, among other things

It is vital to test candidates' ability or 'merit' in order to identify the most suitable and competent candidates. This can be accomplished through the use of an examination, an interview, or other types of tests. Examination is just a window for determining a person's worth. We can use examinations to test (a) a candidate's qualifications, (b) identify a candidate's rank or position, (c) create a list of applicants in order of merit. The examination scheme is determined by the employment requirements as well as government policy. As a result, different sorts of examinations have distinct patterns, such as qualifying and major examinations, general studies or technical examinations, objective type or essay type examinations, and so on. At the conclusion of the examinations, a list of successful candidates is compiled. In the event of interviews or other types of testing, a similar method is followed. After that, a final list of successful candidates is prepared.

Certification

In the media or on a noticeboard, the names and/or roll numbers of those who have been selected as finalists are released after the examinations, interviews, or other types of testing have been completed. The personnel agency prepares and certifies a list of successful and hence eligible candidates. This list of certified candidates is provided to the government with the recommendation that only candidates from this final list of certified candidates be selected and appointed. This is the staffing agency's ultimate product. In most cases, the government selects and appoints eligible people solely from this approved list. However, in extraordinary circumstances, a candidate may be removed from the list by the government for very specific reasons.

Selection

Selection is the process of selecting applicants who are qualified, eligible, and available from a pool of candidates. The government is ultimately in charge of the selection process, even though tests and interviews are used to determine a

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candidate's suitability, and the personnel agency certifies those who are indeed qualified. It is up to the government to accept or reject an applicant, even if the personnel agency provides a list of competent and certified individuals. In the majority of cases, this list is used to make the final selection. A candidate's past record or involvement in violent, anti-national, or criminal conduct can prohibit the candidate from being appointed by the government. In many countries, a candidate's character is secretly investigated and police records are scrutinized. Only the candidates for appointment are chosen if the government is satisfied.

Appointment

The government makes the formal appointment after selecting acceptable and qualified applicants. It's worth noting that in every country, appointments are made by a 'competent executive authority'. Who should have the right to make appointments is determined by a country's constitutional and legal framework. Only the legally recognized 'appointing authority' issues or signs the formal appointment letters.

Placement

After successfully completing the 'probationary period,' candidate service is "conformed" and he is assigned to a specific area of the country or military service branch. Placement or posting is the term for this. As a result, his duties are limited to those that are directly relevant to his position. He is given the opportunity to work in that position for a few years in order to gain experience. Before a person is posted, he or she may receive some type of pre-entry or orientation training on the specific work that has been allocated to him. In many other circumstances, though, he is assigned to a job and given the opportunity to learn while doing so.

3.4.4 Types/Methods of Recruitment

In different countries around the world, different types or methods of recruitment are used. They are as follows:

Recruitment, both direct and indirect

Recruitment can be divided into two categories: internal (by means of promotion) and external (such as through available supply sources). Direct Recruitment occurs when empty government positions are filled by suitable and qualified applicants who are available on the free market. However, when open positions are replaced by qualified and experienced individuals who are already employed by the government, this is referred to as indirect recruitment by promotion. Both methods of recruitment have their benefits and drawbacks. However, for the recruitment of civil servants, both direct and indirect approaches are used in all countries around the world. Direct recruiting is used to fill lower-level positions, whereas promotion, or indirect recruitment, is used to fill higher-level positions. A careful mix of both strategies is adopted in many countries, depending on their political and administrative systems. We may infer that each system has some beneficial and negative elements after evaluating the pros and demerits of the two types of recruitment. No single system may be used entirely in

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the appointment of government employees. To obtain the best results, a smart recruitment policy should mix the two strategies.

Recruitment: Positive and Negative

Recruiting for government service positions is best done when a hiring agency actively seeks for the most qualified and competent individuals. Negative recruitment, on the other hand, attempts to keep unskilled and unsuitable individuals out while taking no active involvement in attracting the best candidates. Positive tactics such as newspaper adverts, propaganda, literature, cinema slides, and other positive methods are now used in most countries to lure the best talent to come forward. When the quantity of applicants exceeds the number of available vacancies, a negative way of weeding out the unqualified and incompetent candidates is used.

Individual or mass recruitment

It is common practice to employ mass recruitment methods when a large number of non-technical, non-specialized and general-purpose roles to be filled. To fill a significant number of vacant government positions, advertisements in the mass channels of communication, a big number of applications, a lengthy examination and interview process, and so on must be used. Individual recruitment is conceivable and desired when specific positions requiring specialized knowledge, skill, or technical know-how and experience are to be filled. In such instances, the number of positions that need to be filled is quite limited. Recruiting firms employ both of these techniques.

3.4.5 Merit System

All democratic countries around the world today use a merit-based selection process. Through an open competition, the most qualified and suitable candidates are selected to fill vacancies in the government workforce. The purpose of an open competition is to assess a candidate's merit, qualifications, and competence. Written examinations, oral tests, interviews, performance testing, verification of previous records and experience, and other methods are used to accomplish this.

Although it is said that in ancient China and India, officials were chosen on the basis of merit, the modern merit system is just a few centuries old. It was originally launched in India in 1854 and in the United Kingdom in 1855. When a disgruntled job aspirant killed President Garfield in 1883, the Pendleton Act established the merit system for the first time in the United States.

Prior to the adoption of the merit system, the following three major systems existed in various countries around the world.

1. **Offices for Sale:** Prior to the French Revolution, open posts were auctioned off to the winning bidder. Because of this, the state was able to raise more money while also giving the wealthy an easier path to public office and freeing the government from favouritism and political interference.

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2. **System of Patronage:** Patronage was utilized in the UK as well as in many other countries. Appointees could be chosen by the appointing authority for a variety of reasons, including personal or political preferences. Family ties, personal loyalty, political connections and other forms of favouritism and nepotism were all part of the recruitment patronage system. In Europe and India, this system persisted until the second half of the 19th century.
3. **The System of Spoils:** In US, the spoils system was in vogue, with government appointments considered prizes for the winning political party. When a new party came to power, it used to fire all of the government officials who had been selected by the previous administration. Then it filled all the openings with its own loyalists, from a secretary to a postman. As a result, the American government did not have a permanent civil service. Those with personal ties to the newly elected President, as well as those who sympathize with and support the ruling party, were appointed as government personnel.

The above-mentioned techniques of recruitment became obsolete as democratic feelings grew and the administration became more complex, and the system of recruitment based on ability and merit has now been recognized by practically all democratic governments throughout the world. The patronage or spoils system is no longer practised. In today's world, however, the merit system has become a universally acknowledged way of recruiting.

3.4.6 Methods of Testing Merit

We have seen that civil servant postings are made on the basis of merit and competence in most countries. As a result, the questions of who should assess the merit and what procedures should be used to test and determine merit arise. A central, unbiased, non-political, and independent Staffing Agency should be responsible for administering merit-based recruitment in all countries. The candidates' competence and abilities are assessed by government-appointed central personnel agencies. In most cases, written test, interview, performance review, and appraisal of qualifications and experience are some of the ways used to evaluate a candidate's merit apart from physical examination, psychological evaluation.

3.4.7 Recruitment System in India

In India, three types of services are available – All-India services, Central services and State services.

Our recruitment system is modeled after the British approach. It is based on a merit system that uses an open competition method to assess candidates' general aptitude and intelligence. The Union Public Service Commission (UPSC) is tasked by the Indian Constitution with recruiting for the All-India Services and Central Services. The President has been given final recruiting authority. In the case of State Services, the State Public Service Commission is in charge of recruitment, with the Governor of the relevant state having final recruiting authority.

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The UPSC holds joint competitive examinations for the All-India Services and higher Central Services. For recruiting, a systematic combination of written and oral examinations is used. Only graduates are permitted to take competitive tests at higher levels. The UPSC now conducts integrated civil service examinations for the All-India Services (IAS, IPS, IFS, and so on) as well as the higher Central Services. A separate entity, the Staff Selection Commission, is in charge of selecting Central Services Class III and Class IV employees. This Commission administers competitive examinations for the Central Government's clerical, secretarial, and typing positions.

State Public Service Commission exists in every state, and they all use the same methods for recruiting higher-level state civil servants. Class III and IV state services in many states have also been assigned to the State Staff Selection Boards. A variety of different recruitment methods exist in India, including those used by the railways, audit and accounts departments, private industry, and public sector organizations. The UPSC's centralized recruitment plan does not include them.

Check Your Progress

10. Why recruitment is significant for career civil service?
11. What is the difference between recruitment and selection?
12. What do you mean by mass recruitment?
13. Write down briefly about spoil system?

3.5 TRAINING

In the civil service, we have observed that only those who are well-educated, qualified, and deserving get hired. The majority of them are graduates or have earned a degree or diploma. They have already completed the basic educational requirements for government work. Before they join the government, they usually have completed their studies, but they continue to learn after that. They do, however, require a distinct form of education that will assist them in their daily official work and increase their administrative ingenuities.

Training in the public service is the name for this new sort of work-education. Administration has gotten increasingly complex and difficult in modern times. It necessitates specialized knowledge and technical expertise. The requirements of modern administration are not met by traditional college and university education. As a result, there is a growing need for civil officials to be trained. Training is becoming an essential component of modern human management.

3.5.1 Importance of Training

The importance of training in developing economies such as India should be grasped before we learn the concept. Personnel management in the present day would be incomplete without adequate training for civil servants. For efficient and day-to-day administration, all nations agree that civil service workers must be properly trained. On the one hand, government duties have rapidly multiplied and expanded, while administration has become increasingly complicated, specialized,

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and technological. The 'merit system' recruitment strategies and programmes aim to choose the most qualified and competent members of the civil service. The majority of those chosen are highly qualified and educated, holding degrees or diplomas. However, a university diploma or degree is insufficient to qualify them as the greatest administrators. To be successful in administrative job, you must have some prior experience in the field. This practical expertise is imparted through training courses.

Preparation is provided by the training an employee receives before they assume administrative duties. His or her skills and efficiency grow as a result of training. He is being prepared for greater and greater responsibility as a result of his/her training. In fact, an employee's entry into an organization necessitates training. The goals and objectives of the organization, as well as the type of work an employee is expected to complete inside the company and the procedures and techniques used to carry out their real assignment, must all be known by an employee. Only a comprehensive training programme will be able to teach all of this knowledge. In the same way, an employee's skills and expertise deteriorate over time. He requires new and up-to-date skills and expertise. Training, which is a continual activity, is the only way to keep your knowledge and abilities up to date.

The educational process, in the process of training, does not end once an employee enters government employment, despite having completed his or her formal education prior to that point. As a result, training is required both before and after entering the civil service. Training, like education, is a lifetime process. In comparison to education, however, training has more narrow and specific goals. Training is only a small part of education. Education has an impact on an individual's upbringing from childhood onwards, including the development of various aspects of personality, including character, habits, manners, attitudes, mental and physical ability, and so on. The goal of education is to broaden the mind in general. However, training strives to improve the specific skills and information needed for a given job or trade.

Education and training, on the other hand, are inextricably linked, and they frequently overlap. Most countries, including India, recognize the importance of education. Many training institutions have been formed to carry out the training programmes planned for their civil personnel. However, these arrangements are insufficient, and many countries are in desperate need of training.

3.5.2 Meaning of Training

"Imparting instruction in a particular art, profession, or occupation," according to the dictionary definition of training. In the field of public administration, training refers to deliberate efforts to improve an employee's skills, abilities, and intelligence, additionally, able to influence his values and opinions. Training is a lifetime phenomenon in broad and basic terms. Our training begins informally and unintentionally with our childhood. There is a deliberate effort to improve civil officials' skills and professional competence in their daily work by training them in a narrower and specialized sense. "The process of developing skills,

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habits, knowledge, and aptitudes in employees for the purpose of increasing the effectiveness of the employees in their current government position as well as preparing the employees for future government positions,” defined William Torpey (Public Personnel Management, New York, 1953). We can say the following about the meaning of training:

- Training is an intentional, planned, and conscious endeavour;
- Training is limited and specific;
- It entails giving instructions on a certain job or vocation;
- Its goal is to improve employees’ skill, knowledge, and effectiveness in their jobs; and
- It also aims to prepare employees for positions with greater responsibilities.

3.5.3 Objectives of Training

The following are some of the key goals of civil service training:

- To begin with, the training improves the efficiency of administrative staff.
- Training increases employees’ professional skills and knowledge, allowing them to perform their jobs more successfully.
- Training inducts a new employee into the organization and provides him with knowledge of the organization’s goals and objectives, his own role within it, and strategies and methods for carrying out his responsibilities. As a result, personnel can best contribute to the achievement of organizational objectives.
- Because organizations’ methods and approaches are constantly changing, training helps individuals respond to new organizational developments.
- Training compensates for the inadequacies of freshly hired personnel. Fresh university graduates are given the appropriate training to mould and shape them in the proper direction and prepare them for government service.
- Training keeps personnel informed about the most recent advancements in their industry, keeping their knowledge current.
- Training increases the employees’ honesty and morale. The very existence of the training procedure adds to the trainees’ sense of dignity at work and in the office.
- Training helps employees build a sense of community service and belonging. They understand how important their work is to the organization and the community. As a result, individuals put forth greater effort in their work. This provides people a sense of accomplishment and pride in their work. As a result, it is stated that everyone in the civil service must have access to some form of training.

- Training makes employees more people-oriented: it instils in them the fundamental notion that they are public servants, not masters. In a democratic administration system, this is required.
- Training prepares personnel for promotions and increased responsibility.
- Training promotes uniformity of outlook and broadens the employees' vision and attitude.

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3.5.4 Types of Training

In different countries, different sorts of training are provided. The following are some of the most common types of training:

Formal and informal training

Informal training is experience-based training that a person receives while performing his or her regular job duties. Informal training does not necessitate any extra effort. This is typical practice throughout the company. Neither a formal training programme nor specific trainers or educational establishments are necessitated. There are no time constraints or a group of persons who are carefully selected for this type of informal training. This is the conventional form of public administration training, and it is still chosen by practicing administrators. It is a very difficult kind of learning. So, the staff will have to be very persistent and patient in order to complete it. These flaws do not exist in formal training. As a result, informal training is not widely used in most nations.

Formal training is provided to a small group of students over a predetermined period of time by specialists in a training institute or a departmental training programme. It is described as training that has been planned, organized, and carried out under the direction and guidance of a trained professional. Other activities included in the curriculum include lectures and seminars, workshops, group discussions, conferences, work projects and written reports. A professional degree or certificate of good training completion may be awarded as a result. Before or during the career service's probationary period, it is possible to receive it. Full-time or part-time work options are available. A general education course or an orientation class could be offered. Official training consists of clearly defined goals, predetermined themes, an action plan, and methodologically selected methods or procedures. It is a comprehensive process. It teaches essential administrative skills through well-defined courses that are offered at important periods in one's career. The system of formal training is growing increasingly popular as the need to improve administrative efficiency is felt urgently everywhere. In fact, formal training programmes should be used to supplement informal instruction. Both must be integrated for the greatest outcomes, although different training programmes used in different nations, such as pre-entry training, post-entry training, orientation training, and so on, usually focus on formal training techniques solely.

Training, both short-term and long-term

The duration of the training course determines which of these two methods of instruction is used. The length of training is determined by the training course's

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subject matter, the nature of the service, and the government's requirements. In contrast to long-term training programmes, which can take anywhere from six months to one or two years, short-term training is described as training that is completed in a matter of weeks or months.

Pre- and post-entry training

Pre-entry training is provided prior to joining the civil service, while post-entry training is provided after a person has joined the organization. This is clear from the titles. Pre-employment training for government bureaucratic and management positions has recently been made available through a proliferation of new training institutions. Similarly, there are numerous institutes and centres that provide instruction to students taking competitive exams. Internships and apprenticeships are commonly used in various places for pre-entry training of potential service recruits. Some universities and colleges also offer practical administrative training. In the United States and many other Western countries, comprehensive pre-entry training programmes are available. After a person joins the military, they will receive post-entry training. In many nations, post-entry training is fairly frequent. In-service training is another term for it. All levels of the organization receive in-service training, which can be official or informal. Training improves productivity and efficiency within the workforce, as well as their professional competence and ability. Post-entry training may or may not be directly related to the employee's actual work, but it can significantly increase his overall ability and organizational performance.

Departmental and centralized training

'Departmental training,' as the name implies, is training conducted solely for the benefit of the employees of a particular division or office. Its objectives are limited to improving the specific knowledge and abilities of the division or office. Experienced policemen from the department itself provide this training. This form of training is exemplified by the Police Training College. Centralized training, on the other hand, is when a Central Training Agency provides training to officers from multiple departments. The Lal Bahadur Shastri National Academy of Administration's training programme is an example of India's centralized training system.

Background training and skills training

It is possible to get a general introduction to the subject matter. It helps students grasp the country's various contexts and conditions through the study of many topics such as employees' thoughts and knowledge are to be widened, as well as their awareness of society and their own role in it, the purpose of the programme, etc. Skills training, on the other hand, refers to the development of an employee's abilities in a specific field of work. Its goal is to provide employees with the knowledge of specialized skills, techniques, procedures, methods, (craft) or difficult systems, and so on, that they will need to perform their specialized work. Skills training includes craftsmanship and income-tax officer training, while background

training includes IAS entrants training at Lal Bahadur Shastri National Academy of Administration at Mussoorie.

Orientation

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A new employee must be familiar with his or her organization, work, and working conditions and practices. He'll need to be introduced to his new company. Orientation training is used to do this. Orientation training is a deliberate attempt to acclimate a new employee to his or her organization and role. A new employee's orientation training is primarily designed to teach him or her about the job, the new workplace, the company's aims and objectives, and his or her place in the organisation. In order to stay abreast of new developments in his field, a public official must undergo regular orientation training. In India, orientation training is becoming increasingly crucial.

All countries place a high priority on civil servant training. In order to improve the efficiency and effectiveness of the civil service, appropriate training programmes have been drawn up all over the place. Those who have already served in the military are also obliged to undergo training. It can be formal or informal, short-term or long-term, pre-entry or post-entry, or any combination of these things and more. Training programmes must be designed to meet the needs of various services while taking into account the country's socio-political and administrative situations. However, we may conclude that training, regardless of its nature, is a constant requirement of public administration.

3.5.5 Process of Training

There are six steps in the training process:

- 1. Objectives of the organization:** The assessment of an organization's aims and strategy is the first step in the training process. What are we doing here? What is the desired degree of quality for this product or service? What do we hope to achieve in the future? Only when the organization has answered these connected questions can it analyse the strengths and weaknesses of its human resources.
- 2. Training Needs Assessment (TNA):** Assessment of needs identifies current issues and potential concerns that can be addressed through training and development. Organizations spend a lot of money on training and development (typically as a % of turnover). Organizations that establish training programmes without completing a needs assessment before devoting such significant resources may be making mistakes. The assessment of needs takes place on both group and individual levels.
- 3. Identifying training goals:** Training and development goals must be set after training needs have been analyzed. It is impossible to establish a training and development programme without clearly defined goals, and there will be no way to assess its effectiveness once it has been executed. Goals must be concrete, measurable, and verifiable. When it comes to skill training, this is simple.

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4. **Training programme schedule:** Certain critical issues must be addressed in every training and development programme. A certain number of questions need to be answered at this stage – Who is a part of the programme? What are the names of the trainers? What training approaches and strategies will be used? What should the training level be? What concepts of learning are required? What is the location of the programme?
5. **Training programme implementation:** After a good training programme has been established, it is time to put it into action. It should be communicated to all stakeholders prior to implementation so that there are no misunderstandings. It's also important to use the right procedures. Employees are trained using a variety of training approaches. On-the-job training and off-the-job training are the two categories of training methodologies. On-the-job training is a term that refers to procedures that are used in the workplace while personnel are working.
6. **Evaluation:** The final element of a training programme is evaluation, which is crucial to keep track on the training's quality, to assess the overall effectiveness of the training investment and assist in the creation of innovative training methods.

3.5.6 Indian System of Training

The East India Company constructed Haileybury College in 1805 to educate new civil servant recruits in India's history of civil service training. The Indian Civil Service (ICS) was filled solely by alumni of Haileybury College until 1855, when the first competitive evaluation was held. Successful ICS candidates were needed to study courses such as Indian history, Indian law, and Indian language for one to two years at a British university. Camp school for incoming ICS recruits was created in Dehradun during World War II. Following independence, the ICS was renamed the Indian Administrative Service (IAS), and new entrants received institutional training at the IAS Training School in Metcalfe House, Delhi. Senior officials and non-direct recruits were trained at the Indian Administrative Service Staff College (IASSC) in Shimla. The National Academy of Administration was founded in Mussoorie in September 1959 after the merger of these two educational institutions. All-India service training is provided by the Lal Bahadur Shastri National Academy of Administration, which is currently referred to by its current name.

A person's education prior to joining the public service during the British Raj was considered adequate to qualify them for the position. After enlisting, he was largely allowed to figure things out for himself. Formal training was not deemed necessary for civil servants. Institutional training was provided only to the ICS and technical staff. The departments that required training arrangements for their technical workers were Police, Telegraph, Railways, Income-tax, Accounts, and Audit. Despite all of these procedures, the government depended heavily on on-the-job training until Independence. Only after independence has the issue of civil

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service training taken on new relevance. The nature of government work has changed as social, political, and constitutional conditions have changed, many new services have been formed as a result of the expansion of government duties and machinery. For the federal and state governments, it is now imperative to plan and provide civil personnel with the proper education. Thus, a number of National Training Institutions have been formed by the Central Government as a direct result. Every state has state-level training facilities such as Administrative Staff Colleges and Police Training Centres. Aside from these agencies, civil servants are trained by a variety of academic bodies and universities.

The institutional training for all-India services probationers such as IAS, IPS, IFS, and Central Services Class I is divided into two phases: the Foundations Course; and the Advanced Course. The foundational course, which lasts five months and is conducted by the Lal Bahadur Shastri National Academy of Administration in Mussoorie, is a combined course for new entrants to All-India Services such as IAS, IPS, IFS, and Central Services Class I.

As a prerequisite for all other courses in this sequence (including advanced placement courses), students must complete a foundational course in public administration. Special Hindi lessons are provided for those applicants who cannot read or write the language. An important purpose of the course is to foster camaraderie and a similar viewpoint among officers from India's higher services during their five-month residence together. Meanwhile, higher-ups learn about the wider political, economic, social and cultural contexts in which they will be operating. The core course dismantles the barriers that exist between various services. For higher education in India, it is known as a 'National Course.' At the end of the five-month foundational course, all probationers are required to take an examination, which they are all expected to pass.

After completing the five-month foundational course at the National Academy, probationers move on to the second phase of professional training. Those who are members of the IAS remain at the National Academy and receive additional professional training for a period of two to three months. In this time of instruction, they learn about the challenges of public administration, field administration, revenue administration, development administration, the Indian Penal Code, Criminal Procedure Code, and so on. First term professional training is followed by a year of actual on-the-job training for IAS probationers allocated to that state. The IAS probationers return to the academy at the end of the year for their second round of problem-oriented professional training. The discussion of specific administrative issues is prioritized. The case-analysis and conference training methods are used. Probationers take an examination administered by the UPSC at the end of their second spell of training at the Academy. Probationers in other All-India Services (such as IPS, IFS) and Central Services have access to specialized and professional training facilities. After finishing the core course at the National Academy, they are assigned to different specialized training colleges for further professional training. At the National Police Academy in Hyderabad, the probationers of the Indian Police Service (IPS) are trained in firearms and weapon handling, crime and

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criminology, law and combat methods, and other subjects. Probationers in the Indian Audit and Accounts Service are trained at the Central Audit and Accounts Training School in Shimla. Professional training can last anywhere from one to two years.

Check Your Progress

14. What is training?
15. What do you mean by orientation training?
16. Write down the steps involved in the process of training.

3.6 PROMOTION

Vacant positions in the government services can be filled directly through outside recruitment or indirectly through promotion of people currently employed by the government. The 'promotion scheme' is the name given to this indirect procedure. Both direct and indirect strategies are used in all of the countries. Advancement in one's career is highly prized. There are two fundamental principles that must be adhered to when awarding promotions: merit and seniority. It is hard to say which one is better because both have their pros and cons. The best method is to combine seniority with the merit principle and promote on the basis of merit and seniority, rather than either one alone.

3.6.1 Importance of Promotion

Promotion is a reward for a government employee's dedication and hard work. If a servant has no opportunity of advancement, he will not labour hard. He will look for a better job outside of his current position and depart as soon as possible.

Many government employees work for the government for the rest of their lives. They join the service when they are very young and stay until they retire. Provisions for advancement are made to keep them in the service. The civil service cannot be considered a career if there are no advancement opportunities. A lack of promotion will prevent us from attracting the best and brightest government workers, retaining them, and getting the most out of them for the service and the country. Promotions are clearly necessary if we are to have effective, competent, and satisfied civil servants in the country. In order to succeed and grow in life, promotion is essential. It gives government employees a huge boost in morale.

3.6.2 Meaning of Promotion

The meaning of promotion can be viewed from two perspectives. For the government, promotion is a system of indirect recruitment, meaning that it fills higher-level positions by selecting capable and competent individuals from among those already employed. An employee of the federal government can be promoted to a higher position, class, or service by moving up from a lower position, class, or service. It also entails a promotion in position and a raise in pay for the employee. A pay raise alone is not a promotion. Promotion in the public service refers to an

increase in rank, status, tasks, power and responsibilities, as well as a raise in income.

An employee's level, status, classification, and remuneration are all affected by promotion. Promotion can refer to a grade change, such as moving from a lower to a higher grade in the same class. It's possible that you'll be promoted from a lower to a higher class. Promotion could also mean moving from one service to a higher-level service. The result is that an elevation may occur from a lower class or level of service to a higher one. Transferring from one post to another with the same title or responsibilities does not constitute a promotion in this context. It is not considered a promotion if an employee receives an annual raise in the same salary range. A promotion is a change in both rank and income.

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3.6.3 Need of Promotion in Civil Service

Civil service is a long-term commitment. An individual who joins the civil service commits to it for the rest of his life. With the passage of time, he progresses and rises through the ranks of the service. From the time he joins the army as a young man until he retires as an elderly man, he stays in the military because of the promise of progression. Consequently, promotion is a key component of the career service. In the long run, a well-defined promotion system will only encourage the best and brightest to join the ranks of the civil service.

There are many ways in which the servants can benefit from promotions. Those who work hard, are efficient, and are loyal to their employer are eligible for promotion. Those in public service are motivated to do their best work in order to advance in their positions. This suggests that opportunities for advancement improve the efficiency and happiness of civil servants. The first and most crucial stage in administration is to hire the best people. However, it is also critical to keep talented people in the workforce. Using the promotion system, it is possible to retain the most talented, bright and efficient members of the civil service. A human being is a living, breathing being. Everyone wants to improve and advance in life, and everyone wants to be recognized by others. The organization where he works should satisfy these basic human desires for progress and recognition. Otherwise, he will be dissatisfied with his employment and seek a new position. The civil service may face difficulties as a result of this. The instrument of promotion can satiate these two basic human desires for recognition and advancement.

The servants' sense of belonging is enhanced by a well-designed advancement scheme. It also adds to the organization's policies and programmes remaining consistent. The promotion system strengthens the civil service's traditions and norms while also increasing the government's goodwill. If there are sufficient opportunities for advancement in the government service, talented people will be willing to join the ranks at lesser levels as well. The administration will be more efficient as a result of this. As time goes on in the government service, people are exposed to the most current and relevant work practices. Their long service history qualifies them to take on greater duties. The expertise and competence gained by government officials can be put to good use by allowing them to advance to higher

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and more responsibility positions. Only a sound promotion strategy allows for the most effective utilization of staff.

It becomes more important for the servants to care for their families as they get older. They require additional funds. Promotions allow them to meet their growing material needs while also providing the best possible service. As a result, there are fewer opportunities for service-related fraud and corruption. The government's personnel will not hold any grudges against it. They would be more efficient, honest and loyal to the government in their work for them. The civil servants would be better behaved and more motivated as a result.

3.6.4 Principles of Promotion

Because the prospects for advancement in any government service are restricted, promotion principles must be created. Only a small number of higher-level positions become vacant at any given moment, and not at regular or frequent intervals. A big number of lower-level servants are waiting for these few openings. Every single one of them wishes to advance in their careers. However, it is almost impossible to promote everyone who is ambitious. A large number of their subordinates are denied promotions, whilst only a tiny fraction of them gets promoted to higher positions. This is regrettable, but it cannot be avoided. The number of postings at the lower levels is significant due to the administration's pyramidal structure. The number of posts decreases as we climb higher and higher in the pyramid, until it reaches a single point.

Because of the hierarchical nature of the organization's management structure, conflicts over promotions are unavoidable. Those who do not receive a promotion are frustrated and lose interest in their jobs. If they are promoted haphazardly, it adds to their indifference, inefficiency, and insult. As a result, promotions must be based on a set of well-defined and well-accepted standards. The principles of promotion used are – seniority, merit or a combination of both.

Seniority is defined as the length of service in a specific job, scale, or grade. It's a really straightforward premise. Promotions are made solely on the basis of length of service or seniority. According to it, the person who has worked for the company for the longest period of time is entitled to a promotion. The individual with the most seniority is the first to be considered for promotion. A seniority list can be created, with the order of precedence determined by experience and age. Seniority is a relatively simple concept to grasp. It's completely objective. It eliminates the possibility of favouritism or nepotism. The person's age and experience are taken into consideration. In keeping with established social norms, it is acceptable. A less experienced and older person does not become the boss of a more youthful one. Everybody, regardless of merit, has a shot at advancement under this system. Everyone cannot become worthy, yet with the passage of time, everyone is destined to grow senior. It is safe for every employee, thus the seniority concept, as opposed to the merit principle, is readily accepted by the workers. However, the seniority approach has a number of disadvantages. Senior employees are not always qualified for advancement. A person's service length is not a

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criterion for fitness. Consider the individual's age and experience. It is in keeping with established social conventions. It is impossible for a less experienced and younger person to rise to the position of supervisor. It is more democratic since it gives everyone, regardless of merit, the chance to rise to the top of the organization.

Using the seniority system does not ensure that only the best people will be promoted. Conversely, ineffective and conservative individuals may rise through the ranks of the government, jeopardizing its general efficacy. The seniority principle is illogical and unjust. The dynamic young people's hard work, efficiency, and initiative are not rewarded. Physically weak, elderly, and less active people, on the other hand, are promoted to higher jobs that need hard labour, attentiveness, and vitality.

The principle of merit is in direct opposition to the principle of seniority. This principle states that for promotion to a higher position, the most deserving, qualified, and capable person must be chosen. A higher position in the civil service entails more powers and responsibilities, as well as more competent and hardworking individuals. As a result, persons with merit and qualifications must be elevated to positions of greater responsibility. As a result, merit must be the sole criterion for advancement. The meritocracy principle is supported because only capable and competent people should be promoted, while incompetent people should be left behind. Only efficient, industrious, and meritorious people are needed at higher levels of administration. The merit principle selects the best qualified candidate for advancement. The merit principle rewards initiative, energy, and hard effort. This improves the administration's efficiency and competitive spirit. It encourages lower-level employees to work hard and be enthusiastic about their jobs.

However, objectively implementing the merit concept of promotion is challenging. Merit is a difficult idea to grasp. It takes into account intellectual ability as well as personality, leadership potential, and character strength, among other things. It is difficult to accurately assess merit. Senior and experienced employees are excluded from the competitive opportunity for advancement under the merit concept. Merit does not take into account a person's level of experience or seniority. When it comes to written exams, interviews and other scenarios, elderly people are unable to compete with their younger counterparts. Using the merit principle, a person's administrative skills and experience are not taken into consideration.

There are advantages and disadvantages to both the seniority and merit systems. For promotion decisions, there is a third method in which seniority and merit criteria are combined. A number of factors, such as a minimum number of years of service (seniority), are used to select the best and most deserving candidate for promotion. This suggests that promotions are given to the "fittest among the elders." Another technique to combine these two ideas is to test the minimal qualification and competence, and then, all other things being equal, promote the senior most of them. This signifies that the "most senior among the deserving" is chosen.

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3.7 RETIREMENT

The majority of the public sector has a retirement plan in place for its personnel. A tree loses its leaves in order to produce new ones. Similarly, all organizations eliminate personnel on a regular basis in order to create opportunities for new blood to join the organization. Employees can be separated from the company in a variety of ways. For many private sectors, for example, terminating certain employees based on performance is an ideal strategy. Retirement is also a method of separating employees from the organization permanently.

Pensions are a means by which you no longer have to work to maintain your standard of living and may instead rely on savings or other passive income streams to fund your way of life in later years. There are several types of retirement, including disability retirement, voluntary retirement, and superannuation. Most people associate retirement with superannuation, which occurs after reaching a certain age. The retirement age varies by country and organization as well. In India, the public service retirement age varies from state to state, as well as from centre to state. After completing superannuation, government personnel are eligible for a variety of retirement benefits, including a pension, gratuity, and provident fund, among others. In the case of the Indian government, a new pension programme (NPS) has been in effect from 2004. There are at least four theories on how people think about retirement.

1. **Retirement as a source of decision-making:** Retirement is emphasized as a motivated choice behaviour when it is conceptualized as decision making. When workers retire, they choose to lower their psychological attachment to work and withdraw their behaviour from it. Feldman (1994) noted that retirement is a long-term decision: the decline in psychological commitment and withdrawal from work that occurs with retirement are unlikely to reverse their trend. According to this view, retirees should progressively decrease their professional activities while increasing their time spent with family and hobbies. There would be an increase in community-related activities.
2. **Retirement as a period of adjustment:** When compared to thinking of retirement as a decision-making process, thinking of retirement as an adjustment process offers a more holistic perspective on the subject. An adjustment process is a phrase for the process by which retirees change their lives as they transition from the workplace to retirement and gain psychological benefit with their new way of life. Both the shift to retirement (i.e., from employment to retirement) and post-retirement trajectory are considered in this definition of retirement (i.e., individual development in post-retirement life).
3. **Retirement as a step of career development:** It is gradually becoming obsolete to pursue traditional linear career advancement that is mostly controlled by the organization and centred on organizational-based advantages such as promotions and pension eligibility. To account for

this tendency, the protean career model was established, which contends that people control their own careers and are focused on their own personal beliefs and aspirations. Retirement has recently been redesigned as a stage of late career development, in accordance with the fluid career paradigm described above. That is, rather than seeing retirement as the end of a career, it recognizes the possibilities for job advancement in people's later years.

4. **Retirement as a part of HRM:** Finally, seeing retirement as a component of HRM emphasizes the critical role that retirement management plays in aiding businesses in accomplishing their business objectives. Because of the flexibility and reduced work schedules provided by systematic retirement practice, this conceptualization not only makes it easier to examine how organizational practice influences individual employee superannuation decisions and retirement planning, but it also makes it easier to examine how organizational practice influences organizational-level changes caused by structured superannuation practice.

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3.8 MEANING OF BUREAUCRACY

An organization's bureaucracy is a necessary component. Every organization, no matter how large or little, follows some type of bureaucratic structure. The bureaucracy has recently been heavily criticized. The majority of individuals just speak badly about it. Despite its evident problems, no institution, public or commercial has been able to completely eliminate bureaucracy from its operations. Contrary to this, all significant institutions or organizations, such as educational institutions, service agencies, research organizations, charitable trusts, and so on, have emphasized the importance of the bureaucratic structure in their day-to-day operations. As a result, bureaucracy can be said to have a significant staying and survival capacity. Even detractors and opponents recognize that sustaining or retaining bureaucracy has more benefits than eliminating it.

The phrase bureaucracy is difficult to describe. To various people, it signifies different things. It is estimated that there are myriad definitions of bureaucracy as there are authors who write about different aspects of the subject matter. As a result, the concept of bureaucracy lacks terminological precision. Some people link bureaucracy with productivity, while others equate it with inefficiency. It is difficult to tell which is correct. Although some people identify this term with the civil service, others think of it as referring to a group of government employees. However, at its most basic level, bureaucracy can be defined as the methodical organization of activities and individuals into a sequence that most effectively generates the desired objectives of a collaborative endeavour. There are several interwoven functions that make up the administrative system that is governed by the law. A more traditional definition of bureaucracy is taken from the Latin word '*bureau*,' which literally means 'desk,' and the Greek word '*cracy*,' which literally means "rule," as well as the phrase "bureaucracy." As a result, it is often referred to

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as “desk rule” or “desk government” in some circles. The term bureaucracy was first coined in 1765 by a Frenchman named Vincent de Gournay. In the normative model of bureaucracy, the importance of organizational structure is stressed. It is the empirical model of bureaucracy, or, more specifically, the modern-era bureaucracy, that places the emphasis on organizational behavioural and functional patterns.

3.8.1 Features of Bureaucracy

When we look at the structural features of bureaucracy, such as hierarchy, division of labour, rule system, and so on, we can see that it is value-neutral. Bureaucracy exhibits both functional and dysfunctional symptoms from a behavioural standpoint because it exhibits specific traits such as objectivity, rationality, impersonality, rule orientation, and so on. The term “organizational design” refers to the process of creating an organization that maximizes performance and productivity from the viewpoint of achievement.

Max Weber was the first to thoroughly establish the concept of bureaucracy. Bureaucracy is a sociological notion that refers to the rationalization of collective actions in Weberian analysis. It is crucial for the formation of modern complex society, according to Weber, regardless of its political complexion (capitalist or socialism). It refers to an organizational structure or design that ensures employee behaviour is predictable. The bureaucratic kind of organization incorporates several design strategies:

- (a) All tasks required to achieve objectives are separated into highly specialized positions. As a result, the organization’s division of labour and specialization are ensured.
- (b) Each task is carried out in accordance with a set of abstract principles. This ensures consistency and cooperation.
- (c) Each member of the organization is responsible to a superior for the activities of his or her subordinates. The hierarchy principle is so emphasized.
- (d) Each official handles his office’s business in a formal, impersonal manner.
- (e) Employment is based on technical qualifications, and employees are safeguarded from being fired arbitrarily. Seniority and achievement are used to determine promotions.

Weber’s bureaucracy model, it has been argued, can be used as a frame of reference for social research into bureaucratic reality in the workplace. This model is referred to as a ‘ideal model’ or a ‘classical model,’ depending on the context. When all of the characteristics listed above are present to the greatest extent feasible, an organization is said to have an ideal type of bureaucracy. Inferring from the Weberian formulation, one can derive a set of structural attributes as well as a set of behavioural characteristics. An organization with bureaucratic qualities has the following structural characteristics:

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- **Division of labour:** The organization's overall task is divided into a number of specialized functions.
- **Hierarchy:** The bureaucracy is structured in a hierarchical manner. The extent of authority is dictated by the hierarchy's levels.
- **System of rules:** Employees' rights and responsibilities, as well as work methods, are governed by clearly defined rules. The following of rules is said to reduce arbitrariness and increase efficiency.
- **Role specificity:** Each employee's role inside the company is clearly defined via a job description. Each employee's expectations from the company are confined to his job description.

The following are some of the behavioural traits of bureaucracy:

- **Rationality:** Bureaucracy is an example of a rational organization. The evidence is used to make decisions. Alternatives are objectively weighed before a decision is made.
- **Impersonality:** A bureaucratic organization does not allow for illogical feelings. Work performance is not anticipated to be hampered by personal preferences. Official business is carried out without concern for individuals. As a machine-like organization, it is characterised by a high level of impersonality.
- **Rule orientation:** Depersonalization of the organization is accomplished via the development of rules and procedures that define how work should be done. Employees must rigorously adhere to the regulations when performing their jobs.
- **Neutrality:** As a feature of impersonality, neutrality indicates unbiased thought, implying that bureaucracy can serve any political system without being connected with it. It is dedicated solely to work and has no other values.

3.8.2 Types of Bureaucracy

Social, cultural, economic, and political variables all have an impact on bureaucracy. As a result, it has taken on various shapes and forms at various times throughout history. The four categories of bureaucracy identified by Fritz Morstein Marx are – guardian, caste, patronage and merit.

The Guardian administration existed in China until the Sung period (960 A.D.), as well as in Russia between 1640 and 1740. The bureaucracy was made up of guardians who were chosen based on their educational qualifications and then instructed in proper conduct. They were regarded as the guardians of the community's justice and well-being. "A scholastic officialdom trained in right conduct according to the classics," Marx characterised this sort. The Caste bureaucracy is divided into classes. It "arises from the class relationship of those in dominating positions," according to Marx. This form of recruitment uses only one class. In oligarchic political regimes, this type is common. Only people from the top classes or higher castes can become public officials in such regimes. Another

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way such a kind presents itself, according to Marx, is through “connecting the qualifications for higher jobs with arrangements that approximate to class preference.” This is the aristocratic type that existed in England until recently, when aristocratic classes were preferred above civil service employment, according to Willoughby. The “spoils system” is another moniker for the patronage bureaucracy. Its traditional home has been the United States of America, while patronage held influence in the United Kingdom until the mid-nineteenth century, when it assisted the nobility in gaining access into the civil service. Public jobs are offered as a personal favour or as a political award in this sort of civil service. It’s worth noting that this system worked differently in the United Kingdom and the United States of America. Patronage bureaucracy marched alongside an aristocratic social order in the United Kingdom, and it served its function. The system in the United States, on the other hand, worked somewhat differently, with employment allocated as prizes to the winning political party. Because of its lack of technical ability, negligent discipline, hidden greediness, irregular ways, partisanship, and lack of spirit of service, this patronage bureaucracy was denounced as an anachronism. The merit bureaucracy is based on the merit of public officials and strives to improve civil service efficiency. It aspires to be a “talent-driven career.” When selecting candidates for public service, an endeavour is made to recruit the most qualified individual possible, with merit being evaluated using objective criteria. This strategy is popular in modern times in all countries. Selection for public service is no longer determined by social class, and it is no longer a gift or favour extended to the recipient. Neither is the public servant the self-appointed guardian of the people. In a modern democracy, a civil servant is a public servant who is hired on the basis of objectively established qualifications. Because of their hard work and intelligence, he or she also owes no one else anything but oneself for obtaining the job.

Check Your Progress

17. What are the various approaches by which promotion can be given to the employees?
18. What are the theoretical aspects involved with retirement of employees?
19. What are the four-fold classifications of bureaucracy according to F.M. Marx?
20. What do you mean by bureaucracy?

3.9 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. Personnel administration is the branch of administration that deals with people at work and their interactions inside an organization. It encompasses the complete range of an organization’s interactions with its people resources, from recruitment to retirement.
2. Personnel administration strives to achieve the following goals:
 - Effective use of human resources
 - Desirable working relationships among all employees of the organization

- Maximum development
 - Meeting the organization's social and legal obligations
3. H. Finer defines civil service as a professional body of officials, permanent, paid, and skilled. It mainly points to the executive side of the government.
 4. H. Finer divided the British Civil Service into three categories: administrative (policy formulation and execution); technical (scientific and specialized categories such as doctors, engineers, and others); and manipulative.
 5. The Government of India Act of 1919, which proposed constitutional reforms, advised categorising services into three categories: all-India, provincial, and subordinate. All Imperial services operating in the provinces at the time, whether in reserved or transferred departments, were dubbed 'All India Services.' Members of the All-India Services were given special protections in terms of dismissal, wages, pensions, and other entitlements. The Act envisaged the establishment of a Public Service Commission tasked with recruitment to the service as a protection against political interference.
 6. From civil service reforms point of view, Administrative Reform Commission (ARC) is very significant as it touched almost every aspect of Indian civil service. In total, 581 recommendations were given by ARC.
 7. Classification mainly points to grouping of various jobs. Simply said, it is the process of dividing items or people into groups based on shared qualities. In personnel management, categorization refers to the grouping of diverse roles based on their tasks and activities. Positions with similar tasks and duties are grouped together in one class.
 8. There are many advantages of classification in civil service. The main points are – it assists in the proper division of labour, it abolishes arbitrary standards of categorization, it motivates employees for higher performance, it helps to establish a better workplace standard, it streamlines the hiring process and identifies training requirements.
 9. In India, rank classification does exist. A person's rank and income are established here based on the service to which he or she is allocated after recruitment. A member of IAS could work in the secretariat, the field, or any corporation, but he or she would be paid the same and have the same status in each case.
 10. Recruitment, according to Stahl, is the cornerstone of the entire public personnel structure. It is most significant for career service due to the following reasons:
 - Attract and encourage a growing number of applicants to apply for positions inside the organization.
 - Establish a candidate talent pool to aid in the selection of the top applicants for the organization.

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- As part of the organization's people planning and job analysis operations, determine the organization's current and future requirements.
 - Recruitment is the process of bringing together employers and employees.
 - Increase the pool of employment candidates for the least amount of money.
 - Assist in increasing the selection process' success rate by reducing the number of job applicants who are clearly underqualified or overqualified.
 - Assist in lowering the likelihood that job seekers who have been hired and selected will only stay for a short time.
11. While recruitment is the process of creating a pool of eligible candidates for a particular job, selection is the process of choosing the right candidates in desirable number out of that pool.
 12. When a significant number of non-technical, non-specialized, general-purpose positions need to be filled, mass recruitment approaches are used. To fill a significant number of vacant government positions, advertisements in the mass channels of communication, a big number of applications, a lengthy examination and interview process, and so on must be used.
 13. In the United States, the spoils system was used, with government appointments considered prizes for the winning political party. When a new party came to power, it used to fire all of the government officials who had been selected by the previous administration. Then it filled all the openings with its own loyalists, from a secretary to a postman. As a result, the permanent civil service did not exist in America.
 14. Training is a process by which job-specific knowledge and skills are imparted to the concerned employee(s).
 15. A new employee must be familiar with his or her organization, work, and working conditions and practices. He'll need to be introduced to his new company. Orientation training is used to do this. Orientation training is a deliberate attempt to acclimate a new employee to his or her organization and role
 16. The main steps involved with the process of training are setting the objectives of the organization, conducting a training needs assessment (TNA), identifying the training goals, devising a training program, implementing the program and finally evaluation of the whole training programme.
 17. There are basically three approaches by which promotion can be given to the employees. They are seniority principle, merit principle and a combination of both seniority and merit.

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18. There are broadly four theories involved with employees' retirement. They are retirement as a source of decision-making, retirement as a period of adjustment, retirement as a step of career development, retirement as a part of HRM.
19. According to F.M. Marx, there are four types of bureaucracy. They are guardian, caste, patronage and merit.
20. The term bureaucracy is derived from the Latin word '*bureau*,' which means 'desk,' and the Greek word '*cracy*,' which implies rule, in a more traditional meaning. As a result, it's also known as desk rule or desk government. Broadly, it refers to government by officials.

3.10 SUMMARY

The government creates civil services to translate its objectives and programmes into actionable steps. Expertise, vitality, and leadership are all characteristics of public service. In emerging countries, public service is an important tool for political modernization. Growth of public services in India is neither a modern-day phenomenon nor, as is commonly supposed, a result of British control. There is historical evidence of an old Indian civil service system, it lacked a robust operational foundation and institutional frameworks. The former Indian Civil Service was replaced by the Indian Administrative Service in 1947. The current system of service classification is only a slightly modified version of what existed prior to 1947. After Independence, civil services were divided into three categories: All-India Services, Central Services and State Services. Recruitment is the process by which people enter the civil service. It is critical that the recruitment policy be good and that it be applied fairly and efficiently. The constitutional provisions as well as the government's policies on recruitment are taken into account. Once the new employees are joined in civil service after the completion of recruitment process, it is necessary to impart them job-related knowledge and skills called as training. In India, there are many institutions which are involved to provide training to the career civil servants. Promotion is another personnel administration process by which the employees are elevated to higher positions in the ladder. Promotion can be done effectively by combining both the principles of seniority and merit. Overall, the civil servants are part of a country's bureaucratic system.

3.11 KEY TERMS

- **Position Classification:** Position classification serves as a foundation for determining what employees should be paid for the task they do. A position is a fundamental item in the workplace. There are certain responsibilities given to each role, as well as areas in which an employee must perform effectively and be held accountable. The responsibilities of students in a class should be comparable enough to avoid confusion.

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- **Caste Bureaucracy:** The Caste bureaucracy is divided into classes. It “arises from the class relationship of those in dominating positions,” according to Marx. This form of recruitment uses only one class. In oligarchic political regimes, this type is common
- **Career Service:** Young men and women are encouraged to serve at an early age, and they do so throughout their lives.
- **Grant of Diwani:** In Bengal, Bihar, and Orissa, the Company was granted tax collection authority in 1765.
- **Orientation:** Change in employment requirements, new scientific and technological advancements, and specific topic expertise all necessitate an employee’s education. Employees receive this at regular intervals to keep them from becoming stagnant and inefficient.
- **Patronage System:** The spoils system is another name for this. To maintain political power, ministers or elected officials nominate their protégés for the civil service. Political and/or personal favours are given in exchange for governmental posts. In Britain and the United States, it is prevailed.
- **Pension:** Fixed amounts paid every month after retirement as long as the employee is alive.
- **Seniority:** Length of service counted from the date of joining the service.
- **Placement:** After successfully completing the ‘probationary period,’ a candidate’s service is ‘conformed,’ and he is placed or posted in the appropriate location. This is referred to as placing or posting.

3.12 SELF-ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What is meant by personnel administration?
2. Discuss the merits of bureaucracy.
3. Discuss the characteristics of Weberian bureaucracy.
4. Discuss the formative stage of the civil service under the East India Company.
5. Discuss the measures taken by the British Government to give effect to the recommendations of Aitchison Commission.
6. What are the types of the classification of services? Discuss their features.
7. What are the important steps in the process of recruitment?
8. Critically evaluate the Indian system of training.
9. Why is promotion necessary in the civil services?
10. Examine the pros and cons of the principle of seniority.

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Long Answer Questions

1. "Personnel management is that part of the management function which is concerned with people at work and with their relationships within an enterprise" – Discuss the statement.
2. Discuss the structural and behavioural features of bureaucracy.
3. "Bureaucracy is an administrative body of appointed officials" – Discuss.
4. "Indian civil service is a British legacy" – Discuss the statement.
5. What are different types of classifications? Highlight the classification system in Indian civil services.
6. Discuss the process of recruitment.
7. Discuss various principles of promotion with pros and cons of each.
8. Critically estimate various steps involved with training.

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Unit IV Management and Governance

Learning Objectives:

After going through this unit, the student should be able to:

- Explain the managerial functions of public administration like leadership, decision making, planning and others
- Analyse public policy as the most crucial area in public administration
- Know some modern trends in governance like network and collaborative
- Figure out the importance of information and communication technology (ICT) in modern day public administration
- Feel the need of accountability and transparency in every governmental activity

Structure:

- 4.1 Introduction
- 4.2 Policy Formulation
 - 4.2.1 Meaning of Policy Formulation
 - 4.2.2 Forces in Policy Formulation
 - 4.2.3 Institutional Arrangements for Policy Formulation
 - 4.2.4 Approaches to Policy Formulation
 - 4.2.4.1 Systems Approach
 - 4.2.4.2 Rational Approach
 - 4.2.4.3 Incremental Approach
 - 4.2.4.4 Group Theory
 - 4.2.4.5 Elite Theory
 - 4.2.4.6 Institutional Approach
- 4.3 Planning
 - 4.3.1 Meaning and Significance
 - 4.3.2 Nature of Planning
 - 4.3.3 Types of Planning
 - 4.3.4 Process of Planning
- 4.4 Decision-making
 - 4.4.1 Importance of Decision-making
 - 4.4.2 Process of Decision-making
 - 4.4.3 Herbert Simon's Contribution

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- 4.4.4 Types of Managerial Decisions
- 4.4.5 Models of Decision-making
- 4.5 Leadership
 - 4.5.1 Meaning of Leadership
 - 4.5.2 Leadership Theories
 - 4.5.3 Styles of Leadership
 - 4.5.4 Functions of Leadership
 - 4.5.5 Leadership Effectiveness
- 4.6 Communication
 - 4.6.1 Meaning of Communication
 - 4.6.2 Elements in Communication System
 - 4.6.3 Types of Communication
 - 4.6.4 Barriers to Communication
- 4.7 Network and Collaborative Governance
 - 4.7.1 Concept of Network Governance
 - 4.7.2 Nature of Network Governance
 - 4.7.3 Types of Network Governance
- 4.8 Business Process Reengineering (BPR)
- 4.9 ICT and Governance
 - 4.9.1 e-Government and e-Governance
 - 4.9.2 e-Readiness
 - 4.9.3 Digital Divide
- 4.10 Accountability and Transparency
 - 4.10.1 Concept of Accountability
 - 4.10.2 Kinds of Accountability
 - 4.10.3 Openness and Transparency
 - 4.10.4 Importance of Accountability and Transparency
 - 4.10.5 Gender and Governance
- 4.11 Answers to 'Check Your Progress'
- 4.12 Summary
- 4.13 Key Terms
- 4.14 Self-Assessment Questions and Exercises
- 4.15 References

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4.1 INTRODUCTION

Many people disagree on the exact meaning of the terms “administration” and “management,” which are often used interchangeably. Administrative functions include, but are not limited to, the executive functions of conceiving, organising, leading, controlling, and monitoring any industrial or commercial project or activity with accountability for outcomes. Management functions include, but are not limited to the executive functions of conceiving, organising, leading, and controlling any business activity. While management includes administration, it is mainly concerned with attaining the established objectives as efficiently as possible, as well as taking responsibility for the results. It should recognize the fact that two common approaches to public administration have arisen as a result of this. Anglo-Saxon approaches are more focused with outcomes than the European or continental approaches, which place a greater emphasis on norms and procedures.

4.2 POLICY FORMULATION

It’s commonplace to talk about national health and education policies, as well as wage and agricultural policies, as well as foreign policy. Topics that fall under the umbrella of “public spheres” fall under this heading. According to public policy theory, there exists an undifferentiated space between the individual and the state in which all people have a stake.

“Traditional (political science) studies detailed the institutions in which public policy was created,” says Thomas Dye, a doyen of policy analysis. However, the connections between major institutional structures and the content of public policy have been generally ignored. Academics in public administration tend to agree with political scientists who focus on how policies are made, despite political science’s increasing interest in the process. The field of public administration has traditionally focused on the machinery used to carry out specific policies. It has looked at how government agencies are organized, how public employees behave, and, increasingly, how resources are allocated, administered, and reviewed. With this technique, it’s impossible to say much about how policy is developed, however it’s widely assumed that policy implementation experience feeds back into the policy-formulation process.

4.2.1 Meaning of Policy Formulation

The policy cycle begins with policy formulation. Political executives, members of parliament, civil servants, leaders of organized interests, ordinary individuals, and so on all have sway over policy-making. The policy-making process is comprised of a variety of interconnected factors. The term “process” refers to the way public policy is created. Influential individuals and pressure groups exert considerable influence over the decisions they make.

Policy formulation refers to the process of determining the most effective and acceptable ways to address the issues that have been placed on the policy agenda. Ensuring viability, efficiency and implementation ability of the proposed policy is

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an important part of effective development. To propose a policy that is worthless or impractical to implement is illogical. Policymakers are constantly looking for viable solutions. The data is analyzed at this point in the policy-making process. According to accepted formulations, the proposed course of action is likely to be authorized by the legitimate decision-makers through a negotiation process in which the majority is built. In other words, it must be politically viable. Advocating for an idea that is likely to be snubbed by the decision-making body may be pointless. During this phase of policy development, politics enters the picture.

Analytical and political aspects of policy-making are intertwined, so to speak. In order to implement effective policies, they must first be formulated and well stated. Second, one of the following choices must be chosen on a political level. The policy must be approved through a legislative or regulatory process. Both processes — analysis and authorisation — are involved in policy formulation.

Elected or appointed officials, on the other hand, have the last say over the options presented. We like to assume they offer insight, judgement, and accountability to policy-making. Values are present in both analysis and selection, but they are typically buried in the former, but not in the later. There should be a synergy between the positions. A sound technical examination of means, attitude, cost, implementation technique, and consequences (both positive and negative) should be provided by policy planners. Technical analysts, on the other hand, are not accountable to the general public. The analytical competence to handle the problem is not always there among elected or politically appointed leaders. Under our democratic form of government, decision-makers are held accountable for goals, trade-offs, value priorities, and considering the overall implications of their decisions.

4.2.2 Forces in Policy Formulation

Non-official groups may also engage in activities aimed at influencing decisions made by institutional arrangements. This dimension looks at the power of those who aren't directly involved in policy-making but who, in a given context, may play one or more of the specialized roles that Lindblom defines as influential behaviour.

Individual Citizenship

One aspect of policy-making research is figuring out how a single citizen may exert influence over those who have the power to make decisions. In a democratic system of government, citizens are seen as the ultimate arbiters of their own fates and political sovereigns. Power is considered to flow from the people in a representational democracy. Delegation from the people to a legislator is implicit in the concept of representation. Legislators are elected to represent the people, and they vote on laws and policies on a quorum. Voting for candidates whose views and opinions are familiar to them is the first step in the legislative and policy-making process in a democracy. However, citizen involvement in policy-making is negligible in practice. Many people do not appear to be utilizing their right to vote or participating in political parties. Individual citizens are scarcely a substantial

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political power when acting alone. The way policy is produced in politics is influenced by organizations rather than individuals.

Electoral Promises

Citizens can pick between the policy options given by candidates for governmental office through the electoral process. Some of these have to do with the policies that will be chosen in the end. The voter expects the party they vote for to design policies based on the election manifesto pledges if elected to office. That is to say, most governments implement policies based on the policy platforms on which they were elected. The assumption of electoral power is that the numerous policy proposals made by parties and candidates during election season would be enacted after they are elected to office. As a result, elections provide a mechanism for the population to punish or praise the ruling party for its rapid performance.

It is not always the case that political promises be translated into policy outcomes. For starters, certain situations may require the government to make decisions that are contrary to its agenda. A political party may use hasty electioneering techniques. When the party gets to power, it is clear that the manifesto is not given significant consideration. Second, due to administrative limits, election commitments may be canceled. Third, political circumstances may sabotage the government's policy objectives. Finally, while in power, a party's big election promises to the people are generally given low priority, and only a small percentage of legislation is based on them. Election promises may perform a decisive role in the early phases of a new government's legislative agenda, but other sources of policy initiative quickly eclipse election promises in importance.

Influence of the Media

The availability of free media is a requirement for democracy. The media serves as a conduit for information between citizens and the government. They disseminate information to the public concerning the government's decisions. In this sense, the media contributes to the shaping of their relationships with one another's decisions. The media serves as the most essential source of information for the government on popular opinion on current concerns by publicizing specific causes. Because the media serves as a conduit for information, it is critical to determine whether they are politically biased in their reporting. They may distort the whole concept of democracy if they are biased in how they communicate government policies and activities to the public or public opinion to the government. The media must be of a high quality of credibility if citizens are to make logical decisions about public affairs.

Pressure Groups

Individual citizens' opinions do not reflect the intensity of their views. It does not, for the most part, serve as a foundation for policy change. Many citizens lack the necessary knowledge of both the topic matter and the policy-making mechanisms. They frequently don't know what kind of policy issues to address to which official in order to exert the most effect. For regular citizens to influence governmental policies, group action is thought to be more effective than individual

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action. The interest group is an important communication route for the individual citizen. Interest or pressure groups are powerful tools for amplifying the impact of public opinion. Formal organizations with members that have a common goal are known as pressure groups. They aim to influence government choices without attempting to hold political office. They act as a conduit between ordinary citizens and decision-makers. Pressure groups are the most essential tools of communication and power for individual citizens. They assist them in articulating their hopes to public authorities by providing staff and knowledge in substantive policy issues as well as policy-making procedures. Interest groups provide policymakers with expertise and political support, as well as the passion of a huge number of citizens who share a common interest. In exchange, the interest groups are able to exert influence over citizens and policymakers.

Political Parties

Another way to boost the impact of public opinion is through political parties. They, like pressure groups, act as go-betweens for citizens and policymakers. As a government, a party's platform serves as a guidepost for the party's leadership in drafting public policy. Therefore, political parties are considered as key actors in the construction of popular power over government and public policies. As a result, they are crucial in helping us to consider the issues we face and set societal value goals.

4.2.3 Institutional Arrangements for Policy Formulation

Institutional frameworks govern national policymakers. They are also influenced or governed by international entities. Government officials at the national level include members of the legislative and judicial branches of government. An international organization such as the United Nations (UN) and its various specialized agencies (IMF, WTO, etc.) is a good example. Here, we will mainly focus on institutional arrangements working domestically.

Legislature

The top public policy-making body in India is the Parliament. Because the prime minister relies on the backing of a parliamentary majority to stay in power in a parliamentary system, the legislature is supreme. In India, Parliament enacts laws and gives legitimacy to the government's decisions. It authorizes taxing and spending, as well as holding the government responsible for its financial decisions. In addition to its legal responsibilities, it is responsible for scrutinizing and critiquing administrative acts. It acts as a venue for public debate on policy problems as well as a means of expressing complaints and frustrations. As fewer votes are converted into votes of confidence over which a government can fail, parliamentary power grows even more. Individual members of parliament have more discretion to vote without jeopardizing the continuation of their government when a vote is not a vote of confidence.

In a juridical sense, the parliament's policy-making power is more real than in terms of practical policies. It does not, however, rule supreme in reality. The cabinet and prime minister join the council of ministers as representatives and

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leaders of the parliamentary majority. They can count on a legislative majority to pass their initiatives. The prime minister or other cabinet ministers propose policy suggestions and use government ministries' resources to do so. As a result, it's possible that parliament will be referred to as a rubber stamp. It was described as a "platform for direct power influence, advise rather than command, criticism rather than obstruction, examination rather than initiative, and publicity rather than concealment."

Executive

One aspect of the study of policy-making is an attempt to evaluate the executive's function. In both policy creation and policy implementation, modern governments rely on executive leadership. In a parliamentary system with cabinet governments, the government relies on its backbenchers to produce the requisite majority to carry out government business. The executive is more likely to play a larger role in policy-making in developing countries due to the abundance of power in the government. The executive branch of government is comprised of the president, the council of ministers, and the rest of the government apparatus (bureaucracy). The president of India is supported and advised in the performance of his duties by a council of ministers headed by the prime minister. The council of ministers, which reports to the Lok Sabha as a whole, is the true executive branch of government. The prime minister leads the majority party in the House of Representatives. The president appoints and dismisses members of the council based on recommendations from the prime minister.

The Cabinet's constitutional responsibility in a democratic system of government is to decide which policies will be presented to the legislature for approval. Cabinet members are the most immediate and closest policymakers. The prime minister's power is thought to have grown in recent years within the Cabinet. It is also believed that if the prime minister gets the support of the majority of members of the union legislature, he has significant influence over policy decisions. The same holds true for the state's chief minister. The Cabinet and Cabinet Committees are merely advisory and deliberative entities, with the prime minister making all final decisions.

State Governments

We have a federal society. Thus, the federal government and state governments both engage in policy-making. On the issues specified in the state and concurrent lists, state governments establish policies and pass laws. As the Chief Minister leads the state assembly and council of ministers, as well as other advisory bodies, are engaged in state policies. However, due to different local and international political and economic considerations, the function of state governments has been reduced to the bare minimum in most federations.

Commissions and Boards

The Railway Board, the Finance Commission, and the Union Public Service Commission (UPSC) are just a few of the boards and commissions that work with various ministries to help formulate public policy when it isn't quite finished.

Bureaucracy

Ministers are assisted in policy-making by top-level government employees. In theory, they are hired to assist ministers by carrying out their orders. In reality, they have far greater influence over the formulation of public policy than their nominal responsibilities suggest. Increasingly, the logical components of the policy process are supposed to be provided by the administrator, who is more concerned with the results than the means. It is the administrator's job to help lawmakers understand their alternatives and anticipate the consequences of their decisions. Because of the underdeveloped character of the political system in developing countries, the bureaucracy plays a significant role in policy-making. Administrators, both specialists and generalists, play an important role in a variety of policy-making bodies. An increasing number of decisions are now being taken at the prime minister's office level. Many of the other bodies are compelled to sit on the sidelines when the latter leads the way in a particular field.

Judiciary

In the policy-making process, the judiciary is likewise recognized as an important agency. Constitutions in the United States and India give Supreme Courts the power of judicial review. Judicial judgements have influenced policies in a variety of sectors. Judicial review refers to the process through which courts can determine whether or not legislative and executive actions are constitutional, and if they are not, declare them null and void. The constitution of the United States, which has a stronger separation of powers than the United Kingdom and India, allows the Supreme Court to exercise judicial review. Because of the lack of a clear division of powers, the judiciary appears to be heavily politicized under the laws and conventions of both the British and Indian constitutions. Any political system's court, on the other hand, participates in policy-making because it is their role. In many cases, courts are expected to interpret and determine the meaning of legislative provisions that are often ambiguous and open to different interpretation. A court must select between two or more readings and applications of a legislative act, executive order, or constitutional provision when faced with a choice. It becomes the policy of the plaintiffs in question when a court does so. Accepting an interpretation or result upheld by other courts establishes a policy that is applicable to all jurisdictions with the dominant perspective. The ability of the court to make policy is inherent in any democratic country's judicial role.

4.2.4 Approaches to Policy Formulation

In the 1970s and 1980s, the concept of models and approaches that structure and give an analysis discourse became popular. They were viewed as ways of organizing difficulties and providing them structure and coherence. A model is a concept that involves a collection of scholars or a theorist establishing a boundary around reality that is shared or held in common. Many models of analysis are used to discover and as for, as well as how different models interact with one another. We will take a look at some of the techniques employed by analysts in this section.

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NOTES**4.2.4.1 Systems Approach**

David Easton has described the policy-making process as a “black box” that translates societal demands into policies. David Easton opines that the political system is the ingredient of society that is accountable for the formal distribution of values. Every system converts certain inputs to outputs, which again contributes to input through a feedback process. This conversion is affected by the system’s environments. The physical, social, economic, and political products of the environment are referred to as inputs. They are absorbed into the political system as both demands and supports. People and organizations put pressure on the political system to effect a change in the environment. A demand is an activity taken by individuals or groups in response to environmental conditions in order to influence public policy. Any circumstance or occurrence that is considered as occurring outside of the political system is referred to as the environment. The norms, regulations, and conventions that create a foundation for the existence of a political society and the authorities are the supports of a political system. Individuals or groups receive support when they accept choices or laws. Supports are the symbolic or tangible inputs that make up a system’s psychological and material resources (such as observing laws, paying taxes, or even appreciating the national flag). The policy-making institutions and personnel are at the heart of the political system. Chief executives, lawmakers, judges, and bureaucrats are among them. They convert inputs into outputs in the system’s version. These value allocations are called outputs, and they are called to as public policy or policies by the political system. Public policy is a product of the political system, according to the systems theory.

It is possible that public policies can influence the environment and the demands it produces, as well as the political system’s character. New demands and support for the system may develop from policy decisions, or the system’s old support may be lost. In order to foster a positive climate for future policies, it is essential to solicit feedback.

4.2.4.2 Rational Approach

Rationality and rationalism are terms that are overused in social scientific literature, even if they are more commonly taught than practiced in policy-making. The “yardstick of wisdom” in policy-making is rationality. This strategy emphasizes the need of weighing policy options and coming to a logical conclusion on which course of action to take. “Choose the best choice” is the goal of rational policy-making.

Thomas Dye equates efficiency with logic. “A strategy is rational when it is most efficient,” he says, “that is, when the ratio between the values it obtains and the values it sacrifices is positive and higher than any other policy option.” A government programme’s efficiency is not limited to monetary value alone; it covers all social, political and economic qualities that are either sacrificed or gained as a result of the programme. Politicians have a responsibility to make sound decisions. It is not an easy chore, to be sure. To be sensible, one need possess the following:

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- Identifying and determining the objectives;
- Prioritizing goals in terms of importance;
- Identification of possible policy choices for accomplishing those aims; and
- Policy alternatives' cost-benefit analysis.

If a policymaker is committed to rational policy-making, he or she must:

- Be aware of all societal value preferences as well as their respective weights;
- Identify and rank the goals and objectives;
- Be aware of all policy options accessible;
- Evaluate the ramifications of each policy option;
- For each policy option, calculate the ratio of achieved to sacrificed social values; and
- Choose the most cost-effective policy option that meets the objectives.

Instead of making a “perfect” decision, policymakers in a rational decision-making process will break down the complexity of problems into tiny and intelligible bits, choose the best and most agreeable option, and minimize unneeded uncertainty. “Although persons are designed to be rational, their rationality is confined by limited cognitive and emotional capacities,” says Herbert Simon. Because of this, rational policy-making calls for weighing the pros and cons of various policy options. There are several stages to it:

- (i) First, the policymaker must identify the underlying issue. He defines and prioritizes goals, which is necessary because one aim may be more significant than another.
- (ii) In the second stage, the policymaker identifies a variety of policy alternatives and solutions that will aid in the achievement of the objectives. He creates a comprehensive list of alternative policies and resources, along with weights for each. The process of finding policy alternatives is crucial because it influences the breadth and quality of options available.
- (iii) The third stage necessitates the computation of cost and benefit estimates for policy alternatives. The policymaker must calculate the probability of each policy option achieving the goal as well as the cost of each policy option. It is necessary to calculate the “cost-payoff” ratios for each alternative.
- (iv) In addition to calculating net expectation for each alternative, the policymaker must also compare the options with the greatest benefits. It's feasible that by comparing two options, one can get the same benefits for less money.
- (v) Finally, the policymaker chooses the most cost-effective policy option.

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Once a policy choice has been implemented, the rational policymaker must conduct a systematic review of the implementation to determine the accuracy of the expectations and estimates. If required, the policymaker may alter the policy or abandon it entirely. The 'feedback stage' of rational policy-making is referred to as this. The policy system becomes self-correcting or cybernetic if decision-makers employ feedback to monitor and change policy. The concept of rationality is so widely accepted that many different forms of rational choice models can be found in social scientific literature.

4.2.4.3 Incremental Approach

Charles Lindblom proposed the "incremental model of the policy-making process," an alternative to the rational paradigm of making decisions. It had a significant impact on the development of policy analysis in relation to the "process" of policy-making thanks to an article he wrote in 1959 titled "Science of Muddling Through."

When challenging the rational model presented by Simon and others, Lindblom challenges the notion that decision-making is primarily about identifying goals, selecting alternatives, and comparing alternatives. For Lindblom, rational decision-making is "unworkable for complicated policy concerns," and he intends to prove it. Time, intellect, expense, and politics, according to Lindblom, impede policymakers from rationally determining society goals and their implications. In contrast to Simon's advocated comprehensive (or root) reasoning, he referred to his own "limited successive comparisons" (or branch decision-making).

The incremental approach to decision-making (branch method) entails "continuously building out from the current situation, step by step and by small degrees." The 'root' approach, on the other hand, was to start from "fundamentals anew each time, building on the past only as experience contained in a theory, and always prepared to start from the ground up," as advocated by policy analysts.

Incremental Decision-making Characteristics

In terms of 'muddling through', the following characteristics characterize decision-making. It starts by going through a series of little adjustments. Existing policies are accepted by policymakers because of uncertainty regarding the consequences of new or alternative policies. It necessitates mutual adjustment and compromise. Rather than achieving a goal, consensus is the litmus test for a good decision. When the item in question involves budget increases or cutbacks, or changes to current programmes, reaching an agreement is easier in policy-making. As a result, incrementalism plays an important role in lowering political tensions and ensuring stability. The incremental approach employs a trial-and-error process. It's better than a "disastrous attempt at superhuman comprehensiveness." Because people are primarily motivated by survival, it is unusual that individuals act in a way that maximizes their overall values. They prefer to look for "a way that works" rather than the "one optimal strategy." Looking for policies that are comparable to present ones is a common first step. From a theoretical standpoint, incrementalism is preferable since it meets criteria such as coherence and simplicity.

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4.2.4.4 Group Theory

Gaetano Mossaco, a Japanese sociologist, proposed the group theory. In order to maintain stability in the society, the interests of several groups must be balanced. According to this theory, public policy is the consequence of a collective battle. To influence government policy, groups of people with similar interests and demands unite and create formal or informal coalitions. Public policies are developed based on the equilibrium attained in the fight of diverse factions in the policy process. By bargaining, negotiating, and compromising, policymakers submit to the pressures of the dominant groups. As a result of the collective battle, the pressure groups' demands and wishes reach the government arena, and policy is produced.

4.2.4.5 Elite Theory

Public policies are formulated based on the tastes and ideals of those in the upper echelons of society, according to this paradigm. There are two groups in a society according to this theory: the powerful and the weak. The public or the masses do not determine policy under this social structure. Policy decisions are made by the political executive and implemented by bureaucrats who are part of the next elite group. To put it another way, policies are more likely to come from the top than the bottom. Every society has elites striving for power, which eventually leads to the formulation of public policy. As a result, the elite theory describes how elites in power compete with other elites aspiring to power in order to influence policy. The common masses, whose demands are used to develop public policies, have little or no say in determining those policies. Instead, the ruling elite and the governing elite establish policies. Those are carried out by bureaucrats. Though the elite idea is not directly implemented in a democracy, it has an indirect influence.

4.2.4.6 Institutional Approach

Because it is formulated by a collaborative effort, public policy is an institutional activity. Policy formulation is not a one-person job. A policy is created when a group of people or an agency agree on a system of rules and implement them. Institutions not only serve as important nodes for policy formulation, but they also influence policy formulation and adoption, as well as the content and direction of policies. Government policies are heavily influenced by the structure and arrangement of institutions, as well as their relationships. According to this theory, government policy is the result of internal agendas rather than external forces and restrictions. According to this paradigm, different individuals and organizations wield authority in policy making, including the Prime Minister, Members of Parliament, bureaucrats, and leaders of interest groups. Policies do not become public policies in this model unless they are adopted and executed by government entities. Thus, government institutions confer three distinct characteristics on public policy: first, the government confers legal authority on policy by obtaining approval from the legislative body; second, a policy acquires universal character by being applicable for entire gamut of society; and third, because the government formulates public policy, it is backed by coercive authority. Legal action can be taken against those who defy the government's rules. According to the Institutional

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Model, the quality of a public policy is solely determined by the structure and pattern of government, and it has a direct impact on policies.

4.3 PLANNING

The art and science of getting things done has been broadly characterized as administration. 'Administration' is an intentional action in the management of public affairs that ensures that the government's policies are faithfully implemented in order to achieve the desired results. For example, if the government's policy is to provide two doses of free COVID vaccine to all individuals over the age of 18, administrative planning would entail a sequence of steps, beginning with accurate beneficiary identification and ending with the actual use of money for the desired purposes. There are a number of actions that can be taken as part of administrative planning, including the identification of target groups, determination of demands for a certain amount of funds, timely distribution of vaccines to states and monitoring fund utilization, as well as determining the quantum of actual output. As a result, administrative planning is critical for achieving the goals of government-sponsored programmes.

4.3.1 Meaning and Significance

Administration is defined as the process of organizing, guiding, and evaluating people and programmes in order to meet certain government objectives. It is for this reason that administration's first and most crucial task is planning. It entails deciding on a goal and allocating the necessary resources ahead of time. Simply put, it is deciding what to do, how to do it, and who to do it with respect to an administrative function. On the subject of planning, there are several definitions accessible. According to Simon and his colleagues, planning is the activity concerned with future suggestions, the evaluation of alternative plans, and the ways by which these proposals can be realized. In order to influence the future, planners must apply logical, adaptable thinking to the challenges they face and those of the administrative structure over which they work. Making risky decisions with the best possible knowledge of their long-term consequences, organizing the effort required to carry out these decisions in an organized way, and assessing the outcomes of these decisions against anticipations are all part of the planning process, according to Peter Drucker. A planning process is one in which administrative goals are defined and procedures are devised to attain them, according to Millet. Decision-making rationalization is the goal of planning.

In an organization's processes according to Dimock & Dimock, it is a systematic endeavour to predict and establish sensible plans for dealing with future difficulties by projecting trends. Because the administration has a limited number of options for achieving its goals, planning is vital to the administrative process.

Administrative planning is rarely acknowledged or followed in administration, despite its obvious relevance. We are better familiar with economic and financial planning, but we know relatively little about administrative planning's nature and procedures. Nonetheless, every administrator who has built a reputation in the field

takes a methodical approach to his work. It is regarded as a personal skill rather than a form of transferable information.

Politics' domination, job security, a lack of price signals, and a profit motivation are only a few of the key reasons for the government's lack of persistent planning effort. In addition, the government's planning awareness has been inadequate due to a lack of specified targets and standards against which accomplishments may be accurately judged. It has long been acknowledged that planning is essential in government operations, and a number of techniques and procedures are currently being proposed to make planning a reality in that setting as well. Governments throughout the world are coping with domestic and international shifts in the socioeconomic and political framework in which they function. Once again, resources must be divided among competing possibilities to maximise productivity and enhance overall societal contentment.

In light of these ideas, planning is an essential first step for any government operations. A forward-looking approach to economic and financial planning is essential. Planning and organizing tasks in advance is a deliberate mental activity that includes achieving goals. As a result, planning entails simulation of activity-sequences. The true goal of planning is to produce desired outcomes, which could include higher agricultural output, lower infant mortality, better education and health in society, and so on. Administrative planning has been increasingly important in government around the world, as a result of increased cost sensitivity in government and increased result-orientation in public administration in recent years. Rapid socioeconomic rebuilding in a developing country like ours is almost entirely reliant on large-scale and diverse governmental programmes and projects. Planning plays a critical function in this situation.

4.3.2 Nature of Planning

Policy formulation is followed by planning. These two acts are separate but linked. The fundamental principles of governmental conduct are laid out in policies. They give the framework within which planning must occur. They provide the guidelines through which strategies are formed.

In the end, a plan is a product of the process of planning. Planning is the process of determining what needs to be done and how it has to be done in advance. Clearly, planning and decision-making are interwoven. When it comes to planning, it is more than just making decisions. An effective plan is focused on the future. It requires a vision and a point of view, and is therefore projective. When making a decision, one must select a preferable alternative from a selection of options. An emphasis on the future or on a series of events is not necessary for the trademark's distinctiveness.

4.3.3 Types of Planning

There are a variety of ways to plan and organize the goals. Two kinds of planning are short-term and long-term. The micro and macro levels of planning are involved. While the first pertains only to a certain area of an organization, the latter

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encompasses all of it. Physical planning, on the other hand, is concerned with spatial issues. National economic planning, top-level administrative planning, and operational planning are the three categories of planning identified by Dimock and Dimock.

Administrative planning focuses mostly on administrative programmes. Planning, as a term used in the context of public administration, is not similar to making basic policy decisions, writes L.D. White. The means by which objectives can be realized are at the heart of administration planning, which begins where general policy stops. No value questions are asked in Pfiffner's view at the administrative planning level of operation. It is the top and intermediate management's role to lead operations and supply the coordinating impetus to the organizational machine. To provide a broad framework for activity, it sets core objectives, establishes inter-bureau policy, and connects departmental policy and programmes with related departments. Its major goal is to provide the policy plan a more precise shape, making the objectives more obvious and manageable. Policy planning, administrative planning, programme planning, and operational planning are the four different aspects of administrative planning.

Policy Planning

Over a lengthy period of time, policy planning lays out the broad features of government activities in the social and economic arenas. These policy ideas are usually based on value judgments. Once broad parameters of public policy—in our instance, the realization of a socialist society pattern—have been established, they may be implemented for a long time. This is essentially the responsibility of the legislature, which, with the help of ministries and a slew of committees, gives legal form to the people's desire. Political parties, interest organizations, and a variety of other unions and associations all have a say in policy creation. However, in recent years, the executive arm of the government has become more concerned with policy planning for national action. The legislature now just "reviews, analyses, and alters the plans created by the administrative agencies under the Chief Executive's co-ordinate authority." Though the legislature has final approval or rejection, the executive plays a significant role in the preparation and development of policy planning, especially in a parliamentary form of government.

Administrative Planning

According to Pfiffner, it tries to build a wide framework of action by identifying major objectives, developing inter-bureau policy, and integrating departmental policies and programmes with those of adjacent departments. The Chief Executive formulates this strategy in collaboration with department heads and with the support of middle management in order to put policy planning into action and to make the objectives more apparent and more achievable for public officials. The respective governments produce specialized plans at each level, stating the objectives in many domains in greater depth and more explicitly linking the operations of the various parts.

Programme Planning

Based on the findings of Millett, it is involved in determining the specific goals and processes that administrative agency should apply in the framework of public policy. The middle management (i.e., divisional, branch, and sectional heads) is in charge of programme planning, however the top management is normally involved for guidance and assistance. Program planning aims to weave together policy plans and operational plans in order to construct a specific programme of action, says Pfiffner. It's been dubbed as the synthesis of all other forms of planning.

Operational Planning

An authorized programme is thoroughly studied and the specific procedures by which it will be executed out are determined methodically. After the objectives have been established and the means and techniques for accomplishing them have been identified, the divisional and sectional heads begin operational planning, which lays out precise procedures and how they should be employed to save time, expedite production, and enhance net output. The numerous function units are assigned specific functions, and their output is measured in terms of time, amount, and quality of production, as well as overall output. It is, in fact, a “workshop-stage” of the planning process for the programme.

4.3.4 Process of Planning

Certain logical phases are involved in the entire planning process. They are as follows:

- (i) **Recognizing the need for action:** One of the most important aspects of the planning process is keeping abreast of potential business opportunities both outside and inside the company. After an opportunity has been recognized, managers can determine the necessary procedures to follow in order to take advantage of it. The new opportunities must be evaluated realistically, and a SWOT analysis must be performed.
- (ii) **Goal-setting:** Second and possibly most important step is goal setting. The company's overall objectives, as well as those of individual divisions, are determined here. Organizational objectives, on the other hand, are more open-ended and ambiguous in nature. It is feasible to achieve both long-term and short-term goals. They outline the company's desired outcome. As a result, the goals of management will trickle down to employees, who will be guided and pushed in the proper direction.
- (iii) **Premises development:** It is impossible to plan without thinking about the future. As a result, management will have to make some assumptions. These presuppositions form the basis of the argument. These kinds of assumptions are based on data from previous forecasts, plans and experiences, among other things. Internal and outdoor sites are available for planning purposes. There are a number of factors that can influence an organization's decision-making process that are outside its control. Internal assumptions include policies, resources and managerial quality.

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The organization should adhere to the same set of assumptions. Each and every management must be aware of and concur with these terms.

- (iv) **Identifying alternatives:** It is the next step in the planning process to identify the options available to the management team. There is no one way to achieve the company's objectives; rather, there are a variety of possibilities. Consider all of the other possibilities. The manager must be able to select from a wide range of options. Perhaps, he is trying something new in the hopes of getting better outcomes. If he does not want to try something new, he will do what is expected of him. At this point, the problem is not identifying alternatives; it is reducing the options so that each one can be properly evaluated.
- (v) **Evaluating possible courses of action:** In the next step of the planning process, each possible course of action is evaluated and scrutinized in detail. There will be a thorough examination of each possibility, with its merits and downsides considered. An evaluation of the different strategies must take place in light of the objectives of the organization.
- (vi) **Choosing the right alternative:** We have reached the decision-making phase of the planning process at this time. There will be a final selection of the best plan and implementation of it. Profitability with the least number of negative consequences and flexibility to adapt to changing conditions are the hallmarks of an effective approach.
- (vii) **Creating a supporting plan:** Once you have zeroed in on a plan to implement, managers must create one or more supporting plans. The implementation of the main plan is aided by these supplementary plans. Plans to hire more people, train employees, enlarge the office, and so on are examples of supporting plans for the main goal of launching a new product. As a result, all of the secondary plans are actually a part of the main plan.
- (viii) **Plan execution:** This is where all of the other management activities come into play, and the plan is put into action to fulfil the organization's goals. The types of plans required for such implementation include procedures, policies, budgets, norms, and standards, among others.

4.4 DECISION-MAKING

The process of choosing steps that lead to a resolution is known as decision making. It is defined as the choice of a path of action from among possibilities, and it is at the heart of planning. Individuals operating alone or in groups can take part in the decision-making process. Many models and theories have been developed to describe decision-making and the efficacy with which a decision can be made. There are several ways to make a decision, but the most common is to select the one option that best meets the goals of the situation. Making decisions is an important aspect of every managerial role. "Whatever a manager does, he does through decision making," says Peter F. Drucker. Decision-making is a part of

every activity, and it requires careful consideration before taking action. Be a result, decision-making is most often considered to as management's "soul".

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4.4.1 Importance of Decision-making

In order for an organization's behaviour to be directed and controlled, decision-making is crucial for the organization's success. Goals are set, strategic planning is done, organizational design is done, personnel actions are done, and individual and group actions are done. In addition, decision-making has a direct impact on the individual. In order to be successful in one's career and be content, one must make good decisions. From both an organizational and individual perspective, examining decision-making is essential.

Another important reason to research decisions is so that we can make better decisions than we do now. Keeping in mind that our decisions are often of lower quality than we realize is critical. Because of our views and ideals, we perceive information in ways that are warped by our selective perception. Oversimplified interpretations result from a need for consistency. We remember the outcomes of decisions in a personally favourable light because we are willing to ascribe positive outcomes to ourselves (e.g., taking credit for smart decisions) and to attribute poor outcomes to forces beyond our control. All of these factors weaken our decisions while also limiting our grasp of the problem of decision-making.

Many of the methods that can be used to improve our ability to make good choices are unknown to us, just as we are ignorant of our own human limitations when it comes to choosing them. Training on the actual decision-making process is scarce, both within and outside businesses. A person's past experiences are their primary source of guidance, and while they can be a great resource, they can also be misleading. In many cases, we may learn the wrong way to do something or obtain information that has nothing to do with the quality of the decision.

4.4.2 Process of Decision-making

In order to achieve a given goal, the act of decision-making entails selecting a course of action from among several alternatives. The purpose of decision-making is to direct people's actions and commitments in the direction of a common future objective. In order to reach a decision, the following actions must be taken:

- **Determination of the goal:** The problem is thoroughly examined in this step. There are a few questions that must be answered, such as when it comes to determining the decision's purpose? So, what exactly is the issue? Why should the issue be resolved? Who are the people who are affected by the problem? Is there a time limit or a deadline for the problem?
- **Information collecting:** An organization's challenge will have a large number of stakeholders. In addition, a variety of other factors could have an impact. Gaining a thorough understanding of all the relevant variables and parties is a prerequisite to resolving the issue at hand. Tools such as 'Check Sheets' can be quite helpful in the collection of data.

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- **Baseline criteria for judging the alternatives:** In this step, you should determine the baseline criterion for evaluating the alternatives. It is crucial to consider both company objectives and organizational culture while defining the criteria. For example, profit is a critical factor to keep in mind when making a decision. Furthermore, the appropriate concepts should be established in advance of the discussion at hand.
- **Brainstorm and evaluate the many options:** For this phase, brainstorming to generate a list of all possible options is the best approach. Before going on to the idea generation stage, it is necessary to understand the root causes of the problem and prioritize them.
- **Alternative evaluation:** Use your reasoning principles and decision-making standards to evaluate each choice. In this step, we rely on our past experiences and the efficacy of our judgement standards. To make an informed decision, you must analyze the pros and cons of each alternative.
- **Choose the best option:** Once you have accomplished the other steps, this one should be a cinch. As a result of the process, you used to identify and select the ideal alternative, you can make an educated decision about which one to pursue.
- **Put your decision into action:** A decision should be turned into a strategy or a series of actions. With the help of your subordinates, carry out your scheme.
- **Assess the outcomes:** Consider the consequences of your actions. Do some soul-searching to discover if there is anything you can improve upon in the future. One of the best ways to improve your decision-making talents is to practice this technique.

4.4.3 Herbert Simon's Contribution

Herbert Simon's greatest contribution to administrative theory is his emphasis on decision-making. He presented a new model of administration based on administrative science's strictly factual claims. That is why he refers to old administration concepts as mere proverbs. His concept of decision-making is central to administrative action. Management is linked with decision-making. He refers to decision-making as the organization's heart. The logic and psychology of human choice should be used to build the administrative theory vocabulary phrase "decision-making." According to Simon, an organization is a mechanism for making decisions. All levels of government are involved in making decisions. Small or huge, each action has an impact on the group's members. Each decision is founded on a set of assumptions. The duty of 'deciding' pervades the entire administrative organization in the same way that the task of 'doing' does — in fact, the two are inextricably linked. The decision-making process is divided into three phases, according to Simon:

- **Intelligence activity:** The organization's leader seeks to comprehend the organizational context in which decisions must be made. The purpose of intelligence gathering is to uncover opportunities to make judgements.

- **Design activity:** Before reaching a final decision, the organization's leader seeks to identify all viable options. This requires mental effort and time to consider the best possible option.
- **Choice activity:** At the end of the activity, a head selects one of the possibilities and makes a decision.

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In spite of this, Simon believes that the sequence is more intricate than it appears to be, even though he describes these three stages in detail. These three phases are like a set of wheels within a set of wheels. These three phases are intertwined with issue resolution — what is the problem, what are the options, and which option is the best? Making a decision is thus a choice between various courses of action, and this choice, in turn, involves facts and values. Every decision, in his opinion, is made up of a rational blend of facts and value propositions. A fact is a statement of reality that refers to a current activity or deed. A value, on the other hand, is a statement of choice. He is adamant on analyzing ethical and factual claims that are still there in a 'choice.' Every decision is therefore based on a combination of facts and values. Based on these concepts, Simon views an organization as a "hierarchy of decisions" or a "complex network of decision processes". There is always a choice to be made between a goal and an appropriate behaviour until the end objective is achieved. As a result, decision-making necessitates a close link between facts and values. Simon proposes that every decision must be rational in order to establish a balance between facts and values. Every choice must be based on logic.

On a different plane — the plane of rationality — Simon discussed the mechanics of decision-making. He emphasizes the need of making rational decisions. 'Appropriateness for the realization of certain tasks' is how rationality is defined. He concentrated on the rational aspect of decision-making. Every decision is based on a mix of logic (rationality) and emotion. Simon places a greater emphasis on logic than on feeling. When making a choice, a leader is confronted with a multitude of restrictions. It's because, before making a decision, a person's mind must consider all of the probable ramifications on society's political culture and ideals. He defines reason as a means-to-end concept. 'The decision is rational if proper means are used to achieve the desired results.' In a nutshell, rationality is the process of becoming an "administrative man." Simon is well aware that arriving at logic is a difficult task due to the numerous aspects involved. As a result, he proposes various varieties of rationality, including objective, subjective, conscious, purposeful, organizational, and personal rationality.

Simon was never a believer in absolute rationality. It's because no single person's behaviour can be completely rational or completely crazy. As a result, Simon termed human behaviour in the workplace as "intendedly logical." Because of limited understanding of the problem, choices, and consequences, complete or absolute rationality is not achievable. It's known as 'bounded rationality,' according to Simon. Individuals cannot be totally standardized since they have a variety of preferences, some of which are unranked. In other words, according to

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Simon, rationality is the ability to choose a course of action that is 'satisfactory' or at the very least adequate.

4.4.4 Types of Managerial Decisions

As a manager, you will be asked to make a variety of judgements, like:

- Personal and organizational decisions,
- Routine and basic decisions,
- Decisions that are programmed and non-programmed.

"The Functions of the Executive," a seminal article by Chester Barnard published nearly fifty years ago, was the first to suggest the divide of personal and organizational decisions. The main distinction between the two types of decisions, according to him, is that "personal decisions cannot generally be transferred to others, whereas organizational decisions can often, if not always, be outsourced". As a result, the manager takes both organizational and personal decisions in order to achieve organizational and personal objectives. Personal decisions, such as a senior manager's decision to quit, can have an impact on the organization. It is possible to learn, however, that the disparities between personal and organizational decisions are merely a matter of degree when you investigate a decision. Any organizational decision you make involves you personally to some level, and you must address any conflicts that may occur between organizational and personal aspirations. When categorizing different types of judgements, another method is to consider whether they are basic or routine in nature. Basic decisions are one-time. One-time commitments including long-term obligations of relative permanency or duration, or decisions involving big investments. Plant site, organizational structure, salary negotiations, product line, and other basic decisions in a business firm are examples of basic decisions. For the most part, the decisions made by senior management fall into this category. Routine decisions are the exact opposite of fundamental decisions in terms of importance and importance of consequences. They are the day-to-day, extremely routine management decisions that have minimal impact on the organization as a whole. Routine decisions, on the other hand, play a huge effect in an organization's success when taken together. Choosing a new entry for the accounting system, assigning new workers, and deciding what territory to cover are all examples of routine decisions. Obviously, routine decisions make up a significant amount of an organization's decisions (most experts estimate around 90%). However, the exact proportion of basic to routine categories is influenced by the organizational level at which the decisions are made. It is not uncommon for a first-line supervisor to take care of most routine decisions, but it is rare for a board chairperson to do so. Programmable and non-programmed judgements are distinguished by Simon (1977), who explains the difference between the two types of judgements. Managers must make non-programmed decisions based on available information and their own judgement, whereas structured or bureaucratic methods are frequently used to handle programmed decisions (standard operating procedures). In the end, managers have to make decisions under time restrictions. Management decisions are influenced by the

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concept of Gresham's Law of Planning in organizational design. This law states that scheduled activities tend to take precedence over those that are not scheduled. The more routine and recurrent decisions are made first, followed by the unique and thought-out ones when faced with a series of options. In order to focus on the most critical decisions, you are most likely removing clutter from your desk. Desks are routinely left unattended, which is a problem. After going over the three sorts of managerial choice classifications, it's clear that there isn't a single, satisfactory manner to categorize decision scenarios. Furthermore, the above categories have overlooked two critical problem dimensions: (1) How complicated is the problem in terms of the number of components involved; and (2) how certain can the conclusion of a decision be. Four different decision modes can be found based on these two dimensions:

1. **Mechanistic Decisions:** A mechanistic decision is one that is made on a regular basis. It frequently happens in a circumstance with a small number of decision variables and predictable outcomes for each alternative. For example, a bicycle shop manager may know when and how many bicycles should be ordered based on past experience; or the choice may have already been taken, and the delivery is made on a regular basis. Habitual responses, regular operating procedures, or clerical routines address the majority of mechanical decision difficulties. Managers frequently create charts, lists, matrices, decision trees, and other visual aids to further clarify complex mechanistic judgments.
2. **Analytical Decisions:** An analytical decision is one that involves an issue with a high number of choice variables and may be solved by computing the consequences of each decision option. This is true of many difficult manufacturing and technical issues. They may be difficult to solve, yet they can be found. Computational strategies for finding optimal solutions are available in management science and operations research. Linear programming, network analysis, inventory reorder model, queuing theory, statistical analysis, and other approaches are among them.
3. **Judgemental Decisions:** A judgemental decision is one that involves an issue with a restricted number of decision factors, but the effects of alternative decisions are uncertain. This topic encompasses a wide range of marketing, investment, and resource allocation issues. The marketing manager, for example, may have various options for advertising a product, but he or she may not be confident in their effectiveness. To raise the likelihood of desired results while reducing the likelihood of undesirable events, good judgement is required.
4. **Adaptive Decisions:** An adaptive choice is one that involves a high number of decision variables with unpredictable outcomes. Decision makers are unable to agree on the nature of such situations or on decision techniques due to their complexity and unpredictability. Such unstructured challenges frequently necessitate the participation of a large number of persons with a variety of technical backgrounds. In this

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circumstance, decision and execution techniques must be adjusted on a regular basis to accommodate new technological and environmental advances.

4.4.5 Models of Decision-making

There are three fundamental decision-making process models that can assist you in understanding how decisions are made and should be made. These three models are:

1. The econologic model, or the economic man;
2. The bounded rationality model, or the administrative man; and
3. The gamesman or the implicit favourite model.

The econologic model was the first attempt to model the decision-making process. In a nutshell, this model is based on two assumptions: humans are economically rational; and individuals want to maximize results in a logical and sequential manner. When people try to maximize objectively quantified advantage, such as money or units of products produced, they are attempting to maximize economic rationality, which is a basic idea in many decision-making models. In other words, it is expected that people will select the decision or course of action that delivers the most profit or pay out among the different possibilities accessible to them. Aside from this, it is assumed that they perform their search in a rigorous, systematic and logic-based approach. The model suggests that the decision-making process should proceed in the following steps:

1. Determine the problem and its symptoms;
2. Establish the desired outcome or identify the problem to be resolved;
3. Create a criterion for comparing and contrasting alternative solutions;
4. Make a list of all possible outcomes;
5. Think about the effects of each option as well as the chance of each happening;
6. Compare the effects of each alternative (step 5) with the decision criterion (step 3); and choose the best alternative;
7. Take action or carry out the decision.

Despite the fact that the economic man model is a reasonable prescription for how decisions should be made, it falls short of accurately depicting how decisions are made in practice. Look closely at the assumptions that this prescriptive model makes about human capabilities, and you will discover that it makes the following assumptions about human capacities: In order to make a decision, people must first gather all of the necessary information for the decision; then they must mentally store this data in some stable form, which means they must be able to precisely recall any information at any time; third, people must manipulate all of this data in a complex series calculations designed to provide predicted values; and fourth, people must rank the consequences in a consistent manner for the purpose of making the decision. As you can imagine, the human mind is just incapable of

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figuring out such transactions on the scale and in the volume required for complicated decision-making situations. This paradigm is completely unrealistic in this regard. In recent years, however, the advent of strong data storage, retrieval, and processing technology has allowed for the achievement of economic rationality to a certain extent.

The bounded rationality model was briefly described in the previous sections under the heading 'Herbert Simon's contribution.' This paradigm does not presume individual rationality in the decision-making process, as the name implies. Rather, it believes that, while people may pursue the best option available, they usually settle for something far less desirable since the judgements they must make require more information processing capability than they now have available. When making decisions, they make an attempt to use a type of bounded (but limited) rationale to guide them. Bounded rationality is a notion that aims to define decision-making processes in terms of three mechanisms:

1. **Sequential attention to alternative options:** People look at different solutions to an issue in order. The many possibilities are recognized and evaluated one at a time, rather than recognizing all viable answers and selecting the best (as advised by the economic model). If the first option fails to work, the next one is evaluated. When an acceptable (i.e., 'good enough' but not exactly the greatest) answer has been located, the search process comes to a conclusion.
2. **Heuristics:** Using a heuristic, you may narrow down the areas where you should look for alternatives to those that have a high possibility of providing good outcomes. For example, some organizations continue to hire management graduates from specific colleges because such graduates have previously performed admirably for the company. In order to make decisions more rapidly, decision-makers use heuristics to compress large problems to manageable proportions, which allows them to make decisions more quickly, according to the bounded rationality paradigm. They search for obvious solutions or ones that have previously worked in similar situations.
3. **Satisfying:** This model regards the decision maker as a satisficer, rather than an optimizer, as in the economic model. An alternative is optimal if it meets both of the following conditions: (1) there is a set of criteria that allows all alternatives to be evaluated; and (2) the alternative in issue is preferred over all other alternatives by these criteria. A solution is satisfactory if it meets or exceeds all of the following criteria: (1) there is a set of minimally satisfactory alternatives; and (2) the solution in issue meets or exceeds all of these criteria.

It is possible to define the choice process from the perspective of the bounded rationality model based on these three assumptions about decision makers. There are eight steps in the model:

1. Define the aim you want to achieve or the problem you want to solve.

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2. Determine an adequate level of aspiration or criterion (when do you know a solution is sufficiently positive to be acceptable even if it isn't perfect'?)
3. Use heuristics to limit the problem space down to a single viable option.
4. If no viable alternative can be found, reduce the aspiration level and start looking for a new alternative answer (repeat steps 2 and 3).
5. After you've found a viable alternative, assess it to see if it's acceptable.
6. If the indicated alternative is unsuitable, start looking for another option (repeat steps 3-5).
7. Implement the solution if the identified alternative is acceptable.
8. Evaluate the ease with which the goal was (or was not) achieved after execution, and adjust the level of aspiration accordingly for future decisions of this nature.

This decision process, as can be seen, differs significantly from the econologic model. We are not looking for the ideal option; rather, we are looking for a solution that is most preferable. The sequential nature of the search behaviour lies at the heart of it (evaluating one or two solutions at a time). The bounded rationality model, in contrast to the prescriptive econologic paradigm, is intended to be descriptive rather than prescriptive; i.e., it shows how decision makers arrive at answers to organizational challenges.

The Implicit Favourite Model, often known as the Gamesman model, is largely concerned with non-programmed decisions. As you may recall, non-programmed decisions are ones that are unfamiliar or unstructured in nature, such as looking for one's first job or changing careers. In contrast, programmed decisions, such as the procedures for admitting pupils to a secondary school, are more routine or repeated in nature. It was Soelberg (1967) who first proposed the implicit favourite concept after examining the recruitment and selection processes of recent business school graduates and discovering that many of them had already identified implicit favourites early on. While they kept looking for other possibilities, they decided on the best one, which they dubbed the "confirmation" candidate, swiftly. In order to prove that the implicit favourite was superior to the alternative confirmation candidate, the students devised decision procedures. Visual distortion of information regarding the two options was used to accomplish this, as well as weighing systems that emphasised the advantages of the implicit favourite. Finally, a decision rule that heavily supported the implicit favourite was created, and the judgement was declared. However, Soelberg found that the indicated favourite was frequently better to the confirmation candidate on only one or two dimensions. The decision-makers, on the other hand, defined their decision-making processes as multi-dimensional in nature. The entire procedure is aimed to justify to the individual a non-programmed decision that has already been made intuitively, under the illusion of scientific rigour. By doing so, the person is persuaded that he or she is acting rationally and making a logical, reasoned decision on a significant issue.

Check Your Progress

1. What is the policy formulation?
2. Who are the non-official actors involved in policy formulation?
3. What are the characteristic features of a rational policy maker?
4. Who has given the incremental approach to policy making?
5. Write down the four different aspects of planning.
6. What are the different steps of decision-making process?
7. Enlist the three steps of Simon's decision-making process.

NOTES**4.5 LEADERSHIP**

The crucial task in the public sector is to lead and steer the work of the entire group toward the intended goals. Because the size and number of organizations continue to rise, leadership has become increasingly more important in modern administration. In addition, the group needs the active engagement of hundreds of thousands of new members who have no idea what the organization is trying to accomplish. It becomes more and more difficult for them to perform their separate duties. More and more, members are removing themselves from their organizations because of a variety of issues. As the tie loses its personal touch, it becomes cold and uninspired. In most government organizations, work is separated into departments. Each will work on their own. A leader is required to give the link.

The division of labour, once again, has the effect of separating and isolating individual members from the core goal. In every organization, both department heads and rank-and-file personnel have a tendency to view the organization's challenges in terms of primarily their functional effort. Only capable leaders are capable of reversing the tendencies that functionalism and division of labour produce. Only the leader has the ability to keep the entire group focused on the objectives that will yield the best results. As a result of the rising importance of leadership, the number of organizations, functions, departments, and subordinate geographic units has expanded.

4.5.1 Meaning of Leadership

No matter how he interacts with others, whether directly or indirectly, every executive carries with him the power to lead them. He's in charge of bringing them together in a productive working relationship. Leadership is a factor that can help you do this. Popularly speaking, leadership is defined as the action of encouraging people to collaborate toward a common objective that they find desirable. The definition contains at least four unique elements. To begin, it's helpful to explain how people advance to positions of leadership. Second, the process of persuasion necessitates investigation. Third, the nature of goals that people will find appealing must be investigated. Finally, attributes demonstrated by leaders in action should be assessed. To understand the above-mentioned factors, certain information, though brief, are required. Because the situation in which he sees himself is one in which the best outcomes are achieved through leading rather than dictating, the CEO who

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is also the leader apparently gets the opportunity to take the reins and lead the organization. The situation, not the individual, is what permits the leader to perform. Therefore, every leader is as a product of his or her surroundings as he or she is of his or her own desire to ascend to the throne. It is not uncommon to run with ambitious, self-made business executives who will push their way to the top by combining a strong personality with a strong, forceful sense of self and a persistent determination to attain specified goals.

Another technique is a democratic procedure in which a leader is chosen by the group as a result of democratic voting. It appears like the leader and his or her followers have reached an agreement in this case. In this case, the leader picked by the group has the best chance of succeeding. In another sense, he is in greater difficulty because he is being tested on a more frequent basis. Alternatively, the leader picked by a group has the best chance of success and keeping his or her supporters.

Finally, persons can become leaders through a system used by many organizations, in which senior executives are appointed by boards of directors or trustees, who then select the lower executives. The group has a vested stake in this, which has brought them all to a common platform. The leader's challenge is to demonstrate to them that by serving the corporate group, they are also serving themselves; that by being loyal to the organization as a whole, they are also being loyal to themselves.

4.5.2 Leadership Theories

Leadership is one of the most essential issues that has received a lot of attention from both individuals and organizations. Trait theory, situational theory, group theory, and other leadership theories are significant. To get a wide grasp of leadership, we will now discuss some of these theories.

Traits Theory

The first focus of leadership research was on the traits of leaders. The most frequently requested question was what qualities or traits distinguish a person as a leader. Some people feel that leaders are born, not made. This is referred to as the "Great Man Theory" of leadership. These natural leaders have particular features and attributes, as well as some natural abilities, that enable them to lead. The characteristic method focuses on finding the personality qualities of leaders in particular. Later behavioural research indicated that leadership skills are not entirely inborn, but rather may be learned, trained, and experienced. Several research attempted to identify key features, but the traits described by the scholars varied greatly. Intelligence, social maturity and breadth, inner ambition and achievement, drive and a human relations attitude, to name a few, are four essential characteristics of an effective leader, according to Keith Davis.

Group Theory

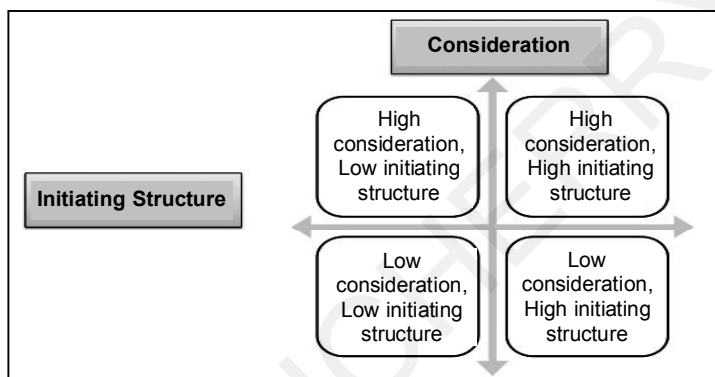
Social psychologists were also responsible for the development of group theory. The leader delivers benefits to his followers, according to this belief. The

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following, according to this view, are dependent on those leaders who meet their demands. It is only when the leaders give in to their demands and drive them to achieve the organization's goals and desires by offering their support and assistance.

Behavioural Theory

Theories of leadership based on behavioural principles are underpinned by the notion that leaders can be identified by their actions in relation to their followers. Instead of focusing on who leaders are, it is recommended that they identify themselves by the actions they take. The bulk of behavioural theories have been developed on the basis of study data, as has been demonstrated. It is more effective to have leaders who treat their subordinates as human beings, who are concerned about their well-being, and who inspire and involve them in goal planning, according to research performed in Michigan, USA. They are known as 'employee-focused' leaders. Leaders who are 'production-centered,' on the other hand, place a premium on work performance in accordance with established guidelines. As if the staff were production tools, he keeps a tight grip on them. Because of the low morale of employees, such leadership is linked to poor work performance. According to research conducted at Ohio State University, there are two aspects to a leader's behaviour: initiating structure (IS) and consideration (C).



Developing an initiating structure refers to the leader's actions in identifying the relationship between himself and the members of the work group, and in attempting to build a well-defined pattern of organizational structure, communication channels, and procedures is referred to as initiating structure. A leader's consideration refers to behaviour that shows friendliness, mutual trust and respect, as well as warmth in the relationship between the leader and his or her employees.

Situational Theory

Both trait and group theories were determined to be insufficient for developing a comprehensive theory of leadership. As a result, the researchers concentrated their efforts on the situational aspect of leading. They began looking for situational aspects that influence the duties, abilities and behaviour of those in leadership positions. According to this point of view, leadership emerges from and is influenced by the circumstances. As a result, leadership styles differ depending on the situation. According to Fiedler, a key proponent of this theory, people

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embrace leaders because of factors related to their particular position. He adds that discussing whether a leader is effective or ineffectual is a waste of time and energy. There is only so much we can say about a leader who is effective in some settings yet ineffective in others.

4.5.3 Styles of Leadership

The leadership style that an executive chooses has a significant impact on his effectiveness. Motivation for the attainment of organizational goals is provided by leadership style. Employees may become dissatisfied and resentful as a result of poor leadership styles. There are three types of leadership styles: autocratic, participative, and laissez-faire. Each style has its own set of benefits and drawbacks. Depending on the situation, the leaders adopt different approaches at different periods.

Autocratic Style

The leader's policy and decision-making authority is concentrated in this way. It is the leader who determines policies and changes them as he sees fit. This style of leader wants their followers to embrace their leadership without question. Because of their autocratic attitude, it is extremely impossible to predict the leaders' behaviour. The leader has a tendency to be private and distant from the group. He sees himself as superior, and his co-workers as naive and ignorant. This form of leadership offers the advantage of being able to make swift decisions. Employees, on the other hand, suffer and are dissatisfied. Employees may develop apathetic to organizational goals as a result of this process.

Participative Style

This leadership style is also known as democratic leadership. This allows executives to enlist the help of employees in accomplishing organizational objectives. Employees are given the opportunity to participate in the decision-making process. Group discussions are used to make all policies and decisions. Instead of dictating final decisions or rules, the leader encourages and aids his colleagues and just offers alternatives. The members of the group have more autonomy. In both praise and criticism, the leader is often objective. The labour of subordinates is recognized by the leader. He believes his subordinates have the ability to make judgments. Participatory management styles have a number of advantages, including improved employee-employer relations, higher morale and higher job satisfaction. It also reduces the leader's burden. A key issue with this sort of leadership is that the quality of decisions is diluted because every point of view must be considered when establishing policies and making judgments. Because of the consultative process, it is also time demanding.

Laissez-faire Style

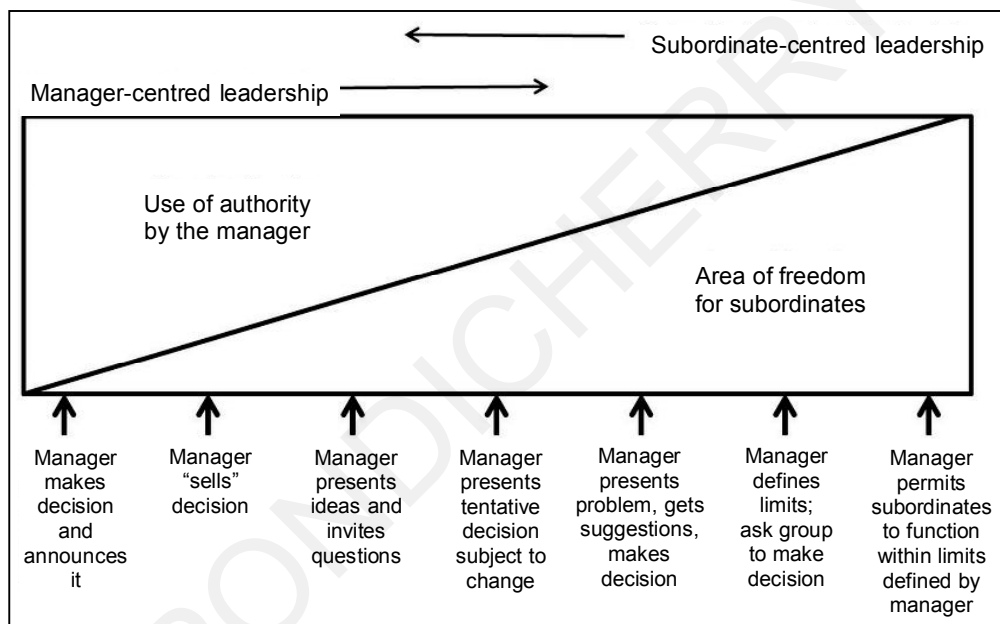
The organization does not rely on the leader to supply external incentive under this form of leadership. Employees are self-motivated. They are given greater autonomy, and the leader's role in decision-making is minimal in comparison. In the course of the organization's operations, there are no efforts to manipulate the course of events. The position of the leader is limited to that of one of the

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organization's members. Employees benefit from this type of leadership because they have more freedom and independence. However, due to lack of a strong leader, employees may be unable to receive effective guidance and control. Employees may feel frustrated as a result, and the organization may become chaotic.

Continuum of Leader Behaviour

At one end, Robert Tanenbaum and Warren Schmidt depicted authoritarian or boss-centered leader behaviour; at the other, they depicted democratic or subordinate-centered leader behaviour. An authoritarian leader is a task-oriented one who uses their authority to exert influence on others, as depicted in the diagram below. He has a lot of power and delegated relatively little authority. Leaders on the democratic side, on the other hand, are more group-oriented and give their followers a lot of leeway in their job. Despite the fact that it provides a wide spectrum of leadership behaviour, the leader continuum approach identifies the many behavioural alternatives open to a management. In addition, the success of a leadership style is dependent on the ability of the leader to adapt to the situation's needs. Because it supports only one-dimensional thinking, it has a major drawback. According to recent studies, the concepts of task- and employee-centered management are not mutually exclusive.



4.5.4 Functions of Leadership

In the life of an organization, the job of the leader is crucial. The success or failure of an organization is largely determined by how successfully its leaders carry out their duties. As a result, it is vital to understand what functions a leader does. Eight important functions of a leader have been recognized by Hicks and Gullett. Arbitrating, recommending, supplying aims, catalyzing, providing security, portraying, encouraging, and applauding are some of their responsibilities. The executives have three main functions, according to Chester Barnard. They are responsible for maintaining internal communications, obtaining required services from individuals, and formulating goals and objectives.

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In addition to Hicks and Gullett's eight responsibilities, and Barnard's three duties, the job of a leader is not constrained by these frameworks. There is a lot that goes into the job of a leader, who becomes an executive:

- policy and procedure planning and definition
- coordinating all of the people's actions
- distributing responsibility and authority
- directing them toward the intended outcomes
- monitoring the group's work
- issuing broad directives and instructions
- policy interpretation and dissemination
- instructing essential subordinates on how to carry the executive load
- coordination and cooperation
- energizing all those who contribute their time and effort.

A leader should advocate for clear objectives in the organization so that everyone understands what the organization's aims are. It is feasible for the leader to become sound if the aims are sound. Before attempting to get followers, the leader must be confident that he has a sound and thus enticing goal. In this practice, the leader should attempt to interpret his followers' experiences on occasion so that the finer elements can be conveyed. It might be persuasive since the followers would gain from the experience. In a nutshell, it means that the leader should inspire trust in his or her followers while being committed to the organization's goals. The leader's ability to elicit support from his or her followers for any goal is often critical. It is only feasible when the followers are convinced that their interests and wants are being adequately addressed. It's not about hypnosis or salesmanship to be a leader. It is a matter of eliciting good impulses, reasons, and efforts from folks. In truth, leadership is defined by the people it nourishes, not by the people it dominates or enthrals.

Leader as an Executive

In terms of leadership, we are most concerned with executives, who have the primary task of directing one or more groups, departments or businesses. In this regard, they must first be capable of performing executive functions. It implies that they should supervise the completion of the task. This necessitates a thorough investigation. Many jobs and activities must be completed in every organization. Sub-division and functional allocation of responsibilities are always required. It necessitates collaboration. Furthermore, the senior executive cannot possibly be aware of all the specifics. This is a difficult scenario.

All top leaders of firms, government departments, and other organizations are confronted. As the organization's size increases, the senior executive's technical expertise appears to dwindle. True, in every leadership circumstance, the leader must have a sufficient understanding of the ways and means to provide intelligent direction to the entire team. Because of the intricacies, the work of leading requires its own set of particular approaches, which are distinct from those used in directing, operating lines, or staff departments. In a large organization, top executive

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positions are primarily responsible for coordination. In such a setting, the executive leader should be more than a goad technologist. The best example of a coordinator is an orchestra conductor. Coordinative method refers to the ability to design, express, interpret and manage people's work from top to bottom. Differences between the organizations may exist. But there are some common features that are found in most leadership positions.

The effectiveness with which the goal is achieved is largely determined by the leader's technical knowledge. It implies that he is knowledgeable about sound performance requirements and other technical issues. The leader must be in a position to optimally utilize the available skills. Instead of being on top, the expert should be on tap. It is now up to the leader to make the most of the circumstance. Furthermore, there is an increasing amount of leadership in other directions. It's the ability to form a team out of a collection of individuals, to develop a sense of belonging, and to coordinate their efforts into a united complete action. The genuine talent of leaders is increasingly being recognized in this larger perspective. Finally, the leader must provide results. There is a need for action and accomplishment. There must be a focus on the group's goals. In addition to being crucial, something is essential. Human experience must be shaped by the leader in the direction he or she desires.

Psychologically, decision-making entails analyzing facts, sorting out possibilities, and deciding on a course of action. It is critical to use sound judgement. Certain well-known elements must be understood by the leader. The results of judgments will almost certainly be better if these are rigorously followed than if no intentional effort is made. First and foremost, the leader must recognize the situation he is dealing with. Second, he must collect all important facts and data about the problem. The classification and grouping into related groups are the next phase. The formulation of a proposed solution is the fourth phase. The fifth step will be to examine this viable solution and establish whether or not it is the most advantageous alternative for the organization. As a result, testing is required in order to obtain reliable results. Finally, the trial solution is adopted or accepted as valid and beneficial. Inducting thought, or scientific method, is a term used to describe this type of technique. A decision based on meticulous adherence to these principles will be significantly sounder than one made at random. The technique has several drawbacks, but it is the best option under the circumstances.

When it comes to announcing choices, the leader must use caution. There is no space for functions like opinion, doubt, or delay. Therefore, he must convince his supporters that a choice has been made. Because of his convictions, he must take immediate action and abide by them. It is his obligation, and he will not be able to avoid it. Often, it is at this point that many leaders show their flaws. It is possible to develop the ability and willingness to make decisions. Prior planning and a set routine will come in handy in a number of situations. There is a requirement for seeking advice in order to clear the followers' minds. It is vital to clarify that the leader's stubbornness, obstinacy, or inflexibility have no place in the

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organization. Finally, a true leader will be willing to bear the price of following through on his decision without blaming others for his own mistakes.

The ability to transfer authority to subordinates to carry out their key jobs is the next critical function of a leader, particularly in public organizations. When others are persuaded to accept the assignments assigned to them and carry out their responsibilities, leadership becomes effective. Leadership is, in effect, reliant on the loyal performance of one's companions and subordinates. Some people strive to accomplish everything on their own. They have little faith in others. Interdependence is something they despise. However, in any organized activity involving big groups, mutual reliance is important. Delegating authority to others is the only alternative for the leader. Delegation is the practice of granting others the freedom to use their own discretion in solving certain problems that fall within the ambit of their obligations. As a result, managerial leadership is ultimately accountable for the way this latitude is exercised.

Leader as an Educator

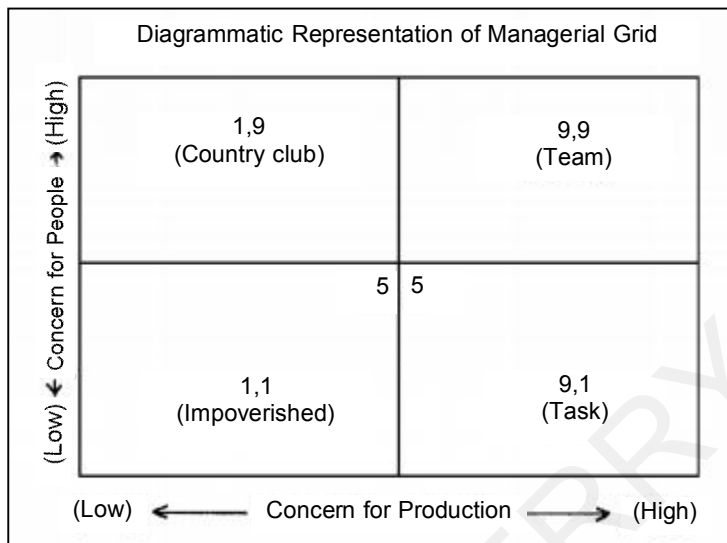
The development of employees is the next important aspect of leadership. It is important to remember that in this situation, a good teacher is also a good leader. It is impossible to put a good teacher in command of a school. If you are looking for a mentor who can help you achieve your goals and hold you accountable to your new way of thinking and doing, look no further than him! For every executive in the company, this holds true. Priority one for an effective teacher is to give the student a sense that what they are doing is something that matters to them personally. Students must be inspired to study and be willing to do so by a capable leader, such as a teacher. Learning should commence with the learner's present perspective and equipment. Goals for the future should be founded on what he has learned and experienced thus far. The next point to consider is that learning affects the entire organism. For the process to be successful, one must think, feel, and act appropriately. In a nutshell, the leader must be certain that his followers will follow him.

Followers are given the opportunity to go through similar experiences that inspired him to believe in his goals. It is the executive's responsibility to help the follower think and offer him with the information that is directly relevant to the learning process. In order to get others excited about the group's goals, the leader needs to do some recruiting. Vocal advocacy by a good leader can sometimes generate temporary support for his goals but true backing must come from a broader experience than learning to urge.

Finally, there is one more part of the teaching process that should be mentioned. It takes time to learn something new. There is a limit to how fast we can go. When it comes to directing learners' experiences, both teachers and leaders must be aware of their abilities and competencies so that they may guide them toward the necessary attitude modifications. In conclusion, it is obvious that for those being guided to achieve a positive outcome, the learning process necessitates active participation.

4.5.5 Leadership Effectiveness

We've already explored how different leadership styles mirror the leaders' behaviour patterns. Depending on the leadership style he employs, the manager leader may be effective or ineffectual. When it comes to his job, he could be employee- or production-oriented (i.e., task-oriented). For example, one's style may reflect one's concern for the well-being of others or one's ability to get things done. However, in practice, the manager-concern leaders for people and concern for output may be mixed, with varying degrees of focus on each. This concept was realized in the form of the 'Managerial Grid,' which is briefly described below.



The managerial grid is a diagrammatic illustration of the many combinations of concern for people and concern for production that can be seen in leadership styles. Blake and Mouton introduced the managerial grid concept in 1964. A total of nine degrees of concern for people and production, as depicted in the diagram. Five basic leadership styles are characterized by combining lower and greater levels of array (1 representing minimal concern and 9 representing utmost concern):

1. Impoverished management (1,1) is defined as a management style in which the manager is unconcerned about both people and production. This reflects the manager's careless attitude toward his profession, and the company cannot be expected to endure.
2. Task (9,1) style focuses on manager's primary care for output, while his or her least concern is for people.
3. Country club management (1,9) is defined as a management style in which the manager is more concerned with people and least concerned with productivity. It indicates that the manager prefers to keep people happy in the hopes that happiness will make them more productive, which is not the case in business.
4. Middle management (5,5) styles demonstrate reasonable care for both people and production, and are hence shown as middle-of-the-road management. Many managers that take a "live and let live" approach to managing favour this type of leadership.

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5. Team (9,9) style is the best balance of people and production issues, with the most regard for both. In this scenario, the manager is attempting to align the organization's goals with the goals of the employees. As a result, this style represents team leadership. It's possible that this style will be the most effective.

Effective and Ineffective Styles

The effectiveness of a strategy is determined by the situational needs of a certain environment. Effective leadership is defined as a leader's style that is suited for the situation. When a style is improper for a certain setting, it is referred to as ineffectual. The eight main leadership styles are further classified into more effective and less successful types based on their degrees of effectiveness. The following styles are thought to be more effective.

- **Executive:** This style is used by a management and emphasizes the significance of both work and people. Such a boss is capable of motivating others and successfully utilizing the team. He has high performance standards and is capable of achieving his objectives.
- **Developer:** A manager who adopts this style places the greatest emphasis on the people at work and pays little attention to the task itself. He places a high value on the growth of his subordinates and believes in their abilities.
- **Benevolent autocrat:** A benevolent autocrat's attitude and style are characterized by a strong concern for work and a low regard for individuals. However, he achieves his objectives without inciting animosity among his subordinates.
- **Bureaucrat:** A bureaucratic style allows a manager to regulate the work environment and achieve goals via the use of rules and procedures. He is unconcerned with people and job in general.

Styles that aren't fit for the scenario are said to be less effective (or unsuccessful). The following are some of them:

- **Compromiser:** Due to pressures on both counts, a manager who is equally concerned with people and work in a circumstance that necessitates emphasis on one of these is a bad decision-maker. As a result, he is an ineffective manager and leader.
- **Missionary:** A missionary manager strives for harmonious interpersonal interactions as an ideal and is unconcerned with work, despite the fact that the situation necessitates a greater focus on work. He can't seem to get anything done.
- **Autocrat:** An autocratic boss is exclusively concerned with work and its outcomes, when the situation needs a relationship-oriented approach. Such a manager has little faith in his or her staff and is reliant on command and control. As a result, his leadership is doomed in the long run.

- **Deserter:** A manager who is unconcerned about people or work has an apathetic attitude toward his work. He is an escapism seeker.

Qualities of an Effective Leader

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A leader can't be effective unless he has particular mental and emotional attributes. Regardless of the nature of the manager-work leader's responsibilities or the leadership style he employs, the effective leader is found to exhibit a variety of attributes. The following are the most essential of these qualities:

1. **Mental and physical health:** In order to withstand the demands and stresses of leadership, the leader must be in good mental and physical health. He must have stamina and good health in addition to a balanced temperament and a positive outlook.
2. **Empathy:** Respect for others and seeing things from the perspective of those who report to him are two essential leadership qualities. The leader's attitude stimulates his followers.
3. **Self-confidence:** Self-confidence in one's leadership skills allows a leader to analyse and confront various situations while adopting the appropriate leadership style. Managers' lack of self-confidence frequently inhibits them from adopting a participative approach and placing their trust in their employees.
4. **Self-awareness of others' perceptions of him:** A self-assured leader should be aware of how others see him as a leader. In respect to his subordinates, he must be aware of his strengths and weaknesses.
5. **Objectivity:** An effective leader is not easily swayed by emotions. In relations with subordinates, he is fair and objective.
6. **Intelligence and knowledge:** Group dynamics, human nature, as well as activities that need technical and professional skills are all necessary for effective leadership. When it comes to contentious matters, he must have a deep understanding of human psychology and the ability to articulate his thoughts clearly and effectively.
7. **Decisiveness:** Every leader must make decisions, which is a challenging task. When making judgments, a leader must frequently take the initiative and use sound judgement. In addition, for efficient decision-making, he must have foresight, ingenuity, and new ideas.
8. **Communication skills:** In leadership, the ability to effectively convey goals and work procedures is critical. Oral communication is critical for achieving desired objectives and coordinating activities in a group.
9. **Clarity of purpose and responsibility:** To encourage his employees to achieve specified goals, a leader must have a clear sense of purpose and duty.
10. **Miscellaneous:** A leader's other qualities to watch out for are enthusiasm, courage, direction, judgement, tact and courtesy.

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4.6 COMMUNICATION

Communication is one of the most widely discussed yet poorly understood themes in administrative theory and organization. It is estimated that approximately three-quarters of a person's life is spent using it, and even more of a manager's time, according to Fred Luthans. Many problems around the world have been linked to a lack of good communication. According to Hicks and Gullet, the root of all the world's problems – at least among males – is man's failure to communicate as well as he believes he is speaking. Organizational motivation, planning, leadership, design, and decision-making are all entwined with the notion of communication, which is central to all of these concepts.

4.6.1 Meaning of Communication

One of the most important organizational principles is communication. It has been regarded as a useful instrument for attaining an organization's objectives. Every organization, no matter how big or small, simple or sophisticated, general or technical, requires a communication network. It is crucial since the availability and effectiveness of all other fundamental principles of the organization are dependent on it. Furthermore, communication is the sole way to elicit passionate and cooperative responses from others. The communication process is described as the heart of management by Pfiffner, and as the lifeblood of an administrative organization by Millet. Ordway Tead, in a paper on communication, stated that the basic goal of communication is the process by which one individual convinces others to understand his ideas, emotions and feelings. Communication, according to Peter Drucker, is described as the ability of the various functional groups inside the company to comprehend one another and their respective functions and concerns. If senior management lacks the imagination and knowledge to comprehend the behaviour of employees on the bottom rungs, communication will be tough to develop.

The term "communication" is usually used to refer to the act of transferring information or knowledge. However, in a broader sense, transferring information also refers to the exchange of data, thinking, sharing of ideas, and a sense of being a part of something. As a result, understanding rather than information is the essence of communication. It could be internal, external, or interpersonal in some organizations. The first component of communication establishes a link between the corporation and its personnel, while the second aspect, referred to as public relations, deals with the organization's interaction with the general public.

4.6.2 Elements in Communication System

A communication system is made up of five primary components. Communicator is the first of these. He may be referred to as a speaker or sender when acting as a communicator. The communicator in various government agencies is the management, which consists of the administrator and his subordinates. In the name of the Chief Executive, all orders and instructions are issued. He does not cook them himself; instead, the personnel that assist him

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prepares and distributes them. To eliminate contradicting directions, this practice maintains a single objective and direction. The second component is the transmission procedure. Communication messages inside an organization may be accomplished by the use of specialized forms of communication such as teletype, cable, radio and electronic mail. The transmission centre is responsible for ensuring that communications are delivered and distributed properly throughout the organization. The third item to consider is the communication's format, which can be anything from an order to a rule to a handbook to a letter to a report to a ruling to a circular and so on. The fourth element is the recipient, and an organization should make sure that the information and instructions received by people are determined by the organization. Every communication should be sent to everyone who will be affected by their actions. The fifth and final part of communication is the desired response. The higher authority is required to provide evidence of compliance with instructions in the form of written replies and reports in order to establish if the knowledge or instruction has had an impact on the recipients' administrative behaviour or whether it has had no impact. It is made feasible by the upward flow of necessary data inside an organization.

4.6.3 Types of Communication

Based on the direction of communication flow, there are three formal categories of communication: downhill, upward, and lateral. Informal types, such as the 'grapevine,' supplement these formal kinds.

Downward Communication

The directives and other formal messages originating with an organization's top employees are referred to as downward communication. These are handed down through a hierarchical system from the highest to the lowest levels of authority, ultimately reaching the lowest-ranking authority in the chain of command. When the top level wants to communicate with the lower levels, it uses directives (written or verbal orders or instructions), staff conferences, budget sanctions, and other authorizations. These tools are used to inform the lower levels of an organization's attitude and ideas while also directing, guiding and advising them. It is difficult enough to communicate downward in huge organizations to begin with, given the fact that commands must pass through numerous intermediary levels before reaching the point where they are implemented. When instructions pass through so many hands, it is easy for them to get mixed up. When there is a lack of upward communication, the issues are exacerbated since the commands are more likely to be unreasonable and to be met with worker opposition.

Upward Communication

Upward communication is the process through which messages are transmitted from lower levels of the organization to those in authority. Work-related statistics and accounting reports are examples of information that is transmitted up through various channels. Also included are verbal and written requests for direction, recommendations and conversations. Even while it may look that the agency's head is completely unaware of what is going on, the reports he

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receives make it appear as if everything is running smoothly, making the upward reporting system of little use in finding problems with how an agency function.

Lateral Communication

Lateral communication can occur between officials at the same level in the hierarchy or between officials who do not have a superior-subordinate relationship. It's referred to as cross-communication. This method of communication makes use of a variety of mediums, including written and verbal reports, personal interactions, meetings with co-workers, and coordination committees. For drawing together the organization's linked but dispersed components, this kind of tool is useful. To ensure that the organization's objectives are coordinated, leaders should properly express their plans and relationships with one another.

Informal Communication

Because official channels are inflexible, informal avenues of communication emerge. They are meant to be used in conjunction with formal ones. Such routes of communication, dubbed the 'grapevine,' are viewed as potentially hazardous to organizational operations. By spreading rumours and incorrect information, they harm the organization's objectives. However, they frequently serve a beneficial purpose. Consider the situation of a person in an organization who is concerned about a certain issue but lacks access to knowledge that will help him relax. Employees who have informal channels of communication with those in positions of authority can use those channels to communicate their genuine concern about the situation with those in positions of authority.

Various small groupings in the organization, such as friendship circles, allow for informal connections to take place. They could even be unconventional conduits, such as spy networks. One advantage of these channels is that it eliminates some of the challenges associated with upward communication. They also make it easier to communicate horizontally and vertically. Informal channels' main hazard is that they can skew information. It is easier for administrators to coordinate affairs if they are aware of the types of informal channels in use within the organization and the information that is disseminated. Employees that are overly reliant on informal channels are a sign of poor organizational coordination. Organizations must improve openness in information exchange and socialization techniques to overcome this threat.

4.6.4 Barriers to Communication

There are numerous barriers to effective communication. Misunderstanding and communication breakdown are common when the intended message is disturbed and misunderstood. Language, psychology, emotion, physicality and culture are all potential roadblocks to clear communication.

Language Barriers

The inability to understand one another's language is one of the most major roadblocks to effective communication. Language is the most commonly used form of communication. The fact that every large location has its own language is one of

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the obstacles to effective communication. Even if your dialect is thick, you may find it difficult to communicate. In some cases, it is estimated that dialects within a few miles of each other change. In spite of the fact that they share an office, individual employees will have varying levels of fluency in the many languages used in the workplace. Because of this, the organization's communication routes will be affected. So, in order to get around this problem, different considerations need to be made for different people in the company. Others will be able to converse in these languages even if they are not fluent in them.

Psychological Barriers

Inability to communicate properly can be caused by a wide range of psychological and emotional issues. Stage fright, slurred speech, phobias, anxiety, and other mental health concerns can affect some people. Every one of these situations can be difficult to handle and impede communication at some point.

Emotional Barriers

Emotional intelligence plays a role in a person's ability to communicate effectively. Emotional maturity will make it easier for someone to communicate. Conversely, those who let their feelings rule their actions are doomed to struggle. Emotions and information must be balanced in order to communicate effectively. Angry, frustrated, and sarcastic humour can impede a person's ability to communicate effectively.

Physical Barriers

By far, they are the most obvious obstacles to effective communication. At least theoretically, these limits can be eliminated. Obstacles include closed cabins and other things like noise and broken communication devices. There are instances when a huge company's many employees are physically separated from each other, which can lead to serious communication problems.

Cultural Barriers

Globalization has made it possible for huge corporations to employ people from all around the world. Societal values are interpreted differently in various cultures. Clothes, religion (or lack thereof), food, drink, pets, and general behaviour vary greatly from one culture to the next. As a result, it is imperative that we take into account the many cultural contexts in which we communicate. When we say something is culturally appropriate, we are referring to this. At the beginning of a worldwide company's orientation, employees are taught about other cultures and the importance of etiquette.

Organizational Structure Barriers

Organizations employ a range of communication methods, as we have seen. In each of these methods, there are problems and restrictions that can impede effective communication. Misinformation or a lack of staff transparency are to blame for most of these hurdles.

NOTES***Attitude and Perception Barriers***

Many would rather be left alone. They are introverts or socially uncomfortable people. Those who are more reserved can be extroverted or obsessive at different times. A communication breakdown could occur in either of these situations. A strong ego and rude behaviour can be problematic for some people. People like this may put a lot of strain on the communication channels they use. With the correct education and training, shyness, antagonism and social anxiety can be overcome. Egocentric and selfish tendencies, on the other hand, may be impossible to change. Various people see the same thing in different ways. As a result, it is important to keep this in mind when communicating. A grasp of the audience's perception levels is necessary for effective communication. All messages and conversations must be clear and concise. Diverse interpretations have no place in this system.

Physiological Barriers

In addition, certain sicknesses, diseases and other restrictions can block good communication among the different channels of a company. Disabilities such as dyslexia and an inability to speak clearly are examples of physiological barriers to effective communication. Although these are not critical, you can easily alter or remove them.

Technological Barriers

Technology is another hindrance. It is difficult to keep up with all the new developments in technology because it moves at such a rapid speed. Technical progress can therefore sometimes be a hindrance. It is also possible that the cost of technology can be prohibitive at times. The vast majority of firms will not be able to purchase the necessary technologies. As a result, this is a major roadblock.

Check Your Progress

8. What is great man theory of leadership?
9. What are the three leadership styles?
10. What do you mean by laissez-faire style?
11. What are the elements of a communication system?
12. What do you mean by grapevine communication?

4.7 NETWORK AND COLLABORATIVE GOVERNANCE

Governance encompasses both the legal and informal organizations that govern as well as the policies and decisions that have an impact on people's lives. Success in governance depends on the government reinventing itself and the non-governmental sectors re-energizing itself with a social goal in mind. Political will, normative concerns and organizational adaptability are all required. As a result, it is vital that governments pay attention to the methods and modalities they use to decide on public policies, and that government agencies and organizations tasked with implementing those policies do so honestly and efficiently. Furthermore, it must be evaluated, if and to what extent, governments have established meaningful ties with various civil society groups that might foster the concern for good

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governance. To make governance the most effective tool for implementing public policies, it must be reformed. As a result, a multi-pronged effort is required in order to strengthen the governance capacities of all stakeholders. Other institutions, official and informal, as well as the public-private interface and legislative and regulatory reforms, devolution of economic functions and community empowerment must be included in the definition of governance. In this regard, network governance provides a new level of collaboration, and it's no surprise that many academics refer to it as collaborative governance.

4.7.1 Concept of Network Governance

The term “network governance” refers to the utilization of informal social structures, rather than bureaucratic organizations within firms and formal contractual links between them. It is increasingly being used to arrange complex public products and services in uncertain and complicated conditions. The interactions and flow of resources between autonomous units are the two most significant components of network governance. These contracts are made to be adaptable and flexible in the face of changing global conditions. This system opposes the centralization of power. It enlists the help of a number of private and non-profit organizations to complete specified duties. Coordination across all of the aforementioned agencies and organizations is a common component in all of the definitions. They can no longer work in silos as they did in the past. The administration of public systems has evolved into a framework for quick and accessible interaction between sectors to address policy challenges. Government, market, communities, citizens, and a variety of stakeholders are all involved in the governance process. The state's dissemination of functions, powers, authority, and responsibilities to numerous actors is a feature of modern times. With the involvement of civil society, the scope of governance is broadened. It is a collection of organizations, including public, commercial, and non-profit organizations, that have come together to share information and skills in order to provide a variety of services and solutions to all of its stakeholders. Changes in technology, communication, production, and politics, according to Castells (1997), have resulted in the creation of network society. A new type of network is becoming increasingly vital as the state becomes progressively unable to provide total welfare to its citizens. Public and private sectors, bureaucracy and market are integrated and connected by these.

Meta-governance, policy networks, and inclusive policy making are all examples of network governance. Direct participation, network framing, and process management are all elements of what has come to be known as meta-governance. Control over decentralized and devolved decision-making bodies is established through this method. It focuses on managing hierarchical market, and network governance to achieve coordinated governance. In the United Kingdom, policy networks are popular because they are made up of multiple players who each have their own aims and methods but are reliant on one another to attain the intended public policy outcomes. Central government-based policy networks in the United Kingdom have grown to include a wider range of stakeholders, including

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those from the business and non-profit sectors (Rhodes, 1995). Policy ecology is an umbrella term for a collection of interconnected, long-term relationships between the federal government and the rest of society. The contacts lead to the creation of mutually agreed-upon policies, resolutions, a framework of defined methods for resolving difficulties, and the arrival at solutions, among other things. Policy-making is inclusive when governmental and non-governmental parties work together to define the agenda, create the policy, implement it, monitor it, and evaluate it. The PPP (public-private partnership) model, cooperative management, self-help organizations, and community initiatives are all examples of this socio-political interplay in network governance. There is no obvious vertical structure in network governance because there are so many stakeholders. In the context of policy-making and evaluation, they are all grouped horizontally in social subsystems. When it comes to setting up the networks that will allow its development objectives to be carried out, the government assumes the main role. An enabling environment is required for efficient network governance, which can be complicated due to the varying requirements of each project or activity.

4.7.2 Nature of Network Governance

Democracy necessitates decentralization in order for policy-making to be more effective, as deliberation and consensus building are essential for this purpose. It shifts from a top-down to a horizontal method, rather than the typical top-down strategy. People, organizations and communities are connected together in an informal network to establish a network society. It is widely accepted that network governance, also known as collaborative governance, serves as a model for government, not only in terms of public debate and popular opinion, but also in terms of the form and content of genuine decision-making and policy creation and implementation. Collaborative governance is demonstrated by the Delhi Metro Rail Corporation (DMRC). The key stakeholders are the governments of the Union and Delhi. The Japanese International Cooperation Agency (JICA) provides financial support. Government has evolved from traditional new public management to new public service and new public governance. This is a significant transition. By this, we mean that people need the ability to engage in a free and open public dialogue with elected officials. As a result, instead of using the words “top-down” or “bottom-up,” the keyword is now “steering.” We’ve replaced “nation-state” with the phrase “network-state,” describing states where the government or state is a part of local, regional and transnational governance networks.

4.7.3 Types of Network Governance

Network governance can be divided into three categories: brokered, non-brokered, and participant-governed. Networks may be managed completely by the organizations that make up the network under non-brokered network governance, also known as shared governance, and there would be interaction among all of the organizations, reinforcing decentralization. Direct engagement between a few institutions may be involved in brokering network governance, on the other hand. There would be a centralized network broker that would act as a point of contact for matters such as network maintenance and survivability. Depending on the situation

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and setting, one of the two types can be used to create a network. Participant-governed networks are the most extensively used and recently adopted form of network governance. Instead of being ruled by a governing body, the network is governed by its members. Meetings between representatives of the organizations involved in the network might be formal or informal. However, different levels of centralization/decentralization participation in the governing process may exist. The organizations themselves are in charge of both internal and external interactions. They must obtain raw materials, create the product, and advertise it as well. Participant network governance is used in a variety of fields, including healthcare, education, development, and non-profits serving the general public.

4.8 BUSINESS PROCESS REENGINEERING (BPR)

In recent years, the relationship between the state and the market has gotten more complicated. The transition from a centralized, monopolistic corporation run by a welfare-based bureaucratic system to a competitive market mechanism necessitates a fundamental shift in governance structures. It's also unclear whether implementing this technique will solve the problems that plague public-sector organizations. Keiron Walsh (1995) warns that if caution is not exercised, the public sector will adopt private sector management practices precisely at the moment when they are being abandoned as ineffective in the private sector. As a result, before completely reengineering processes, the entire cycle of corporate transformation must take into account recent breakthroughs in law, economics, and organizational theory.

Business Process Reengineering is organizations' resuscitation effort. As a result, cost-cutting and capacity-building are prioritized in reengineering. It's a tool for keeping up with rising market competitiveness by improving product quality and standardizing them to suit worldwide norms. Because BPR has risen in tandem with globalization and the growth of international corporations, reengineering efforts have accidentally fallen into the lap of perceived information technology achievements. BPR has been conflated with the expansion of cyber technology, despite the fact that it is a much broader and more thorough notion than what management theorists presume. Since F.W. Taylor's time, BPR has been in use. Taylor attempted to find the best way out in his seminal work 'The Art of Cutting Metals,' and in his later book 'Scientific Management,' he presented the best way to reengineer corporate processes. As a result, the term "reengineering" has evolved to mean "finding the best or most efficient way to conduct business." This goal of managing government operations more efficiently and productively is shared by new public management (NPM). Henri Fayol was the true father of 'reengineering,' tracing it back to the principle of maximizing the value of all available resources. Under the term of cost benefit methods, this has found a home in modern impact assessment methodology for business. When Lyndall Urwick and Luther Gulick wrote "Workers' Empowerment," they refined the notion by adding a subjective human resource element of "worker empowerment." It is not sufficient to hold people accountable for certain activities; they must also be given the authority to

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carry out their responsibilities. This entire new BPR system is designed to address the globalization's uncertainties as well as the stability of capital investments. As a result, the dependability of a faultless information and communication technology system is essential (ICT). This is where it differs from Taylor's system, where a lack of technology prevented networking and clustering approaches from reaching large-scale commercial activities. In the current environment, this technology system has shown to be an excellent cost-cutting device as well as a tool for business strategic management. Of course, the introduction of information and communication technology (ICT) has altered the entire governing structure, which will be handled in the following section.

4.9 ICT AND GOVERNANCE

Governments are being transformed by technology, particularly in terms of how they fulfil their tasks. Most countries are moving toward an electronic-based administration because of this. Transparency, accountability, empowerment, decentralization, and fiscal changes are all enabled and facilitated by ICT. This is the agenda that today's governments aspire to attain. To better serve residents and stakeholders, governments are turning to information and communication technologies (ICTs) to reorganize their traditional organizational structures, reengineer work processes, and interact with the public. As a result, ICTs play a critical role in helping governments to pursue their good governance goal. For ICTs to serve this purpose, it is necessary to have a well-trained workforce, a well-developed ICT infrastructure, an engaged bureaucracy, and a well-informed populace. ICT use in governance has been limited by a lack of human resources, organizational infrastructure, and technology infrastructure, among other things. As a result, it is only used infrequently. So, many IT projects have resulted in overspending and ineffective service delivery as a result. Remove these obstacles and make sure that ICT is efficiently employed in government by removing these impediments.

4.9.1 e-Government and e-Governance

When government services and information are delivered electronically, they are known as e-governance. It is the application of ICT (information and communication technologies) to the administration of government services. A computerized administrative system is not a given. It calls for a fundamental reorganization of the way the federal government does business. Government e-governance is not part of e-government. A more accurate definition of e-governance is e-democracy, which allows the people to directly participate in political processes that are not run by the government, such voting electronically. In this way, the concept of e-governance encompasses not just government but also the actions of parliament and the judiciary, as well as public participation in politics and pressure groups.

E-government and e-governance are two different things, according to the Inter-American Development Bank. The former is concerned with transactions

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based on more basic interactions, whereas the latter is concerned with citizen participation in decision-making. While E-government is described as the electronic transmission of government services and information to the public, E-governance also allows citizens to participate directly in government activities. E-government does not include e-governance. E-governance is summarized by Blake Harris (2000) as follows:

E-governance encompasses more than just government websites and e-mail. It's not simply about using the Internet to deliver services. It's not simply about electronic payments or digital access to government data. It will alter citizens' relationships with governments as well as citizens' relationships with one another. It will introduce new ideas about citizenship in terms of both needs and obligations. Citizens will be able to engage with the government, participate in policy-making, and communicate with one another through e-governance. By adopting e-government as a tool, citizens will be able to really engage in the government decision-making process, reflecting their true wants and welfare.

Both e-governance and e-government are distinct terms, although they are not synonymous. With regards to the usage and implementation of information and communications technology (ICT), we use the term “e-governance,” which encompasses a wide variety of linkages and networks within government. When it comes to creating online government services for citizens, e-government is a more focused field that focuses on certain government services like e-tax, e-health, electronic procurement, and electronic transportation. Electronic governance is a broad term that encompasses a wide range of topics, including the impact of technology on government practice and administration, and how public workers and the broader society interact with elected officials, non-profit organizations, NGOs, CSOs and corporations. In order to provide e-government services to the general public, government organizations must follow a set of procedures known as e-governance. Electronic government is a means of conducting jurisdictional politics that has been made official. When it comes to cooperative administrative relations, E-governance embraces both basic and conventional procedures within the restrictions of government.

“E” stands for electronic platform or infrastructure, which supports and enables the networking of government policy-making and implementation through a computer network. As the public demands more and more in terms of service coverage and personalization, they also demand lower- and lower-unit costs. In light of this, more and more government documents are now available online. Consumers pay for paper and printing when they receive government papers electronically, rather than the supplier, and this is a large part of the cost of making these documents available. Designing and posting an electronic document requires significantly less time and man-hours than printing and mailing the same information. Electronic forms are also said to be less expensive and more convenient. Many jurisdictions allow you to apply for or renew your driver's licence online. Government internet websites can also be used to book (reservations) and pay for (user fees) things like publicly funded recreational facilities. Students

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are now completing forms and taking exams online. As a result, electronic forms are increasingly being used to convey information between governments and diverse parts of the public. The aim to extend 'e-democracy' is the final frontier of e-government. Once user interfaces and data security have improved, internet voting is projected to continue in the coming years.

E-governance is applicable to all forms of governance, including corporate governance, but for the time being, the focus is on the duties of a politically elected body tasked with the management of society as a whole (Government) (Citizens). "Governing" and "Governed" can be characterized as communication between the two, as well as a test of "Good Governance" in a harmoniously living community. Computers, Connectivity, Content, Consumers, and Confidence Building are the five primary pillars that support the e-Government system. All of the hardware and software requirements of governance are referred to be computers in this sense. All information carrier methods, band width, and other aspects of connectivity are referred to as connectivity. Users of the e-governance system are referred to as consumers, while content refers to the information being shared between the system's users, including humans and human replacement systems. Trust measures are those that assist citizens in gaining confidence in e-governance and encouraging them to engage in the e-transformation process. Law, along with education, has a role to play in this environment.

4.9.2 e-Readiness

E-readiness (electronic readiness) is a measure of a country's, nation's, or economy's readiness, willingness, or preparation to realize the rewards of information and communication technology (ICT). E-commerce and government readiness are regularly assessed using this measure. When it comes to measuring e-readiness, indices like the number of phone lines per 100 inhabitants or IT infrastructure spending are used to rank countries. In the form of rankings or longitudinal studies, the data can be utilized to compare different countries or regions within a single one. A community's e-Readiness is defined by Budhiraja and Sachdeva as its level of readiness to participate in the Networked World. Investing in information and communication technologies (ICTs) entails more than simply purchasing appropriate software and installing it on appropriate hardware. Citizens, businesses, and governments must be e-ready to take advantage of the opportunities given by ICTs in order to reap the benefits of ICTs.

The Relevance of e-Readiness

A major reason why e-readiness rankings are so popular is because of the ease with which these criteria may be used by both the public and private sectors. It is possible to compare and plan for the future when a country has a set of easily quantifiable indicators. This advantage stems from the fact that e-readiness assessments may summarize a wide range of a country's features. This easily consumable data can help a developing country's ICT growth by focusing efforts and pinpointing areas where external assistance or support is needed. The consequence is that e-readiness evaluations can aid in the direction of

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developmental efforts, since they can set benchmarks for comparison as well as for progress measurement. They are also valuable for judging the impact of ICTs and replacing overblown claims with solid, measurable data. E-readiness serves as a barometer for assessing the state of a country's infrastructure, educational system, and other ICT-related policies before it can reap the benefits of modern technologies. E-commerce and e-government are impractical without the ability for people to make and receive online purchases. When a result, as e-readiness rises, national economies and enterprises become better positioned to create income, jobs, and a sense of agency in their own communities. This, in turn, reduces poverty. An annual assessment of e-readiness is conducted by the Economist Intelligence Unit (EIU). In addition to providing free data, this is an invaluable resource for countries in underdeveloped regions. Aside from this constant revision of the system's approach, the rankings remain relevant in today's ever-changing digital world because of this. Countries have found the process of conducting e-readiness evaluations to be quite valuable, as the process helps to create clear plans for the country. It may be advantageous even if this process isn't started right away in terms of providing networking chances for relevant specialists and institutions and stoking critical discourse. As a result, developing countries should use e-readiness assessments as a starting point. Each community must first determine its location before deciding where to go.

4.9.3 Digital Divide

As you can see, the term 'Digital Divide' is made up of two words: 'digital' and 'divide.' The phrase 'digital' relates to information and communication technology (ICT), whereas the term 'divide' refers to discrepancies, disparities, or gaps. In general, the digital divide is a phenomenon in which people who have access to information and communication technology (ICT) profit from its utilization. Their economic well-being is ensured by higher-paying jobs and greater business options, whereas individuals who do not have access to ICT are excluded from these benefits and, as a result, are at a disadvantage. The divergence has ramifications not only economically, but also socially. As a result, the digital gap refers to the socio-economic disparities in people's access to ICT. The term also alludes to differences in capacity to use ICTs between groups due to differing literacy and technical abilities, as well as a lack of high-quality, meaningful digital information. The disparity is viewed as a socio-economic issue. The word was coined in the mid-1990s to describe the difference in Internet connection between rural and urban areas of the United States. According to some experts, the concept of the digital divide mirrors misgivings about the ICT's revolutionary power. It is widely assumed that information and communication technology (ICT) is revolutionizing society by bridging the divide. Sceptics have countered that ICT is creating a new type of divide, which is known as the digital divide.

The Reasons for the Digital Divide's Existence

The existence of the split can be attributed to a number of factors: The first is the lack of a dependable ICT infrastructure for accessing the internet. A country's ICT infrastructure is determined by a variety of factors such as the number of

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personal computers (PCs), tele-density, and so on. ICT is a cutting-edge technology that is only available in a few nations. As a result, other countries must import the required structure. In most poor countries, there are insufficient resources to spend in information infrastructure and research & development. Second, there are issues with accessing the internet on a regular basis. There's the issue of connectivity, or the lack of a fast, dependable, and affordable internet connection. Then there's the expense of using the internet, which includes phone rates and line rentals, as well as the cost of an Internet Service Provider (ISP). The cost of a new computer can be added to this. For many low-income families, the cost of Internet access may be prohibitive. It is also crucial to consider the ISP's service quality. Due to outmoded technology, it is difficult to gain the benefits of information and communication technology (ICT). Third, one of the primary challenges impeding mass adoption of ICT is education. ICT is only useful to people who are not only literate but also computer literate. Computer literacy is a long way off in poor countries where governments are still attempting to universalize elementary education. As a result, the split is unavoidable. The availability of relevant material in one's own language is the fourth argument. The most significant advantage of the internet is its immense repository of knowledge and information. However, this knowledge must be understandable to people who require it, i.e., web content must be available in the user's native language. The user's ability to locate the information is also a challenge. Access to the internet may be hampered by a lack of relevant content. The fifth factor is the society's digital capacity, or e-readiness. E-readiness refers to a society's ability to incorporate ICT into all of its endeavours. The availability of trained human resources capable of using, improving, developing, and adapting new technology is critical to the society's e-readiness. Households, businesses, the government, and other elements of society should be willing to accept and absorb ICT. By implementing the necessary rules and regulations, the government must create a legal framework for the use of ICT in various aspects of society. The greater the divide, the lower the readiness, and *vice versa*.

Measures to Close the Gap

Those on the less fortunate side of the split have less opportunities to participate in the emerging ICT-based economy, in which computers are increasingly used in jobs. In comparison to individuals who have access to ICT, they have fewer options to participate in education, training, shopping, entertainment, and communication. Individuals who do not have access to ICT are becoming increasingly marginalized as more people utilize it on a regular basis. As a result, expanding the number of people with access to ICT is critical. As a result, it is now critical to bridge the gap. The problem itself is the answer, and ICT is the tool that can be utilized to bridge this gap. There are some efforts that can be taken to narrow the gap, if not totally close it. The following are some of them:

- **Providing internet connectivity in public locations:** The first step in this approach is to address the issue of infrastructure availability. Because it is hard to provide everyone with the necessary infrastructure, a community model might be used, in which everyone has access to public

amenities such as schools and libraries. Due to a lack of infrastructure and financial resources in many countries, public access will be a significantly less expensive way to increase internet access and use. These could be public libraries, community centres, and other public facilities, or private cyber cafés and internet cabins. Increasing Internet connectivity in public spaces would help those who cannot afford computers gain access to and use the internet.

- **Education is crucial:** Education is essential for reaping the benefits of the rising ICT era. Promoting education and literacy in general, as well as digital literacy in particular, is a crucial first step in bridging the gap. The disparities in ICT and Internet penetration are due to educational gaps. Along with schooling, efforts must be made to give computer education. It is insufficient to simply provide computers; teachers must be taught in ICT. A considerable portion of the existing workforce, in addition to students, requires ICT training. The answer to closing the digital divide is to train them with their needs in mind.
- **Investigating other forms of ICT:** In addition to the Internet, there are a variety of other information and communication technologies that can be beneficial. According to the International Telecommunication Union, mobile phones spread faster than the Internet. As a result, mobile phones can serve as alternate sources of information because they are less expensive and require fewer skills than computers and the PC-based Internet. They can be used by illiterates as well.
- **Government policies and support:** For the transition to the ICT society, increased government support in the form of financial allocations, lower taxes, and a regulatory framework is critical. Aside from financial assistance, an adequate telecommunication policy is also required. The European Union's deregulated telecoms sector has resulted in a significant reduction in access costs and a significant increase in Internet users. Clear national initiatives fostering the development of the Internet and other ICTs, such as those in place in the United Kingdom, Japan, and Korea, hasten the spread of Internet use through government-sponsored projects.
- **Inequality in ICT distribution:** Last but not least, identifying the reasons of inequitable ICT distribution across countries is the first step toward closing the digital gap. The digital gap, as we have seen, has several aspects. Furthermore, there are a number of variables that contribute to the creation of the digital divide, and bridging it is more challenging than simply providing computers and internet access. To close the gap, more people need to have access to the Internet and be able to use it effectively. Governments, the commercial sector, and non-governmental groups must work together.

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4.10 ACCOUNTABILITY AND TRANSPARENCY

Because of the changing global environment, people's expectations for higher-quality and higher-standard services and goods from service providers have increased. The corporate giants and dwarfs shaped themselves to meet people's changing requirements and strove to exceed their expectations through greater service delivery. Globalization had an impact on government agencies as well, necessitating adjustments in administrative systems and practices. The governing process showed signs of change. The fundamental goal of such reforms was to provide citizens with higher-quality goods and services. Concepts like accountability, openness, and involvement began to acquire traction in government. Transparency and accountability have become even more vital as a result of increased corruption and corrupt practices, as well as citizens' mistrust of the government and the governing process. Transparency and accountability have become increasingly important and necessary for successful performance and responsible governance around the world. A good government's architecture is built around two key pillars: strengthening the ties between voters and their representatives and ensuring that people are heard by their representatives. The ability to hold democratic administration accountable separates it from authoritarian administration. An autocrat is answerable to no one; on the other hand, public administrative authorities are answerable to the people. Accountability is a broad and comprehensive concept that has been in use in the English language since 1583. It was largely used to signify a person's ability to manage money. We must not lose sight of other forms of accountability that are equally important, even though financial accountability is of primary importance to us.

4.10.1 Concept of Accountability

'Accountable' is defined as 'liable to be called to account, responsible (to, for)' in the Oxford English dictionary. Though the terms "accountability" and "control" are often used interchangeably, "control" occurs alongside or concurrently with an action or event, but "accountability" occurs only after the act has been completed. Only when one performs a task or performs an act is one required to account for it.

In a positive sense, accountability entails achieving goals. Public servants are entrusted with enormous responsibility. They have tenure security and administrative assistance to enable them to do so. The failure to provide the items or achieve outcomes must result in them being held accountable. In other words, if administrators have responsibilities, they must be held accountable for those responsibilities. Accountability and responsibility are two sides of the same coin that work together to provide a more complete picture. In a negative connotation, accountability means holding government officials accountable for their mistakes. There are many different types of failures. Public officials may fail to accomplish what the law or custom requires for a variety of reasons, including ignorance, indifference, or corrupt influence; or they may squander and harm; or they may

undertake a duty that exceeds the limits of what the law and tradition constrain or empower them to do.

In practice, enforcing responsibility is difficult. This is due to the fact that decisions are made in groups, responsibilities are dispersed, and transfers are frequent. When major administrative errors occur, investigations are conducted in order to punish those who are responsible. However, determining who is to blame is challenging. Because there are so many people involved in decision-making, it's impossible to hold one person accountable for the lapse. When decisions are made based on verbal instructions, accountability becomes more difficult to establish. A citizen who has been wronged can file a lawsuit in a court of law. Then there are vigilance bodies or Ombudsmen, who can help citizens with their complaints.

In the legal sense, accountability is defined as a person or organization accepting full responsibility for what he/she did or did not do (which was their obligation) and being capable of providing a satisfactory rationale for doing so, as well as making effective use of the authority entrusted to them to carry out that task. In the context of accountability, a procedure is carried out after work has been completed or is expected to have been completed, and it is used to determine whether or not a work was completed successfully. Known as accountability, it is the necessity for persons in positions of authority to provide justification for, make understandable, and accept responsibility for their decisions, actions, and performance.

Standards and pledges set forth in public documents such as laws, rules, guidelines, procedures and policies are expected of those in positions of trust. Experts have highlighted three aspects of accountability: the necessity to explain and defend one's conduct; the consequences that are applied when the actions and justifications are not sufficient; and the reaction of those who have been found responsible. To deter future corruption, the corrupt agent must face severe consequences as a result of the enforcement action. For social accountability purposes, grievance procedures and social audits can be used to collect qualitative and quantitative data on the opinions and experiences of citizens.

4.10.2 Kinds of Accountability

We've talked about accountability in general thus far. To be more specific, one might differentiate between political and administrative accountability. The political executive in a parliamentary administration, such as ours, is collectively and continually accountable to Parliament. To put it another way, the executive must account to Parliament for its actions. Parliament has mechanisms in place to ensure accountability. However, there is also the permanent executive, i.e. the bureaucracy, which is accountable indirectly rather than directly. Parliament is held accountable by the political executive. Let's take a closer look at ministerial duty. Certain topics are within his sphere of influence, and the minister is personally responsible for them. He and his subordinate government officials are accountable to Parliament for their actions or inactions. Parliament holds the minister

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accountable for everything that goes wrong in his government, even if he was unaware of it or did not approve of it.

There must be protection for a civil servant if his actions are in line with the minister's policies or if he is acting in accordance with the minister's wishes. It does not matter how small the government official's blunder or mistake is; the minister must face the repercussions in Parliament. However, the minister cannot be expected to defend an officer's activities if the officer acts on his own and they are reprehensible. In spite of this, he is nonetheless liable to Parliament for the conduct of an official like this one.

Ministerial accountability, on the other hand, cannot be understated. If the minister's instructions were followed to the letter, he would demand that every matter be referred to him. If civil workers were overly cautious, the minister would be consulted on everything. Ministerial responsibility is more of a tradition than a moral standard; it is a matter of conscience. If things go wrong in his cabinet, a minister with party support and strong support from the prime minister is unlikely to resign. The fact of accountability, however, cannot be dismissed or washed away.

4.10.3 Openness and Transparency

Transparency refers to the availability of useful information to the general population. By allowing public officials and their decisions to be reviewed, this may lessen the likelihood of corruption. However, transparency alone does not guarantee that accountability and the prevention of corruption will be achieved. In terms of how they make information available to the public, proactive and demand-driven tools can be distinguished. Proactive dissemination refers to the release of information by the government on its own activities and results. Practical expressions include toxic-release inventories, non-fossil-fuel certification, and third-party policy reviews. It is a promise made by an institution to provide information or records that would otherwise be inaccessible to the public if they requested it. Traditional freedom of information legislation, ombudsmen, and "social accountability" organizations, as well as investigative committees like the World Bank's Inspection Panel, are examples of institutions that can be included.

The directionality of transparency can also be dissected. The act of disclosing information has the effect of moving it both upwards and downwards. Right-to-know reforms can be viewed as fostering "downwards transparency" from the state to society, as opposed to "upwards transparency." On the other hand, state obligations to monitor citizens may be seen as a sort of "upwards transparency." Concerns about ballot secrecy and the use of conditional cash-transfer social programmes to monitor family behaviour are two examples of issues that need to be addressed. State actors can hold citizens accountable for alleged infractions of the law by using transparency as a synonym for monitoring.

4.10.4 Importance of Accountability and Transparency

In a democracy, the people elect their representatives and give them the power to rule and administer on their behalf. For their efforts, they are looking for elected

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leaders to promote policies and programmes that benefit the general public. As a result, the government has the duty to act in the interests of its people, resulting in their well-being. The government spends a significant amount of taxpayer's money on providing goods and services and implementing social programmes. As a result, the government is held responsible in front of the people, and it must answer for every dollar spent, as well as whether or not development goals have been realized and benefits have been distributed evenly among the population. It is in the best interest of the public to know all of this and to be informed of the government's policies and operations. With this in mind, the government must operate openly and be held accountable for its judgements and acts. Because of the following reasons, governance must be transparent and accountable:

- **Expansion of government involvement and activities:** Socio-economic and quick development were at the top of the agenda for India following its independence. A new era of administration and governance focused on growth and alleviation was inaugurated with the end of colonialism. Human development issues, such as the development of women, children, and persons with physical impairments, as well as marginalized groups, were addressed in the new policy. As a result, there has been an increase in the number of government agencies with overlapping responsibilities. In order to maintain track of the many departments' activities, accountability and transparency were deemed to be important.
- **The notion of delegated legislation:** As the States' functions and regions of operation grew, delegated legislation grew in tandem. Legislative power was assigned by the legislature to the executive branch. As a result, the permanent executive performs the role of both lawmaker and law enforcer. As a result, the executive's powers have grown. Accountability and openness became important to keep a check on the executive's powers and functions.
- **The intersection between politics and bureaucracy:** We witness close coordination and cooperation between politicians and bureaucrats in a democratic society like India, which is committed to welfare. This can lead to the bureaucracy becoming more loyal to the government. Rather than being committed to the policies, bureaucrats become committed to the agenda of the ruling party. The bureaucracy becomes extremely politicized in such a setting, and neutrality takes a back seat. This necessitates appropriate checks.
- **Check for corruption and corrupt practices:** There has always been a fear that ultimate authority would corrupt the system. This was especially true for India, which was on the route to rapid socioeconomic development, and the government and administration were given extensive powers to achieve this goal. It is common for officials to engage in corrupt practices such as manipulating state machinery during elections, preferring relatives in jobs and promotions, violating constitutional norms and laws to promote their own interests as well as a

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host of other activities. The amount of black money, opportunistic politics, and many scams and scandals demonstrate the necessity for a mechanism to check corrupt behaviours.

- **Residents' apathy:** When it comes to involvement in a democracy, citizens should not be limited to simply voting for their representatives. They must take on a larger role. People are not active participants in a society beset by so many social ills, such as illiteracy, poverty, and unemployment. Because of this, the advantages and fruits of progress do not reach the most vulnerable members of society. For centuries, citizens were seen as a kind of voting bank. A number of politicians have taken advantage of them in order to push their own agendas. Development programmes and initiatives have cost enormous quantities of money, but little progress has been gained. Citizens who were informed and involved in the process would have repeatedly expressed their displeasure with the way money and power were being used. Making the system visible and responsible is even more crucial in this situation.

4.10.5 Gender and Governance

Government refers to the exercise of power over a nation's political, economic and administrative concerns. Through a variety of complex systems, processes, relationships and institutions, citizens and groups are able to exercise their rights and obligations, as well as mediate disparities. Governing encompasses everything a civilization does to transfer authority, manage public resources, and deal with crises, from the family to the state and all of the institutions and organizations that make up society. Women, who make up about half of the population, are mostly excluded from the governance process. Males dominate the institutions of governance, which plan and decide on numerous economic and social agendas, or in other words, manage and control the country's resources. As a result, women are not only marginalized, but also ignored in things that affect their own growth and development, as well as the growth and development of their society and country. Policies and programmes ostensibly aimed at their well-being are, for the most part, implemented without regard for their needs and requirements.

Gender equality aspirations must be explicitly acknowledged in engendered governance. Gender equality in governance is essential for many reasons, such as affecting resource allocation, improving living standards, and promoting women's interests; guaranteeing equitable distribution of productive resources and opportunity for development, giving reproductive roles to women visibility in policy-making, and increasing women's empowerment.

The Importance of Focusing on Gender and Governance

Almost everywhere in the world, there is a gender disparity in governance. Women's under-representation can be observed in the context of their subordinate status in all private and public realms, including the home, state, market, and civil society. Engendering governance is a process of governance that guarantees that women's perspectives are heard in decisions on the allocation of development

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resources, rather than a goal. The 73rd and 74th Amendments to the Indian Constitution, passed in 1993, provided a significant boost to women's effective engagement in politics in the country. Women entered the domain of local self-governance as a result of the change in legislation. Women members of local panchayats through the village Panchayati Raj Institutions (PRI). There are examples of women panchayat leaders who have brought women's issues, concerns, and problems to the attention of the appropriate authorities, and solutions have been found. The path, however, has not been easy. It has not been simple for women to remove their veils and work in the public sector for the community's benefit. Women have experienced severe socio-cultural restraints as a result of patriarchy, in addition to caste and class hierarchies, which are still present in our society. Women's acceptance in the public sphere has been a major difficulty, particularly in the context of power sharing and transfer with male members. Women's participation and interests in all aspects of governance are critical.

Check Your Progress

13. Define network governance.
14. What do you mean by meta-governance?
15. Why business process reengineering is needed in public administration?
16. How do you differentiate between e-government and e-governance?
17. How can you define e-readiness?
18. What are the three aspects of accountability?
19. In terms of directionality, what are the types of transparency?

4.11 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Policy formulation is the first phase in the policy cycle. Different persons and organizations wield power in policy-making. Each combination of forces exerts certain influences that, when added together, form the policy-making process. Policy formulation refers to the process of determining the most effective and acceptable ways to deal with the issues that have been placed on the policy agenda.
2. The non-official actors involved in policy formulation are: individual citizens, pressure groups, electoral process, political parties and media.
3. A rational policymaker has the following characteristics:
 - Awareness about all societal value preferences as well as their respective weights;
 - Identify and rank the goals and objectives;
 - Be aware of all policy options;
 - Must evaluate the ramifications of each policy option;
 - For each policy option, calculate the ratio of achieved to sacrificed social values; and
 - Choose the most cost-effective policy option that meets the objectives.

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4. Charles Lindblom has advocated the incremental approach to policy making.
5. The four different aspects of planning are: Policy planning, administrative planning, programme planning, and operational planning.
6. The steps involved with the decision-making process are: establishment of goals and objectives, information collection about the issue, develop the alternatives, evaluate the alternatives with the baseline criteria, choose the best alternative, execute the alternative and assess the outcomes.
7. Intelligence, design and choice are the three steps of Simon's decision-making process.
8. The first focus of leadership research was on the traits of leaders. The most frequently requested question was what qualities or traits distinguish a person as a leader. Some people feel that leaders are born, not made. This is referred to as the "Great Man Theory" of leadership. These natural leaders have particular features and attributes, as well as some natural abilities, that enable them to lead.
9. The three leadership styles are: autocratic, participative and laissez-faire (free reign).
10. Laissez-faire style of leadership assumes employees as self-motivated. They have more autonomy, and the leader's involvement in decision-making is low. There are no attempts to control the course of events in the organization's operation. The position of the leader is limited to that of one of the organization's members. Employees benefit from this type of leadership because they have more freedom and independence. However, in the absence of a strong leader, employees may be unable to receive effective guidance and control.
11. The five elements of a communication system are speaker, transmission procedure, communication format, recipient, and response.
12. Informal communication is called as grapevine communication due to informal avenues of communication. They are meant to be used in conjunction with formal ones. They are viewed as potentially hazardous to organizational operations. By spreading rumours and incorrect information, they harm the organization's objectives. However, they frequently serve a beneficial purpose.
13. The term "network governance" refers to the utilization of informal social structures, rather than bureaucratic organizations within firms and formal contractual links between them. It is increasingly being used to arrange complex public products and services in uncertain and complicated conditions.
14. Meta-governance is a type of network governance. As a word that refers to the mix of institutional design, network framing, or process management as well as direct engagement, it has emerged. Control over decentralized and devolved decision-making bodies is established through this method.

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15. Business Process Reengineering is organizations' resuscitation effort. As a result, cost-cutting and capacity-building are prioritized in reengineering. It's a tool for keeping up with rising market competitiveness by improving product quality and standardizing them to suit worldwide norms.
16. E-government and e-governance are two different things, according to the Inter-American Development Bank. The former focuses on transactions based on more basic interactions, whilst the latter focuses on public participation in decision-making. Citizens can participate in government activities directly through e-governance, which is defined as the electronic delivery of government services and information to the public.
17. E-readiness (electronic readiness) is a measure of a country's, nation's, or economy's readiness, willingness, or preparation to reap the benefits of ICTs. E-commerce readiness and government readiness are regularly measured using this indicator.
18. The three aspects of accountability are answerability, enforcement, and responsiveness.
19. In terms of directionality, there are two types of transparency – upward and downward.

4.12 SUMMARY

A proper management of policy formulation, and its execution are the true tests of sound governance of a country. The importance of public policy has grown significantly. It is concerned not only with describing and explaining the reasons and effects of government action, but also scientific understanding of how public policy is formed. Because it is a young field, the conceptual and methodological machinery has undergone numerous improvements, allowing it to meet the standards of theoretical rigour and analytical precision. Related to policy making, the leader must exhibit his swift planning and decision-making abilities. While planning deals with allocation of various resources for different activities for a define purpose, decision-making has a means-end relationship with planning. When we talk about leadership, the executives can exhibit different styles of leadership. Scholars agree that, styles of a leader vary according to situations. There are many functions of a leader and the most important is communication. In a changing world order, the concept of governance has become fluid in nature and a result new form of governance like network has been emerged. Network governance goes beyond traditional bureaucratic structures. The most important challenge for a leader is to accept new technologies and accordingly change the ways of organizational functioning. Hence, business process reengineering has gained currency in the field of public administration. But, poor e-readiness and digital divide has created barriers on the ICT based governance for most of the developing countries of the world. Lastly, to make the governance pro-people, the leader must adhere to the standard norms of accountability and transparency. It would enhance public trust on government.

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4.13 KEY TERMS

- **Accountability:** Accountability is defined as a person or an organization accepting full responsibility for what he or she did or did not do (which was their obligation) and being able to provide a satisfactory rationale for it, as well as the use of authority placed in them to carry out that task.
- **Black Box:** David Easton popularized this system analysis methodology (1965). The procedures through which inputs are processed to produce outputs/outcomes are referred to as “black boxes”.
- **Bounded Rationality:** There are hints of it in Herbert Simon’s management style. Human behaviour, according to Simon, is neither completely rational nor completely irrational.
- **Government:** It is a machinery or institutional arrangement for exercising the sovereign power.
- **Governance:** It is a process as well as the result of making authoritative decisions.
- **Outcomes:** Outcomes are real results, whether intended or unintended.
- **Outputs:** Outputs are the things that are actually achieved.
- **Autocratic Style:** In this type of leadership, the leader has complete control over all of the organization’s activities.
- **Laissez-faire Style:** In this setting, the employees have complete freedom to make their own judgements, and the leaders’ involvement in the process is extremely limited.
- **Trait Theory:** According to this theory, leaders have inborn qualities.
- **E-governance:** It is all done electronically. E-governance refers to the use of ICT in governance.
- **Incremental:** It is a branch way of decision-making that involves incrementally expanding outward from the current circumstance.
- **Digital Divide:** In general, the digital divide is a phenomenon in which people who have access to information and communication technology (ICT) profit from its utilization. Their economic well-being is ensured by higher-paying jobs and greater business options, whereas individuals who do not have access to ICT are excluded from these benefits and, as a result, are at a disadvantage.

4.14 SELF-ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Who are the official actors playing role in formulation of a public policy?
2. What are five major pillars (5Cs) of system of e-governance?
3. What is leadership? Discuss various styles exhibited by a leader.
4. Distinguish between autocratic and participative styles of leadership.
5. Distinguish between e-government and e-governance.
6. Discuss language as a barrier to communication.
7. What is situational leadership theory?

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Long Answer Questions

1. Discuss Lindblom's incremental approach of policy formulation.
2. "Public policy is the authoritative allocation of values (Easton)" – Discuss.
3. What is decision-making? Discuss the steps in decision-making process.
4. Write an essay on the contribution of H. Simon to decision-making.
5. What is accountability? Discuss various kinds of accountability.
6. Discuss the functions of leader as a teacher.
7. "Accountability and transparency are two sides of same coin" – Discuss.
8. Write an essay on business process reengineering.
9. Explain the concept of rationality in policy-making.

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Unit V Financial Administration

Learning Objectives:

After going through this unit, the student should be able to:

- Gauge the importance of finance and its control in public importance
- Understand all the three controls on public administration namely executive, legislative and judiciary
- Know the principles of budget and its preparation and enactment
- Acquaint themselves with various parliamentary provisions
- Know the importance of audit in public finance management

Structure:

- 5.1 Introduction
- 5.2 Budgeting
 - 5.2.1 Meaning of Budget
 - 5.2.2 Principles of Budgeting Making
 - 5.2.3 Financial Year
 - 5.2.4 Budgetary Processes
 - 5.2.4.1 Preparation of the Budget
 - 5.2.4.2 Enactment of the Budget
 - 5.2.4.3 Execution of the Budget
- 5.3 Controls over Public Administration
 - 5.3.1 Legislative Control
 - 5.3.1.1 Provisions in Indian Constitution
 - 5.3.2 Executive Control
 - 5.3.2.1 Evolution of Executive Control over Finance
 - 5.3.2.2 Role of Finance Ministry
 - 5.3.2.3 Delegation of Financial Power
 - 5.3.3 Judicial Control
 - 5.3.3.1 India's Judicial System
 - 5.3.3.2 Scope of Judicial Control over Administration
 - 5.3.4 Auditing
 - 5.3.4.1 Definition of Auditing

5.3.4.2 Types of Audits

5.3.4.3 Audit by Comptroller and Auditor General (CAG)

5.4 Answers to 'Check Your Progress'

5.5 Summary

5.6 Key Terms

5.7 Self-Assessment Questions and Exercises

5.8 References

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5.1 INTRODUCTION

The engine of government administration runs on finance. According to legend, Mr. Lloyd George famously said, "Government is finance." This is right, because practically everything the government does necessitates the expenditure of funds. "All projects are dependent on finance," Kautilya says. As a result, the Treasury will receive the most attention. Operational actions in financial administration are designed to make government funds available for use while ensuring that they are used lawfully and efficiently. Financial administration is as old as organized governments all over the world as an integral part of public administration. Until the Middle Ages, it was only capable of executing a few simple tasks. In pre-modern times, it was envisaged within the framework of parliamentary power over the executive. The industrial revolution unleashed socioeconomic forces that have given financial administration a new meaning and dynamic content. Within the new environment, it is meant to address the dynamic requirements of planned expansion and societal change.

5.2 BUDGETING

Financial management is essential in today's government because of the sheer number, scope and variety of activities. Almost everything the government does requires spending money, and the government spends a lot of money to accomplish its many responsibilities. Each year, financial legislation, also known as budget, grows greater and larger, making it more vital to ensure that tax payers' money is used efficiently and economically. Adequate financial accountability must be ensured.

Budgeting is at the heart of good financial management. The state budget is a lengthy and complicated process. The budget used to be a simple statement of projected revenue and expenditure' in the *laissez-faire* era. While this theory was generally held, government roles and responsibilities were limited and regulated in nature since it was widely believed that doing nothing was better than doing everything. As a result, the budget, as the government's primary financial statement, aimed to bring order and method to financial management. But today the state has adopted a welfare approach. It engages in initiatives that benefit the community as a whole. In developing nations like India, the government not only keeps things as they are, but it also hastens the process of socio-economic change. The government

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is working on nation-building and wants to modernize quickly. Administration is focused on change and achieving results. Goals must be met within a democratic framework, with adequate consideration for the rule of law and men's rights. When it comes to managing financial resources, budgeting has become a major part of financial management in modern countries, regardless of their political systems.

5.2.1 Meaning of Budget

An old English term, "bougette," denotes a bag or pouch, and the word budget is derived from this word. The British Chancellor of the Exchequer used it to carry budget documents to Parliament for approval. It was made of leather. It has come to signify the actual documents as a result of this connection.

The budget is more than just a description of the government's projected expenditures and revenues. It is the government's plan of action for the orderly administration of its financial affairs. The budget represents the government's attitude and approach to governance. It explains how taxation policy will be used to raise resources to cover predicted expenditures. The production policy of a country reveals how economic growth is planned. The budget represents the government's priorities and goals. It can, for example, try to redress economic and social inequities by imposing high taxes on the wealthy. It is a political manifesto as much as an economic horoscope.

The budget is an effective instrument for coordination. It aims to reduce waste and duplication. It is a method of instilling cost awareness. It allows for the evaluation of programs and policies, as well as the streamlining of administrative processes. Aside from a few exceptions, performance and zero-based budgeting are both moves in the right direction in terms of the government's overall objectives. legislative control of government finances is also facilitated by the budget.

This includes both the financial plan submitted to the Parliament for authorization and the approved plan that develops after it has been authorized by the legislature. Expenditure estimates are referred to as "budget" in India, where the phrase was coined. In financial plans in England, the term "revenue" or "taxation" is most usually used. In the United States, the phrase is used in a broader sense to refer to the entire financial process, including budget preparation, legislative enactment, implementation, accounting, and audit. A budget might be long or short term in nature. Federal government budgets are typically produced on a yearly basis.

5.2.2 Principles of Budgeting Making

There are certain principles to be adhered, while formulating the budget. They are:

1. **Balanced approach:** Projected expenditures must not exceed projected revenues. A deficit budget is one in which expenditures exceed projected income. Though deficit budgeting is problematic since it might lead to inflation, it is permissible up to a degree because it aids in the fight against trade depression. Investing more in public works boosts the

purchasing power of citizens, which regulates prices and output while also combating depression.

2. **Monetary basis:** Estimates should be made on a monetary basis, as in most of the countries. Cash budgeting has the benefit of speeding up the end-of-year accounting process, but it may not provide a complete view of a company's finances for a given year. By delaying payments due in that year, the current year's budget will show a surplus rather than a deficit, which is false. The revenue budget, in contrast to the cash budget, corrects the deficit, but also causes extensive delays in the production and presentation of accounts, resulting in a financial control deficit.
3. **Clear distinction between revenue and capital budget:** Recurring expenditures and revenue, on the other hand, need to be separated from one another in the budgeting process. There must be a clear separation between the current or revenue budget and the capital budget. The total surplus or deficit is computed by adding each component's surplus or deficit.
4. **Budget must be gross:** The budget must be expressed in terms of total monetary values, not net monetary values. Not only should the net result be presented, but all sources of revenue and expenditures should also be included. Failure to follow this guideline can have a negative impact on the established financial procedure, resulting in slack control, incomplete accounting, and other issues.
5. **Precise estimation:** Budget should be as precise as possible, because gross under-estimation results in a high tax burden. When it comes to implementation, gross underestimation can throw the entire budget into disarray. Close estimation is typically accomplished by combining average numbers from the past three years under several headings and making the appropriate changes. Close budgeting is aided by itemized estimates. In general, one estimates expenditures liberally while estimating income conservatively.
6. **Tally with accounts:** The budget form should match the accounting form, i.e., the budget headings should be the same as the accounting headings. Budgeting, budgetary control, and accounting are all made easier as a result of this.
7. **Rule of lapse:** The final budgeting principle is the rule of lapse. The grant cannot be rolled over from one fiscal year to the next if it is not used. In the absence of this provision, departments would be forced to exist on accumulated and unused balances, and would be less subject to legislative oversight.

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5.2.3 Financial Year

The government's fiscal year began on May 1 and ended on April 30 in 1860, when the first modern budget was published. In 1866, in conformity with English practice, the accounting year was changed to April-March. A number of

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committees and commissions that have examined into the matter have found fault with this practice. The Administrative Reforms Commission (ARC) mentioned the following in its report on finances, accounts and audit: “The fiscal year, which begins on April 1st, is not based on custom or the necessities of our country. Our economy is still primarily agricultural, and it is highly reliant on the weather patterns of the main monsoon. A realistic financial year should allow for accurate revenue estimation, as well as synchronization with the longest possible working season and an even dispersion of expenditure. People in India have been accustomed to starting their financial year on Diwali day for generations. This custom is based on their way of living. The business community and other sectors of society begin Diwali with the impression that they have completed an old era of activity and have begun a new one. As a result, it is fitting that the start of the financial year be linked to Diwali, and in order to prescribe a date, we have advised that the first of November be the start of the financial year.”

In addition, the Commission felt that a fiscal year commencing on November 1 would be better for Parliamentary proceedings. Agricultural production for the remainder of the year may be pretty accurately predicted by September, when the effect of the south-west monsoon, which contributes for more than 90% of India’s annual rainfall, is known. The functioning of the agriculture sector has a significant impact on commercial and industrial activity. Furthermore, the monsoon months can be used to develop budgets, with key fiscal parameters determined in light of the expected level of economic activity in the coming year. Monsoon weather makes it difficult to start budgeted building projects once expenditure sanctions are received by the executing agency, due to present procedures. These projects will have to be postponed until the rains stop. The speed of construction is hampered by monsoons, which arrive just as the preliminary work on projects is about to be done. When projects are not finished on time, there is a rush to spend money at the end of the year, which results in money being forfeited. To sum up, a budget year should assist in the following functions: (i) forecasting revenues, (ii) making expenditure predictions, (iii) aiding in project implementation, and (iv) making the budget calendar convenient for legislators and administrators. Several experts who have studied the subject of the financial year have come up with a number of different dates. The 1st of July, 1st of October, 1st of November, or 1st of January are the dates. Even though each of these options has merit, none of them is able to balance out the many requirements. While revenue predictability is a desirable goal, no budget year allows enough room for different states to accurately anticipate their Kharif and Rabi harvests. There are a number of states where rabi crops play an important role. As a result, it would be impossible to estimate the total agricultural output. As a sense, it has been argued that the current fiscal year should not be disrupted. An interruption in the fiscal year will have a significant impact on the economy’s database, which is related to the current fiscal year. There are both advantages and disadvantages to transitioning to a different fiscal year. As a reminder, the alternative fiscal year has yet to be agreed upon. There is no other viable alternative. So, the present fiscal year must be extended.

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5.2.4 Budgetary Processes

Budget is a lengthy and complicated procedure including operations carried out by various agencies. The departments that make up the executive branch of government must develop a work plan for the coming year. The finance ministry, *albeit* part of the executive branch, has a unique role. It is in charge of the budget since it manages the government's money. It creates a budget estimate by communicating with administrative departments responsible for spending. The budget that is presented to Legislature includes both the revenue and expenditure estimates, which are then consolidated into one document. The legislature is in charge of debating and ultimately approving the budget. In India, Parliament's financial committees are in charge of overseeing government spending. This is what is referred to as financial legislation. Finally, the audit department ensures that expenditures are legal and appropriate. The Comptroller and Auditor-General (CAG) ensures that funds are spent in accordance with the appropriation act and that expenditures do not exceed the amount authorized.

The aims, policy framework, and atmosphere of financial administration all changed dramatically after the country gained independence. Contradictions in government financial management, such as those between public desire and aspirations, policies, or processes were eliminated almost instantly. There was no major mismatch between these instruments and national goals even if the main qualities of the Government of India Act, 1935 were kept in financial management. It was possible to adapt these devices to fit new objectives, and they did. In India, the budgetary procedures are governed by Articles 112 to 117 of the Constitution. When it comes to submitting a year-to-year budget to Parliament, it is known as the Annual Financial Statement of Estimated Receipts and Expenditures. The budget shows the government's income and expenditures in three parts: Consolidated Funds, Contingency Funds and the Public Account.

Consolidated Fund of India

The Consolidated Fund is made up of all government earnings, loans issued by the government, and receipts from loan recoveries. The Consolidated Fund is where the government spends all of its money, and no money may be taken out of it without Parliament's permission.

Contingency Fund of India

There may be times when the government needs to fulfil an urgent unplanned expenditure while waiting for Parliament's approval. The Contingency Fund is a reserve set at the President's disposal to cover such expenses. Spending from the Contingency Fund is reimbursed by withdrawing an equal amount from the Consolidated Fund and getting parliamentary approval for the spending. The fund, which was authorized by Parliament, has a corpus of ₹ 50 crores. It was made for ₹ 500 crores in 2005, and a proposal was made for ₹ 30,000 crores in 2021.

NOTES**Public Accounts**

Transactions relating to Provident Funds, modest savings collections, other deposits, and so on all enter government accounts where the government acts more like a banker than the traditional government receipts and expenditures. Disbursements are also made from the Public Account, where the money are placed. Individuals and organizations who deposit money into a Public Account are entitled to receive it back at some point. The result is that parliamentary approval is not required for disbursements from the Public Account.

Charged Expenditure

It is constitutionally mandated that a portion of the Consolidated Fund be used to pay the President's emoluments, as well as the salaries of the members of both houses of Parliament and the Comptroller and Auditor General of India, Supreme Court judges, speaker and deputy speaker of Lok Sabha, Chairman and Deputy Chairman of Rajya Sabha. These do not need to be approved by the Legislature. The charged expense is shown individually in the Consolidated Fund in the budget. The government budget is divided into two parts: revenue and capital.

Revenue Budget

Both tax and non-tax revenue are included, as are the government's expenditures paid for using this money. Tax provisions in the Finance Bill are factored into the budget's revenue estimates. Interest and dividends on government investments, fees, and other payments for government services make up the majority of the government's other receipts.

Capital Budget

It is made up of capital inflows and outflows. Borrowing from the RBI and other parties through treasury bill auctions, loans from foreign governments and bodies, and repayment of Central Government loans to State and Union Territory governments and other parties are the most common sources of capital receipts in India. For example, capital expenditures include the purchase of land or buildings, the purchase of machinery or other equipment, the purchase of shares or other securities, the purchase of loans or advances as well as the purchase of shares or other securities. Additionally, capital expenditures include transactions in the Public Account.

Demands for Grants

In the budget, the estimates of spending from the Consolidated Fund are called "requests for grants," and the Lok Sabha must vote on them before they become law. In most cases, one demand for grant is submitted for each ministry or agency. In the case of major ministries or departments, however, many demands are made. This frequently comprises the full range of expenditures required for a service, such as revenue expenditures (capital) and capital expenditures (revenue), as well as grants to the governments of State and Union Territories. Parliament is not necessary to vote on an appropriation for a service that is entirely funded by the Consolidated Fund such as interest payments because the appropriation is

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independent from the demand. When a service's cost includes both "voted" and "charged" items, the latter are included in a demand for that service, but the "voted" and "charged" provisions are shown separately in the demand for that service. One-third of federal spending is devoted to the implementation of government plans. The plan expenditure under each heading is shown separately from the non-plan expenditure in the individual ministries' demands for grants. Each Ministry's entire plan provisions are listed in the document by development head and the budget allocations for the most significant plan programmes and schemes are highlighted in the paper. The central government spends a significant portion of its budget on public sector firms. Capital expenditures by some companies are subsidized by the government, which invests in their stock or makes loans to cover the costs. Capital and loan disbursements to public sector enterprises for both plan and non-plan purposes are shown in the budget, as well as the extra-budgetary resources that can be used to fund these programmes.

5.2.4.1 Preparation of the Budget

Recently, tremendous reforms have been carried out in the realm of union budgeting in India. As for example, railway budget has been done away with and merged with general budget. In India, the fiscal year runs from April 1 to March 31. Roughly July or August, around 7-8 months before to the start of the fiscal year, the budget estimate is put together. Budgetary projections are being prepared using "skeleton forms" made available by the Finance Ministry. This year's sanctioned estimates and amended estimates are included in each form, as are budget projections for the following year, current-year actuals that were known at the time of estimate production, and the prior year's equivalent period's estimates.

Standing expenditures, continuing schemes, and new schemes are the three sections of the budget estimates. The final two are the most significant, and the financial advisers assigned to the various administrative divisions must carefully evaluate them. The administrative ministries send their estimates to the Finance Ministry in November after revision and assessment. All of these budget estimates are examined by the Finance Ministry in terms of the government's overall demands and total available finances. Proposals for new programmes are thoroughly vetted because the Ministry of Finance must approve every request for new or additional expenditure for any department. The Finance Ministry finalizes expenditure forecasts after taking into account issues such as the new plans, cabinet policy choices, and current situations in the country. Because it is not a spending ministry like the others, the Finance Ministry has this authority. It is, on the contrary, the defender of the taxpaying public's interests. Above all, because it is responsible for raising the funds required for the proposed spending, it must have a vote in choosing the amount.

Following the completion of the spending estimates, revenue estimates are prepared. The Finance Ministry is also responsible for this. For the upcoming fiscal year, the departments of Income Tax, Central Excise, and Customs predict the revenue they will collect. The Ministry of Finance has an important function to play in financial management, and it merits special recognition. It is in charge of the

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government's finances and serves as the nation's banker. The Finance Ministry considers these projections and produces tax proposals appropriately. The cabinet, on the other hand, is in charge of all policy choices. The 'Annual Financial Statement' is created after the Finance Ministry's estimations of income and expenditure are finalized. According to Article 112 of the Constitution, President orders this statement to be presented to both Chambers of Parliament.

5.2.4.2 Enactment of the Budget

The passing of the budget by Parliament, which is divided into five stages, is a critical step in the financial process. Before going over these five stages, it's crucial to remember the Indian Parliament's fiscal authorities, which are outlined in Articles 112 to 117 of the Constitution. They are, in a nutshell, the following:

- No request for a grant shall be made unless the President recommends it.
- Any proposal involving spending must be based on the President's suggestion.
- A tax can be reduced or eliminated by Parliament, but not increased.
- The Consolidated Fund of India is charged for certain expenditures. Parliament does not have a say on the so-called "charged" spending, even if it is subject to debate.
- The Council of States' (Rajya Sabha's) powers in financial affairs are limited. It cannot amend the Appropriation Bill to change the amount, whether chargeable spending or otherwise, or to change the destination of any grant. It has 14 days to accept the Finance Bill, with or without recommendations. Any or all of these recommendations may be accepted or rejected by the Lok Sabha. In any scenario, the Finance Bill does not return to the Upper House for a second reading, instead going straight to the President for his signature.

Let's go over each of the five stages one by one.

1. **Presentation to the Legislature:** The budget is presented to the Lower House by the Finance Minister on the first working day of February (earlier last working day). Budget speeches are eagerly awaited because they give initial indications of tax plans, and economic and financial policies adopted by the government, which he delivers in the form of one.
2. **General discussion:** A few days after the budget is delivered, there is a two- or three-day public hearing. There is no vote, and no cut motions are permitted, during the debate in each House of Representatives. The general debate is a holdover from the British era, when the Indian assembly could only debate the budget. It does, however, serve the goal of allowing a discussion of the government's policy, notably the 'charged' cost. At the conclusion of the debate, the finance minister responds, addressing the key criticisms and charges leveled by the members.

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3. **Voting on grant requests:** Following the general debate, the Lower House votes on grant requests. This spending voting is an element of the budget and is a right reserved for the lower House. The demands are given by ministry, and each one is voted on separately. There is a lot of debate at this point, and the administration is getting a lot of flak. Members can propose three types of cut motions: disapproving policy cut, economy cut, and token cut. The purpose of the cuts is to expose the mismanagement of some government agencies. A majority of legislators disapprove when they are put to a vote, which is why they are typically defeated. The Lok Sabha must vote on the demands within a certain time period. It is the Speaker and the House Leader who determine the time limits for each demand and the total budget component, according to a schedule agreed upon. All remaining demands will be voted on the last day, albeit the discussion may not be appropriate. After it has been duly voted on, a demand becomes a grant.
4. **The Appropriation Bill:** After the Lok Sabha has voted on all of the demands, they are encapsulated in a bill called the Appropriation Bill, which includes the chargeable expenditure. Although no amendments can be made to this bill, it goes through the same procedure as any other measure in the House. It legitimizes spending and ensures compliance with the Constitution's prohibition on withdrawals from the Consolidated Fund of India other than for legitimate purposes. The Speaker certifies the Appropriation Bill as a money bill and sends it to the Upper House once it passes the House. Before being sent back to the Lower House with or without changes, the Bill is discussed and debated in this chamber. The Appropriation Bill is subsequently sent to the President for his signature, which he does on a regular basis to result in an Appropriation Act.
5. **The Finance Bill:** The budget's expenditure component has been completed with the passage of the Appropriation Act, which authorizes all public spending. However, there must be a mechanism to fund this cost. Taxes are used to do this. There can be no taxation without lawful authority, according to Article 263 of the Indian Constitution. This means that the government's tax proposals must be approved by parliament, the top law-making body. All taxes are not need to be approved on an annual basis. Depending on the law, the government may have to determine the price of certain of these items on an ongoing basis.

In the Finance Bill, the government's tax policy is laid down. It is handled the same way as a regular money bill. Unlike the Appropriation Bill, modifications to the Finance Bill that seek to reject or cut a tax can be filed in any chamber. Parliament was aware that these were acceptable. Parliament, on the other hand, has no authority to raise taxes or impose new levies. When a bill is passed, it becomes an act upon getting presidential nod. This completes the budget legislation in Parliament.

NOTES**5.2.4.3 Execution of the Budget**

Budget implementation falls under the purview of the executive branch of the government. The budget execution procedures are determined by the allocation and delegation of powers to the various operating levels. As soon as the Appropriation Act is signed into law, the Ministry of Finance informs all expenditure departments and agencies of their respective allocations of funds. The numerous disbursing officers are then allocated and advised by the controlling officers in each ministry/department. Budgets set by spending authorities are monitored to make sure they are not being surpassed without timely infusions of cash. This creates four distinct levels of the financial system: the controlling officers (typically, a ministry/head), department's competent authorities who grant financial sanction, the drawing and disbursing officials, and the payment, receipt and account systems. Each level of the financial system has its own set of responsibilities. The Department of Revenue of the Ministry of Finance is in charge of all aspects of tax collection, including both direct and indirect taxes. Government agencies responsible for administering this taxation include the CBDT and CBIT. These Boards are in charge of overseeing and controlling the many operational levels that carry out various tax legislation. RBI is the government's central bank. Collection (receipts) and disbursement of monies are likewise handled by nationalized banks and the network of treasuries.

Check Your Progress

1. In which part of Indian Constitution, budgetary provisions have been made?
2. What is appropriation bill?
3. What is finance bill?
4. What is the information as a part of budgetary estimates supplied by various ministries or departments to the finance ministry?

5.3 CONTROLS OVER PUBLIC ADMINISTRATION

In today's social welfare governments, bureaucrats perform a critical role. Today's public servant is generally an initiator and formulator of public policy, rather than only a submissive executor. In reality, he is the administration's lifeblood. He provides the administration with specialist knowledge and, as an expert, he has power over the administration. He has broad discretionary authority and wields considerable political clout. Means must be established to ensure effective supervision over public servants, lest they become reckless and despotic. Administration is a tool for public good. The public is keen to see that government administration is both accountable and efficient. Appropriate authorities should hold public leaders accountable. They must be accountable for their actions and must be able to provide a satisfactory account of their actions. Administrative responsibility is imposed by a number of mechanisms.

Internal and external controls are the two most common forms of controls. Internal controls are those that function within a organization's administration. These are installed in administrative machinery and operate on their own as the

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machinery moves. From the outside, external controls work on the administration. They operate within the framework of the broader Constitutional structure, which may vary from country to country. We will address various external controls over public administration under legislative, executive, and judicial titles in the following sub-sections.

5.3.1 Legislative Control

According to Willoughby, the legislature has broad authority over “public administration direction, supervision, and control.” It keeps an eye on them through budgetary review and other investigative tools. The minister shields the bureaucrat from blame for his acts because of the ministerial responsibility to the legislature policy. The legislature, on the other hand, has a number of tools at its disposal to ensure executive accountability, including:

- (a) **Legislative control over delegated legislation:** As a result of today’s increasingly complicated and hectic society, the Legislature is unable to devote sufficient time and attention to a single problem, leading to delegated legislation or the delegation of some of its law-making responsibilities to administrative agencies. On the other hand, administrative authorities must adhere to the terms and circumstances of a delegation statute, and if they do not, they are subject to judicial scrutiny and their legality can be shown. Today’s topics before the parliament for enactment are highly technical, and most lawmakers lack such specialized knowledge. As a result, delegated legislation has become a necessary evil. Consequently, legislators lay down the fundamentals, leaving the finer points to the executive branch to work out via delegated legislation. It increases adaptability and comes in handy during times of crisis. The legislature should precisely define the scope of the delegated authority in order to keep control. The delegation should follow the norms and regulations set forth in the agreement reached between them and the legislature. It should be transparent, and the general public should be able to take part. But the smooth and legal operation of delegated legislation is subject to judicial review.
- (b) **President’s speech:** Addressing both houses of parliament before the commencement of each new session of parliament, as well as on other occasions, the president aims to read out the executive’s policies and activities in the near future in a wide and unambiguous manner. The president’s address is then discussed in general, giving members the opportunity to praise or criticize the administration for performing or failing to perform their obligations. The president’s address is intended to include the public’s voice in the legislature rather than compel legislators into following party norms.
- (c) **Financial oversight:** Parliament oversees the finances and monies allocated to the administration for their various functions. Revenue, expenditure, borrowing, and accounting are all under the control of

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Parliament. Legislative approval is required for any new taxes or increases in existing tax rates, as well as for any withdrawals from the consolidated fund for public expenditures or for any new loans. Accounts for the public sector are audited by a statutory body that is independent of the executive branch. The four financial control principles that are followed in India are as follows:

- It is impossible for the government to raise funds through taxation, borrowing, or any other means without the consent of Parliament; cabinet approval is required for any expenditures needing extra funding sources.
- The Lok Sabha, which has sole jurisdiction over money bills, is the second principle. So, the Lok Sabha, which has sole ability to supply money in taxes or loans, and to sanction expenditures must be the source of these funds. However, the Rajya Sabha has no authority to enhance or decrease a grant.
- It is only when the government specifically seeks it that the Lok Sabha or a State Assembly can consider voting on a grant.
- Government must also propose new taxes or raise the rate of a current tax.

Questions, a half-hour discussion, a calling attention motion, a motion of no confidence, adjournment motions, resolutions, votes, budgets, and other tools of legislative control are used in India. Public Accounts Committee, Estimates Committee, Committee on Subordinate Legislation, and Committee on Assurances are all legislative committees. These tools for enforcing legislative control are briefly outlined here.

1. **Question Hour:** Every parliamentary day, the first hour (11 a.m. to 12 p.m.) is set aside for questions, which are an effective form of control. The administration can be kept on its toes by asking questions. A question is a powerful tool for drawing the public's attention to various aspects of the administration's policies and operations. Any administrative action can prompt a question, but the member cannot force the minister to respond. Certain queries may be barred by the speaker as well. A question is posed to acquire information, get ministerial opinion on a topic, or merely to hammer the administration on apparent flaws. Many of the questions may seem insignificant, but some can be quite damaging to the government.
2. **Half-hour, short discussions, calling attention motion:** The half-hour discussion follows the question hour when there is discontent with a particular answer given by the concerned minister, allowing more time to extract pertinent information and air public grievances, among other things. Short discussions need prior notification to the speaker and are of urgent public concern to which the government must respond. There is no voting here, and no more than two hours a day can be spent on it. The

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calling attention motion is a tool used to draw the government's attention to a serious policy administration/implementation issue. Once the motion is admitted by the speaker of the house, the government must respond immediately, or it may ask for time to prepare an answer if thorough detailing and understanding is required.

3. **Zero-hour discussion:** This occurs after the question hour, which is 12 p.m., and because 12 p.m. is also known as zero hour, it is dubbed "Zero Hour." The Speaker may allow up to five members to raise matters of public importance under specific business rule.
4. **Motion of no confidence:** Also known as a censure motion. It is raised by a member or members who express dissatisfaction with the government for any cause. If the speaker permits the motion, the debate proceeds, with the government seeking a vote of confidence at the conclusion, failing which the entire cabinet/government must resign, resulting in the establishment of a new government.
5. **Adjournment debates:** The device of an adjournment motion is a tool of day-to-day control that can be used to bring up a debate in the House on any specific issue of utmost urgency and public interest. If the presiding officer agrees, an instant debate on the issue is held, thus halting the House's regular activity.
6. **Budget debate:** There have been greater opportunities for Parliament to debate budget proposals with the establishment of the Budget on Account. The budget can be discussed by parliamentarians on a number of occasions.
7. **President's address:** The President addresses both Houses of Parliament in the opening remarks of the budget session (Joint Sitting). The government puts together the speech, and each ministry is responsible for its own section. He laid out the administration's priorities for the coming months in a broad stroke in the President's speech. Legislators have the power to call out the government for alleged errors and omissions across all levels of administration.
8. **Parliamentary Committees:** Parliamentary committees that undertake administrative control include the Public Accounts, Estimates, Public Undertakings, Subordinate Legislation and Assurances Committees.
9. **Audit:** The CAG examines the government's books to make sure that the funds allocated by Parliament have not been exceeded without a subsequent vote and that the funds spent are in conformity with the rules as set forth by law. When it comes to government accountability in financial matters, it is the job of the Comptroller and Auditor General (CAG), who has been rightly described as Parliament's adviser; philosopher and friend.

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5.3.1.1 Provisions in Indian Constitution

The Indian Constitution contains provisions for financial matters in its many parts and procedures. The following are the important clauses of the Indian Constitution:

- Bills may be introduced in either House of Parliament under Article 107(i), but they are not considered passed until they have been agreed to by both chambers, either without amendment or only with amendments that have been agreed to by both chambers, in accordance with Articles 109 and 117 with respect to money bills and other financial bills.
- Under Article 109(1), a money bill cannot be brought to the Council of State. It is stipulated that after the House of Representatives has passed a money bill, it shall be sent to the Council of States for its recommendations, and within fourteen days of receiving its recommendations, it shall be returned to the House for consideration. The House of Representatives may accept or reject all or any of the Council of State's recommendations.
- Any amendments made in accordance with Article 109(3) of the Constitution are treated as adopted by both Houses if the House of the People approves any of the Council of States' recommendations.
- A statement of the estimated receipts and expenditures of the Government of India for each financial year must be presented to both Houses of Parliament under Article 112(1) of the Constitution. Such a statement is referred to as a "Annual Financial Statement."
- Article 113(1) states that Parliament will not vote on the portion of the budget estimate pertaining to expenditures charged to the Consolidated Fund of India. None of those projections, however, are prohibited from being discussed in either chamber of Parliament by anything included in this section.
- A bill to appropriate funds from the Consolidated Fund of India for meeting the grants made by the House of People, as well as expenses charged to the Consolidated Fund of India, must be introduced under Article 114(1) after the grants under Article 113 have been made by the House of People, but the amount appropriated cannot exceed that shown in the statement previously laid before Parliament.
- If the House of People makes a grant in advance for a portion of a financial year's expected expenditure, it can do so until the procedure for voting on such a grant and passing a law in line with Article 114 is completed, as stated in Article 116(1) of the Constitution. Additionally, the House has the authority to make a grant to meet an unexpected demand on India's resources when that demand cannot be adequately reflected by the facts generally provided in an annual financial statement due to the scope or indefinite nature of the service.

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- Legislation that includes any of the provisions in Article 110 cannot be introduced or progressed unless it is recommended by the President, according to Article 117(1). A measure that includes such provisions cannot be introduced in the Council of States. There is no requirement to provide a suggestion in order to introduce an amendment that reduces or eliminates a tax.
- Both Houses of Parliament will not consider an act that uses funds from the Consolidated Fund of India unless it has been recommended for consideration by the President of India, as stated in Article 117(b).

5.3.2 Executive Control

Successful financial management in democracies is heavily influenced by the system's capacity to construct a seamless hierarchy of controls consistent with both organizational unity and decentralization of political authority. Responsibility, accountability and control must be applied throughout the full chain of activities in order for the financial machinery to work smoothly and deliver good results. This type of waste can only be reduced via better planning and control of the resources being used rather than by cutting corners elsewhere. Legislative and executive branches of government must work together to provide adequate fiscal control. Law-making by the legislature determines how much money the government has to spend, while the executive branch sets up the infrastructure and implements tax collection policies. One of the most significant tools in financial management is executive control. In areas of financial policy, the government as a whole has the last say. The government sets the spending policy. The government decides on issues such as wages, pensions, and provident funds for officials. The legislative must give its consent before the executive may implement any financial policy. The country's financial administration is always in the hands of the Finance Department. The department is responsible for a wide range of financial tasks for the government. Operating agencies require suitable facilities in order to achieve their objectives in a practical, efficient and cost-effective manner. Control of their financial resources is their first priority. This can only be accomplished by delegating financial authority.

5.3.2.1 Evolution of Executive Control over Finance

Since India's independence, the financial administration environment has undergone significant changes. India's new political and constitutional atmosphere has led to the formal adoption of executive accountability to the Legislature as the foundation of financial administration. The basic framework of the federal government remained unchanged. Attempts were made to capture the democratic ethos and the legislative financial control spirit, and institutional components. Government of India Act of 1919 was a key step toward decentralization before the independence. Results that were worth the money were not a priority for financial control. In financial norms and processes, as well as in the orientation of those who controlled the financial control machinery, regularity and legality were emphasized considerably. Slow, specific and precise financial controls have been in place for far too long. More emphasis has been placed on enforcing rules and processes than

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encouraging staff to make snap decisions in financial and audit controls. In 1958, 1962, 1968, and 1975, major steps toward greater devolution of financial authorities were taken. Thus, the high degree of centralization that characterized British India's financial control system has been reorganized over the last 30 years. The techniques, approaches, and tools used in such a control have all changed significantly. There has been little change in financial functions and organizational structure since the country's independence. When it comes to budget execution, legislators are expected to exert control over the executive branch's recklessness and irregularities by approving detailed budgetary recommendations and closely reviewing the executive branch's spending and taxing practices. In order to meet the formal requirements of parliamentary accountability, the executive branch must operate in a manner that cannot be criticized. Consequently, in order to prevent irregularities, ensure operational efficiency and save money, both the executive and high levels of the command chain are interested in exercising this type of control over various levels of administration. The Ministry of Finance, like the pre-British Treasury, exerted strict budgetary and expenditure control. No other government department shared this role with the Ministry of Finance. As a result, projects have been delayed and finances have run out. According to the Administrative Reforms Commission (ARC) report on "Finance Accounts and Audit" in 1968, the Finance Ministry controls public expenditure in three stages: (i) approval of programmes or policies in theory, (ii) acceptance of provision for budget estimates, and (iii) prior approval to incur expenditure pursuant to administrative ministries' delegated powers. Finance Ministry control in the first and third phases occupies a large portion of the ministry's time and has a direct impact on the daily operations of administrative departments. Even though it takes time and effort, strict or exact management at these stages could cause a loss of national effort or income by slowing down the pace of work, delaying the completion of projects (especially development and commercial or industrial). In spite of the obvious necessity for control or investigation, it must be constructive, purposeful and imaginative and not be restricted in scope or effect.

Responsibility and accountability for the money collected and used by lower to higher levels of government are essential to effective control in all responsible governments. Treasury in the Bureau of the Budget's Finance Department is expected to play an important role in this scenario. When preparing estimates or incurring expenditures, the Executive control could be exercised. The general financial difficulties of the service, the government, or the economy as a whole are not generally of relevance to the units of a department, save in the most accidental or indirect fashion. Their primary focus is on their work. Estimates should be scrutinized by the heads of various services in terms of their demands and spending capabilities. The heads of departments are then expected to adjust the estimates in light of the government's policy. It is the Treasury's job to aggregate and consolidate the estimates of all of the many departments under a cabinet structure. During the course of this responsibility, Treasury may be able to influence departmental estimates through review and recommendations.

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The Finance Department is in charge of overseeing and coordinating all spending departments. General financial and economic policies and programmes are drafted by the Finance Department. The Department of Finance prepares and submits budgetary estimates to Parliament for review and approval. The Finance Department is in responsibility of implementing the budget once it has been passed by the Parliament. A key function of this department, therefore, is to oversee the state's financial resources. Grants and appropriations to the executive branch are voted on by Parliament. It is the executive's responsibility to spend the funds allocated by Parliament. While spending public funds, Executive authorities should follow the maxims of honesty, efficiency, and economy. The Constitution gives Parliament the sole right to approve all government spending, and this authority extends to all departments and agencies. To ensure that no money is spent from the consolidated funds by the executive outside of the allocations approved by law or the Parliament, the Parliament must ensure that sufficient infrastructure is in place. To ensure that money are used efficiently and economically, it is up to everyone in government's Treasury Department, from cabinet ministers to down level, to ensure budget approval has been received from fund-granting authorities. Financial management today defines budgetary control as the formulation of departmental budgets linked to executive duties, policy requirements, and the continual comparison of actual results with budgeted ones. An individual or group activity, or a foundation for its reform, is the goal of this comparison.

Establishing predetermined performance standards or targets, measuring actual results and making comparisons to those results, disclosing discrepancies between those actual results and expected results, and taking appropriate corrective action if these discrepancies indicate a need for it are all part of the process of performing quality control. Budget execution includes the collection of finances, the safekeeping of funds and the disbursement of cash.

5.3.2.2 Role of Finance Ministry

Spending related to Parliament approved estimates is closely monitored by the government's finance department, which has the authority to withhold funds if necessary. The country's whole financial administration is under the constant supervision of the finance department. The department is responsible for a wide range of financial tasks for the government. It has control over how much money is spent. It oversees and coordinates the government's numerous spending departments. It is in charge of tax revenue collecting. It is in charge of overseeing and controlling the expenditures of government departments. The following are the key responsibilities of the finance department:

- (a) Managing the Central Government's finances and dealing with financial issues that impact the entire country.
- (b) Raising the required income to continue administration and regulate the government's taxation and borrowing policies.

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- (c) Managing banking and currency issues, as well as coordinating the proper use of the country's foreign exchange resources in conjunction with the relevant ministries.
- (d) Overseeing the government's whole expenditure in collaboration with the relevant administrative ministries and departments.

Organisation of the Ministry of Finance

The Indian Finance Ministry is led by the Finance Minister, who is assisted by the Minister of State for Finance and the Deputy Finance Minister (if any). The Ministry of Finance is currently divided into three sections: Economic Affairs, Revenue and Banking, and Expenditure. Finance Secretary handles the cooperation of all departments, and each department has its own secretary.

Economic Affairs Department

When it comes to budget preparation, foreign exchange needs and resources, the Department of Economic Affairs is tasked with ensuring that the government has enough money to accomplish its objectives. Also included in its remit are the administration of Securities Contracts (Regulation Act) as well as the regulation of stock exchanges and insurance policies. Each of the department's six major divisions has its own budget and planning divisions. The Department of Economic Affairs' budget division is in charge of preparing and presenting the central government's budget to Parliament. This section is responsible for the coordination, gathering and aggregation of data related to government receipts and expenditures. The Internal Finance division is responsible for all topics relating to currency and coinage, the Reserve Bank of India, and price control, among other things. The Planning division is in charge of the work that goes into preparing the capital budget and allocating capital expenditure quotas for various ministries. The External Finance section is in charge of topics such as foreign exchange, budget international investments, and so on. The Economic Division is a section of the Department of Economic Affairs that provides advice. Its principal duty is to investigate economic trends, and conduct studies and research in order to advise the Ministry on economic developments in other countries, particularly those that have an impact on the Indian economy. The administration of the Life Insurance Corporation is handled by the Insurance division.

Department of Revenue and Banking

In addition to income and wealth taxes, customs and central excise, the revenue division of the department also handles other types of taxes. Bank policy is developed and implemented by the Department of Revenue and Banking division, which oversees commercial banks and long-term financial institutions.

Department of Expenditure

The following divisions make up the Department of Expenditure: (a) Establishment Division, which includes the Implementation Cell and the Staff Inspection Unit; (b) Defence Finance Division, which includes the Implementation Cell and the Staff Inspection Unit; (c) Cost Accounts Wing; (d) Plan Finance

Division; and (e) Special Cell. The Department of Expenditure is primarily responsible for expenditure control administration.

Evaluation of the Ministry of Finance's Role

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Although the overarching programme has been approved by Parliament, the Finance Department's management of spending includes the practice of requesting specific authorization from the Finance Department for each item of expenditure. The Finance Department's overwhelming influence over the country's finances led in a concentration of power in only one government department. No financial authority is granted even to the highest ranking and most accountable personnel in the several administrative ministries because of the centralization of such authorities. The fact that administrative ministries usually submit their plans to the Finance Ministry in the final stages of preparing estimates necessitates an appraisal of expenditures by the Ministry of Finance after Parliament has passed the Budget. In the case of many initiatives, there is often insufficient pre-budget scrutiny due to a lack of specifics. Because plans are frequently included in the Budget without prior assessment. Immediately following the budget's approval, but before it goes into effect, the Ministry of Finance must carry out an audit. As a result, no money can be spent until the Finance Ministry gives its approval for the expenditure sanctions. For this reason, the Finance and Administrative Ministries should conduct a thorough and exhaustive pre-budget evaluation of the plans. In its ninth Report on Administrative, Financial and Other Reforms, the Estimates Committee did a thorough investigation of the matter. The Committee also stated that the Finance Ministry and the Administrative Ministries should work together. Financial authority should be delegated to administrative Ministries more frequently. Actions must be taken to establish perfect harmony between administrative departments and the Ministry of Finance, as well as to guarantee that each is complementary to the other and aids in achieving the ultimate aims of the country. The following is a list of recommendations from the Committee members:

1. Before embarking on a programme, it should be thoroughly planned and determined whether the funds required are available or can be made available at the appropriate moment. Detailed plans and estimates are required in order for the Finance Ministry to approve the programmes and offer financial consent.
2. Upon approval from the Ministry of Finance, the administrative Ministry responsible for implementing and spending the funds shall be given the right to change or amend amounts under the scheme's sub-heads as long as the total outlay is not affected.

As a result, procedures and methods should be devised based on the Estimates Committee's recommendations in order to eliminate delays and improve financial control efficiency. Administrative ministries must be given responsibility for budgetary matters. Despite the overarching control of the Ministry of Finance, administrative departments should be allowed additional authority to spend money on a wide range of projects and initiatives. Financial accountability and economic knowledge should be fostered in all administrative departments. Each Ministry

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should prepare its budget as deeply as possible, covering all initiatives that will be implemented in the upcoming fiscal year.

5.3.2.3 Delegation of Financial Power

In 1954 and 1955, financial powers were delegated more widely. After formulating a plan for the devolution of financial powers and the reorganization of the financial control system, India's Comptroller and Auditor General, A.K. Chanda, submitted it to Parliament's Public Accounts Committee for consideration (PAC). Aside from calling attention to flaws in the current system, he recommended providing more information about budget proposals referred by the administration to the ministry of finance during the pre-budget review stage in order for that ministry to conduct a more thorough and systematic pre-budget review in order to avoid delays in the issuance of expenditure sanctions. Delegating financial authority to administrative ministries was a key accomplishment for the Indian government in 1958. It is still up to the Ministry of Finance to make an equal and reasonable allocation of the total sum established by its ways and means position among the various government programmes. The government has acknowledged the need to expedite the procedures for sanctions and the transfer of responsibilities to administrative ministries in their various plans for delegating authority. Delegation plans aimed to strengthen the pre-budget assessment system and delegate substantial post-budget punitive powers to administrative bodies. Delegation plans have encouraged administrative ministries to redelegate administrative and financial responsibilities to the heads of their respective departments and other subordinate authorities. To be effective, a delegation system requires that powers assigned to lower levels of government step down the line and are commensurate to the obligations that must be carried out at all levels. Depending on their specific programme requirements and whether they were to exercise these powers on a regular basis or in times of crisis, different organizations may need to delegate authority. For a system of delegation to work properly, the delegate must exercise authority. The Ministry of Finance should return a case if it falls within the jurisdiction of an administrative agency. Ministry and department heads should also insist on decisions being made at levels of authority that are adequate. Due to the pressing need to get government work done quickly and efficiently, officials at all levels must make full use of the authority bestowed upon them. The Estimates Committee indicated in its 98th report of 1975-76 that the field agencies, which are in charge of implementing projects and achieving established targets, need increased redelegation of authority. There is a consensus among the Committee that they must have sufficient authority to carry out their duties. According to the Committee, one way to ensure that delegated powers are utilized is to create a supportive environment. It is critical that officers are given the freedom to make their own decisions and take charge of their work. All the work done by an officer, no matter how meticulous or careless, should be acknowledged and commended, with no repercussions for mistakes that were made in good faith. It's "unsatisfactory" for a plan to delegate financial functions to be implemented until the final detail is approved by the Finance Ministry, a study team on Financial Administration concluded. Expenditure on key preliminary items, according to a

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fixed limit, in a predetermined preparation or percentage of the estimated expenses, should be authorized by the administrative ministry once the preliminary feasibility study has been completed and accepted by the government. If the project is to be completed in a timely manner, delegating some authority to administrative ministries for the expenditure of vital preliminary items becomes essential. Therefore, it is proposed that administrative ministries should be given authorization to spend money on the project's major preparatory items within set constraints once a preliminary feasibility assessment has been reviewed and approved by the Government.

A grant's administrative ministries have complete reappropriation powers inside a grant, provided that no monies are diverted from plan schemes to non-plan activities and no additional administrative expenses are included in a grant's overall budget. In practice, administrative ministries have a lot of latitude when it comes to reappropriating funds, even when doing so would require prior approval from the Ministry of Finance under the legislation.

5.3.3 Judicial Control

The judiciary has a significant role in India. The Constitution envisions an independent court to protect citizens' rights. In a democratic polity, an independent court is a requirement for the system to work properly. Legal and constitutional constraints must be followed by the government. Judicial review can play an important role in defending citizens from the government's arbitrary use of power.

5.3.3.1 India's Judicial System

A distinct judiciary is envisioned by the Indian Constitution. There is a separation of powers between the executive and the judiciary. Keeping the judiciary, which interprets the constitutionality of the legislation and executive actions, apart from the executive branch is necessary. Lord Bryce believes that the effectiveness and independence of a country's legal system are the most important indicators of a government's quality.

Judiciary independence is protected by a number of provisions in the Indian Constitution. Supreme and High Court judges are appointed by the President, although their terms are not controlled by the government. It is not enough for the government to just pick people to fill positions; it has to follow rules as well. Once nominated, they are free to carry out their responsibilities without interference from the executive branch. To ensure that judicial rulings are neutral and fair, this is done. To resolve problems between the federal government and the states of the Indian Federation, courts play an important role. As a result, India's legal system relies heavily on the independence of the judiciary.

Another key element of India's legal system is the country's single unified judicial system. The judiciary is the name given to the entire system of courts. Unlike other federations, such as the United States, India has a unified judicial system. In our federation, we have separate legislative and executive branches, as well as a separate judiciary. The Constitution divides the powers of legislative and executive authority between the federal government and the states. On the other

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hand, our justice system is unique. There are subordinate courts and district courts at the local level, leading to high courts in each state and the Supreme Court of India, which is located in the capital.

It is the highest court in India's judicial system and is known as the Supreme Court of India. It is comprised of the Chief Justice of India and additional justices appointed by the Indian President and appointed by the Indian Supreme Court. The Supreme Court has jurisdiction in three areas: original jurisdiction, appellate jurisdiction and advisory jurisdiction. Disputes between the Government of India and one or more states as well as accusations of constitutionally guaranteed fundamental rights infringement fall under the purview of the originating jurisdiction. In addition to constitutional matters, the Supreme Court has appellate authority over three other types of cases: civil rights, criminal rights, and special leave. Several categories of situations may be covered by an appeal from any state High Court to the Supreme Court. The court's advisory jurisdiction applies to cases that have been referred to it for advice. The president of India has the authority to send a matter of public concern to the supreme court for advice.

The high courts are the second tier of the judicial system. Ordinarily, each state has its own high court, although two or more states may share one. The President of India appoints a chief Justice and a few other justices to the high court. Original, appellate, and administrative jurisdictions are all available to the supreme court of the United States. As part of its original jurisdiction, it has the competence to issue warrants relating to people's basic rights in certain circumstances. The Court is also vested with the ability to hear and decide civil and criminal cases on its own behalf. As part of its appellate jurisdiction, the Supreme Court has the authority to hear appeals from lower courts in both civil and criminal matters. Higher courts have administrative jurisdiction over lower courts, which they exercise in a supervisory capacity.

The subordinate judiciary, which includes courts at the district level and lower, has close ties to the judicial community. The Governor appoints district court justices in agreement with the high Court. Competitive examinations are held by the Public Service Commission to select applicants for appointment to the State Judicial Service.

After reading the preceding overview of India's legal system, it should be abundantly evident that the entire judicial system is predicated on two fundamental principles: an independent judiciary and an organized, unified judicial system.

5.3.3.2 Scope of Judicial Control over Administration

Defense and safeguarding citizens' rights has become increasingly vital and urgent in light of government's ever-expanding activities and discretionary powers delegated to various administrative agencies and public authorities, which have resulted in an increase in importance and urgency. In developing countries, where the state plays a critical role in development, the Court has a distinct responsibility to ensure social justice to the poor segments of the community, and this responsibility is particularly acute. The fact that the Courts cannot intervene in

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administrative activities on their own, even when they are arbitrary, must be acknowledged. They only intervene when someone specifically requests it. The extent of judicial involvement is limited, as is the manner in which it is delivered. Court intervention in administrative proceedings is often confined to one or more of the following scenarios:

- (a) **Lack of jurisdiction:** It is possible for the courts to declare an act *ultravires* if it is performed by a public official or administrative agency that is acting outside of his or her or its power or jurisdiction. Consider the fact that in all companies, the competent authority responsible for making decisions and carrying out activities is identified in accordance with administrative norms and regulations. Any authority or person other than the competent authority may be urged to intervene under the lack of jurisdiction rules if they initiate action against the competent authority.
- (b) **Error of law:** This type of case occurs when a government employee misinterprets the law and imposes duties on citizens that are not specified in the law. In legal terms, this is referred to as misfeasance. The courts have the authority to resolve such disputes.
- (c) **Error of fact:** This group of instances arises from errors in case discovery and actions done based on incorrect assumptions. Any citizen who has been harmed by a public official's mistake can seek redress in the courts.
- (d) **Error of procedure:** In a democracy, "proper procedure" is the foundation of government action. The term "responsible government" refers to a government that follows the rules. Administrative procedure guarantees accountability, transparency, and justice. In the conduct of administrative activities, public employees must follow the procedures set forth by law. If the required procedure is not followed, the courts may be called in to intervene, and the legality of administrative measures may be called into question.
- (e) **Abuse of authority:** If a public official uses his or her authority in a vengeful manner to hurt a person or for personal benefit, the court may intervene. Malfeasance is the legal word for it. The courts have the power to interfere in administrative acts of wrongdoing.

5.3.4 Auditing

Auditing is concerned with documents and figures. It's akin to a post-mortem review of a firm's or company's accounting and financial operations, or a government department. Audit serves as a 'watchdog' for the nation's economic interests when it comes to governmental activity. The state's administrative structure is so enormous, and its operations are so complex, that a regular tax payer has no way of knowing whether the money he or she contributes to the state's administration is being abused. Auditing assists in identifying losses, waste, and under-utilization of capacity as a result of poor decisions made at the right levels. Parliament has been entrusted with a Constitutional audit authority in the office of

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Comptroller and Auditor General (CAG) for the proper exercise of these crucial components of control.

5.3.4.1 Definition of Auditing

The word audit is derived from the Latin word *audire*, which literally translates as “to hear.” Originally, the accounting parties were required to appear in front of the auditor, who was responsible for hearing the financial statements. In the early phases of civilization, the tools of accounting were so crude, and the number of transactions to be documented was so little, that each individual could check all of his or her transactions for himself or herself. With the rise of empires, however, a system for recording and auditing account transactions was formed and the institution of auditor was created.

An audit is a review of accounting records with the goal of determining whether they accurately and completely reflect the transactions to which they are supposed to refer. Its goal is to ensure that expenses were made with the approval of the relevant authority and that they were used for the purpose for which they were approved. As a precaution against fraud and misappropriation, it should be backed up with vouchers. Auditing is a tool for financial control. It acts as a safeguard on behalf of the proprietor in the event that the proprietor’s workers misuse or misappropriate the proprietor’s money or other assets in the course of business operations, such as in the case of a loan. It ensures, on behalf of the owner, the accuracy of the accounts, the representation of facts, and the timely and correctness of the expenditures.

A government’s financial dealings must be scrutinized in the same way. The agency in charge of this task should be separate from government workers who are responsible with realizing and utilizing public funds or other assets. This is the responsibility of the Indian Audit and Accounts Department in India. The Indian Audit and Accounts Department’s role in government transactions is quite similar to that of an auditor in terms of its auditing obligations. In this way, the Parliament might be considered as the shareholders of the government, and the executive government as its directors. However, making money is not the primary objective of this organization. Another cornerstone of democracy is auditing. Auditing is a useful tool for administration. Audit is seen as a valuable ally in all countries, bringing to light procedural and technical flaws and lapses on the part of individuals, whether they are public officials or private citizens. It could be a case of bad judgement, negligence, or dishonest deeds and intents. The fact that audit and administration have complimentary functions is now widely understood.

5.3.4.2 Types of Audits

Overall, the purpose of auditing is to defend the financial interests of taxpayers while also aiding lawmakers at all levels to exercise financial control over the executive branch. Compliance with all financial regulations is a primary responsibility of Comptroller and Auditor General (CAG), who is responsible for ensuring that all financial regulations are implemented by all governmental agencies created under the Constitution. In order to fulfil the constitutionally

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mandated audit duties, the CAG performs a wide range of audits: financial audits, regularity audits, receipts audits, commercial audits, audits of stores and stock, performance audits, and so on. Accounting authorities in relevant ministries and principal accounts officers in various states assist the CAG in this enormous task.

Statutory Audit

The audit undertaken by the CAG through the Indian Audit and Accounts Department is known as a statutory audit. The CAG's role is defined by the Constitution as well as the CAG Act of 1971.

- It audits all expenditures from the Consolidated Fund of India of the Union, each State, and each Union Territory with a Legislative Assembly, to determine whether the funds shown in the accounts as having been disbursed were legally available and applicable to the service or purpose for which they were applied or charged, and whether the expenditure complies with the authority that governs it.
- It audits all transactions involving the Union's contingency funds and public accounts, as well as those of the states.

The Constitution grants access to the accounts of expenditure incurred against allocations authorized by parliament to the CAG. The CAG has the authority to inspect any office involved in the transactions over which he or she has authority. The goal of a statutory audit is threefold:

- (i) It is an accounting audit to ensure that arithmetical computations are correct and that all payments are backed up by receipted vouchers. In essence, it's the same as a limited audit conducted by private auditors. Its goals are to discover fraud, technical faults, and principal flaws. It's normally a continual audit, but only a tiny number of transactions are subjected to it.
- (ii) It is an appropriation audit, which checks spending classification to ensure that things have been charged to the correct heads of accounts and that the appropriation for these categories has not been exceeded.
- (iii) It is an administrative audit or a sanctions audit to ensure that spending has been incurred in accordance with the rules and regulations, or, if not, that the competent authority has sanctioned it.

Statutory audit can reassure parliament that funds were spent in line with the rules and regulations and within the limits set. It can attest for the accuracy of accounts and detect money laundering, fraud, and defrauding.

Internal Audit

Internal auditing, on the other hand, is done within the company. Internal auditing is carried out by an agency or department established by the organization's management. It is an important aspect of the company and reports directly to the CEO. It is in the nature of an internal service to the executive to ensure smooth and efficient operation, as well as to review and improve its performance. Internal audits have a variety of goals, including ensuring the adequacy, soundness, and

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applicability of internal control systems, preventing and detecting fraud, and conducting a performance-cum-efficiency audit of a programme of an entity as a whole, or its parts designed at different levels for any of the management's objectives. The Indian Audit and Accounts Department's (IAAD) external audit is more independent than the internal audit conducted by any organization. Internal and external audits, as well as mandatory audits, do not clash. The scope of statutory audit is confined to testing internal audit activity when internal audit is adequate.

Financial Audit

A financial audit is carried out by the Indian Audit and Accounts Department in order to determine whether the executive's administrative actions are not only legal, but also proper and do not result in any overspending. As an example, financial audit does not focus on the auditing of administrative structures and procedures. The executive government's responsibility or function is to create laws, regulations, and instructions that must be followed by its subordinates when it comes to waste, extravagance, or improper spending. It is unquestionably the responsibility of audit to draw special attention to such issues and to bring the facts to the attention of parliament. In cases where an administrative action has substantial financial ramifications and is not compliant with applicable legislation, financial regulations and procedures, an audit will step in to help. Auditing against propriety or general principles of orthodox finance is also part of financial auditing. As a result, financial audit protects the interests of taxpayers by bringing waste in government spending to the attention of parliament.

Regularity Audit

All payments must be properly authorized and backed up by the necessary vouchers in the defined format in order for an audit to be considered successful. Its primary objective has been to ensure compliance with the Constitution's or Parliament's important administrative, financial, fiscal, and accounting norms and regulations. It is the goal of an audit to discover if the money were used for the intended purpose and that the amount spent did not exceed the amount allocated. Auditing expenditures is all about ensuring that each line item is covered by a sanction from the proper authority. Regularity auditing includes a check for compliance with norms and orders. It guarantees that expenditures are compliant with the applicable sections of the Constitution, as well as the laws and rules enacted under it. The auditing of expenditures for regularity is a quasi-judicial task carried out by the audit authority. It entails interpreting the Constitution, as well as norms and orders.

Receipts Audit

The purpose of a receipt audit is twofold.

- Obtaining assurance that the administration's systems and procedures are functioning properly

- To analyze the extent to which tax laws, norms, and court declarations are followed while assessing, requesting, and collecting tax from various assesseees.

The purpose of a statutory audit is to determine if the department of administration's system and methods, as well as the direct tax laws, are satisfactory and in place to that extent.

Performance Audit

Individual transactions are generally scrutinized in financial audits and regularity audits. Instead, they do not focus on determining whether these transactions are part of a larger scheme or programme that is being evaluated. This means that neither audit style is adequate for assessing an organization's performance with regard to its aims or objectives. An audit's purpose is to assess if resources have been efficiently used by utilizing them in the most efficient manner feasible. It emphasizes the degree to which resources are put to good use. It also emphasizes the extent to which quantitative benefits could be expected from such resource allocation.

5.3.4.3 Audit by Comptroller and Auditor General (CAG)

Polity and government in a democracy like ours rely on the rule of law and the accountability of the ruling class. Such institutions as a Supreme Audit Institution and an independent judiciary are entrusted with this responsibility under the Indian Constitution. The Supreme Audit Institution was formed by the Comptroller and Auditor General of India (CAG) and the Indian Audit and Accounts Department (IAAD) under his jurisdiction. To ensure accountability, India's Constitution mandates that the CAG serve as the nation's auditors. CAG is an autonomous jurisdiction authorized under Article 148 of the Indian Constitution and described by B.R. Ambedkar as the "most important official in the Constitution of India". The CAG of India, commonly known as the "Guardian of the Public Purse," is in charge of reviewing and auditing all expenditures of the Central and State governments, as well as those organizations or agencies that get major funding from the government.

- He audits all expenditures from the Consolidated Fund of India, as well as the Consolidated Funds of each state and UT with a legislative assembly.
- He audits all expenditures from India's Contingency Fund and Public Account, as well as each state's Contingency Fund and Public Account.
- He audits all trading, manufacturing, profit and loss accounts, balance sheets, and distinct subsidiary accounts maintained by any Central Government and State Government department.
- When required by associated regulations, he audits all receipts and expenditures of bodies and authorities heavily financed from Central or State income, government companies, other corporations, and bodies.

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Check Your Progress

5. What is question hour?
6. What do you mean by no confidence motion?
7. What is internal audit?

5.4 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. Indian Constitution does not mention the word ‘budget’ directly. However, it is called ‘Annual Financial Statement’ and mentioned in Art.112.
2. After the Lok Sabha has voted on all of the demands, they are encapsulated in a bill called the Appropriation Bill, which includes the chargeable expenditure.
3. With the approval of the Appropriation Act, the budget’s expenditure section is complete, with Parliament authorizing all public spending. However, there must be a mechanism to fund this cost. This is done by taxation. Article 263 of the Indian Constitution states that no tax can be imposed or collected unless it is authorized by law. This means that the government’s tax proposals must be approved by parliament, the top law-making body. All taxes are not need to be approved on an annual basis. Hence, finance bill contains all the taxation proposals.
4. The Finance Ministry asks to all the departments and ministries to submit their budgetary estimates. As a part of budgetary estimate, they are supposed to fill the form which must contain the information like - previous year actuals, sanctioned estimates for the current year, revised estimates for the current year, budget estimates for the coming year, current year actuals available at the time of estimate preparation, and actuals for the previous year’s corresponding period.
5. Every parliamentary day, the first hour (11 a.m. – 12 p.m.) is set aside for questions, which is normally called as question hour. The administration can be kept on its toes by asking questions. A question is a powerful tool for drawing the public’s attention to various aspects of the administration’s policies and operations.
6. It is also called as a censure motion. It is raised by a member or members who express dissatisfaction with the government for any cause. If the speaker permits the motion, the debate proceeds, with the government seeking a vote of confidence at the conclusion, failing which the entire cabinet/government must resign, resulting in the establishment of a new government.
7. Internal auditing is done within the organization. Internal auditing is carried out by an agency or department established by the organization’s management. It is an important aspect of the organization and reports directly to the CEO. It is in the nature of an internal service to the

executive to ensure smooth and efficient operation, as well as to review and improve its performance. Internal audits have a variety of goals, including ensuring the adequacy, soundness, and applicability of internal control systems, preventing and detecting fraud, and conducting a performance-cum-efficiency audit of a programme of an entity as a whole, or its parts designed at different levels for any of the management's objectives.

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5.5 SUMMARY

For the smooth functioning of the state administrative machineries, there must be a perfect balance between the legislative, executive and judiciary. This necessitates check and balance within the ambit of law. In Indian democracy, all the three organs of the state exert sufficient control over the governmental administrative system. Many control mechanisms are even mandated by the Constitution itself. As for example, Comptroller and Auditor General (CAG) is a Constitutional body mentioned in Art. 148 of the Indian Constitution. The parliamentary business rules and procedures mention a number of instruments, through which the legislatures ensure administrative prudence. The most important of them is of course question hour. The legislature also has eyes over the functioning of the administration through various committees. Budget is also an important parliamentary control over the state finances. On the other hand, judiciary also steps in for various omissions and commissions.

5.6 KEY TERMS

- **Rule of Lapse:** It is the final principle of budgeting. No portion of the grant that is not used during the fiscal year can be carried over to the next fiscal year.
- **Voting on Grant Requests:** Following the general debate, the Lower House votes on grant requests. This spending voting is an element of the budget and is a right reserved for the lower House. The demands are given by ministry, and each one is voted on separately.
- **Financial Oversight:** Parliament oversees the finances and monies allocated to the administration for their various functions. Revenue, expenditure, borrowing, and accounting are all under the control of Parliament.
- **Zero-hour Discussion:** This occurs after the question hour, which is 12 p.m., and because 12 p.m. is also known as zero hour, it is dubbed "Zero Hour". This session allows the members to raise any matter of urgent importance, without going through any notice period.
- **Error of Law:** This type of case occurs when a government employee misinterprets the law and imposes duties on citizens that are not specified in the law. In legal terms, this is referred to as misfeasance. The courts have the authority to resolve such disputes.

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- **Statutory Audit:** The audit done by the Comptroller and Auditor General (CAG) through the Indian Audit and Accounts Department is known as a statutory audit.

5.7 SELF-ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What is budgeting? What are its principles?
2. In which circumstances, judicial intervention in administration occurs?
3. What are the goals of a statutory audit?
4. Enlist the key responsibilities of finance ministry.
5. Discuss some Constitutional provisions regarding legislative control.

Long Answer Questions

1. Write an essay on the preparation and legislation of budget making in India.
2. Write an essay on judicial systems in India.
3. Discuss different tools of exercising legislative control.
4. Discuss various duties of CAG.
5. Discuss different forms of judicial control over administration.

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