

Module IV : Organizational Structure and Design

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Chapter I

Lines, Staff and Auxiliary Agencies

A. Introduction

A look at the list of functions of the Chief Executive reveals that no individual, however, gifted and able, can perform them singly. There comes also the problem of geographical spread. The Chief Executive, therefore, needs the help of various agencies too perform his functions. Some of these agencies actually perform the jobs in the field while others aid and advise the Chief Executive. The former are known as line agencies and latter as staff agencies. There is a third category whose name has yet not been standardized. These agencies are meant to assist the line agencies in the performance of their functions. They are generally known as auxiliary agencies although various names have been used by different authors and scholars.

B. Line Agencies

The term “line” is drawn from the military where it refers to command. The hierarchy which commands the military forces in the battle field is known as “line”. The agencies which help the commanders are called staff and auxiliary services. Thus the chain of command which passes from soldier to N.V.O., Lieutenant, Captain etc. to the supreme commander is the “line” agency. Others like supply ordinance information and intelligence etc. are known as staff.

In the Government, administrative system is divided into agencies and department on the basis of major substantive purpose. The agencies that perform the primary functions of the Government deal directly with people, implement Government programmes directly, are the line agencies. It is these line agencies with which the citizen comes in direct contact and they constitute the Kernel of administration. The major “line departments” in the Government of India are health, railways, transport, communications, rural development etc.

C. Staff Agency

Staff, literally means a stick which is used as a support. This again comes from the military where it means the group of people who are there to advise the commanders, as against those who are in the battle field. In civil administration the Chief Executive receives help from the organ or organs attached to him. The organ is called by the generic name "General Staff". This staff organization supports the Chief Executive by shifting and analyzing the information and matters reaching him. They do not let unimportant matters, reach him. If a decision can be taken elsewhere in the organization, the matter should not be brought to the Chief Executive. The staff organization also ensures that whatever information is reaching the Chief Executive is fully processed and ready for taking a decision. The staff organization is thus an extension of the Chief Executive himself and performs such function on his behalf which he would himself do if he had time. It is therefore, obvious that the people manning the staff positions must be the Chief Executive and should have a passion for anonymity. They are meant to assist the Chief Executive in taking decisions, but do not have to take decisions themselves. They do not issue orders commands.

The functions and objectives of the General Staff have been describe by L.D. White as follows.

- (i) To ensure that the Chief Executive is adequately and currently informed about all important matters connected with the organization.
- (ii) To assist him in foreseeing problems and planning future programmes.
- (iii) To ensure that matters for his decision reach his desk promptly, in a condition to be settled intelligently without delay and to protect him from hasty or ill-considered judgment.
- (iv) To exclude every matter that can be settled elsewhere in the organization.
- (v) To protect his time.

- (vi) To ensure compliance by the subordinates of the decision taken by him.

Staff Work vs. Staff Agency

Pfiffner and Presthus gave more importance to staff-worker rather than staff-agency. To them staff-work is institutionalization of the intellectual function as evident in legal, planning, budgeting services etc. They enlarged the scope of staff-work and included some new functions in it, for example assistance to line, encouraging human contact to overcome opposition etc. in this wider context they felt that staff-work includes:

- (i) Advising, teaching, consultation;
- (ii) Co-ordination normally through plans, but also through human contacts, trouble shooting and winning over opposition at all levels of organization;
- (iii) Planning;
- (iv) Contact with other organizations and individuals to know what is going on;
- (v) Fact finding and research;
- (vi) Assisting the line without infringing its authority;
- (vii) Sometimes exercising delegated authority from the line commander.

In fact Pfiffner had given a very wide definition to staff function, He included the general staff function of planning, coordinating etc, technical staff function of providing research, engineering, design services, etc, and other supporting services like central mailing, construction and maintenance of buildings etc. No wonder that with this wide definition of staff work, its technical people will take upon themselves the task of training the workers and providing technical guidance and supervision. In fact, these people are highly qualified technical experts, who by virtue of their senior position and personal

expertise, command a good deal of respect. They are, therefore, able to exercise a significant degree of technical control and supervision although they are not in the direct line of command.

There are two exceptional cases of personnel and finance functions which are categorized as staff functions, but have a considerable influence over the line or programme. Personnel department often makes appointments in line organizations, have a great say in the promotion of their workers, their salary structure, number of workers of different classes too be appointed etc. Similarly finance and budget department can sanction or deny the budget requests of line commanders, can force them to purchase cheaper equipment although of lower quality. All this has been rationalized on the ground that this is done in the name of the Chief Executive. But, often this rationalization does not hold because the budget the personnel functions are delegated by law to these functionaries independent of the chief. The fact remains that Finance and Personnel do exercise control power without often getting decision of the chief on each item.

Importance of Staff Function

No Chief Executive of any large organization can function without the help of staff agencies. Functions of Chief Executive being so multifarious and area of operation being so large, it is impossible for him to guide his subordinates, much less control them. But, why this distinction between the line and staff functions? Can the line people not perform the functions which have to be categorized as staff functions?

The answers to these questions are not simple. Probably in a small and simple organization, the Chief Executive may be able to perform all the functions with the help of few people, he might be supervising. But in a large and complicated organization this does not appear possible. The jobs to be performed are too many and too complicated to be supervised by one person. For this and several other reasons the diversion of work between line and staff becomes essential. Some of these reasons are indicated below:

- (i) Action or line people, who are hierarchical leaders, are not intellectually inclined. They do not find it easy to indulge in the luxury of detained fact-finding and analysis required for staff-work.
- (ii) There is a natural resistance to change in the line organizations, It is difficult to look at one's work critically and to suggest and implement changes.
- (iii) Thinking is a difficult job. The line people, being busy with their arduous line duties find it difficult to take up any serious thinking job.
- (iv) Fast change in the techniques of data collection, communication etc. requires more knowledgeable workers to process it.

It is, therefore, obvious that unless separate staff is provided for their staff-work. Thus important aspect will get neglected. The Chief Executive will not get the support he needs and the lower down line workers will not get the technical guidance they require for efficient performance of their jobs.

Difference between Line and Staff Agencies

The main difference between the line and staff functions have already been stated. For emphasis, these can be briefly restated:

- (i) Line function means the actions taken directly to achieve the purposes of the organization. For example, distribution of mails is the line function in the postal department. The staff function on the other hand means actions taken to support the Chief Executive and the organization to perform these functions. For example, the team of experts to advise the Chief Executive in the selection of equipment for the organization will be performing a staff function.
- (ii) The line functionaries form part of the chain of commands. They issue orders to their subordinates and receive orders from their superiors. The staff functionaries on the other hand only aid and advise the Chief Executive and the line functionaries.

They do not issue direct orders to the line functionaries. They have to do it through the Chief Executive or with the consent of the senior line functionaries. The deference between line and staff has been characterized by Sheldon's observations that "the staff organization may be described as a deliberate organization for thought, just as the line organization is the organization for execution.

Blurred Line of Demarcation

Such a clear cut deviation of line and staff functions has been questioned by many in fact the dividing line between the two is getting more and more blurred. There are hardly any organizations which are doing purely line or staff functions. All horizontal plans observed "Staff and line are coordinates operating not in a hierarchical relation of staff over line, but on a horizontal plane of authority and responsibility under the Chief Executive. A staff man who does not give command to the line is ineffectual and a line man who does not understand and exercise a modicum of staff function is a failure". The reasons for this blurring of the dividing line are:

- (i) With the advance of technology, the administrative organization is also changing. The specialization increases and so does the need for staff work. The number as well as variety of staff also increases. After a stage, staff work becomes in some degree a combination of both direct and indirect activities including advice as well as direction to the line officials.
- (ii) The writings of Simon and others have also characterized the differences between line and staff activities as unreal. According to these sociologists, authority is more a matter of influence than of command. The authority of the specialist staff tends to get accepted in the organization due to their superior knowledge and expertise. To that extent they are able to influence and direct the activities of the line although this may not be provided in the formal authority structure.

- (iii) The Chief Executive often has to consult his staff as well as line officers in deciding organizational policies. In this process the line officers also have to contribute from their field experience. Like other experts who bring their specialized knowledge, the line officers bring their specialized experience. To that extent they are performing staff functions. The same officers are performing line functions when they direct their subordinates line officers.
- (iv) In viewing large and complex organizations it will be soon that staff and line functions are being performed in all of them simultaneously by the sub-agencies which are predominantly line or staff. For example, Planning Commission is a staff organization for the Government of India. But, Chief of the Planning Commission performs line functions with respect to his subordinate staff. Moreover, several directions in project implementation, the Commission encroaches on the line functions of the Ministries. Similarly, Directorate of Health is a line agency in a State Government. But at the headquarters of the Directorate, there are a number of subject matter specialists performing staff functions for the Director.
- (v) As has already been mentioned, certain staff organs, like personnel; budget and finance etc. exercise almost coercive power over the line organization, thus usurping some of their functions.

For all these reasons and many more, it is not possible to lay down any demarcating principles to distinguish between line and staff functions and agencies. Pure line or staff functions are hardly being performed in any real organizations. In most of them an odd mixture of the two is discernible. What should be the proper mix, depends on the circumstances and functions of the organization and to some extent the personalities involved. Proper relationship between the staff and the line functions and agencies has been a subject of lively debate. In this context Dimock & Dimock and Kooing have observed, “The right

adjustment between line and staff constitutes one of the most difficult areas of management”.

Friction between Line and Staff Agencies

It is caused by several factors. Some of them are indicated below:

- (i) A conflict between the two is in-built in any organizational situation. The staff man feels he has too little authority as compared to line although he performs the more important intellectual function, the line man, on the other hand, feels that the staff man has a very cozy life for doing too little of arduous field work.
- (ii) One of the important staff functions is to monitor the performance of the line and present it to the Chief Executive. The line man feels threatened by this analysis of his performance, which he feels may at times be distorted due to some subjective considerations.
- (iii) The advice and sometimes a direction given by the staff man are resented by the line as the latter clubs it as bookish and impractical. The staff man on the other hand, feels that the line is not receptive to the new ideas. The natural resistance to change in the established line practices come in the way.
- (iv) The staff function has to be performed by specialists with high skills and by virtue of being the immediate advisors of the chief executive, they are rather close to him. The line people are relegated to the periphery even though they feel that they perform the main function of the Organisation under difficult conditions.

To some extent this conflict is inevitable. But, this can be minimized if its causes are consciously analyzed and attempts made to overcome them by all concerned. Some of the obvious steps are:

- (i) The staff must be friendly and tactful in the dealings with the line. Any attempt to talk down to the line is very much resented by them.

- (ii) Before finalizing their advice, the staff must consult the experienced line officers. This will give the advantage of getting practical advice from the experienced line people. At the same time it will ensure that commitment of the line officers to a policy advice which has been finalized in consultation with them.
- (iii) It may also be helpful if it is possible to exchange staff officers with line experience and vice versa. This may help in each one understanding and appreciating the problem of the other. A periodic exchange of personnel between line and staff position is a very healthy phenomena.
- (iv) Staff should scrupulously avoid the tendency to step into the domain of the line. As experts they may have certain technical advice to render to the line functionaries. This may confuse the expert or the line supervisor. It is, therefore, appropriate for the staff functionary to approach the workers through the special chain of command. In case of urgency, personal contact should be utilised, but in no case should the line of command be short circuited.

Thus with a tactful, friendly persuasive approach the staff should make its advice acceptable to the line. The staff should sell their advice rather than thrust it down their throat. They should try to present things in a way so that the line may feel it is their suggestions.

D. Auxiliary Functions and Agencies

While discussing the auxiliary service it may be worth while to recall their place in the organizational scheme which works through line Staff and auxiliary agencies. We have already studied the functions of the line (which performs the main activity of the organization) and staff (which provides specialized advice but does not command). The auxiliary agencies provide common services.

Many writers tried to define these terms. While the staff and line have fairly settled definitions, this is not so with the auxiliary services.

In 1927 Willoughby divided Government activities into two parts, the primary or the functional and the institutional or housekeeping. He defined primary activities are those for which to organization was crated and exists and secondary activities are those which assist in the performance of primary activities. Thus the primary function of railways is to carry passengers and goods from place to place. This is line function. But, to perform that function, railways have to build railway stations, lay the rail track build coaches to procure coal etc. Willoughby called these, institutions or house keeping activities. Actually these are auxiliary activities. Willoughby did not use the term auxiliary staff agencies/activities. In fact this type of services have not been given a settled name.

Willoughby of course called them “house-keeping” or institutional activities. Gavss called them “Auxiliary Services”. Pfiffner and Presthus included them in “Staff service”. Actually they divided staff into three categories general staff, technical staff and auxiliary staff.

Thus the auxiliary agencies although given different names, include such supporting services as supplies and disposals, maintenance of machinery and building, Central mailing, communication etc. Some writes include even personnel and finance in this category while others take them to belong to staff services.

Comparison between staff and auxiliary services

The similarity and differences between staff and auxiliary services are given below:

- (i) Auxiliary services are operating services. Whether they are purchasing agencies, stationery stores, recruiting boards, they are performing certain, operations. On the other hand, the staff services mainly involve thinking, planning and advising.
- (ii) By virtue of performing certain functions, these activities involve issue of orders and commands, while this is not so in case of staff agencies.

- (iii) The staff agencies advise the Chief Executive on substantive matters of policy formulation and execution. The auxiliary agencies only provide supporting but are not concerned with major policy issues.
- (iv) The two services are similar in one respect. Both are meant to serve the main operating agencies, viz. the lines departments. They do not have a *locus standi* of their own.

Need for Separate Auxiliary Agencies

There has been some thinking on the need for establishing separate auxiliary agencies. One view is that the main functional units (line units) may have their own auxiliary services. The other view is that common auxiliary services may be organised into separate units. For example, Central Public Works Department makes buildings for all the Departments of Government of India. The advantages of organizing auxiliary services as separate units are:

- (i) The main functional units (line units) are relieved of the duties regarding these secondary services. They may then concentrate on their main activities.
- (ii) The system ensures specialization of functions by placing them into the hands of experts.
- (iii) It increases the scale of operations and thus reduces the unit costs. Large scale purchasing, common storage facility, smaller supervision and overhead expenses may make for substantial economies.
- (iv) By creating a big undertaking, it becomes possible to employ a large staff giving them chances of promotion to very senior positions. This makes it possible to obtain and retain the services of very experienced and qualified people retain the provide good technical guidance and supervision.
- (v) Pooling of a similar activity in various departments avoids duplicity of works.

However, such a grouping of auxiliary services is not free from problems. Some defects of the system are discussed below:

- (i) Grouping the services in one department, tends to lose sight of the special requirements of the original functional departments from which the particular service or activity was taken out. In spite of the grouping of common activities, the individual departments have some peculiar requirements.
- (ii) There is an inherent danger of encroachment by the auxiliary agencies. For example, it may happen that Central Personnel Agency is given authority in matters of appointment and discipline.
- (iii) The separation of these functions from the main department may have to depend on various auxiliary agencies for meeting its requirements. For example, Department of Health may have to depend on Directorate General of Supplies and Disposals for getting various forms and stationery printed, on Central PED for Commission for recruitment of staff and so on. This definitely increases the points of friction and many hamper efficiency.

The basic principle that should not be forgotten is that the auxiliary work is meant to be primarily facilitating rather than controlling. This tends to be forgotten and auxiliary agencies behave as if they are an end in themselves.

Chapter II

Departmentalization

A. Introduction

Line agencies in the Government usually take one of the three forms. viz., Department, Public Corporation or Commission, Department is the fundamental organizational unit of administration. This is the highest unit below the Chief Executive and is subordinate and responsible to him. In fact, the departmental system is the natural growth of the need to divide the work when it grows. Although departments work under the Chief Executive, he is not always free to create them or modify them. In USA this function is performed by the legislature while in India it is the prerogative of the Chief Executive.

B. Integrated and Disintegrated Departmental system

According to Willoughby Governmental operations may be organised in accordance with two principles.

- (i) integrated or departmental
- (ii) Disintegrated or uncorrelated

In the integrated system-related activities operating in the same general field are grouped together into a single line agency known as department. The line of authority runs from Chief Executive to the department. The entire organization is thus covered by a direct chain of command from the Chief Executive.

In the disintegrated system – each service or agency is an independent unit. It is not related to other activities and has a direct line of authority to the Chief Executive or the legislature. In the absence of any reasonable grouping, this system has many loose ends in the shape of independent establishments and directly elected officials at which or whom the line of authority from the Chief Executive stops short and is broken.

Of the two systems, the integrated one is found to be superior. The advantages of the integrated system are:

- (i) In the maze of complicated Governmental operations, a proper classification and grouping of related activities is absolutely essential to make some sense out of the chaos.
- (ii) Grouping of related activities into a departmental makes the task of the Chief Executive and the legislature easy. With a manageable number of cohesive groups it would be much easier for the Chief Executive to formulate and execute policies and programmes and for the legislature to frame necessary law and procedures. In an uncorrelated system the task would be simply unmanageable. There would be too many agencies to manage.
- (iii) Under the integrated system, many conflicts of jurisdiction overlapping of functions and duplication of organizations can be avoided.

The administrative arrangements prevailing in most of the countries, have adopted the departmental system. In the United States, however, the disintegrated system still prevails to a great extent. There are a number of independent Regulatory Commissions directly appointed by the legislature. They have an autonomous status and do not come under the control of the President. In a Cabinet form of Government it is almost impossible to have a disintegrated system in view of the collective ministerial responsibility.

Willoughby has said that a departmental system has been found to be far superior to the disintegrated one. However, the disintegrated system can be used in a few cases such as :

- (a) in case of inter-state activities in a federal system;
- (b) in case of technical services;
- (c) where the organization is to be kept free from the control of the Chief Executive e.g. Public Service Commission.

C Principles of Departmental Organization

There are four principles on which Government departments can be organized:

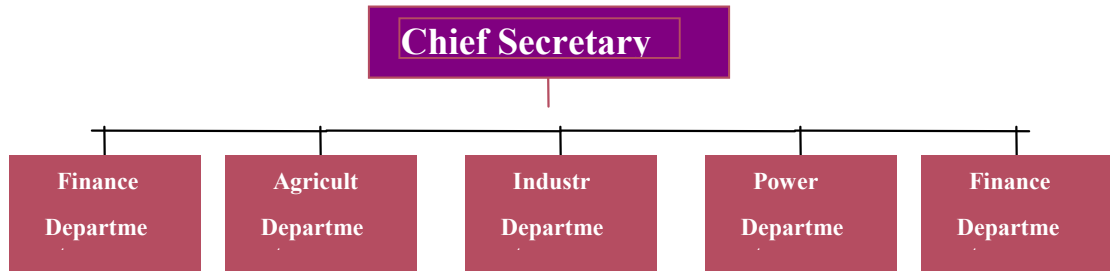
- a. Functional or purpose principle
- b. Process or professional principle
- c. Clientele or commodity principle
- d. The geographical principle

We discuss below the implications of each of these principles in the organization of the Department.

The Functional Principle

According to this principle, the administrative work should be organised on the basis of function or purpose. Reorganization Committee of Britain had recommended this system for administrative organization in Britain. For a particular broad category of service, a separate department may be created. For example, to encourage the development and growth of industry, a Department of Industrial Development may be created. To make arrangements for imparting education to the community, a Department of Education can be created. Each such department will take care of a number of related activities. For example, the Department of Industrial Development may have to create infrastructure (building industrial estates and industrial areas, development of land for industries etc), may have to arrange for import of technology; may have to provide technical assistance to young entrepreneurs, etc. All these activities can be grouped in a single department as described above. Other related activities may be similarly organised into similar departments. It may not be possible to adhere to this principle absolutely as there may be some common areas between different departments. For example an industrialist may also require electricity. Such problems can, however, be solved by inter-departmental coordination. In spite of this limitation, it is found that the system of organization of administrative work according to services rendered or function performed is the most satisfactory one under most of the probable circumstances. Hoover Commission recommended this for the USA.

Functional Departmentalization



The Process Principle

According to this principle, the business of Government may also be organised on the basis of process or nature of the activity performed by the agency. For example, for the legal activities of the Government, there may be a Law Department.

Advantages of the process system are:

- (i) It makes for better use of the technical and specialized services. If such experts remain at one place according to their specialty, their expertise can be put to best use. Their utility is reduced when they are placed in a tiny unit of a bigger nonfunctional department.
- (ii) It saves duplication of effort as separate departments need not maintain these specialists units.
- (iii) It facilitates uniformity by bringing specialists together.
- (iv) It is more conducive to better career development by providing more opportunities for advancement and promotion.

Disadvantages of the process system are:

- (i) It makes co-ordination difficult. Failure in one department may jeopardize the whole administrative system.

- (ii) There are many activities which will not render them to this kind of division of work. For example, conduct of foreign affairs, economic affairs and social welfare activities etc.
- (iii) It gives more importance to the means (Process) than to the ends (provision of services to the people).
- (iv) Too much of specialism in a department leads to a tendency of perpetuating the interests of that particular profession in preference to the public interest.
- (v) It leads to tremendous professional arrogance and to inter-professional rivalries.
- (vi) It results in loss of generalist services that can be good co-ordinates.

The disadvantages of the system for outweigh the advantages and it is not recommended for general application.

Clientele or Commodity Principle

Under this system, the business is organised on the basis of the clientele, i.e. the class of people for whom the services are meant. Such a department is supposed to look after in the needs of that class of people. For example, the Department of Tribal Welfare looks after all the needs of the tribal people. Instead of any group of persons, the departments could also be organised on the basis of commodities or groups of commodities. For example, the Directorate of oil-seeds looks after all the needs of increasing the production of oilseeds.

Advantages of Clientele-wise organization are:

- (i) The staff develops the capacity to solve all the problems of that class of people or commodities.
- (ii) Facilities co-ordination of services for the clientele group as they are all provided by one department.

- (iii) It simplifies relationship of department and the clientele. Since beneficiaries belong to a particular class, they have an interest in strengthening the department.

Disadvantages of the clientele organization are:

- (i) Since the number of clientele groups is very large, organization of departments on this basis will give rise to a very large number of departments. It will be impossible to cater to the needs of all the client groups.
- (ii) Since the interests of various groups may class and overlap, the functioning of departments will also overlap.
- (iii) The system does a great deal of violence to the principle of specialization. Each department will have to perform a large number of functions as the interests of every group cut across functional lines.
- (iv) Clientele departments may be ever shifting their policies depending only on their interests. This may not permit pursuing reasonably stable policies. The clientele or commodity organization system may, therefore, not be of universal applicability. However, some clientele oriented departments may be desirable to look after the long neglected sectors like Harijans and Tribals.

Geographical Principle

This is a system in which departments are organised geographical basis. For example, far East division in the Ministry of External Affairs; or Chambal Common Area Development Authority or North Eastern Council. These special agencies look after all the problems in their respective jurisdictions. There is another way of organizing geographically which appears very common. This is to have zonal, regional, state wise divisions of the national organizations, like Indian railways. While the latter method of geographical division of functional organizations appears appropriate the specialized area or region-wise authorities cannot be created as a general rule for all areas.

Advantages of Geographical Organization System are:

- (i) It is very useful to cover very large area which can become manageable only when divided into smaller geographical areas.
- (ii) It facilitates greater adaptation of policies to the needs of the area concerned. This may become necessary in view of the peculiar socio-economic conditions prevailing in the particular areas.
- (iii) The system is conducive to the better expression of the need and aspirations of the people of various regions. Great Britain has special regional administration for Scotland and Wales.

Disadvantages of the system are:

- (i) It will need the creation of a large number of departments and agencies to provide for the needs of various regions and sub-regions.
- (ii) The agencies will necessarily be multi-functional violating the principle of specialization.
- (iii) Many encourage parochial and regional feelings in the people.
- (iv) There may be clash of interests in various regional agencies.

Choices of Organizational Principle

Each system of division of administrative work has got its advantages and disadvantages. It has been observed above that different systems may be suitable for different types of activities. The decisions about the choice of the system will, therefore, have to depend on the type of activity. Different authors have also made some observations sounding a note of caution:

- (i) No single principle can be applied in all the circumstances. Sometimes a combination of two or more principles may also be desirable.

- (ii) The principles are not absolute or exact. it may be difficult to decide what is the purpose an what is the process.

It has, however, been said that the main principle of division of work should be the function performed or service provided. The other three principles, viz, process, clientele and geography are only of marginal importance and that too in certain special circumstances. For example, clientele system can be useful in organizing services for specially disadvantaged groups like tribals and geographical approach may be helpful in developing groups like tribals and geographical approach may be helpful in developing the areas with special problems. Subject to these exceptional cases, the functional division has by now come to be accepted as the best system of administrative organization. This would be so only if following conditions are satisfied:

- (a) All those services whose operations fall within the same field should be grouped under a separate department.
- (b) No other services should be included in that department.

This in effect means that the department should be uni-functional otherwise following results may ensure:

- (i) A discordant note is interjected in the organization. This complicates the issue and makes the co-ordination, difficult. Standardization of administrative practices and procedures is hindered.
- (ii) It distracts the attention of the head from his major function and even the attention given to the secondary functions remains perfunctory.
- (iii) It tends to make the head of the organization ineffective.

As already mentioned more than once, it s difficult to achieve the tasks of creating uni-functional departments. Some adulteration is inherent in the situation.