



# **THE SOCIAL PSYCHOLOGY OF ORGANIZATIONS**

**-Daniel Katz & Robert L. Kahn**

**Book Review By - Dhiren N Panchal**



## INTRODUCTION

**NOTE: The book review has been written in present tense and as if I myself would have been an author.**

This book has its origin in the program of research on human relations in organizations launched by Rensis Likert in 1947 as one of the major programs of the survey research center of the University of Michigan. From its inception, this series of researches has been concerned with problems of morale and motivation, productivity and effectiveness, power & control, and leadership and change processes in large organizations.

The book is an attempt to extend the description and explanation of organizational processes we have shifted from an earlier emphasis on traditional concept of individual psychology and interpersonal relationship. The interdependent behaviour of many people in their supportive and complementary actions takes on a form or structure which needs to be conceptualized at a more appropriate stage. Hence the effort has been directed at the utilization of an open system point of view for the study of large scale organization



## **Chapter1: Point of Departure**

Past approaches to the study of social problems and social behaviour have been limited by a lack of adequate conceptual tools. This limitation has been manifest both in psychology and sociology, although in different ways.

Psychologists have been characteristically unable or willing to deal with the fact of social organization and social structure. Societies and organizations consist of patterned behaviours, and the behaviour of each individual is determined to a considerable extent by the requirements of the larger pattern. This context is not often incorporated into psychological theories. Some such theories –the psychoanalytic, for example- deal with the influence of the family on the individual. Others take some account of the small group as the individual environment, and still others are concerned with the influence of culture, that most global of environmental concepts. Even social psychology, however, has neglected the organizational and institutional level, and textbooks of social psychology typically conclude with some treatment of small face-to-face groups. This book is an attempt to extend such discussions by beginning where many left off-with the behaviour of people in organizations. It is in that sense a second book in social psychology.

The older sociological theories reflect a limitation complementary to the theories of psychology. Sociological theories treat the superorganic or collective level without reference to individual characteristics or to the attributes of transactions between individuals. They are concerned with the products of such interaction but not with the process. This general criticism must be modified for Marx and Durkhiem, but is applicable nevertheless.

This book proposes that the resolution of such theoretical difficulties can best be achieved by means of open-system theory. This theoretical approach is not yet fully developed, but is exemplified by several important lines of work. These include the event-structure theory of F.H.Allport, the general systems approach of J.G.Miller and his colleagues, and the sociological theory of Talcott Parsons. Open-systems theory seems to us to permit assumption of entropy, the necessary dependence of any organization upon its environment. The open-system concepts of energetic input and maintenance point to the motives and behaviour of the individuals who are the carriers of energies input for human organizations; the concept of output and its necessary absorption by the larger environment also links the micro- and macro levels of discourse. For all these reasons, open-system theory represents the point of departure for the chapters which follow.



## ***Chapter2: Organizations and the system Concept***

The open-system approach to organizations is contrasted with common-sense approaches, which tend to accept popular names and stereotypes as basic organization in terms of the goals of its founder and leaders.

The open-system approach, on the other hand, begins by identifying and mapping the repeated cycles of input, transformation, output, and renewed input which compromise the organizational represents the adaptation of work in biology and in the physical sciences by Von Bertalanffy and others.

Organizations as a special class of open systems have properties of their own, but they share other properties in common with all open systems. These include the transformation of energy from the environment, the through-put or transformation of the imported energy into some product form which is characteristic of the system, the exporting of that product into the environment, and the reenergizing of the system from sources in the environment.

Open system also share the characteristics of negative entropy, feedback, homeostasis, differentiation, and equifinality. The law of negative entropy states that systems survive and maintain their characteristics internal order only so long as they import from the environment more energy than they expend in the process of transformation and exportation. The feedback principle has to do with information input, which is a special kind of energetic importation, a kind of signal to the system about environmental conditions and about the functioning of the system in relation to its environment. The feedback of such information enables the system to correct for its own malfunctioning or for changes in the environment, and thus to maintain a steady state or homeostasis. This is a dynamic rather than a static balance, however. Open system are not at rest but tend toward differentiation and elaboration, both because of subsystem dynamics and because of the relationship between growth and survival. Finally, open systems are characterized by the principle of equifinality, which asserts that systems can reach the same final state from different initial conditions and by different paths of development.

Traditional organizational theories have tended to view the human organization as a closed system. The tendency has led to a disregard of differing organizational environments and the nature of organizational dependency on environment. It has led also to an over concentration on principles of internal organizational functioning, with consequent failure to develop and understand the processes of feedback which are essential to survival.



## ***Chapter 3: Defining characteristic of Social Organization***

All open systems share certain properties, but these are insufficient for adequate characterization of specific systems. It is useful therefore to create categories of open systems and to attempt some delineation of their distinctive properties.

Social systems, for example, lack the fixed physical structure of biological and other physical systems. Social systems have structure, but it is a structure of events rather than physical parts, a structure therefore inseparable from the functioning of the system.

This unique aspect of social structure as compared with physical structure implies great importance to maintenance inputs (which sustain the system), in addition to production inputs (which are transformed and exported as the system functions). This aspect of social structure reminds us also that social organizations are contrived systems, held together by psychological bonds. The contrived quality of social systems and their quality of event-structure mean that they can be designed for a wide range of objectives, that they do not follow the typical of the life cycle of physical systems, and that they require control mechanism of various kinds to keep their component parts together and functioning in the required interdependent fashion.

Three types of forces are involved in reducing human variability to the patterns required for organizational functioning; environmental pressures generated by the direct, observable requirements of a given situation, shared values and expectations, and rule enforcement.

The formal patterns of behaviour achieved through rule enforcement are role behaviours, sanctioned by norms, which are justified in their turn values. Roles, norms, and values thus furnish three interrelated bases for integration of organizations.

The integration process is complicated by the different dynamics of the major organizational subsystems. These include the production or technical subsystem, primarily concerned with the organizational through-put; the production-supportive subsystems of procurement, disposal, and institutional relations; the maintenance subsystems for attracting and holding people in their functional roles; the adaptive subsystem, concerned with organizational change; and the managerial subsystem, which directs and adjudicates among all the others. The presence of these subsystems and formal role pattern in terms of which they function are among the major defining characteristics of social organizations as a special class of open systems.



## ***Chapter4: Development of Organizational Structure***

Three classical models of organization are considered: the bureaucratic theory of Max Weber, the public administration account of Luther Gulick, and the scientific management approach of Frederick Taylor. All three have elements in common, including an emphasis on process specialization of tasks, standardization of role performance, centralization of decision-making, uniformity of practice, and the avoidance of duplication of functions. These emphasis are descriptive in the case of Weber; they have the quality of advocacy in the theories of Gulick and Taylor.

None of the three models, even the weberian, seems to us to deal adequately with the transaction between an organization and its environment. All three therefore offer no ready way for treating this major source of organizational characteristics and organizational change. Open-system theory is offered as a more adequate framework, and the development of organizations is described in open-system terms.

Three stages of organizational development are considered. At stage 1 certain characteristics of a human population and some common environmental problems interact to generate tasks demands and a primitive production structure to fulfill them. At stage 2 devices for formulating and enforcing rules appear. An authority structure emerges and becomes the basis for managerial and maintenance subsystems. Stage 3 sees the further elaboration-structures for procurement, disposal, and institutional relations.

Each of these organizational subsystems develops its own dynamic tendencies-technical proficiency in the case of the production subsystem, stability and predictability in the case of the maintenance subsystem, external control and internal change in the case of the boundary and adaptive subsystems, and compromise, control, and survival in the case of the managerial subsystem.

These dynamics tendencies of subsystems are not always manifest in the same terms nor with the same strength. Moreover, there are tendencies which characteristically dominate in organizations. One of the most important of these is the maximization principle, which reflects organizational efforts at growth, insured survival, and environmental control. The tendency toward maximization, which solves at least temporarily many problems of internal strain and external threat, is often overriding in human organization.



## **Chapter5: A Topology of Organization**

Some of the inherent difficulties of organizational typologies are discussed, including the often-overemphasized uniqueness of individual organizations, and the inability of pure types to account fully for the variability encountered among organizations. Further difficulties include the absence of logical limits to the process of creating categories, and the fact that some organizational properties are readily conceptualized as continuous variables, others as dichotomies, and still others in neither set of terms.

A topology of organization is proposed, based upon genotypic (first-order) factors and second factors. The genotypic function is the function which an organization performs as a subsystem of the larger society. Four such functions are defined on the basis:

- a) Productive or economic organizations- these organizations are concerned with providing goods and services, and include mining, farming, manufacturing, transportation, and communication.
- b) Maintenance organizations- These organizations are concerned with the socialization and training of people for roles in other organizations and in the society at large. Schools and churches are the major examples of maintenance organizations.
- c) Adaptive organizations- These are organizations intended to create knowledge, innovative solutions to problems, and the like. The research laboratory is the prototype of such organizations, and universities (as research organizations rather than teaching organizations) would also belong in this category.
- d) Managerial – political organizations- These organizations have to do with the coordination and control of people and resources, and with adjudicating among competing groups. The national state and the agencies of government at lesser levels provide the major examples of this category, although pressure groups, labor unions, and other special-interest organizations would also be classified as managerial political.

Second characteristics can reflect specific aspects of structure, the nature of environmental transactions, internal transactions, and limitless other organizational properties. A discussion of several second-order characteristics is offered in the following terms:

- (1) Nature of organizational through-put-a distinction between objects and people as the end products of organizational functioning.



(2) Nature of maintenance process-a distinction between expressive (intrinsic) rewards and instrumental (extraneous) rewards as ways of attracting and holding members in organizations.

(3) Nature of bureaucratic structure-a distinction in terms of permeability of organizational boundaries (ease of joining and leaving), and in terms of structural elaboration (degree of role specialization and number of echelons).

(4) Type of equilibrium-a distinction between the tendency to a steady state and the tendency toward maximization of organizational return as dominant organizational dynamics.





## ***Chapter 6: The Concept of Organizational Effectiveness***

Organizational effectiveness is introduced as a term which has been subject to numerous and conflicting uses. An attempt is made to resolve such conflicts by distinguishing among several components of organizational effectiveness.

Organizational efficiency is the first such component, and is defined as the ratio of energetic output to energetic input. Efficiency thus tells us the ratio of the input of an organization emerges as product and how much is absorbed by the system. Further distinctions are made between human energy and materials as organizational inputs, between direct and indirect uses of human energy in organizations, and between the use of materials as supplies and as equipment. The computation of organizational of organizational efficiency is shown to be dependant upon the spatial and temporal definitions of organizations.

A further distinction is introduced between the potential efficiency of an organization and its actual efficiency. This distinction contrasts the elegance of a given organizational design with the degree to which a given design is realized in organizational practice.

Efficiency is also distinguished from profit, although the two are asserted to be strongly related. The contribution of efficiency to survival is discussed in terms of the storage of energy which efficiency permits and the consequent margin for error which it provides.

The chapter concludes with an explication of organizational effectiveness as the maximization of return to the organization by all means. Such maximization by economic and technical means has to do with efficiency; maximization by non-economic or political means increase effective ness without adding to efficiency. Increases in effectiveness by both means are typically observable as storage of energy, organizational growth, organizational endurance and survival, and as organizational control of the surrounding environment. All definitions of effectiveness involve some assumptions with respect to frame of reference. Two such frames are considered, that of the organization as a system in its own right, and that of the larger society or system of which the organization is a subsystem.



## ***Chapter 7: The Taking of Organizational Roles***

The concept of role is proposed as the major means for linking the individual and organizational levels of research theory; it is at once the building blocks of social system and the summation of the requirements with which such systems confront their members as individuals. Each person in an organization is linked to some set of other members by virtue of the functional requirement of the system which are heavily implemented through the expectations those members have of him; he is the focal person for that set. An organization can be viewed as consisting of a number of such sets, one for each person in the organization.

The process by which the expectations of member of a role set are linked to the behaviour of the focal person for that person for that set is described in terms of role episodes. The role episode in turn consists of a sequence of events involving members of a role set and the focal person. The sequence begins with the role expectations held by members of the set for the focal person; these are activities which they require of him in order to perform their own roles or to maintain their own satisfactions. The next step in the role episode is the sending of these expectations from the members of the set to the focal person, the communication of role requirements in terms intended to influence his behaviour.

With the communication of role expectations from role set to focal person, the first half of the role episode is completed. The second half has to do with the perceptions and behaviour of the focal person. He receives, with greater or lesser distortion, the role expectations sent to him. It is received role which is the immediate source of influence and motivation of his behaviour (insofar as it is influenced by members of his role set). Finally, the focal person acts; he behaves in role, showing some combinations of compliance and some noncompliance with the expectations of his set. They observe and evaluate his behaviour in relation to their expectations and needs, and thus the cycle moves into another episode.

Several complications are considered in connection with the treatment of organizational role in these terms. One role may involve many activities; multiple roles may be incorporated in a single office that is, intended for performance by a single individual. Moreover, one person may hold a number of offices. Each of these elaborations adds its own complications to the simple situation in which a single recurrent activity comprises a role, which in turn comprises an office occupied by a person without additional organizational commitments.

Three oversimplifications of the role episode are considered; the fact that organizational life is continuous rather than made up in discrete episodes, the fact that members of a role set are often in disagreement among themselves with



respect to what the focal person should do, and the fact that the role episode occurs within and is shaped by a matrix of organizational influences. Four basic categories of role conflict are considered: incompatible expectations held by a given member of a role set (intrasender conflict); incompatible expectations held by two or more members (intersender conflict); incompatibilities between two or more roles held by the same focal person (interrole conflict); and incompatibilities between the requirements of a role and the needs or values of the person holding it (person-role conflict).

The chapter concludes with a review of the empirical evidence bearing on the model of role-sending and role behaviour which has been proposed.



## Chapter 8: Power & Authority

In this chapter we have sought to explore the relationships between the structural characteristics of authority in organizations and the patterns of interpersonal transactions which comprise this structure in ongoing organizational life. We find that the organization has means and techniques for the exertion of influence, channels for doing so, and organizationally determined content which requires the exertion of influence.

We located the origin of organizationally influence and authority in the division of labor, with its stipulation of sequential and interdependent cycles which in combination get the organizational task done. Authority structure is intended to insure the performance of these cycles, and secondarily to introduce necessary changes in their specification. This means that the authority structure must provide for the supervision (or review) of organizationally required acts, and exert correction or innovative influence as prescribed.

The exercise of authority in an organization should not be confused with authoritarianism. Organizations can have a democratic structure in which the source of legislative power is vested in the membership and the executive directives are an implementation of the wishes of the majority. Members still obey the rules. In an authoritarian system, however, both legislative and executive systems are under the control of the top echelons.

The process of insuring that each person's behaviour shall be observed by another person to see that the requirements of organization are met is inevitably a source of great cost. Accordingly there are consistent efforts to minimize these costs and the shape and process of authority reflects these efforts. The grouping of similar and related jobs under a single supervisor is a major example. This pattern, in combination with the building in of supervisory insurance by means of overlapping areas of authority (each supervisor having authority over his immediate subordinates and also their subordinates, etc.), creates the characteristic pyramidal shape of the authority structure. The organizational tendency to vest each function in a single role and office makes it almost certain that the pyramid of authority will continue to the apex, at which an entire level of authority is expressed in only a single office.

We turned from a discussion of authority structure to an analysis of the interpersonal transactions which constitute this structure. In addition to the recognized role requirements by means of which the organizational tasks is achieved, we asserted a super ordinate requirement of hierarchical organization- the necessity of obedience to legitimate authority as a condition for continued membership and access to the benefits of organization.



We are led by these analyses to an attitude of great respect for formal, hierarchical organization. It is an instrument of great achievement of great effectiveness; it offers great economies over unorganized effort; it achieves great unity and compliance. We must face up to its deficiencies, however. These include great waste of human potential for innovation and creativity and great psychological cost to the members, many of whom spend their lives in organizations without caring much either for the system (except its extrinsic rewards and accidental interpersonal relationships) or for the goal toward which the system effort is directed. The modification of hierarchical organization to meet these criticisms is one of the great needs of human life.



## ***Chapter 9: Communication: The Flow of Information***

Human organizations are informational as well as energetic systems, and both the exchange of energy and the exchange of information must be considered in order to understand the functioning of organizations. Information exchange is itself energetic, of course, but its energetic aspects are of minor significance compared to its symbolic aspects. In other words, information transmission is significant for what it implies, triggers, or controls. In general, the closer one gets to the center of organization control and decision making, the greater is the emphasis on information exchange and transmittal.

The importance of information process to organizational functioning does not imply, however, a simple relationship between amount of communication and organizational effectiveness. The advocacy of communication as a desideratum of organization needs to be qualified with respect to the kind of information requirements for the solution of given problems, and with respect to the nature of communication process between individuals, groups, and subsystems of organizations. Indeed, social systems can be defined as restricted communication networks; unrestricted communication implies noise and inefficiency.

Every organization thus must solve the problem of what patterns of communication shall be instituted, what information shall be directed to the offices. One issue in establishing such a pattern is information overload. There are limits to the amount of communication which can be received, coded, and effectively handled by an individual. The tendency to overload certain executive offices with communications is strong, and the responses of individuals to information overload are often maladaptive. Miller has identified seven categories of response to information overload, each of which can be assessed in terms of its adaptive or maladaptive implication for the individual and the organization. These categories include omission, error, queuing, filtering, approximation, multiple channels, and escape

Five dimensions are proposed for characterizing communications circuits in organization:

- (a) The size of the loop; that is, the amount of organizational space encompassed by the communication circuit;
- (b) The nature of circuit;
- (c) The openness of the circuit; that is, the extent to which messages can be modified once the communication process has been initiated;
- (d) The efficiency of the circuit for task completion; that is, the speed and accuracy with which the circuit permits the completion of specified tasks; and
- (e) The goodness of fit between the circuit and its systemic function.



Further distinctions are made between communication in a hierarchical organization directed upwards, those directed downwards, and those directed horizontally. Each of these directions implies characteristic content of messages.

The chapter concludes with a discussion of formal communication devices, such as operational feedback, operations research, and systemic research. The hypothesis is offered that communication and information subsystems are often located disadvantageously in organizations, both in terms of accessibility to top leaders and in terms of contamination of the information- getting process.



## ***Chapter 10: Policy Formation & Decision Making***

An organizational policy is an abstraction or generalization about organizational behaviour, at a level which has structural implications for the organization. Such generalization can be made retrospectively, as recognitions of existing practice; the more interesting process, however, is policy making, the making of general statements of what organizational behaviour shall be. The making of policy in this sense is at once a category of decision making, an aspect of organizational change, and perhaps the most significant expression of leadership.

Organizational decisions can be characterized on three dimensions: level of generality or abstraction, amount of organizational space affected, and duration. Two major categories of policy making are proposed, based upon these dimensions: the formulation of organizational goals and objectives, and the formulation of strategies and procedures for achieving and assessing progress towards such goals.

The formulation of organizational goals includes sharpening and clarifying present organizational purposes, adding new objectives or relinquishing old ones, shifting priorities among objectives, and altering the major mission of the organization. Examples of all these policy making activities are considered. Least in evidence of all these policy making evidence are major shifts in organizational mission, which are opposed by all the stability-seeking machinery of the organization itself.

That form of policy making which deals with strategy and assessment of performance in relation to accepted goals involves some what different activities. These include the development of criteria for decision-making, and the development of feedback measures which provide information about the adequacy of present organizational functioning. Feedback measures in principle can be constructed around any internal organizational process and around any continuing transaction between an organization and its environment. In practice these potentialities for guiding data are little developed. Once accounting, sales, profitability, and growth are in general use as feedback mechanisms established and maintained as matters of policy. The limitations of these devices arte considered, particularly under conditions of rapid and continuing technological change.

To define policy-making as a category of decision making raises very general questions about how decisions are made, what situational factors affect the making of them, and what inherent limitations in rational decision processes are implied by the nature of human beings as decision-makers. The latter sections





of the chapter deals with these issues. Decision-making is described in terms of four stages, in accordance with the schema first proposed by John Dewey. In sequence these include immediate pressure or felt difficulty experienced by the decision-maker, analysis of the presenting problem and its basic dimensions, search for alternative solutions, and consideration of the consequences of these alternatives.

In any specific instance movement through these stages and the decisional outcome itself will be affected by the nature of the problem, the organizational context, the personality characteristic of the decision-makers, and the cognitive limitations of human beings. These include the determination of thought processes by position in social space, identification with outside reference groups, projection of one's own values and attitudes, the tendency toward undifferentiated or dichotomized thinking and toward cognitive nearsightedness, and the reliance on oversimplified notions of causality. The chapter concludes with a review of several systemic checks on such tendencies which can be built into formal organizations.



## Chapter 11: Leadership

In the description of organizations, no word is more used than leadership, and perhaps no word is used with such varied meanings. Leadership is sometimes used as if it were an attribute of personality, sometimes as if it were a characteristic of certain position, and sometimes as an attribute of behaviour. The last of these seems to offer distinct conceptual advantages, and we define leadership in behavioral terms as any act of influence on a matter of organizational relevance.

This definition of leadership includes many routine acts of supervision; the essence of leadership, however, has to do with that influential increment which goes beyond routine and taps bases of power beyond those which are organizationally decreed. These include referential power, which depend upon personal liking between leader and follower, and expert power, which depends upon the knowledge and ability of the leader. In contrast to these are the organizationally given powers of reward, punishment, and legitimate authority.

One may question the need for leadership so defined, and ask why an organization properly designed for its purpose will not function adequately without acts of leadership. The answer lies in four inescapable facts of organizational life: necessary incompleteness of organizational design, changing environmental conditions, internal dynamics of organization, and chart of human membership in organizations.

No organizational chart and no book of policies and procedures can specify every act and prescribe for every contingency encountered in a complex organization. To attempt such specification merely produces an array of instructions so ponderous that they are ignored for the sake of transacting the business of the organization. Moreover, even if such specification could be provided, they would soon be out of date. Organizations are open systems exist in ever changing environments. Each change in the environment implies a demand for change within the organization. To some extent such demands are foreseeable and the appropriate responses can be programmed; to some extent they require leadership beyond such responses. Additional factors which mitigate against organizational stability and create a continuing need for leadership are the uneven development and different dynamics of the several organizational, and the segmental nature of human membership in organizations.

To analyze leadership behaviour, we propose three categories or levels of leadership acts, differentiated in terms of their effects on organizational structure: the origination of structure, or the policy formulation; the interpolation of structure, or the piecing out of policies to meet immediate problems; and the use of structure, or the routine administration of applying prescribed remedies for predicted problems. Each of these categories of leadership behaviour is



characteristically encountered at a different organizational level, and each requires for successful use a different cognitive style, different kinds of knowledge, and different affective characteristics.

Finally, no pattern of leadership is appropriate for all phases of organizational life. There is evidence, however, that the broad sharing of leadership functions contributes to organizational effectiveness under almost all circumstances.



## ***Chapter 12: Psychological Basis of Organizational Effectiveness***

This chapter attempts to develop a comprehensive framework for predicting the effectiveness in terms which specify the types of behaviour required for organizational effectiveness, the different motive patterns which can evoke such behaviour, and the organizational conditions which elicit these motive patterns.

Three categories of behaviour are required to achieve high levels of organizational effectiveness. People must join and remain in the organization; they must perform dependably the roles assigned to them; and they must perform dependably the roles assigned to them; and they engage in occasional innovative and cooperative behavior beyond the requirements of role but in the service of organizational objectives. More specific behaviors are described with in each of these broad categories.

Four motive patterns are proposed as characteristics of organizations and as capable of producing the required behaviors in varying degrees. These are legal compliance, instrumental satisfaction, self expression, and internalization of organizational goals.

The complex sequences which link these and other mediating variables can be summarized for each of the four motive patterns, as follows:

Legal compliance is evoked by the use of unambiguous symbols of authority, backed by the use or threatened use of penalties. It tends to produce performance at the minimum acceptable level, and to generate no particular willingness to remain in the organization when alternatives are available.

Instrumental satisfaction is evoked by the use of rewards, and is more strongly evoked as the rewards are immediate, constant, and adequate. The behavioral patterns produced by reliance on rewards vary according to these factors, and also depend heavily on whether the rewards are systemwide or tied more specifically to performance. In general, system rewards hold people in the system but do not necessarily encourage more than minimally acceptable performance and are ineffective for stimulating innovative behavior. Individual rewards for performance are difficult to apply in large-scale organizations but under the proper conditions of immediacy, constancy, and adequacy can lead to increased productive effort.

The motive of self-expression depends primarily on objective attributes of the job itself. As the job increases in complexity, variety, and responsibility, the individual has increased opportunity to express his skills and abilities through



performance on the job. High productivity and strong attraction to the occupational system are characteristics of this motive pattern.

The internalization of organizational goals is at once the most effective of motive patterns and the most difficult to evoke within the limits of conventional organizational practice and policy. The extent of internalization depends upon the character of the organizational goals themselves, and their congruence with the needs and values of the individual. It depends also on the extent to which the individual shares actively in the determination of organizational decisions and in the rewards which accrue to the organization. High internalization of organizational goals tends to result in low absence and turnover, high productivity, and maximal spontaneity and innovativeness in the service of those goals.

This chapter concludes with a review of the empirical research findings which bear upon the preceding framework. They are too few and too scattered to test it fully, but the major patterns of research results are compatible with the framework as proposed.



## Chapter 13: Organizational Change

The study and the accomplishment of organizational change has been handicapped by the tendency to disregard systemic properties of organizations and to confuse individual change with change in organizational variables. More specifically, scientists and practitioners have assumed too often that an individual change will produce a corresponding organizational change. This assumption seems to us indefensible. To clarify the issue this chapter analyzes seven approaches to organizational change, and considers their characteristics strengths and weaknesses.

**Information-** The supplying of additional cognitive input has real but limited value as a way of creating organizational change. It can support other methods, give the rationale for proposed changes, and explain what will be expected of individuals. It is not, however, a source of motivation; other methods are required to provide the necessary motive force to change. Moreover, the target of information is necessarily the individual and not the organization.

**Individual counseling and therapy-** These methods represent attempts, in part successful, to avoid the limitations of mere information giving and to bring about individual change at a deeper level. It is true that the production of new insight can lead to deeper and more enduring changes in attitudes, and therefore to tendencies toward altered behavior. The target of such attempts is still the individual, however, and the translation of his new insights to organizational change is left wholly to him.

**Influence of the peer group-** A third, and in many ways a more potent, approach to organizational change is through the influence of the peer group. It is based on the undeniable fact that peers do constitute strong influences on individual behavior, and that a process of change successfully initiated in a peer group approach to organizational change. If the peer group consists of strangers without a common organizational affiliation, they face the same problems of transferring their insights and individual changes that we have already noted for individual approaches. If on the other hand the peer group is taken intact from the organizational, it is likely to be inhibited in its change efforts by the role and authority structure which characterize it in the organizational setting.

**Sensitivity training-** This technique is essentially an ingenious extension of the peer-group approach to individual and organizational change. The primary target of change remains the individual, although recent variations of this training technique deal specifically with the problem of adapting individual change to the organizational context.

**Group therapy in organizations-** This approach is best illustrated by the work of Jaques, and some of his colleagues in the Tavistock Institute. It has



shown significant results, and represents an original and important fusion of individual therapy and the psychology of organizations. Its most serious limitation is the assumption that organizational conflicts are primarily the expression of individual characteristics and neuroses, for the most part unrecognized by the individual.

**Feedback-** This approach to organizational change developed out of the attempt to make survey research results more usable by management. It has evolved in to a well-defined procedure which relies on discussion of relevant findings by organizational families, each consisting of a supervisor and his immediate subordinates. The organization wide use of feedback begins with the president and his executive vice presidents, and works through the hierarchy of organizational families in order. The targets of this demonstrably effective technique are personal a role relations within the organizational family.

**Systemic change-** In our view this is the most powerful approach to changing human organizations. It requires the direct manipulation of organizational variables. One example of this approach is the work of Morse and Reimer, in which the target of change was the hierarchical distribution of decision-making power in a large clerical organization. Other examples are provided in the work of Trist and Rice, in mining and textile industries respectively. The target of change in their work is the goodness of fit between the social and the technical systems which comprise the organization.

The concluding sections of this chapter deal with the broad issue of change and stability in organizations, and consider the relative significance of inputs from the environment and internal strains as sources of organizational change. The argument is made that changed inputs of various kinds are the most important sources of organizational change.