1968

An Analytical Comparison of Two Organizational Models With Special Emphasis on Personal and Organizational Objectives.

Gerald Hugh Graham
Louisiana State University and Agricultural & Mechanical College

Follow this and additional works at: https://digitalcommons.lsu.edu/gradschool_disstheses

Recommended Citation
https://digitalcommons.lsu.edu/gradschool_disstheses/1397

This Dissertation is brought to you for free and open access by the Graduate School at LSU Digital Commons. It has been accepted for inclusion in LSU Historical Dissertations and Theses by an authorized administrator of LSU Digital Commons. For more information, please contact gradetd@lsu.edu.
GRAHAM, Gerald Hugh, 1937-
AN ANALYTICAL COMPARISON OF TWO ORGANIZATIONAL MODELS WITH SPECIAL EMPHASIS ON PERSONAL AND ORGANIZATIONAL OBJECTIVES.

Louisiana State University and Agricultural and Mechanical College, Ph.D., 1968
Business Administration

University Microfilms, Inc., Ann Arbor, Michigan
AN ANALYTICAL COMPARISON OF TWO ORGANIZATIONAL MODELS WITH SPECIAL EMPHASIS ON PERSONAL AND ORGANIZATIONAL OBJECTIVES

A Dissertation

Submitted to the Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College in partial fulfillment of the requirements for the degree of Doctor of Philosophy in

The Department of Management and Marketing

by

Gerald Hugh Graham
B.S., Northwestern State College, 1959
M.S., Northwestern State College, 1960
January, 1968
ACKNOWLEDGMENTS

The writer is very appreciative to Dr. Herbert G. Hicks, Associate Professor of Management, for fostering an interest in the area of organization theory and for providing the writer with ideas, insights, encouragement, guidance, and cooperation which made the development of this paper possible.

In addition, the writer is grateful to Dr. Raymond V. Lesikar, Professor and Head of the Department of Management and Marketing, and Dr. Edmund R. Gray, Assistant Professor of Management, who improved the study significantly with their constructive criticisms. Thanks are due also to Drs. Leon C. Megginson, Professor of Management, Steward Lee Richardson, Assistant Professor of Marketing, and William J. Stober, Associate Professor of Economics. Finally, the writer wishes to recognize his wife, Norma Graham, for her assistance in typing and proofing the early drafts of the study.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENT</td>
<td>ii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>viii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>ix</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>Statement of the Problem and Hypothesis</td>
<td>3</td>
</tr>
<tr>
<td>Major Assumptions</td>
<td>3</td>
</tr>
<tr>
<td>Definition of an Organization</td>
<td>5</td>
</tr>
<tr>
<td>Parameters of the Study</td>
<td>6</td>
</tr>
<tr>
<td>Models and Metaphor</td>
<td>7</td>
</tr>
<tr>
<td>Method of Research</td>
<td>9</td>
</tr>
<tr>
<td>Preview</td>
<td>11</td>
</tr>
<tr>
<td>II. THE BEING MODEL OF AN ORGANIZATION</td>
<td>13</td>
</tr>
<tr>
<td>Description of the Being Model</td>
<td>14</td>
</tr>
<tr>
<td>Components of the B-Model</td>
<td>14</td>
</tr>
<tr>
<td>Human-like Characteristics of the B-Model</td>
<td>16</td>
</tr>
<tr>
<td>Origin and Present-Day Support of the B-Model</td>
<td>18</td>
</tr>
<tr>
<td>Historical Perspective</td>
<td>18</td>
</tr>
<tr>
<td>Other Forces</td>
<td>27</td>
</tr>
<tr>
<td>Views of Contemporary Thinkers</td>
<td>30</td>
</tr>
<tr>
<td>Empirical Validation</td>
<td>32</td>
</tr>
<tr>
<td>Process of Organizational Personification</td>
<td>34</td>
</tr>
<tr>
<td>The Nature of Meaning</td>
<td>35</td>
</tr>
<tr>
<td>Projection</td>
<td>39</td>
</tr>
<tr>
<td>Summary</td>
<td>41</td>
</tr>
<tr>
<td>CHAPTER</td>
<td>Page</td>
</tr>
<tr>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>III. THE INDIVIDUAL-FOCUSED MODEL</td>
<td>43</td>
</tr>
<tr>
<td>Description of the I-Model</td>
<td>43</td>
</tr>
<tr>
<td>Components of the I-Model</td>
<td>43</td>
</tr>
<tr>
<td>Degree of Formality</td>
<td>46</td>
</tr>
<tr>
<td>Empirical Support of the I-Model</td>
<td>47</td>
</tr>
<tr>
<td>Summary</td>
<td>50</td>
</tr>
<tr>
<td>IV. COMPARISON OF THE B-MODEL AND THE I-MODEL</td>
<td>52</td>
</tr>
<tr>
<td>Fundamental Differences Between the Two Approaches</td>
<td>52</td>
</tr>
<tr>
<td>Macro Versus Micro</td>
<td>52</td>
</tr>
<tr>
<td>Living Entity Concept</td>
<td>54</td>
</tr>
<tr>
<td>Reality</td>
<td>57</td>
</tr>
<tr>
<td>Place of the Individual</td>
<td>63</td>
</tr>
<tr>
<td>General Advantages and Disadvantages of Each View</td>
<td>65</td>
</tr>
<tr>
<td>Macro Advantages and Disadvantages</td>
<td>65</td>
</tr>
<tr>
<td>Psychological Advantages of the B-Model</td>
<td>67</td>
</tr>
<tr>
<td>Summary and Common Processes</td>
<td>69</td>
</tr>
<tr>
<td>V. ORGANIZATIONAL GOAL FORMATION</td>
<td>72</td>
</tr>
<tr>
<td>Nature and Importance of Organizational Goals</td>
<td>72</td>
</tr>
<tr>
<td>Definition of Organizational Goals</td>
<td>73</td>
</tr>
<tr>
<td>Nature of Organizational Goals</td>
<td>73</td>
</tr>
<tr>
<td>Importance of Organizational Goals</td>
<td>76</td>
</tr>
<tr>
<td>Continuum of Individual Participation in Goal Formation</td>
<td>77</td>
</tr>
<tr>
<td>Conceptual Scheme</td>
<td>78</td>
</tr>
<tr>
<td>Empirical Data</td>
<td>80</td>
</tr>
<tr>
<td>Goal Formation in the B-Model</td>
<td>82</td>
</tr>
<tr>
<td>Objectives and the Organizational Mind</td>
<td>83</td>
</tr>
<tr>
<td>Top Management Extension</td>
<td>88</td>
</tr>
<tr>
<td>Goal Formation in the I-Model</td>
<td>90</td>
</tr>
<tr>
<td>Evidence of Individuals' Influence on Organizational Goals</td>
<td>91</td>
</tr>
<tr>
<td>Theoretical Foundations</td>
<td>103</td>
</tr>
<tr>
<td>Evaluation of the Models</td>
<td>121</td>
</tr>
<tr>
<td>Summary</td>
<td>126</td>
</tr>
</tbody>
</table>
VI. CAUSES OF CONFLICT BETWEEN PERSONAL AND ORGANIZATIONAL OBJECTIVES

Importance of Goal Conflict
Causes of Conflict—B-Model
Organization Versus Individual
Empirical Evidence
Causes of Conflict—I-Model
Interpersonal Conflict Within Organizations
Organizational and Personal Goal Conflict
Conflict of Goals Between Groups
Empirical Analysis
Evaluation of the Models
Summary

VII. CONSEQUENCES OF CONFLICT BETWEEN INDIVIDUAL AND ORGANIZATIONAL GOALS

Consequences of Conflict—B-Model
Forces Structure
Individual Adjustment
Consequences of Conflict—I-Model
Organization as an Extension of Man
Organizational Adjustment
Individual Conflict and Adjustment
Empirical Analysis
Summary

VIII. SOLUTIONS TO CONFLICT BETWEEN INDIVIDUAL AND ORGANIZATIONAL GOALS

Solutions to Conflict—B-Model
Job Enlargement
Employee Participation
Increased Freedom Through Decentralization
Solutions to Conflict—I-Model
Reduction of Distortions in Goal Formation
Unavoidable Conflict
Implementation
Summary
<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>IX. SUMMARY AND CONCLUSIONS</td>
<td>234</td>
</tr>
<tr>
<td>Summary of the B-Model</td>
<td>234</td>
</tr>
<tr>
<td>Summary of the I-Model</td>
<td>239</td>
</tr>
<tr>
<td>Comparison of the Two Models</td>
<td>244</td>
</tr>
<tr>
<td>Choice of Model</td>
<td>246</td>
</tr>
<tr>
<td>Difficulties of the B-Model</td>
<td>249</td>
</tr>
<tr>
<td>Merits of the I-Model</td>
<td>251</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>253</td>
</tr>
<tr>
<td>QUESTIONNAIRE—APPENDIX A</td>
<td>273</td>
</tr>
<tr>
<td>VITA</td>
<td>278</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Continuum of Member Association—Individual Versus Company</td>
<td>49</td>
</tr>
<tr>
<td>2</td>
<td>Individual Versus Company Association by Organizational Level</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>Extent of Participation in Setting Objectives As Perceived by Members</td>
<td>81</td>
</tr>
<tr>
<td>4</td>
<td>Influence in Setting Organizational Objectives as Perceived By Members</td>
<td>92</td>
</tr>
<tr>
<td>5</td>
<td>Perceived Influence on Organizational Goals by Hierarchial Level</td>
<td>93</td>
</tr>
<tr>
<td>6</td>
<td>Perceived Conflict Between Job Requirements and What One Expects to Get from His Job by Organizational Level</td>
<td>162</td>
</tr>
<tr>
<td>7</td>
<td>Causes of Conflict Between Job Requirements and What One Expects to Get from His Work.</td>
<td>162</td>
</tr>
<tr>
<td>8</td>
<td>Causes of Conflict by Organizational Level</td>
<td>164</td>
</tr>
<tr>
<td>9</td>
<td>Consequences of Conflict Between Expectations and Job Requirements</td>
<td>190</td>
</tr>
<tr>
<td>10</td>
<td>Consequences of Conflict Between Expectations and Job Requirements by Management Level</td>
<td>191</td>
</tr>
<tr>
<td>11</td>
<td>The Effect of Participation Upon Influence in Setting of Changing Organizational Objectives</td>
<td>211</td>
</tr>
</tbody>
</table>
## LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURE</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Force of Individual Needs.</td>
<td>118</td>
</tr>
<tr>
<td>2</td>
<td>Force of a Group's Needs</td>
<td>118</td>
</tr>
<tr>
<td>3</td>
<td>Combined Force of the Needs of Five Subgroups</td>
<td>119</td>
</tr>
<tr>
<td>4</td>
<td>Organizational Subgroupings at a Point in Time</td>
<td>121</td>
</tr>
<tr>
<td>5</td>
<td>Organization Versus Individual with the Organization as the Primary Variable</td>
<td>166</td>
</tr>
<tr>
<td>6</td>
<td>Organization Versus Individual with the Individual as the Primary Variable</td>
<td>167</td>
</tr>
</tbody>
</table>
ABSTRACT

In the literature of organizational theory, the organization is sometimes treated as if it were something independent of the individuals who comprise it. This view (referred to by this writer as the B-Model) results from the early philosophers who attempted to explain all behavior, physical and social alike, by postulating universal laws to which all of the universe responded in an orderly and predictable manner. A second model, the I-Model, assumes that the organization represents nothing more than a highly abstract concept for describing the interaction of individuals who cooperate in such a fashion as to achieve satisfaction of their personal needs. In this second view, the organization is in no way independent of its members.

The models are similar in the following ways: both possess organizational goals which are in some ways different from the goals of the individual members, conflict occurs between organizational and individual goals in both models, and both offer a frame of reference for suggesting
solutions to conflict. The similarity exists in that these processes are common to both models, but each model treats the processes quite differently.

Goal formation in the B-Model is not dependent upon conscious human efforts. Data which show that individuals do not set organizational goals, or that individuals are largely unaware of organizational goals, or that individuals are confused as to just what the goals of a particular organization are offer some support for the Being-Model position. Goals are generally taken as given and analysis is directed to controlling other variables that lead to goal attainment.

In the I-Model, individuals enter into a group with needs ranked in order of priority and with the expectation of greater benefits through group effort than could be achieved independently. Through subtle and conscious rational and emotional processes, the individuals may be capable of formulating goals which, if achieved, will allow all or some of the members to satisfy, to some extent, their personal needs.

In the B-Model, conflict between individual and organizational needs is the result of an inherent incongruency between the demands of the rational organization
and the needs of a maturing individual. The organization, as an independent force, is capable of exerting its demands upon the individuals thereby causing individuals to adjust in a very unhealthy manner to the situation. Attempted solutions of job enlargement, employee participation, and decentralization have not been scientifically successful.

Since organizational goals are the result of individual needs, in the I-Model, the conflict occurs between individuals rather than between individuals and an organizational entity. Adjustment occurs on the part of both individual and organization with some individual adjustment being negative but not nearly to the same extent as supposed by the B-Model. It is hypothesized that conflict resolution should be based in the dynamic subprocesses of perception, empathy, communication, and other, yet to be discovered, phenomena which occur during individual interactions.

The analysis suggests that the B-Model as described in the literature is not consistent with the practitioners' and employees' images of a social organization. Moreover, this disparity creates the following difficulties: the acceptance of the rational B-Model has encouraged a tendency to accept goals as given thereby impeding a very
important area of organizational analysis, the B-Model has perpetuated the unrealistic prerogative of reserving goal formation to top management, and concentration at the aggregate level has led to incomplete recommendations concerning solutions to conflict between individual and organizational goals.

To overcome the misunderstandings resulting from the B-Model, the writer suggests a more extensionally oriented framework as pictured by the I-Model.
CHAPTER 1

INTRODUCTION

The emerging discipline of organization theory offers many contributions for the improvement of managerial effectiveness. However, since this discipline, as a field of itself, is just in the beginnings of its infancy; since it is so very dynamic and so extremely complex; and since direct empirical testing is a virtual impossibility, it is not surprising that the literature depicts many divergent and oftentimes conflicting views concerning just what an organization is and how it functions.

This student suggests that it is natural for most disciplines to begin at a relatively aggregate level and then as more knowledge is gained and more theorems accepted, analysis proceeds consistently toward a microscopic level. Finally, the micro and the macro variables are synthesized into a comprehensive system as more and more facts are coded. Scott pointed out that Newton, Adam Smith, and Comte analyzed each of their respective disciplines in a more macro than micro sense; and later, students in each of
these areas continued to probe the field of undiscovered knowledge until they were able to explain many of the intricate interrelationships that had been previously ignored. At this point, the stage was set for what is now referred to as the total systems view. Likewise, the organization theory of Mooney, Reiley, Urwick, and others associated with classical management was macro in that it dwelled with principles common to the gross technical organization. In an effort to explain the unpredicted variations in the classical model, more recent theoreticians have turned to microscopic examinations of particular variables—specifically, variables associated with human behavior. Presently, much work has been accomplished in the micro stage, and even in the synthesis stage of analysis; but there are considerable barriers yet to be surpassed in both stages. This particular work is an effort to stimulate study and increase understanding of a social organization by delving into a few of the micro variables associated with human needs.

---


2Loc. cit.
Statement of the Problem and Hypothesis

Some writers in organization theory attempt to analyze a social organization on the assumption that it behaves in such a way that reflects mystical forces, independent of human beings, similar to those which are inferred to support activities of the human body, mind, and soul. Other writings do not necessarily agree with these contentions; and as a result, confusion, misunderstandings, and disagreements occur. As with any case of divergent views, the question to be answered is: Which view is correct, or which view is better? The major hypothesis of this study is:

Hypothesis 1. It is more realistic and more widely accepted by organizational practitioners to think and act as if the organization were made up and operated by specific individuals who make up the sum total of the organization's force, behavior patterns, and reasons for existence than it is to accept the organization as an independent entity with powers of its own.

An implied minor hypothesis follows:

Hypothesis 2. When social organizations are analyzed with regard to the two different sets of assumptions listed in Hypothesis 1, different results are derived.

Major Assumptions

Many assumptions will be delineated during the writing as the situation dictates, but there are two important assumptions that prevailed all aspects of the analysis. One,
it is assumed that the majority of the existing social organizations, over a given period of time, exhibit, for all practical purposes, many similar components and relationships. This assumption makes it possible to study organizations and apply the findings of one situation to another, but it does not necessarily imply that there are universal principles that underly the activities of all organizations beginning with the very earliest and continuing through time immemorial. The assumption does postulate that one can study economic, governmental, social, political, and other organizations and to a degree, interchange findings between them.

A second permeating assumption is that individual behavior is not random but goal directed in an effort to satisfy a need or set of needs. The individual is born with some needs and others he creates through interaction with the environment. When these needs are not satisfied, a tension develops and persists until the individual does something to satisfy the need or to reduce it in some other fashion. If individual behavior were random, the literature on personal and organizational goals would have little or no merit.
**Definition of an Organization**

There are almost as many definitions of organizations as there are writers on the subject. Rather than coining still another definition, a relatively broad, flexible, and presently existing connotation of an organization will be employed in this study. The writer's reference to an organization includes a relatively large and complex group of people who are joined together in relatively stable relationships, and whose connections can be observed by an objective outside observer. Examples of organizations include business, political, social, religious, and many other groups. Smaller, looser knit groups may also be referred to as organizations, but the writer makes no attempt to include them in the analysis.

An organization is a social system, and it represents but a slice of a larger, more complex, widely dispersed social organization commonly referred to as "society." Additionally, any large group of people with relatively stable relationships contain relationships within the group and extending outside the boundaries of the immediate group that are, in varying degrees, stable. Indeed, it is difficult or impossible to accurately determine where one organization terminates and another originates. Organizational boundaries smack of arbitrary artificial dimensions
which man has invented to aid his analysis; nevertheless, it is impossible to exact meaningful data unless parameters are drawn. The important point is to recognize and remember the artificiality of the conceptual schemes.

**Parameters of the Study**

Since organizations pervade all walks of life, the ramifications of any study of organizations can be almost infinite. To make the analysis manageable and meaningful, this project deals with the problem as it affects the internal relationships of management and nonmanagement members of an organization. But the boundaries are hazily drawn, and internal relationships of organizational behavior are frequently influenced by external causes. As deemed important, these external variables are included in the analysis.

A second parameter refers to the components within an organization. Because the repercussions resulting from a change in point of view may affect all of the component parts of the system, it is necessary to select some of the major elements of an organization for analysis rather than attempt to deal with every ingredient in the system. The major ingredients of this analysis revolve around individual and organizational goals, how the goals are formulated,
the potential conflict between individual and organizational goals, consequences of this conflict, and suggested solutions to the conflict.

Third, most examples and sources include formal business organizations. No attempt was made to relate the findings to smaller, less formal organizations; but it is felt that this could be accomplished by allowing for the differences in degrees of the trenchent components.

**Models and Metaphor**

The writer is aware that verbal descriptions of complex processes are necessarily limited, and the two models represented in the text are intended to represent general schemes rather than a precise, discrete position on a scale. Various authorities, who are quoted and paraphrased in connection with the models, may not agree precisely with the particular model as described; but according to this researcher's interpretation, their comments lend themselves to the model to which they are fettered. Likewise, some writers are quoted in connection with both models at various times; but this occurs because the quoted writer, on different occasions, vacillated back and forth between the two models.
A word of caution is necessary with regard to the B-Model described in Chapter 2. The organizational being is sometimes used as a metaphorical shorthand expression in an attempt by writers to summarize a complex series of events, but the B-Model is more than the result of a series of metaphorical statements. Spencer related that phrases as "body politic" and "political organization," which tacitly liken a social organism to a living creature, are often assumed to be phrases of convenience but expressing no fact. He continues, though, that when used to express a real likeness, metaphor often raises suspicion of imaginary resemblances and, thus, obscures the intrinsic kinship. He specifically stated that there is a very real analogy between individual and social organisms. 3

Boulding writes that when one speaks of individual-organizational relationships, it is sometimes used as a shorthand expression to summarize a complex series of events; but he specifically adds that the shorthand is highly descriptive of reality. For example, organizations develop personalities similar to personalities of human beings, it is no accident that the law regards the corporation as a

fictitious human; and the organization may impose a role upon the individual against his will. Argyris agrees that the concept of an organization "doing something" is a shorthand summarization of a series of interrelated events; but he does not deny that it is at odds with reality—only that the complex events defy simple unidimensional description. He does predict that the organization cannot change itself by internal causes; and if changes do occur, they must be brought into the system from the environment. This is more in keeping with the B-Model than the I-Model because, in the latter, individual members are capable of innovation and creativity which permits them to alter the organization to suit their means.

Method of Research

The analysis is substantiated primarily by secondary research. Psychologists, sociologists, anthropologists, social psychologists, and organizational theorists have provided an abundance of data concerning organizational and group analysis. Writings from past and present noted

---


scholars are analyzed, and ideas and examples from the literature of practicing managers are included where pertinent.

In addition, an empirical study was conducted as a first attempt to relate the theoretical concepts presented in this study to actual practice. The primary research consisted of a questionnaire study of 700 organizational members selected from 610 different companies. All major industries were included in the sample. Two hundred of the questionnaires were distributed to workers in various arbitrarily chosen companies in the Baton Rouge area. After a follow-up letter, 40 (20 per cent) of the workers in the sample responded with completed questionnaires.

Five hundred questionnaires were mailed to managers, 250 of which attended the Mid-South Executive Development program and 250 of which were randomly selected from a list of companies operating in the state of Louisiana as reported by the State Department of Commerce. A total of 294 (58.8 per cent) useable replies were received from this group, combining with the worker group for an overall return of 336 (48 per cent). These data were used primarily to measure the following concepts: the degree to which individuals related to individuals or to the
company in general, their respondents' perception of the extent of participation in setting departmental objectives, the respondents' perception of their influence in setting or changing departmental objectives, and causes and reactions to perceived conflict between job requirements and the members' expectations of personal benefits which they hoped to receive from their jobs. The questionnaire is shown as Appendix A, and the findings are distributed throughout the body of the report.

**Preview**

The research and analysis unfolds in a logical order beginning with a description of the two frames of reference.

The Being Model is described in detail in Chapter 2. Its origins, evolvement, and present-day standing is discussed. Toward the end of the chapter, a plausible explanation of the psychological process of personification is presented.

The I-Model is the center of attention in Chapter 3, and it is described in detail. In Chapter 4, the I-Model and B-Model are compared in a general fashion in an effort to pin point similarities and differences between the two.
An analysis of organizational goal formation follows next. After a brief introduction on organizational goals, goal formation via of the B-Model is analyzed and compared to the formulating process from the I-Model frame of reference.

In Chapter 5, causes of conflict between personal and organizational objectives are discussed in terms of both models. The following chapters evaluate consequences of and solutions to individual-organizational conflict; and of course, the last chapter provides a summary along with conclusions and recommendations.
CHAPTER 2

THE BEING MODEL OF AN ORGANIZATION

Many students of organizations, as well as organizational practitioners, assume that an organization is something more than the sum of its individual parts. As stated by Hughes, "There is such a thing as the organization—the institution—and it is more than the sum total of the individuals who comprise it."¹ Further, some people project human characteristics into the organization as exemplified by Litterer who maintains that organizations have a life all of their own. They do not depend upon the presence of specific individuals.² Even employees come to believe that the company does actually live and breathe.³ The being model (B-Model) of an organization focuses on the organization as an entity endowed with human-like powers.


³Hughes, op. cit., p. 15.
The following discussion traces the historical evolution of the organizational being view, shows present-day thinking with regard to the model, and offers an explanation of the psychological process of personification.

**Description of the Being Model**

The B-Model can be described by examining each of its component parts and then by viewing the totality of the parts as they are united into a single entity.

**Components of the B-Model**

The B-Model consists of individuals, interaction, organizational objectives, individual objectives, and structure.

**Individuals.** A social organization, by definition, includes persons; but this it does not imply that any particular person or persons are necessary in order for the system to exist. In fact, the system is superior and will continue to exist regardless of the particular individuals involved.

**Interaction.** Again, by definition, a social system implies some type of individual interaction. Without interaction, the social system would cease to exist, leaving individuals in isolation.
Interaction means that Individual A will do something which will cause Individual B to react to it; and in turn, Individual A will react to Individual B's initial reaction and so on. As Barnard stated, when the acts of two or more individuals are systematically correlated, these acts constitute an organization. The simultaneous functioning of the cooperative act of an individual in two or more organizational systems provides the interconnection which results in a complex organization.\footnote{Chester I. Barnard, \textit{Organization and Management}, Harvard University Press, Cambridge, 1948, p. 112.}

**Organizational Objectives.** The organizational entity creates and pursues organizational objectives that may or may not be compatible with any particular objectives of its individual members. The organizational objectives do not in any way depend upon the objectives of individual members, and personal objectives are subordinated to organizational objectives when the two are in conflict.

**Individual Objectives.** It is assumed that individuals have personal objectives (needs, wants, and desires) and that all individual actions represent an attempt to satisfy one or more of these individual objectives. Furthermore, individual objectives are assumed to relate to some underlying
universal force in nature that bestows order to social and biological processes.

**Structure.** Organizational relationships are defined by forces which define and stabilize the relationships under which the members operate, and these forces are not dependent upon individuals. This structure is composed of a system of codes, rules, and expected behavior patterns.

**Human-like Characteristics of the B-Model**

When the components of the system are combined into a whole, the entity becomes analogous to a human being in that both possess certain physical, mental and personality characteristics.

Organizations are believed to possess many of the same physical characteristics as do humans. They have a body or structure of related parts which are organized into a unique arrangement. These parts are related to each other, and they depend upon each other for livelihood and growth. The organization even contains a brain with a nervous system which works very similarly to the nervous system of animate organisms. But the mental capacities of the organizational being have a much more profound effect upon man and society than the physical characteristics.
Proponents of the B-Model contend that the organization has a mind, independent of the mental powers of its individual members, that is able to think, make decisions, remember, create needs, and perform other functions that a human mind is capable of performing. However, the B-Model mind is considerably more rational than the mind of a human being. Weber illustrated the rationality of the B-Model when describing a bureaucracy. In his words,

Bureaucracy is like a modern judge who is a vending machine into which the pleadings are inserted together with the fee and which then disgorges the judgement together with its reasons mechanically derived from the code.  

Given human physical and mental characteristics, it follows that an organization is capable of developing a personality or character similar to the concept of individual personality as used by psychologists. Organizations develop traditions, habits, and reputation which give them individuality. This bestows the company with personality quite beyond the people who work for it.


Origin and Present-Day Support of the B-Model

The B-Model, as a philosophical view of a social organization, did not emerge overnight. It has a long and unique history as evidenced by early historical and philosophical writings; moreover its presence can be empirically validated in present society.

Historical Perspective

Early political philosophers made repeated attempts to draw analogies between physical and social organisms. They assumed that there were universal laws of nature and that all events behaved according to these laws. A system of stable relationships (organization) evolves because of an unknown force of order in nature which acts upon groups. Even though these forces cannot be adequately measured or conceptualized, it is assumed that they exist.

Dependence of Sociology on Biology. According to Spencer, Richard Hooker was one of the very earliest to

---

7 Early philosophers directed their attention to cities, states, and commonwealths because these were the major organizations of their time.


explicitly express in writing the causal connection between natural laws and society. Hooker believed that the formation of societies was determined by attributes of individuals, and the growth of a governmental organization evolved from the natures of men who enjoined their efforts in order to better satisfy their needs.¹⁰

Ferguson, writing in 1789, also discussed laws of nature. He stated that the mutual objects of fear and love are universal to mankind and adds that these forces, along with esteem, memory, and communications, cause man and other animals to mix with the herd and to follow the crowd of his species.¹¹

Later, Comte¹² made a more definite and definable case for the causal relationship between biology and sociology. He saw that the facts presented by masses of men associated


together are facts of the same order as those presented by groups of lower animals, and the aggregate obeys the same laws as do the individual parts.\textsuperscript{13}

Spencer himself connects these sciences in two ways. One, all social action is determined by actions of individuals, and individual actions conform to the laws of life at large. Two, society as a whole, considered apart from its living units, presents characteristics of growth, structure, and function in a fashion very similar to that of an individual body.\textsuperscript{14}

\textbf{Comparisons Between Social and Individual Organisms.} There is evidence that great thinkers were drawing comparisons between social and individual organisms long before Hooker's hypothesis of causal relationships. Plato drew a brief analogy between the state and individual when making the point that the best ordered state was one in which its members were unified according to common interests. They should all be glad or grieved on the same occasions of joy or sorrow. Likewise, the body of an individual reacts in much the same fashion, e.g., when only one finger

\textsuperscript{13}Spencer, op. cit., p. 299.

\textsuperscript{14}Ibid., p. 301.
is hurt, all parts of the body sympathize simultaneously in experiencing the sensation of pain at suffering or pleasure when suffering is relieved.  

Hobbes, writing in the Mid-Seventeenth Century, actually called the social organization a man and even exhibited a picture of the organization which depicted a man composed of other men. He believed that man's natural passions led him to partiality, pride, revenge, and the like; which in turn, resulted in continuous warfare and personal strife. These actions are against such laws of nature as justice, equity, modesty, and mercy. Thus, the ultimate design of men who naturally love liberty is the evolvement of a method of restraint upon themselves. A common covenant is necessary to make the agreement lasting, and the only way to erect such a common power is to confer all of the individuals' power on one man, or one assembly, that is capable of reducing all of their wills into one will. Each man gives to every other man the right to authorize all of his actions; and in doing this, the multitude becomes united into one person called a commonwealth.

This is the generation of the great leviathan.\textsuperscript{16} In Hobbes' words,

\ldots that great 'Leviathan' . . . which is but an artificial man; though of greater statue and strength than the natural, for whose protection and defense it was intended . . .\textsuperscript{17}

The leviathan consists of: an artificial soul--the sovereignty which gives life and motion to the whole body; artificial joints--magistrates and other officers; nerves--system of reward and punishment; strength--wealth and riches of all the particular members; a goal--the people's safety; memory--counsellors; artificial reason and will--equity and laws; concord--health; sedition--sickness; and civil war--death. Lastly, the covenants by which the parts were first united resemble the pronouncement by God, "Let us make man."\textsuperscript{18}

Rousseau, obviously influenced by Hobbes, said that individuals, in forming a social contract, each puts in his whole power under the supreme direction of the general will; and in return, every member becomes an indivisible


\textsuperscript{17}Ibid., p. ix.

\textsuperscript{18}Ibid., pp. ix-x.
part of the whole. And instead of individual personalities, this act of association produces a moral, collective body which receives its unity, its life, and its will from the masses of members. This public person has been called "city," "republic," "state," or "sovereign."19

Herbert Spencer examined, in some detail, the mutual dependence of parts, exchange of services, mode of communication, and growth which he believed to represent common attributes of individual and social organisms.

In a mass, there is no organization if all parts live and grow without the aid of each other. The undifferentiated aggregate of protoplasm is without distinct faculties, and it is capable of but the feeblest movements. By contrast, in a structured mass, parts lose their original likeness and they become dependent upon one another. Similarly, primitive societies show no contrasts of parts; and members exhibit only occasional dependence. But as social aggregates increase in size, the units fall into different orders of activities which become dependent upon each other. This may also be referred to as division of labor.

Dependence of parts within an individual creature and a social organization is made possible only through exchange of services. For example, a lung cannot devote itself exclusively to the respiratory function, and cease to get food for itself, unless other parts supply it with the necessary nutriment. In a social organization, one member cannot carry on one activity that satisfies only a few of his wants unless others supply him with benefits of their special activities. Social organizations have specialized hunters, producers, traders, defenders, and cultivators of the soil.

Mutual dependence and exchange of services further imply some mode of communication between parts. Primitive social organizations depend upon rather inefficient systems of barter; but in advanced societies, there develops a complex, interrelated system of channels through which exchanges are made. In the rudimentary animal, there is no vascular system; but complex biological organisms contain an efficient set of agencies for transporting products between parts.20

Social and organic organizations both exhibit augmentation of mass when compared to inanimate things. Many

---

organisms grow throughout their lives while others grow for a considerable portion of their lives. Social organizations live until they divide or become overwhelmed.  

**Corporate Legal Being.** Another occurrence which is closely related to, and overlapping with, the personification of the organization refers to the special case of the corporate legal being.

As early as 1379, an English law was enacted which allowed no corporation to exist without the consent of the king. According to Sorokin, "The doctrine overwhelmingly states that the corporation is an artificial, incorporated, immortal person." As the act of incorporating became more frequent, and as Parliament gained more power, that body took over the function of granting charters. This procedure was eventually adopted by legislative bodies in the United States.  

In 1819, in the case of Dartmouth College versus Woodword, Chief Justice John Marshall defined a corporation

---

as an artificial being, invisible, intangible, and existing only in contemplation of law. Chief Justice Marshall, acting as an agent of the law, created an artificial being endowed with the rights, duties, and powers of a person.

Views of the early philosophers no doubt had some influence on the transference of human capacities to the corporation; however, it is difficult to gauge this influence with any degree of accuracy.

Arnold, writing in the early 1900's, believed that men thought that their future liberties and dignity were tied up in freeing great industrial organizations from restraint. This compared to earlier eras in which men believed that their future salvation was contingent upon their reverence and support of great ecclesiastical organizations. But the great organizations became a contradiction of man's individualistic philosophy because the organization's mechanical techniques led to minute specialization of work. In order to tolerate the organizations, people pretended that the organizations were individuals. Finally, the Supreme Court dressed these immense corporations in the clothes of simple farmers and
merchants and made living things out of them. Woodrow Wilson held a similar view of large corporations because he felt that they were evil and should be "humanized through direct action of the law." Other Forces

In addition to analogies between social and physical organisms, and the corporate legal being concept, modern influences such as emphasis upon static models, computers and automation, cybernetics and systems analysis, and organizational policies tend to reinforce the being view.

Static Models. Static models allow people to isolate parts of reality and study them, the basic aim being to structure parts of the world for prediction. Intricate interrelationships are examined and causal predictions are made. An organization can be viewed as such a model; but, when the interrelationships are pictured in a relatively fixed and definite fashion, the organization appears to exist as a rational system of logic.

Computers and Automation. Computerization, simulation, linear programming, and other valuable tools stemming from

---


the quantitative sciences have contributed to the idea that the organization is a single entity having one big brain. Schemes of analysis are designed which assume that problems can be recognized, defined, analyzed, and solved by a big rational brain of unlimited capacity which is capable of discovering and comparing all possible alternatives in one thinking process. Capital budgeting procedures of many companies serve as an illustration. Projects are submitted to an analysis group which accumulates them until some predetermined date, and then—in one stroke—ranks them in an order of priority.

Systems Analysis and Cybernetics. The science of cybernetics deals with communication and control. It focuses upon viewing a cohesive collection of items as points connected by a network of relationships. Rather than classifying items in the usual manner, say, animate or inanimate, the degree of complication of the system is judged; and the network of relationships is considered as fixed or variable. In this manner, the organization

---

27 Loc. cit.
can be studied as an entity, or system, capable of certain types of behavior. A company can be classed as an exceedingly complex probabilistic system which behaves very much like a living organism.  

Schumpeter reasons that system and process have become automatic, leaving nothing for entrepreneurs. Individual personality and will power are no longer useful; if progress continues, it will be institutionalized, bureaucratized, and automatic. Barnard, in discussing the organization as a social system, regarded the cooperative systems as social creatures which are "alive" as an individual human being is alive. This is derived from the postulate that human efforts coordinated into a system create something new that is more or less or different from anything present in the summing of its parts.

**Policies.** Finally, organizational policies contribute to the existence of the B-Model because they make for great similarity of action in behavior by representatives of the organization. Policies along with a supplementation of

---

29 Ibid., pp. 16-17.


precedents and traditions make it extremely difficult for an employee to know who has done what in the organization; and as a result, he speaks and thinks of a homogeneous "they." 32

Views of Contemporary Thinkers

Although the idea of an organizational being was germinated in the minds of early political philosophers, many modern writers, either explicitly or implicitly, pledge allegiance to the B-Model.

Selznick maintains that the organization reaches decisions, takes action, and makes adjustments. In his words,

The significance of theoretical emphasis upon the cooperative system as such is derived from the insight that certain actions and consequences are enjoined independently of the personality of the individuals involved. . . . there are qualities and needs of leadership, having to do with position and role, which are persistent despite variations in the character or personality of individual leaders themselves. 33


Simon contends that the organization takes from the individual some of his decisional autonomy and substitutes the organizational decision-making process for it. According to Merton, the bureaucratic structure exerts pressure on the individual to conform with expected patterns of action. Presthus concurs with Merton by saying that the organization forces its structure and goals upon individual members. Bakke writes that the organization attempts to make every individual conform to its demands, i.e., the individual becomes an agent for helping the organization realize its objectives. Finally, Argyris argues that the organization has needs of its own that are inconsistent with the needs of its individual members.

---


37 E. Wright Bakke, Organization and the Individual, Yale Labor and Management Center, New Haven, 1942, pp. 30-32.

Other writers could be quoted to give support to the being model, but the comments presented above seem sufficient to establish the present-day existence of the belief that an organization can be analyzed as an independent personality capable of thinking, evaluating, arriving at decisions, originating needs, and exerting pressure on individuals to accept its demands. There is, at least in concept, an "organizational mind" which is something apart from the individual abilities of organizational members.

Empirical Validation

Some writers offer empirical data to suggest that individual organizational members are cognizant of the organization as a physical and mental being. The B-Model is not limited to abstract theoretical thinking.

The organizational being view is an underlying assumption of such expressions as: "The organization requires . . . ." "It is the policy of the company . . . ." "The organization demands . . . ." "He is loyal to the organization." "The company did not treat me fairly."

Some employees and managers even refer openly to their company as "Mother (company name)." Furthermore, image

builders in some companies attempt to build an image of their company as a kind, warmhearted, benevolent mother. The following titles head four different articles about American Telephone and Telegraph Company: "Mother Bell's Christmas Present," "Mother Bell's Children," "Mother Bell Goes It Alone—as Usual," and "Mother Bell's Record."  

Reider observes that patients maintain ties to the clinic rather than to the therapist who treats them.

\[\text{\ldots as soon as a medical institution achieves a reputation, it is a sign that an idealization and condensation of the magical power and the benevolent greatness of parental figures have been posited in the institution. \ldots} \]

This occurrence is widespread and touches every type of institution which has any characteristics of benevolence. Modern organizations have some of these benevolent characteristics.

---


42 *Loc. cit.*

Wilmer comments that the personality of the physician at a medical center is endowed with the powers of the center. The name of the institution becomes a sacred title representing a powerful symbol to which much transference feeling is attached.  

A questionnaire study of 1,676 persons employed in an electronics manufacturing organization showed that persons attribute their own attitudes, opinions, or goals to a group or organization to the extent that they have a positive attitude toward that group or organization.  

**Process of Organizational Personification**

It is not enough to merely recognize the existence of the B-Model, for this leaves too much unexplained. To fully appreciate the significance of this concept, one needs to understand something about the psychological process by which individuals are able to assign human attributes to an entity that exists outside of their skins. The writer suggests that by integrating the psychological processes of "meaning" and "projection" a

---

44 Harry A. Wilmer, "Transference to a Medical Center," in Levinson, op. cit., p. 378.  
plausible explanation of the phenomenon of organizational personification can be proffered.

**The Nature of Meaning**

It is generally agreed that meanings are learned and they are in some way represented in the nervous system. Other than this, man's understanding of meaning rests on theory. One such popularized theory may be referred to as the general semantics approach to meaning.

The assumptions underlying the general semantics theory of meaning are: (1) meaning is internal—there is nothing inherent in an object that gives it meaning, (2) the world is a process—all objects are constantly changing, and (3) the intellectual and emotional aspects of an organismal process cannot be separated.

The world consists of events which are constantly changing, but human senses are incapable of observing all of these changes. Individuals go through life interpreting signs which are merely outside stimuli or any process taking place within. Clumps of events occur in the objective

---


world and these may be referred to as external contexts. When an individual repeatedly encounters similar clumps of external sets over time, these relations tend to become uniquely related to one another within the skin so that their main features recur with some degree of uniformity. The internal set has been called the psychological context.

According to present-day scientific inference, the lowest level of reality consists of atoms, electrons, protons, and the like which are infinite and ever changing, but the nervous system abstracts as individuals perceive these processes. The objects that an individual sees and comes into direct acquaintance with may be called first-order abstractions. At the objective level, meaning refers to a conscious feeling of actual, assumed, or wished relations which pertain to first-order objective entities. These relations are evaluated by personal psycho-physiological effects. Thus, meaning within a given individual at a given moment in time represents a composite psycho-logical configuration of all relations pertaining

---


to the case and coloured by all past experiences, prejudices, mental intellect, mood, and other variables. All of man's experiences have affect and effect in the process of assigning some degree of significance (meaning) to a particular experience. The assignment of meaning is necessary in order for reality to exist for an individual.

When language is used, further abstractions are made. The word "organization," which refers to a complex external context, is itself a high order abstraction; i.e., it is several times removed from objective reality, and much has been left out. To clarify this discussion, it is helpful to apply Korzybski's abstraction ladder to an organization.

The lowest level of abstraction in an organization consists of the process world--atoms, electrons, and protons--that are in a constant state of flux. However, the object experienced by human senses is a unique human

---

50 Korzybski, op. cit., pp. 20-23.
53 This illustration is adapted from Korzybski, op. cit., pp. 395-401 and Hayakawa, Ibid., p. 79.
being that is known by a particular name, say, Joe. But the object is not the word, "Joe." The word level represents the third level of abstraction because it does not describe all of the characteristics of the object. On a still higher level, there is nothing else in the world exactly like Joe, but he may be classified as a "human being," ignoring the differences that exist between Joe and other human beings.

When humans interact with other humans in order to fulfill their needs, the term "organization" may be applied to the process; but it is highly abstract as it is several times removed from the process level. Level One is the process level, Level Two is the object level, and Level Three is the name level. At Level Four, the word "human" may be used to indicate characteristics common to human$_1$, human$_2$, . . . human$_n$; and finally, "organization" exists at an extremely high level of abstraction, omitting almost all reference to the characteristics of Joe.

The term "organization" refers to an external set of uniquely related events; but each individual has abstracted in perceiving the events, and no two individuals have the exact same set of intellectual, emotional, prejudicial, and psychological relationships existing within their skins. In
order for two people to have the exact same set, it would be necessary that they have identical capabilities, nervous systems, and experiences. But given the assumption that the objective world is continually in process, this would mean that two identical people would have had to be in identically the same places in identical states of awareness for their entire lives, an impossible set of circumstances. Therefore, each individual has his own unique conception of an organization, and it is influenced by many unknown internal phenomena associated with the nervous system.

Now, it will be easier to understand the psychological process of projection of human attributes to other entities.

Projection

Projection is the process by which individuals assign their feelings, thoughts, or desires to other people or to things. When otherwise meaningless situations are given meaning in terms of an individual's own motives, projection is also involved. This concept was originally


thought to be a mechanism of defense for individuals, allowing them to remain unaware of their own hostile feelings by placing them in something else. The idea has since been expanded to include projection of all types of feelings.

If the theory of meaning, presented above, and the phenomenon of projection are examined simultaneously, it can be seen that the entire process of projection is one of internal associations. Human feelings represent a psychological set of relationships, and objects outside the skin—the external set—have no meaning to an individual until these have been received by his abstracting nervous system. Then these outside objects, entering the nervous system and interacting with other previously internalized contexts, stimulate a psychological context within the skin. Projection can be redefined as the process of associating, in a unique fashion, some internal feelings of what one thinks of himself to other internal (psychological) contexts that have been created in part through interaction with the person's environment.

It is because of this internal process of projection that Levinson is able to proclaim,

---

people project upon organizations human qualities and then react to them as if the organizations did in fact have human qualities. They generalize from their feelings about people in the organization who are important to them, to the organization as a whole, as well as extrapolating from the attitudes they bring to the organization.57

Actions of individual people in an organization are viewed by them, by the objects of action, and by others as actions of the organization.58

Summary

A major contention of Chapter 2 is:

B-Model Contention 2.1. The social organization can be analyzed as if it contained many of the physical, mental, psychological, and spiritual qualities of a human being.

The being view apparently originated in the minds of early philosophers who believed that there were universal laws of nature and of society and true knowledge consisted of understanding the interrelationships of these laws. Many writers made rather detailed comparisons between social and biological organisms, and Hobbes painted a vivid picture of society as being a man composed of other men.

The corporate legal being was evident in English law as early as 1379, and was later created in United States' law

57 Levinson, op. cit., p. 377.
58 Ibid., pp. 377-378.
by Chief Justice Marshall who defined the corporation as an artificial legal, invisible, and intangible being. Modern forces which contribute to the being view include emphasis upon static models, computers and automation, cybernetics and systems analysis, and the nature of organizational policies.

The B-Model is empirically validated to some extent by psychiatrists who claim that patients tend to posit benevolent parental powers in the organization rather than in the particular doctors and by at least one survey which concluded that persons attribute their own feelings to an organization to the extent that they have a positive attitude toward it.

The psychological processes of projection and meaning combine to indicate that the personification of an organization is an internal process of associations within an individual's nervous system.

With the preceding description of the B-Model in mind, attention can now be turned to a discussion of an alternate organizational model—the Individual-Focused model.
CHAPTER 3

THE INDIVIDUAL-FOCUSED MODEL

Concentration on individuals represents an alternate way of viewing a social organization. This chapter describes the Individual-Focused Model (I-Model) and offers empirical support for this point of view.

Description of the I-Model

It is profitable to move down the abstraction ladder and examine the organization as a process of interacting individuals.

Components of the I-Model

Like the B-Model, the I-Model is built upon postulates concerning individuals, individual objectives, interaction, organizational objectives, and structure. In addition, expectation of mutual benefits is present in the I-Model.

1This model is adapted from the definition of an organization by Herbert G. Hicks, The Management of Organizations, McGraw-Hill Book Co., New York, 1967, pp. 16-29.
because the system is not regulated by underlying forces in nature. In order to develop a social organization, individuals must perceive mutual benefits since individuals possess the power and the will to determine and control social processes. If they do not perceive expectation of mutual benefits, no incentive exists for forming an organization.

**Individual—The Core Element.** From the I-Model frame of reference, the core element of any social organization is an individual. Individuals are necessary for the accomplishment of all organizational goals. In fact, they supply the goals; and they create, plan, organize, motivate, communicate, and control in an effort to satisfy objectives. Former president Dwight D. Eisenhower, articulated the position taken by the I-Model.

No matter how much wisdom may go into planning, whether it be an insurance program, an armed invasion of a continent, or a campaign to reduce the inroads of disease, the measure of its success always will be the spirit and mettle of the individuals engaged in its execution. No matter how much treasure may support a project, or how elaborate its organization, or how detailed and farsighted its operational scheme, the human element is always the central one.

**Individual Objectives.** Individuals are born with certain basic needs, or objectives, and they acquire other needs as they interact with their environment. Further,
it is assumed that all human behavior is directed toward the satisfaction of individual needs. After an individual recognizes an existing objective or creates a new one, he then tries to accomplish it in the easiest way possible.\textsuperscript{2}

**Interaction.** If the individual believes that his idea is capable of offering some synergistic advantage in satisfying individual needs; and if he is able to convince others that his idea is valid, he will be able to persuade others to interact with him.\textsuperscript{3} At this point an organization is formed. In many cases, there is little need for persuasion because both individuals may readily agree that their cooperative efforts will lead to mutual benefit.

**Mutual Benefit.** The only reason that an individual would be willing to cooperate with others and contribute to the group effort is because he expects to receive some personal benefits that will, either directly or indirectly, allow him to satisfy his individual needs. The purpose of any organization is to permit individuals to do things that they cannot accomplish independently or to allow them


\textsuperscript{3}Ibid., pp. 34-35.
to do things easier or more efficiently than they could working alone.  

**Joint Objectives.** Because individuals interact with each other for mutual benefit, they must reach some agreement regarding their combined actions. This agreement results in organizational (group) objectives which may be in some ways different from the individual objectives of the group members, but the members must perceive that the accomplishment of organizational objectives will enhance their need satisfactions.

**Structure.** The initial interaction usually involves an exchange of information about the purpose of the organization. The informational exchange interaction reflects the background and value systems of the individuals. Eventually, a structure—consisting of codes, implicit or explicit rules, and expected behavior patterns—will be developed.

**Degree of Formality**

The I-Model permits wide latitudes in recognizing specific organizations. It includes highly informal,

---


5Ibid., pp. 158-159.
spontaneous meetings as well as complex highly structured groups as organizations. The classifications "informal" and "formal" represent two opposing ends of a continuum; and both types of organizations are similar with respect to the six components listed above. They differ mainly in degree of structure. Even the very informal organization contains individuals, goals, interactions, expectations of mutual benefit, joint objectives, and some semblance of structure; but the structure may be vague, volatile, and unstable. By contrast, the structure of a formal organization is well-defined, explicit, and stable.

Empirical Support of the I-Model

A questionnaire was distributed to 700 managers and workers in over 600 different business organizations in an attempt to ascertain whether organizational members had a tendency to be primarily individual or aggregatively oriented in their work relationships. In this regard, respondents were asked to recall an instance when something pleasant happened to them in their job, and whether this instance was associated primarily with specific individuals, the company in general, or neither. They were also asked

6Hicks, op. cit., p. 10.
to make the same decision with regard to a negative situation. (See Questions 1 and 2 in Appendix A.)

From these answers, five combinations were taken as representing discrete points on a continuum of aggregate versus individual associations. If a respondent indicated "mostly company in general" in both the positive and negative situations, his association was deemed "strongly company." Other important combinations are: (1) company-neither, labeled "moderately company"; (2) company-individual (or vice versa), "ambivalent"; (3) individual-neither, "moderately individual"; and (4) individual-individual, "strongly individual." A strongly company association lends support to the view that organizational members tend to relate to the organization in general while a strongly individual association tends to support the individual-focused model. A strongly company affiliation does not necessarily imply that members endow the organization with human abilities; it only indicates that their frame of reference encourages them to generalize the individual relationships into an aggregate which, by the way, is a necessary prerequisite for the existence of the B-Model.

As shown in Table 1, 45 per cent of the respondents scored strongly individual, and only 3 per cent scored
strongly company. Additionally, 12 per cent responded moderately company; 24 per cent, ambivalent; and 14 per cent moderately individual. This supports the hypothesis that the vast majority of organizational members relate specifically to other individuals, although in varying degrees. Only 15 per cent identify rather exclusively with the company in general.

TABLE 1

Continuum of Member Association—Individual Versus Company*

<table>
<thead>
<tr>
<th>Strongly Company</th>
<th>Moderately Company</th>
<th>Ambivalent</th>
<th>Moderately Individual</th>
<th>Strongly Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>13</td>
<td>13%</td>
<td>41</td>
<td>12%</td>
<td>83</td>
</tr>
</tbody>
</table>

*Does not add to 100% because 2% checked neither-neither.

When the respondents were classified according to hierarchical level, a majority in each level tended to relate primarily to specific individuals. This is shown in Table 2 which reduces the classifications to three by combining strongly and moderately company into one category and strongly and moderately individual into another.
### TABLE 2

**Individual Versus Company Association by Organizational Level**

<table>
<thead>
<tr>
<th>Association</th>
<th>Top Management</th>
<th>Middle Management</th>
<th>Supervisor</th>
<th>Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Company</td>
<td>13</td>
<td>18%</td>
<td>9</td>
<td>9%</td>
</tr>
<tr>
<td>Ambivalent</td>
<td>19</td>
<td>26%</td>
<td>22</td>
<td>21%</td>
</tr>
<tr>
<td>Individual</td>
<td>40</td>
<td>56%</td>
<td>73</td>
<td>70%</td>
</tr>
<tr>
<td>Totals</td>
<td>72</td>
<td>100%</td>
<td>104</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Summary**

The I-Model proposes a scheme of analysis that places primary significance upon the individual as the focal unit of study. Basic components of the I-Model include individuals, individual objectives, interaction, organizational objectives, structure, and expectation of mutual benefits.

**I-Model Contention 3.1.** It is legitimate to analyze a social organization as a process of interacting individuals. From the interaction, individuals develop a structure to pursue joint objectives for mutual benefit.

Contention 3.1 tends to be supported by data from a survey which imply that the vast majority of managers and workers in an organization have a proclivity to think in terms of
specific individual relationships rather than aggregate organizational relationships.
CHAPTER 4

COMPARISON OF THE B-MODEL AND THE I-MODEL

To formulate a better understanding of both the B- and the I-Models, it is helpful to compare the two. In this regard, the following chapter is devoted to an analysis of the fundamental differences between the two models, a discussion of the general advantages and disadvantages of each view, and an enumeration of the common components of both.

Fundamental Differences Between the Two Approaches

The B-Model and the I-Model differ on four mutually related fundamental issues: (1) macro versus micro approach, (2) the living entity concept, (3) reality, and (4) the place of the individual.

Macro Versus Micro

The B-Model recognizes an organization as a discrete entity that is studied, evaluated, and analyzed as a functional whole.
The organizational system is made up of subsystems, and the organizational system is itself a subsystem of a much larger and even more complex system. All of the subsystems of a system are related in some way to all other subsystems of the system. Conceptually, there exists an "ultimate system"—given the present state of knowledge, the ultimate system would be called the universe—and knowledge consists of an understanding of the relationships of the subsystems to each other and to the system at large.

The other end of this spectrum consists of the reverse extreme, past which subsystems can no longer be further divided. Scientists presently have thought that the most basic definable components in nature consist of protons, electrons, and neutrons.

Understandably, the ultimate system is so exceedingly complex that human capacities are incapable of comprehending the countless thousands of variables and relationships included in it. As a result, scientists set off certain areas for study by defining parameters which serve as boundaries for their particular area of interests. Although it is somewhat removed from reality to set these boundaries and hold variables outside these confines as fixed, human limitations permit no other alternative.
Organizational theorists, and other scientists, exercise considerable discretion with regard to defining the parameters of any given subject of analysis. When an organization is studied as a discrete entity, the emphasis focuses on the organizational system as the basic variable and the relationships of other secondary variables to the basic variable. This is the position of the B-Model.

The I-Model, on the other hand, exists somewhere between the entity level and the atom, proton, neutron level. It concentrates on the individual as the basic unit of study. The I-Model recognizes that an organization can be analyzed as an entity, but it chooses to deal with the interrelationships of variables on the individual level. The individual is, in actuality, some type of subsystem of the organizational system; but it is not the lowest subsystem. Obviously, the individual is composed of a circulatory system, a muscular system, a nervous system, and the like; however, proponents of the I-Model assume that there is something unique about the human entity and much can be learned by studying the individual as the major variable.

**Living Entity Concept**

The B-Model contends that social organizations are analogous to biological organisms, specifically to human
organisms, both in physical and mental capacities. The I-Model agrees that the social organization exhibits likenesses to a biological organism in some respects; but it opposes the analogy as being misleading, especially the specific analogy between a human being and an organization. According to the I-Model, both the human and the social organization exhibit a mutual dependence of parts, an exchange of services, a mode of communication, and growth; but here, the comparison stops.

**Atoms.** In a social organization, the atoms which comprise the organism are individuals; but in a biological system, the ultimate atoms are physio-chemical and indifferent to the organization which includes them.\(^1\) It is the individual within the organization that is capable of forming an image, thus, the image lies wholly within individual skins rather than within some organizational mind as the B-Model contends.\(^2\)

**Mental Abilities.** The I-Model believes that humans alone have self-consciousness, images of the past, future, and present as well as the capacity to consciously reason

---


causality and relationships between two or more variables.\(^3\)
Decisions made in the name of the organization are still human decisions.\(^4\) Likewise, psychological needs, desires, and power are the products of human minds, only.

Spencer criticized Plato and Hobbes for comparing an organization to a human being. Spencer compared social and biological organisms on a more general plane, and he believed that the social organism is not comparable to any particular type of individual organism. In fact, the only analogies that hold between a social organization and a living body are those that are necessitated by the mutual dependence of parts.\(^5\) Spencer seemed to have never intended to imply that the social organism was a thinking entity.

**Structural Differences.** Social organizations do not develop such that one part becomes an organ of feeling and thought while other parts become insensitive. In highly developed animals, the nervous system directs action of the whole body; and the welfare of the nervous system is the goal of these actions. Individual organisms contain

\(^3\)Ibid., pp. 28-29.


living subunits that are relatively permanently localized, and they are fixed to their functions. Some of the subunits are sensitive to feeling and others are entirely insensitive to it. By contrast, the subunits of social organisms are comparatively mobile; and they are not differentiated into feelingless units and units which monopolize feeling. The welfare of the aggregate social organization, considered apart from its individual units, is not an ultimate end in and of itself.\(^6\)

In short, advocates of the I-Model grant that there are some shallow, and rather meaningless, similarities between social and biological organisms; but they cannot be compared with regard to really important components.

**Reality**

"Reality is anything and everything that is."\(^7\) It consists of two processes: (1) the objective world outside the skin is reality, and (2) the internal images in the person represent reality.\(^8\) There is an external world of empirical reality which is not the creation of the

---


individual mind. Individuals are very sure that such tangible objects as houses, furniture, automobiles, and the like exist as an object of external reality; and these objects would continue to exist even if the person died. On the other hand, dreams, legends, fairy stories, and such exist only in the minds of individuals.

The application of scientific theory implies objective reality whose order is in some way consistent with human logic. All scientific theory is based on the existence of logical relationships between its propositions. The fact that a scientific theory "works" offers some verification that its propositions are reasonably consistent with external reality.

To an individual, reality may be viewed as a continuum. At one end exists a person's complete subjectivity about his psychological context, while at the other extreme lies his complete subjectivity about the external context. Each individual lives by his subjective psychological context, but he continues to check this against the external context.

---


11 Parsons, op. cit., p. 754.
He may do this by observing other individuals; and through empathic inferences, attempt to determine whether other individuals perceive events as he does. If so, the original observer takes the observation as being "real" or consistent with the external context.¹²

**Reality and Analogies.** A likeness may exist independently of the mind (intrinsic analogy), or it may exist only in the mind (extrinsic analogy).¹³

From the vantage point of the B-Model, social and biological organizations are said to exhibit the following characteristics: (1) mutually dependent subparts, (2) an identifiable structure, (3) augmentation of mass, and (4) an unexplained power that is capable of thinking, making decisions, creating, and exerting psychological pressures. Proponents of the I-Model grant that the first three characteristics exist outside the realm of an imaginative mind and, thus, comprise an intrinsic analogy. Such is not the case with the fourth characteristic. Rather, the psychological activities are unique activities of a human


¹³Jarvis, op. cit., p. 34.
mind. To say that an organization thinks, indicates that the human mind is transferring the universal meaning of "think" to a social organism because it is perceived as behaving in a fashion which is inferred to be caused by the ability to think. Thought is not intrinsic to organization; the analogy is extrinsic or it exists only within the psychological context of a person. I-Model supporters maintain that mental properties of a social organization cannot in any way be observed by a neutral outside observer. Advocates of the B-Model agree, but they observe actions which they infer to be caused by something with properties similar to the human mind, and they postulate a force existing in nature which is independent of the presence of human beings. This is the critical distinction between the B-Model and the I-Model.

Nature of Social Images. A social image is defined as subjective knowledge of aspects of society. It is what one believes to be true. If an individual's psychological context is one that conceives a social organization as a human entity, the B-Model may be very real for the particular individual. But the B-Model, existing only in the individual's mind, is not consistent with outside reality, as interpreted by the I-Model. This follows from the premise
that only man has the capacity for abstract reasoning and a conscious sense of purpose. Only by metaphor can one say that the organization, as a whole, possesses the ability to reason, think, make decisions, have values, or otherwise form images independent of individuals.\textsuperscript{14}

Culture itself is but a manifestation of human psyche. When changes in culture are followed over a period of years, the historic lines are so smooth and man's responses are so automatic, that it is difficult to treat culture as a thing inside of man. In actuality, people behave, react, and think; and other individuals objectify these behavior patterns. The totality of these concrete patterns represents culture. When persons objectify similarities in behavior into something super-organic that exists outside of man, the danger point is reached.\textsuperscript{15}

The human tendency to objectify and impose order on reality when order is not objectively "there," is based on two suppositions. First, the individual is endowed with a nervous system which requires him to abstract while also allowing him to generalize, to relate, and to discriminate.\textsuperscript{16}

\textsuperscript{14}Boulding, \textit{The Image}, \textit{op. cit.}, p. 54.

Second, man enters in and learns from a culture in which ordered views of reality already exist.\textsuperscript{16}

\textbf{Classification of Social Images.} Organizations do not have an image of their own, but individuals do have images of organizations, and different members may formulate very similar images of a particular organization. Still, individuals vary in their degree of self-consciousness of their image, and a social image may be classified according to degree of self-consciousness.\textsuperscript{17}

In Stage 1, the unself-conscious stage, people think of themselves as a group without ever questioning the notion. For example, they may unself-consciously believe themselves to be Americans, British, Catholics, Republicans, and so on. In Stage 2, people become more self-conscious of their beliefs. They see society and the world divided into different groups, but they realize that they could be something else from what they are. Then, it is a short step to Stage 3 which is not believing in the image at all.\textsuperscript{18}

Once the image reaches Stage 3, individuals are better able


\textsuperscript{17}Boulding, \textit{The Image}, \textit{op. cit.}, pp. 60-61.

\textsuperscript{18}\textit{Ibid.}, pp. 61-62.
to logically determine whether or not they will participate in an organization and to what extent they will contribute toward the group endeavor. It is important to remember than an organization contains in inventory of images at varying stages of development; thus, there will likely be individual images existing simultaneously in all three stages for any complex organization.

Place of the Individual

According to the logic of the B-Model, facts about social organizations are of primary import. This is similar to Durkheim's rather extreme position that facts about individuals are incapable of accounting for differences between societies because the principles of individual psychology are the same at different places, but societies show marked differences. Consequently, society has its own properties and principles which are independent of the individual members in the society. Similarly, the social organization, in representing a slice of society, manifests properties and principles independent of its

---


individual members. Forces in society act upon individuals so that their actions assume a rather definite shape. Psychological processes reflect social conditions which are capable of imposing goals in a way that leaves individuals in particular roles little choice but to accept them. On this proposition, economists, historians, political theorists, and linguists study the interrelated actions of men in society while giving little or no concern to principles of psychology.\textsuperscript{21}

In the I-Model, the individual is paramount. It is assumed that the principles of social behavior, although exceedingly more complex than individual behavior, and the principles of individual behavior are grounded in the same sources. The behavior of men in society is determined by individuals interacting with other individuals. A greater role is given to the influence of psychological factors in altering the content and structure of social conditions. The social organization is but an extension of the wishes of persons; it is a social tool which has no powers, rights, or needs in and of itself. Rather than being more than the sum of its parts, a cooperative system (organization) allows for more, less, or differentiated outputs relative

\textsuperscript{21}Asch, \textit{op. cit.}, pp. 35-36.
to inputs than would be possible for individuals working independently. The organization makes it possible to combine human efforts in a more efficient fashion, and the best way to learn about social organisms is to concentrate upon the study of individuals. As Skinner stated,

"It is common to speak of families, clans, nations, races, and other groups as if they were individuals. Such concepts as 'the group mind,' 'the instinct of the herd,' and 'national character' have been invented to support this practice. It is always an individual who behaves, however."  

**General Advantages and Disadvantages of Each View**

At this point, the writer is concerned with very general advantages and disadvantages of both models. More specific attributes are analyzed in detail in the succeeding chapters. The major advantages and disadvantages result from the micro versus macro approach and from certain psychological associations.

**Macro Advantages and Disadvantages**

It is permissible to view the social organization as an entity because its component parts exhibit a permanence of relations that comprise a whole. The macro approach, by considering the aggregate as a unit while reducing the

---

importance of its internal interrelationships, simplifies analysis. When studying large systems or the interactions of an organization with other systems, it becomes humanly impossible to consider all of the micro relationships simultaneously. Tens of thousands of these relationships might exist at the lowest possible level of abstraction, and it would be meaningless to attempt to integrate these relationships with another system containing a like number of relationships. The B-Model makes it possible to summarize a complex state of affairs within the organism.

A second advantage of the macro approach is that certain relationships hold at the aggregate level that do not hold at the micro level. The law of large numbers causes many variables to offset each other, i.e., to cancel out. For certain purposes, only the relationships existing at the entity level may be important.

Finally, the fact that the B-Model represents a relatively high order abstraction aids communication. It would be virtually impossible to symbolize and communicate meaning if one always had to speak and think at the lowest possible level of abstraction.

A disadvantage of the aggregate approach, or an advantage of the micro approach, is that the aggregate view
overlooks many interesting and often vitally important variables existing at lower levels of abstraction. Proponents of the I-Model choose the individual as the focal unit of study, for this reason.

**Psychological Advantages of the B-Model**

Because the man-organization relationship that exists in the B-Model is in many respects similar to a parent-child relationship, the individual is able to satisfy many of his psychological needs. He uses the organization to replace certain psychological losses, to reinforce psychological defenses, and to serve as a major object of transference.\(^{23}\) When an organization is doing well, it is easy for the individual to feel as if he is an integral part of it and to identify with it. By making such identifications and fitting them into his personality structure, the worker can become more occupationally secure.\(^{24}\) Additionally, the B-Model may stimulate individual growth by providing guidance and making demands that stimulate the member to new learning.\(^{25}\)

---


\(^{25}\) Levinson, *op. cit.*, pp. 386-387.
There is also a potential psychological disadvantage resulting from the man-organization relationship. Agents of the organization tend to use their power in the manner of parental surrogates. If a patient in a mental hospital does not get well, the staff may reject him. In a west coast institution, physicians instructed admitting officers not to readmit certain patients who, in their opinion, would not benefit from their treatment. In a major manufacturing company, the management thought that employees should want nothing from their jobs other than salaries. They took the attitude of, "Look what I am doing for you, why do you keep demanding more money?" This is likened to a parent-child relationship. People in power perceive the individual as a member of the family and react to him in this fashion even though they may not know the worker personally.²⁶

An extremely close man-organization relationship may result in loss of individual identity. This is similar to the concept of symbiosis—two organisms live together and one can exist only as long as the other does. Symbiosis sometimes occurs in mother-child patterns where the child fails to develop an awareness of himself as an individual.

²⁶Ibid., pp. 380-381.
Statements such as, "It is not the Company way," "Company survival demands. . .," and "We here at the Company think. . ." are signs of managers who no longer have a concept of themselves as an individual. They think of themselves as part of a human-like thing.  

The I-Model, because it does not conceive the organization as a being, apparently does not contain either the psychological advantages or disadvantages offered by the B-Model.

Summary and Common Processes

The two approaches differ in the following fundamental ways: (1) The I-Model concentrates on micro relationships and the B-Model focuses on the aggregate organization; (2) the I-Model contends that the organization, as a living entity, can exist only in the nervous systems of people while the B-Model infers clandestine forces in nature; (3) the I-Model maintains that the internal image of the organizational being is inconsistent with external reality; and (4) in the I-Model, the individual is the core element of study, but the B-Model suggests that social institutions

possess principles and properties which do not flow from psychology.

General advantages of the B-Model, resulting from the aggregate approach, include the ability to analyze the whole system without cognitively including all of the internal relationships, the operation of the law of large numbers, and a shorthand communication aid. The major disadvantage of the I-Model is that it tends to overlook variables and relationships at the micro level. The advantage of the I-Model is that it dwells upon these micro relationships, and the major disadvantages are viewed as being the advantages of the aggregate approach.

The B-Model offers the psychological advantage of encouraging members to satisfy some of their psychological needs through a man-organization relationship, but at the same time, individual identities may become fused with the organizational identity. Since the I-Model refutes the organizational being, it does not contain either the psychological advantages or disadvantages associated with the B-Model.

Although the B-Model and the I-Model represent two contrasting viewpoints, both contain the following four processes: (1) goal formation occurs in both models and
each develops functions revolving around organizational and individual goals, (2) intraorganizational conflict plagues both models, (3) consequences arise from intraorganizational conflict, and (4) solutions to conflict are proferred in each instance. The models are in agreement only to the extent that they both dwell upon these processes. The occurrence of these events and the reaction to the occurrences differ markedly from one model to the other. These differences are analyzed in detail in the following chapters.
Organizational goals, or objectives, are deemed important by both models. Both models accept the belief that goals are formed at the organizational level which may be, in some ways, different from the goals of individual members. However, when the models are examined with regard to the process of goal formation, different conclusions are drawn. This chapter discusses the importance of organizational goal formation and compares the process as proponents of each model view it.

**Nature and Importance of Organizational Goals**

There are very few, if any, disparities between the definition and importance of organizational goals when observed from the standpoint of the B-Model and the I-Model.

\[ \text{For purposes of this study, the terms "goals," "needs," "objectives," "wants," and "desires" are used interchangeably.} \]
Definition of Organizational Goals

An organizational objective represents the ultimate end result of organized action. The goal is a desired state or condition existing at some time in the future. Examples of stated organizational goals of a business enterprise as perceived by management include: to make profits, to pay dividends, to grow, to be efficient, to compete, to operate or develop the organization, to provide a good product or service, to provide for the welfare of employees, and others. Some writers suggest that the ultimate goals are more comprehensive and include such purposes as synergy, stability, and growth.

Nature of Organizational Goals

As there are many people and many activities in a complex organization, to achieve some degree of cooperation, a course of action must satisfy a whole set of requirements. At a given point and for a given situation, one of these requirements may be singled out and referred to as the goal of action; but this is usually a rather

---


arbitrary choice. It is more meaningful to consider the whole set of requirements as a complex set of goals.\textsuperscript{4}

Objectives may be tangible or intangible. They may refer to specific targets such as a profit goal of a specified amount of dollars for a given time period, or they may ascribe to a vague ideal, as developing the best organization. Sometimes, the stated tangible goals represent a futile attempt to quantify certain intangible goals; and as a result, they may not precisely represent authentic goals.

In a complex organization, goals exist in a hierarchy. A general, multidimensional goal exists at the top of the hierarchy; and alternate means are derived from the ultimate goal which lead to the fulfillment of it. In turn, the first level of means may be further divided into a second level of alternate means which are designed to accomplish the means of Level Number 1. The means of Level Number 1, looked at from the means of Level Number 2, appear as objectives, or ends, of Level Number 2; but to level Number 1, they are means to the ultimate ends of the

organization. The means-ends derivation is continued to the concrete level where existing programs are available for carrying out the remaining detail.\textsuperscript{5}

Organizational goals also vary according to time perspective. Some goals are designed to be accomplished within a relatively short period of time such as a year, a month, or even a week. Other goals are established as ends to be sought ten, twenty, or fifty or more years into the future.

Thus far, the analysis has been restricted to a formal, rational picture of goals and subgoals. There exists a special type of goal, called a norm, concurrently with, but not necessarily identical to, the rational scheme. A norm is an idea in the minds of the members of a group that can be put in the form of a statement specifying what the members should do, ought to do, or are expected to do in certain situations.\textsuperscript{6}


Importance of Organizational Goals

"A clear statement of purpose universally understood is the outstanding guarantee of effective administration." Glulick's statement represents a general consensus of opinion concerning the importance of organizational goals. Specifically, objectives are beneficial in the following ways.

One, it is generally assumed that members will participate in group activity to the extent that they perceive the group goal as providing direct or indirect satisfaction for their individual needs. Naturally, well-defined and clearly understood organizational goals are requisite to individual-organizational goal associations.

Two, organizational goals serve as a starting point for means-ends analysis. The grand goal represents the pivotal point to which all other activities are directed. Likewise, subgoals represent pivotal points for activities governed by those subgoals. Organizational objectives

---


give direction to the system, and they take priority over
the often opposing interests of the various subsystems.

Three, because they depict the ultimate result of the
organization, goals represent standards to which actual
performance can be compared. The effectiveness of an
organization is determined by comparing the desired goals to
actual achievements.

Four, people desire a sense of accomplishment that
comes from the completion of tasks. Organizational
objectives, by defining discrete units of activities, serve
as a basis of individual motivation because they allow
individuals to experience a sense of accomplishment that
comes with reaching objectives.

Five, decentralization of authority is made possible
through an understanding and acceptance of common objectives.
If subordinates are given considerable latitude within
their departments, chaos will result unless their efforts
are coordinated by commonly held objectives.

**Continuum of Individual Participation in Goal Formation**

Before delving into the details of organizational
goal formation, it might be helpful to outline the continuum
of individual participation in organizational goal forma-
tion. As with any continuum, the extreme positions are
probably not present in the actual world but it is analytically helpful to consider them. For purposes of prolixity, the writer will refer to one of four discrete positions from time to time. What is really meant, though, is that the degree of participation under consideration is near the chosen position rather than precisely homologous to it. This continuum is analyzed both conceptually and empirically.

**Conceptual Scheme**

Toward one extreme end of the continuum, say, Degree A, no individuals consciously participate in organizational goal formation. The organizational goals may be assumed to be formulated by an organizational "mind" which is independent of the members of the organization.

At Degree B, a less extreme position than Degree A, top management (or the top manager) independently sets all of the organizational objectives by proclaiming just what the overall set of objectives will be and deriving the subobjectives for each division at each level in the hierarchy. An extension of Degree B occurs when top management sets only the highest objectives and permits managers in subordinating positions some discretion in establishing the objectives for their particular area. But at all levels
below the highest, managers operate under the constraints set by their superior. For example, the alternative possible goals at the second hierarchial level are not infinite but must be chosen from the sphere of possibilities delineated by the set of goals existing at the ultimate level.

Degree C represents rather limited, pseudo participation. Superiors encourage subordinates to participate but only because they think subordinates will be more willing to accept the organizational objectives. Participation is viewed as a cost. Superiors believe that they could set objectives more efficiently and more accurately working alone, but they are willing to sacrifice efficiency in objective formation to gain efficiency in objective acceptance.

Now, let Degree D represent the antipodal position of Degree A at which all organizational members, superiors and subordinates alike, participate equally in goal formation given their respective power relations.\(^9\) Superiors may consciously take the stand that true participation is

\(^9\)Power refers to the ability to influence others. This is a very elusive concept to analyze, and it is beyond the scope of this paper; thus, power is taken as a given in the succeeding discussion.
beneficial because subordinates have something positive to offer to the goal formation process. Everyone is given equal opportunity to participate; but of course, they are not capable of exerting equal power upon the process. On the other hand, superiors may not be fully conscious of the parity of participation opportunity among their subordinates. Oftentimes, subordinates through subtle but powerful means are capable of obtaining their desires despite the demands of the superior.

**Empirical Data**

For purposes of this study, the participative scheme was tested empirically by requesting that the subjects select, from the following alternatives, how the objectives in their department were set: (1) no one sets objectives in my department, (2) higher management sets the objectives, (3) management permits employee participation but ignores it, (4) managers allow and consider suggestions, and (5) do not know how objectives are set. Question 3 in Appendix A provides other details.

As shown in Table 3, 71 per cent of the sample stated that management allowed (and honestly considered) members of their department to make suggestions in setting organizational objectives. Nineteen per cent perceived that
objectives were set by higher management, 4 per cent indicated only pseudo participation, 2 per cent thought no one consciously set objectives, and 4 per cent either did not know how objectives were set or they did not respond with usable answers. These data imply that the majority of the organizational members in the survey perceive true overt participation in setting objectives of their department.

**TABLE 3**

Extent of Participation in Setting Objectives
As Perceived by Members

<table>
<thead>
<tr>
<th>No. One</th>
<th>Higher Management</th>
<th>Pseudo Participation</th>
<th>True Participation</th>
<th>Not Useable</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>7</td>
<td>2%</td>
<td>66</td>
<td>19%</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>240</td>
<td>71%</td>
<td>17</td>
</tr>
</tbody>
</table>

These conclusions appear to be somewhat contradictory to Miles' findings. He concluded that typical modern managers broadly endorse participation, but they have not accepted a single logically consistent concept of participation. Rather, they seem to have adopted two theories of participation—one for themselves and one for their subordinates. Managers doubt their subordinates' capacity
for self-direction, self-control, and their ability to make creative contributions to organizational operations. Participation is advocated but only as a device for improving morale and status. On the other hand, managers feel that their superiors should allow them more freedom and increased opportunities for using their important abilities. This conclusion implies that the majority of modern managers do not experience true participation as indicated by the questionnaire results of this study. But Miles was dealing with participation in general while the present study was concerned only with participation in setting or altering objectives. It is quite possible that the respondents could be satisfied with their opportunities for participation in setting objectives but dissatisfied with their overall opportunities for participation. Also, Miles' study concerned only managers while the writer's survey included members at all organizational levels.\footnote{Raymond Miles, "Human Relations or Human Resources?" \textit{Harvard Business Review}, Vol. 43, No. 4 (July-Aug., 1965), pp. 148-1952, \textit{et. seq.}}

**Goal Formation in the B-Model**

In the B-Model, goals are taken as given. Since behavior results from unknown forces, organizational goals
are also an extension of these forces. Unawareness of objectives and confusion over objectives in the real world is taken as evidence that individuals refrain from extensive, cognitional efforts in the formulation of organizational goals. An extension of this situation becomes evident when all formal goal setting is reserved for top management.

Objectives and the Organizational Mind

If an organizational mind sets objectives, there is little need for individual members to be concerned with the objective-setting process. There is evidence to suggest that many business practitioners do not consciously set organizational objectives even though there is wide acceptance of the importance of known objectives to the efficiency of an organization and even though they perceive that they do consciously formulate goals.

Unawareness of Objectives. "Few organizations do, in fact, have a clear definition—or any statement—of purpose." Charles L. Huston, President of Lukens Steel Company, was asked, "What are your corporate objectives?" His apparently typical reply was:

Surely, I thought, corporate objectives had been dealt with over the years through meetings, speeches, and letters. It did not take me long to realize, however, that there was no adequate but concise statement of objectives readily available for use as a reference and for review for change as necessary.12

The company had budgets, and goals for markets, capital expenditures, and personnel development; but these were not tied together with pertinent overall goals. As Huston further stated, "Somehow, in our case, it was simply assumed that these aims or goals—the corporate objectives—were common knowledge."13 Thompson, speaking of the Whirlpool Corporation, stated:

The need for a written creed has never been discussed formally by our management. Until recently, the company was small enough so that everyone within the organization had a 'feel' of what the company wants to be. They all knew that quality ranks first, in all our decisions, that integrity is unquestionable.14

According to Gross:

... there is nothing better calculated to embarrass the average executive than the direct query: "Just what are your organization's objectives?" The

typical reply is incomplete or tortued, given with a feeling of obvious discomfort. The more skillful response is apt to be a glib evasion of a glittering generality.15

Finally, Terry concurs:

. . . the truth is that objectives tend to get lost in the shuffle of managerial activity, their identities become obscured, activity is mistaken for accomplishment, and precedent or habit emphasizing what to do completely overshadows what is to be accomplished.16

Confusion of Objectives. There are numerous studies that reveal the confusion and misunderstanding that exists between organizational members concerning departmental and company objectives. Two typical cases are cited below.

"In many organizations, if you ask a number of managers to write down their principal objectives, you may get strongly conflicting answers."17 In one study of ninety-four supervisor-worker pairs, the findings indicated that immediate supervisors lacked precise knowledge of what


their subordinates do and how they spend their time.18 Another company requires subordinates to write a letter to top management; and if the superior accepts the statement, the letter becomes the charter under which the subordinate manager operates. Although this practice has continued for ten years, almost every letter lists objectives which completely baffle the superior to whom it is addressed.19

Managers behave as if some mythical, all-knowing, "superorganic mind" causes the organizational objectives to emerge. This process may be viewed as the "natural system" or "invisible hand" concept, and it can be traced to early philosophers who believed in the universal laws of nature and society.

The Natural System. Sociologist August Comte believed that the order which arises spontaneously is always superior to that which is constructed by human combination.20

---


20 August Comte, Early Essays on Social Philosophy, George Routledge and Sons, p. 325.
Comte's natural system is today supported by Selznick, Parsons, and others. Homans' emergent behavior is also rooted in this philosophy. In addition, Adam Smith's conception of the invisible hand lends support to the natural system view. He states that man, by pursuing his own interest, frequently promotes the interest of society more effectively than when he really intends to promote it. In many cases, an invisible hand leads an individual to promote an end which was no part of his intention.

The natural system assumes that structures are spontaneously and hemostatically maintained. Changes are the result of cumulative, unplanned, adaptive responses to threats to the equilibrium of the aggregate system. It is based on an underlying "organismic" model that is organically growing with a natural history of its own and planfully modified only by great peril if at all.

The B-Model implies either individuals do not rationally and consciously develop organizational objectives; they allow the invisible hand to operate for the betterment of


23 Gouldner, op. cit., pp. 405-406.
all; or it assumes that overall objectives are unimportant to cooperative group endeavor. Because of all of the literature and emphasis on organizational objectives, it is unrealistic to think that management writers and practitioners accept the implication that overall organizational objectives are unimportant; therefore, a logical reason as to why organizational members do not consciously set overall objectives is that they assume the objectives will automatically emerge or that they have already emerged and everyone is cognizant of them.

**Top Management Extension**

It is a short step from Degree A to Degrees B and C which reveal certain components of both the B-Model and the I-Model. Positions B and C resemble the B-Model in that objectives are determined by top management as a group. Individuals actually work to set organizational objectives (I-Model), but they make their decisions according to the rational needs and demands of the organization (B-Model). As agents of the organization, their major function is to see that its ends are served.

The term "top management" is only slightly less abstract than "organization," and it is hypothesized that many individuals view top management as an entity itself
endowed with all of the powers of the B-Model. Top manage-
ment is the significant system, and all other aspects are
subsystems of top management. Individuals may recognize
that the organization exists, but all of the relevant
variables of the organization are perceived to exist within
the top management system. In this situation, the top
management entity, for all practical purposes, replaces
the organizational entity because individuals conceive
the image that top management is the organization.

Degrees B and C represent the popular management
philosophy that setting objectives is exclusively a
managerial job. It is reasoned that since each manager
is responsible for the contribution that his component
makes to a larger unit, each manager must develop and
set the objectives of the unit himself. However, higher
management reserves the power to approve or disapprove
the objectives of the company; so in effect, they insert
substantial pressures into the process of goal formation
at all levels.

The following comments lend support to the top manage-
ment extension of the B-Model: "It is the responsibility

of the top management group or the board of directors to establish and to review enterprise objectives."\(^{25}\) "It is amazing how often one sees evidence of the assumption that all of the heavy thinking in an organization can be left to some specialized group,"\(^{26}\) "Basically, the plan developed because management recognized the need for an organized, cohesive, and balanced evaluation of future growth patterns and alternative profitable courses of action upon which current decisions could be made,"\(^{27}\) and "Management is charged with setting goals and objectives for its operating units."\(^{28}\)

**Goal Formation in the I-Model**

Unlike the B-Model, the key issue in the I-Model is that organizational objectives represent a manifestation of individual requirements. Individuals develop, accept, and


pursue group goals in an effort to increase personal satisfac-
tions. When members are consciously allowed to truly
participate in goal formation, this thesis is easier to
accept, but the writer suggests that the thesis holds true
when the structure is not designed to permit employee
participation in goal-setting. The hypothesis is supported
by first showing evidence of individual influence on
organizational goals; and secondly, by proffering a logical
theory of goal formation based on coalition theory.

Evidence of Individuals' Influence on Organizational Goals

Persons are able to exert their power on organizational
goals through the internal organizational system as well as
through the external means of the broader system of society.
An individual functions as a part of the mutually related
organizational and society systems concurrently, but it
simplifies analysis to analytically confine him primarily
to one system at the time.

Internal Influence—Conscious Participation. As indi-
cated in Table 3, 71 per cent of the organizational members
surveyed replied that members of their department were
permitted to honestly participate in setting their depart-
mental objectives. These data may tend to overstate the
degree of influence because: (1) participation covers a
wide scope of activities ranging from an occasional comment
to regularly consulting with managers, and (2) the behaviors
of participation very generously from participation with
exiguous influence to participation with abundant influence.

To check the perceived amount of influence that members
have in establishing or altering departmental objectives,
respondents were asked how much influence or say they had
in this matter. The alternatives, of which they were to
check one, were: a great deal of influence, quite a bit,
some, or little or none. The complete question appears as
Question 5 in Appendix A. Table 4 reveals that 35 per
cent of the respondents perceived that they had a great
deal of influence; 25 per cent, quite a bit; 29 per cent,
some; 10 per cent, little or none, and 2 per cent did not
reply to the question. The data support the major hypothesis
of the I-Model that organizational goals represent a mani­
festation of the goals of its members.

| TABLE 4 |

<table>
<thead>
<tr>
<th>Influence in Setting Organizational Objectives as Perceived By Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Deal</td>
</tr>
<tr>
<td>No.</td>
</tr>
<tr>
<td>120</td>
</tr>
</tbody>
</table>
The relative differences in degrees of influence by organizational level was also computed. It was expected that the degree of perceived influence would be greatest at the top management level and would decrease with each succeeding level. The responses of great, quite a bit, some, and little or none were indexed 4, 3, 2, and 1, respectfully. The indices were averaged for each level, and they range as expected in the following order: top management, 3.78; middle management, 3.07; supervision, 2.40; and worker, 2.05. This only indicates a trend rather than significant differences. Table 5 shows the distribution by number and percentage for each level.

TABLE 5

Perceived Influence on Organizational Goals
by Hierarchial Level

<table>
<thead>
<tr>
<th>Degree of Influence</th>
<th>Top Management</th>
<th>Middle Management</th>
<th>Supervision</th>
<th>Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Great Deal</td>
<td>62</td>
<td>81%</td>
<td>48</td>
<td>41%</td>
</tr>
<tr>
<td>Quite a Bit</td>
<td>13</td>
<td>17%</td>
<td>27</td>
<td>23%</td>
</tr>
<tr>
<td>Some</td>
<td>2</td>
<td>2%</td>
<td>36</td>
<td>31%</td>
</tr>
<tr>
<td>Little or None</td>
<td>0</td>
<td>0%</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Totals</td>
<td>77</td>
<td>100%</td>
<td>116</td>
<td>100%</td>
</tr>
<tr>
<td>Average Influence Index</td>
<td>3.78</td>
<td>3.07</td>
<td>2.40</td>
<td>2.05</td>
</tr>
</tbody>
</table>
Other Illustrations of Internal Influence. In a study dealing with the relationship between organizational goals and the informal organization in a variety of correctional institutional settings, institutions were divided into two groups: the major goal of one group was treatment while the major goal of the second group was custody. Treatment institutions were characterized by the presence of counselor personnel, the existence of rehabilitative programs, and the implementation of educational, vocational, or other auxiliary-type programs. Custody institutions exhibited a definite lack of such programs.

The informal organization in the treatment institutions generally did not contravene the formal goals of the organization. Inmates were treated respectfully, and they did not perceive the institution as being totally repugnant to them. In addition, rules were rather flexible, behavior was regulated more informally, and there was very little payoff on the part of administrators to regulate behavior.

In the custodial institutions, there was an absence of counselors, rehabilitative programs, and extra-institutional programs; and behavioral rules were relatively rigid. Inmates perceived the custodial institution to be responsible for their problems, and they banded together to oppose the
prison and administrators which they believed to be the source of their frustrations. As a result, the problem of control was magnified by a relatively powerful subsystem. Guards began to buy compliance at the expense of tolerating inmate behavior which deviated from the rules. Inmates gained some degree of freedom from the demands and pressures forced upon them by the supporters of the custodial goal, and they were able to regulate their own behavior. In short, when individuals in formal positions stated a goal that allowed other members of the organization a chance to satisfy their personal needs, the informal organization supported the official position. But the organizational members, through their own agreements (informal organization), opposed the formally stated goals when they perceived this goal as a hindrance to the satisfaction of their personal needs. In this case, the formally stated goals were set by top management, but the members at the lowest levels in the hierarchy were able to exert pressures and eventually alter certain aspects of the formally stated goals. Members of management informally agreed to ignore some deviating behavior in return for
certain assurances on the part of the inmates.\textsuperscript{29} By making this agreement, the organizational goals were modified because managers and nonmanagement members consciously expected and accepted the revised aims of permitting lower level individual members to satisfy some of their needs by gaining some freedom through regulation of their own behavior. In return, the administrators were able to maintain their positions and reap the satisfactions which accrued from them.

In a second prison study, administrators set organizational goals of incapacitation, retribution, deterrence, and reformation of inmates. Yet, individuals in the system over a period of time began to organize for and support an unstated goal of protection for the prisoners. A rather efficient means developed within the organization to protect inmates from exploitation by gangsters, attorneys, amateur reformers, and from ridicule by the morbidly curious.\textsuperscript{30}


Cotton, in a study of voluntary organizations, showed that the level of activity may really be a function of goals of the informal group rather than the stated goals of the organization. The unstated goals—discovered in depth interviews—were absent in the literature of the organization. They were not articulated in publications, nor were they reflected in stated policy. Contrary to what the rational B-Model would suggest, members and nonmembers were not differentiated in extent of acceptance of the formally stated values of the organization. The level of activity was positively correlated with the members' degree of acceptance of organizational goals, but the size of the correlation was so small that it accounted for less than ten per cent of the variance in the members' organizational activity. The unstated objectives were more significant than the stated objectives in differentiating between members and nonmembers.  

Unstated goals invariably appear after an organization has begun to function. It is plausible, however, that an organization could come into being in response to unstated

---


32 Gouldner in Ibid.
goals which may or may not contain the birth giving unstated objectives. The unstated objectives may influence members' behavior even though they were persuaded that they had initially banded together to pursue a list of stated objectives.\textsuperscript{33}

In an effort to solve the inconsistencies between stated and unstated goals, members attempted some or all of the following alternatives: (1) redefinition of formally stated goals, (2) withdrawal from the organization, or (3) pay as little attention to the formal requirements as possible.\textsuperscript{34}

Finally, Mumford, in a study of three different dock canteens in England, showed that the individual members formed agreements that would allow them to fulfill their individual objectives despite the efforts of their supervisors.\textsuperscript{35}

The treatment of internal influence is intended to be illustrative rather than exhaustive.

\begin{flushright}
\textsuperscript{33}Cotton, \textit{op. cit.}, p. 34.
\textsuperscript{34}\textit{Ibid.}, pp. 34-35.
\end{flushright}
External Influence. Three major means of external individual influence over organizational goals include labor unions, social norms, and laws.

The rise of union power has been one of the most significant developments in modern organizations. Unions first began to be formed in the United States in the late Eighteenth Century, and their original purposes were to allow workers a greater chance for need satisfaction by resisting wage cuts and striving for more acceptable working conditions. By the early Twentieth Century, union membership reached about two million; and organizational owners launched a massive attack against unions through antiunion publicity, employer-initiated welfare programs, and quasi company unions. Unions suffered momentarily, but they were given a tremendous boost by the passage of the Wagner Act in 1935 which gave workers legal protection in forming their own unions. By 1964, unions counted slightly less than 18 million members, approximately 22 per cent of the labor force.36

Human behavior is goal-directed and members join unions to satisfy certain individual needs. The major expectations

of union membership are security and fair treatment through greater bargaining power, self-expression through grievance machinery, and satisfaction of gregarious needs by becoming one of the group and participating in social and recreational activities.\(^{37}\)

Most employees reject union memberships when their careers are progressing according to their desires. It is only when progress and satisfaction are frustrated that workers look to the union as a means of achieving greater need satisfaction.\(^{38}\)

Lower level members have been rather successful in altering organizational goals through union pressures. According to Beach,

> When the employees of a company are represented by a union, policies and practices affecting the employment relationship which were formally decided by management alone are now subject to joint determination.\(^{39}\)

A second external means by which individuals can influence organizational goals involves social codes, mores, and norms. Norms as rules of behavior set limits within


\(^{38}\)Loc. cit.

\(^{39}\)Ibid., p. 69.
which individuals operate in achieving their personal goals. They represent abstract patterns held in the mind, and they become "operative" when they are followed in actual behavior. "All societies have rules or 'norms' specifying appropriate and inappropriate behavior, and individuals are rewarded or punished as they conform to or deviate from the rules."

Norms differ in intensity of feeling, and they may be classified according to their intensity. Mores are associated with norms of high intensity of feeling, while folkways are associated with low intensity of feeling. In Western society, prohibition of murder and protection of private property represent examples of mores for violation of either calls forth a strong emotional response within people. Examples of folkways in present society include such customs as table manners, the language used in

41 Loc. cit.
43 William G. Sumner, Folkways, Ginn and Co., Boston, 1940, p. 76.
addressing older people, bathing, posture, and many others.\textsuperscript{44}

Norms are a product of individual minds, and they gather influence as they become accepted by more members of society. Members of organizations are also members of the larger system of society; and through their part in developing social norms, they also serve to set limits within which the organizations must operate. However, the social limits are not to be taken as fixed. The organizational system interacts with the system of society and both influence each other.

When social norms become institutionalized, they are said to be laws. Political authorities are given the right to exercise certain sanctions in forcing human behavior to comply with the norms.\textsuperscript{45} A norm becomes institutionalized when: (1) a large number of members accept it, (2) it is taken seriously or "internalized," and (3) it is sanctioned.\textsuperscript{46}


\textsuperscript{45}\textit{Ibid.}, p. 66.

\textsuperscript{46}Johnson, \textit{op. cit.}, p. 20.
The system of laws has become so complex in contemporary times that practically all large organizations maintain a full-time staff of legal experts who are charged with the responsibility of interpreting the laws and sanctions. Laws obviously have a significant influence on organizations' goals.

**Theoretical Foundations**

As reviewed in the preceding discussion, there is a strong case for the belief that the real organizational goals grow out of individual needs. Coleman has stated that a person acts to maximize his utility, but there is no such principle to explain collective action. The utility of collectivity is a meaningless quality.\(^\text{47}\) Cyert and March concur that organization theory needs something at the organizational level analogous to individual goals at the individual level.\(^\text{48}\) Given the framework of the I-Model, it is possible to suggest a sound theoretical basis for organizational goal formation and cooperative group endeavor.

---


**Goal Formation.** The following is a theoretical discussion and cannot at this time be definitively supported by empirical data. Some data have been collected by social psychologists working in the area of small group dynamics to lend tentative support to the theory. Most of this section is adapted from Gamson's work on a theory of coalition formation. Gamson's theory may be applied to groups of varying sizes, and he shows it to be reasonably consistent with Caplow's theory of coalitions in a triad as well as the experimental results of Vinacke and Arkoff.

Coalition theory is primarily concerned with the relative power of individuals and the manner in which they align themselves for given decisions. In three-member groups, it is generally conceived that two members will join together and isolate the other. With different power structures, various alternative arrangements are available. Goal formation involves decision-making; therefore, a theory of goal formation can make use of coalition theory.

---


However, coalitions are generally concerned with temporary means oriented alliances among individuals who differ in goals; whereas, goal formation involves competition in setting goals. This does not necessarily imply a loser. Individuals in a group must perceive that group effort offers more potential individual satisfaction (payoff) than individual effort. Numerous group goals may be available, but no particular goal (or set of goals) can be optimum for each individual because all of the individuals differ with regard to needs. Obviously, all individuals cannot get their optimum group goals accepted; but the goal that is selected may offer more individual satisfaction than any other alternative facing the individual at that time. In a sense, everyone gains in the group effort.

In such a theory, singular persons interacting with other persons are the focus of attention. In accordance with John Dewey, "When an organization is generated, it arrives at decisions only through the medium of individuals."52

There are certain conditions necessary for an organizational goal to be formed: (1) there is a decision to be made, and two or more social units are attempting to maximize their payoff, (2) no single alternative will maximize payoff to all participants, (3) no participant has dictatorial powers, and (4) no participant has complete veto power. These four conditions exist in organizations. Goal formation is a decision-making process requiring individuals to choose some alternatives from an almost infinite number of possibilities. Given the assumption that individuals have many needs and no two individuals are exactly alike in their total set of needs, it would be impossible for one single alternative to maximize payoff (satisfaction of needs) for any two participants. Although some organizational members may be very powerful, they do not have unlimited dictatorial powers to require other members to do any and everything that they wish. In a like vein, no organizational member is able to exercise veto power, completely. This is just another way of saying that a member does not have dictatorial powers.

The Process. The goal formation process in the I-Model is composed of five major subprocesses: (1) individual needs ranked in an order of preference, (2) individual power factors, (3) selection of organizational group members, (4) bargaining, and (5) expectation of payoff. Through rational and emotional processes, individuals develop and defend goals.

Individuals enter into an organization with needs that are different and ranked, and a coalition is formed among members on the basis of the complementariness of their individual goals. These complementing goals are what most people refer to as organizational goals. Although individuals have different needs, they are in some ways similar. Numerous studies have shown that persons seek such goals as safety, love, esteem, autonomy, wages, and security. Security for Person A is not exactly the same thing as security for Person B, but some commonality exists between the two.\textsuperscript{54}

\textsuperscript{54}Litterer, \textit{op. cit.}, p. 141.

Power may be defined as the ability of an individual to influence another individual. It is very elusive, dynamic, and intangible. For this study, it is taken as a given.

Selection of group members involves consideration of an individual's physical resources and social preferences. Resources refer to an individual's attributes which can be applied toward the achievement of physical aspects of a goal. Physical aspects include the components of a goal that require physical and intellectual effort, material resources (money, land, borrowing ability, etc.), ingenuity, and other abilities. The greater the total resources available, the higher the order of the goal may be. That is, the individuals will be capable of setting a goal that contains a greater potential payoff.

Individuals also have social preferences regardless of resource ownership. These preferences may be based upon interpersonal attraction, similarity of value systems, and the like. The interaction of physical resources and social preferences forms the basis for selection of group members.

Through a combination of formal, informal, conscious, and unconscious bargaining, a goal is selected. Bargaining may consist of arguments and debates as well as more subtle processes as discussions designed to "feel other members
out," trials whereby one member proffers a course of action, a thought, or a suggestion as a strategy; and the subconscious consideration of other peoples' attitudes, likes, dislikes, biases, and prejudices. Bargaining does not necessarily require an equal exchange, but the benefits must be accepted by both in order to reach an agreement.

The individual with the most power, relative to other members, has the most influence in selecting a particular course of action; and if his judgement and perception are accurate, he will stand to gain more than others, provided the goal is reached. Each potential organizational goal represents an expected source of satisfaction or dissatisfaction to the members of the group, and each participant estimates the payoff to himself of the most feasible alternatives and desires the goal that will maximize his payoff. The total value of payoff is not fixed, but it is a function of the composition of the coalition. For example, there will be greater total payoff to the group where needs are complementary than where they are competitive.  


57 Cyert and March, *op. cit.*, p. 29.
An important group of coalition members is passive most of the time. This passivity indicates that their payment demands are rather easily met, and they will accept a wide range of possibilities; but the active group represents the relevant area of study for goal-setting.\textsuperscript{58} Nevertheless, the passive members potentially have the capacity for exerting some pressure. They are members of the group and other members must consider the action that the passive members will take when a goal is selected.

The Organizational (or group) goal ($G$) may be expressed:


g = \sum_{i=1}^{I} \left( \sum_{l=1}^{L_i} (P_l, E_l, A_l, N_{1,l}, N_{1,2}, \ldots, N_{1,n}) \right) + \sum_{i=2}^{I_2} \left( \sum_{l=1}^{L_i} (P_l, E_l, A_l, N_{2,l}, N_{2,2}, \ldots, N_{2,n}) \right) + \cdots + \sum_{i=m}^{I_m} \left( \sum_{l=1}^{L_i} (P_l, E_l, A_l, N_{m,l}, N_{m,2}, \ldots, N_{m,n}) \right)

where $I = \text{individual}$, $P = \text{perception}$, $E = \text{expectations}$, $A = \text{power coefficient}$, and $N = \text{individual needs}$.

An Illustration. To illustrate the process of goal formation, consider the following assumptions: (1) the organization has three members ($I_1$, $I_2$, and $I_3$); (2) each member has three needs ($N_1$, $N_2$, and $N_3$) ranked such that $N_1 \succ N_2 \succ N_3$; (3) the relative power factor ($A_1$, $A_2$ and $A_3$) for each member is ranked such that $A_1 \succ A_2 \succ A_3$;

\textsuperscript{58}Ibid., p. 30.
(4) $N_1$ for $I_1 \neq N_1$ for $I_2 \neq N_1$ for $I_3$; $N_2$ for $I_1 \neq N_2$ for $I_2 \neq N_3$ for $I_3$; and $N_3$ for $I_1 \neq N_2$ for $I_2 \neq N_3$ for $I_3$; and

(5) each member is one hundred per cent accurate in his perception and expectations.

Each individual, perceiving some degree of commonality concerning the synergistic payoff of their potentially mutual cooperation, enters into the bargaining process with his needs ranked according to priority. In the early stages, a particular member will attempt to select the $G$ that maximizes his payoff; but other members have different sets of $N$'s, and they perceive other $G$'s as being optimum. Through bargaining, the individuals reach some degree of agreement upon the $G$ or set of $G$'s. If the individuals reach no agreement, no organizational goal will materialize and the organization will disband. The chosen $G$ will likely be a compromise, and payoff will not be maximized for any single $I$, but it will be greater than if the $I$'s were working independently.

Given the assumptions listed above, the selected $G$ will have certain relative characteristics for each member. The satisfaction of $G$ will distribute payoff ($0$) in such a way that $I_1^0, I_2^0, I_3^0$ because, by assumption, the power is distributed such that $I_1^A, I_2^A, I_3^A$ and the
sets of N's for one individual do not equal the set of N's for any other member. By the same token, \( N_1 \) will receive a greater portion of the payoff than \( N_2 \) or \( N_3 \) because the strengths of the N's are such that \( N_1 \succ N_2 \succ N_3 \).

In reality, the process is not precisely accurate because payments come in a variety of forms, and a factor price is difficult to compute.\(^{59}\) Also, mistakes in judgment, perception, and expectations are prevalent.

**Stability.** Goal formation is a continuous and ever changing process. Neither human needs nor relative power positions are fixed, but objectives might be more stable than this model suggests.\(^{60}\)

First of all, human limitations constrain the bargaining process. People have limited energy and time, and bargaining over goals consumes both. Although the members may not think that an agreement is perfect, they may be willing to let it stand. Secondly, group agreements require numerous side agreements among individual members, many of which may be informal or even unconscious. Persons may believe that the costs of changing all of the side agreements


\(^{60}\) This discussion of stabilizing forces is taken from Litterer, *op. cit.*, pp. 429-430 and Cyert and March, *op. cit.*, pp. 32-34.
are greater than the additional benefits they would accrue from the change. Third, payment agreements are incomplete because it is not possible to anticipate all future situations, but goals may remain fixed over the life span of the agreement because individuals develop control systems and they are motivated to operate under the agreement. Control systems include budgets, allocation of functions, definition of organizational units, and allocation of capital resources. Budgets are usually set for a year, and there are penalties to the department which exceeds them. Allocation of functions, definition of units, and allocation of resources establish limits of discretion. Four, previous accommodations become models for subsequent ones. Each generation inculcates on the next the habits which it has found satisfying and adaptive. Much structure is taken as given because individuals in a coalition are strongly motivated to accept precedents as binding. "Accidents" of an organization tend to be perpetuated. Five, goals sometimes tend to be fixed by external forces. These may include such items as standards for

---

entrance into schools and professions and governmental requirements. Six, members exert pressure on one another to conform to behavior which they consider right and proper. This is particularly true in an organization where one's satisfactions depends upon the reaction of another person to it.⁶²

**Change.** Objectives tend to be associated with actual performance in the same way that aspirations are associated with performance. Lewin and others have indicated that current aspirations represent an optimistic extrapolation of past achievement and past aspirations. If actual performance exceeds the level intended, the goal of the next performance is higher and vise versa. In an experiment conducted by Diggory and others, it was found that persons strive for a goal in a series of attempts. Each performance is related to some subgoal which he will try for on the next attempt. If the goal is important enough, rate of improvement is rapid enough, and distance to the goal is short enough, the individual will continue striving and resetting his personal goals.⁶³ In this way, organizational

---

⁶² *Loc. cit.*

objectives tend to drift with the demands of the members in the organization.64

Indirect Satisfaction. The payoff may directly satisfy an individual's needs or it may provide him with a medium which will allow him to satisfy his needs in an indirect manner. An example of direct satisfaction occurs when the individual receives fulfillment from the accomplishment of the objective itself. Indirect satisfaction occurs when a member gets something from the organization, e.g., money, which is not satisfying in and of itself; but it allows the individual to satisfy some of his personal needs within or away from the organization.

Complex Organizations. In complex organizations a hierarchy develops because of the task of coordination. Human limitations prohibit large numbers of people from bargaining and cooperating with each other on a direct basis. A hierarchy develops because an individual perceives an objective of dividing the work into various tasks, dividing the bargaining process into different components, and coordinating the efforts of individuals. When one person is able to convince others that this goal

64Cyert and March, op. cit., p. 35.
will allow them greater satisfaction, they will accept the objective and begin to work toward its end. There must be some minimum degree of agreement that it would be better for all concerned if the organization were to become more structured, rigid, well-defined, and durable. To set and achieve the goal, enough members with enough power must perceive the goal as increasing their personal satisfactions. Those who are in lesser accord will compare the expected payoff from the hierarchical arrangement to other alternatives available to them.

Vector analysis provides a beneficial tool for hypothesizing the interrelationships of organizational units. Beginning at the individual level, assume that an individual has five needs as represented in Figure 1. Each need is exerting force in a different direction; but by adding the vectors, one can determine the direction and strength of the resultant of the combined forces represented by the broken line. If there are five members in one group, the resultants of each of the five members may appear as in Figure 2. In this scheme, the broken line depicts the

---

Figure 1. Force of Individual Needs

Figure 2. Force of a Group's Needs
resultant of the group. Now, assume there are five groups in the organization. The resultant of the total organization is derived by adding the resultants for each group, thus, indicating the strength and direction of the total organizational force. This relationship is presented in Figure 3.

![Figure 3. Combined Force of the Needs of Five Subgroups](image)

The picture becomes very complex because the organizational groups are not mutually exclusive and their membership is dynamic. Traditional organizational analysis suggests that the groups are divided into subgroups, sub-subgroups and so on through the process of logical departmentation. In this case, Likert's linking-pin theory shows how the groups are related to each other according to the formal structure. The manager is seen as a member
of both the subordinate and superior groups, and he is the linking-pin by which the groups are connected.

The more recent view is that the groupings do not, as a matter of course, follow the formal plans. As indicated by Johnson, the complex of formal rights and obligations is normative; groupings would tend to exist even if the hierarchy were not pictured on a chart.\textsuperscript{66} Organizational groups are composed of subgroups, but the boundaries and relations between the subgroups are much more vague than traditional theory suggests. A more realistic picture of the organizational groupings is shown in Figure 4 where each dot represents an individual and the circles represent groupings at a given point in time. Each group may, to some degree, coincide with formal departments; but it would be highly unlikely if any group paralleled exactly the formal department as drawn on an organization chart. This discrepancy may occur for three major reasons. One, the bargaining process is continuous and formal plans may lag behind actual events. Two, some member or members of the group sometimes desire to see the others grouped in a certain fashion, and they may design and attempt to

\textsuperscript{66}Johnson, \textit{op. cit.}, pp. 6-7.
implement formal plans in an effort to get their goals accepted. If these plans, are unacceptable to a more powerful group (or to any particular individual), they will not abide by them. Three, because of mistaken judgements, some members may actually believe that other members think a certain arrangement is the optimum when the other members do not perceive the situation as being optimum. Or, a given arrangement may actually be the optimum arrangement, but some persons do not perceive it as such.

Figure 4. Organizational Subgroupings at a Point in Time

Evaluation of the Models

The macro approach of the B-Model tends to take goals and interdependence of parts as given. It dwells upon the
rationally determined structure over which individuals have little or no control. The I-Model's alternative view takes the position of Perrow who states that the analysis of organizational goals is critical for a full understanding of organizations and the behavior of their members. Further, the over rationalistic point of view wherein goals are taken as given and the ordering of resources and personnel is seen as the major problematical issue, has impeded the analysis of organizational goals.67

In the B-Model, the operation of the natural system lends an aura of "living" to the process of an organization. There is an omnipotent force present in nature which has its way regardless of individuals. This force is not necessarily seen as a living evil, but it operates independently of human wills. The position of the I-Model is that organizational objectives are set and controlled by individuals interacting with each other. Organizational goals and structure can be altered by the creators and members.

Some have attempted to explain the natural system concept through the operation of the price mechanism. However, it is debatable whether the price mechanism

67 Perrow, op. cit., p. 854.
reflects natural laws or even whether it is operative in
other than an idealistic framework. The natural system
concept via of the invisible hand is based on four
trenchant assumptions: (1) the only dependable human
motive is self-interest, (2) a defined welfare function is
present, (3) perfect competition exists, and (4) the existence
of a parallelism of self-interest with social welfare.

All four assumptions are subject to question. The
question of whether self-interest is the only dependable
human motive is not clear, and a social welfare function
has not been adequately defined. Certainly, perfect com­
petition does not exist between all subparts of a market
when the subparts are different firms. An added com­
plexity appears when the theorem is applied to the subparts
of one firm. Even if it is assumed that an organization
can be divided into subparts with a separate criterion
(profit) for each subpart and markets can be created for
all commodities that flow between subparts, perfect
competition is met only when each subpart has markets
externally.68 The fourth proposition is also unacceptable
on an individual basis. Since individuals make-up society,

68James March and Herbert Simon, Organizations, John
it is logical that a social welfare function would be a manifestation of aggregate self-interests; but this does not imply that the aggregate result would parallel the self-interest of any particular individual member of society.

In a conceptually ideal system, it is conceivable for the invisible hand to operate through the price mechanism such that an individual's contribution to the society would be maximized from his point of view and from the system's point of view. As the ideal system does not operate in the real world, a conscious planning scheme appears to be vital if organizational goals are to be set most efficiently.

In the B-Model, the individual's major role is to pursue and achieve the organizationally determined goals; but in the I-Model, the organizational goals represent a conglomeration of individual goals. As Young states, "... organizational goals should represent the collective welfare of the component individuals." From the vantage point of the I-Model, there is no reason for an organization to exist unless it provides individuals with a way to set and achieve goals of a higher order than they could

working independently.

Since what is internally real represents reality for a given individual, both models exist in varying degrees in the minds of individuals. If a person believes in the organizational being and identifies with it, and if he perceives the organization as being capable of generating needs independently of his control, the B-Model is very real to that person.

A more difficult problem, however, involves determining whether there are natural forces that give rise to order in the external world. Do these forces exist outside of the human mind? This question has troubled philosophers for centuries and appears to be far from being solved at present. If one accepts the thesis of natural laws, the B-Model is real for him and if these laws do exist external to the nervous system, they are indeed fact. On the other hand, if individuals perceive no natural laws in nature but if they do actually exist, his psychological context is not consistent with the external context and will lead to inefficient satisfactions. In short, different approaches to goal formulation do exist in the internal reality of individuals. It seems plausible that to the degree one model is congruent with external reality, the other is incongruent with external reality.
Summary

Organizational goals represent ultimate ends toward which the group of people is progressing, and they are considered to be very important to both models.

The major difference in goal formation between the two models results from differences in individual participation and influence in the goal formation process. At one end of the continuum, goals exist but they more or less emerge automatically in response to natural laws.

**B-Model Contention 5.1.** The process of organizational goal formation can be analyzed as if it represented a response to an underlying order in nature which is non-dependent upon the presence or activities of human beings.

At the other extreme of the continuum, all individuals in the organization participate in the goal formation process according to their relative powers.

**I-Model Contention 5.1.** Organizational goals are the result of a conglomeration of many individual needs, and they are formulated through a series of individual interactions solely for the purpose of satisfying individually created needs.

Even members who appear to be passive exert an influence on organizational goal formation because others consider how they will react when making agreements. The more active members must decide whether they will need the efforts of the less active, and in this way, they have exerted an
influence. If the active members do not consider the less active, they have decided that they do not need them.

Proponents of the B-Model assume that since the organization has powers independent of its members, the organizational mind sets logical and rational goals for the organization regardless of the individuals who compose the organization's membership.

The top management extension is only slightly less abstract than the B-Model and resembles it closely because individuals view top management as the salient system containing all the significant variables. The top management extension does contain some elements of the I-Model because it recognizes, in a very limited fashion, the role of individuals actively and consciously participating in organizational goal formation.

Proponents of the I-Model emphasize that all members exert influence on goal formation, given their respective power positions. From the assumptions that all behavior is goal directed for the purpose of satisfying individual needs and that members will participate in a group effort to the extent that they perceive this effort to allow them to satisfy individual needs, it follows that individuals are interested in the payoff of a group goal; and they want
to choose the goal that will optimize the satisfaction of their particular needs. Much empirical evidence exists to show how formally stated organizational goals are altered through the informal group efforts of individuals within the organization. In addition, individuals influence organizational goals through unions, society norms, and political means.

The process by which members combine to formulate goals can be explained with the aid of coalition theory. A coalition is an arrangement of two or more persons to achieve some group goal that will allow them to satisfy individual needs.
CHAPTER 6

CAUSES OF CONFLICT BETWEEN PERSONAL AND
ORGANIZATIONAL OBJECTIVES

Conflict indicates forces of opposition, disagreement, or forces that in some way clash. This implies that conflict can exist between things and things, between persons and things, and between persons and persons. In the B-Model, conflict results between persons and thing (organization as an independent entity); whereas, in the I-Model, conflict occurs primarily between individuals and other individuals. This chapter explores in detail the causes of conflict between personal and organizational goals under the assumptions of both models.

Importance of Goal Conflict

The relation of personal to organizational objectives is considered to be important because the more an individual accepts the goals of the organization, the harder he will strive to see that the organizational goals are satisfied. This, in turn, results in more efficient operations.
Individuals continuously check their personal needs against their perception of the organization's objectives. During this process, the nervous system serves as a regulator to adjust: (1) the individual's degree of participation, (2) the individual's personal objectives, (3) the individual's perception of the organization's objectives, (4) an increase in the individual's tension system that causes him to set forces in motion in an effort to alter the organization's needs, or (5) all four of the above.

The significant assumption underlying the belief that incongruities between organizational and individual goals are important is: to the degree that individual needs are opposed to organizational needs, the system will operate inefficiently.

In a study of 32 operating units, organizational effectiveness was found to be positively and significantly correlated with goal consensus of members.¹ A second experiment indicated that individuals perform at a higher level when given very difficult goals which they accept

than if they merely try to "do their best."  

Causes of Conflict--B-Model

Writers who associate with the B-Model show an incongruity between organizational and individual needs by comparing the needs of each.

The question of metaphor is very significant to this discussion. Conflict between individual and organization is no doubt used by some as a shorthand expression summarizing and simplifying a complex set of relationships. It is plausible to assume that this meaning is often confused within the minds of individuals. Further, many who recognize the metaphorical expression accept it as being highly descriptive of reality. As illustrated by Boulding, conflict between individual and organization is more than a figure of speech. Organizations develop unique personalities, and their rules, procedures, precedents, charts, formal structures and the like are analogous to the body of a person.

---


Organization Versus Individual

Organizations seek control, discipline, and standardization; and individual growth and creativity are often at odds with organizational logic. Many writers have analyzed the incongruities between organizational demands and individuals' needs. Argyris has been one of the more articulate spokesmen in this area, and the writer will follow his guide of listing the organizational needs and comparing them to a list of individual needs.

Organizational Needs. The complex, formal organization is viewed as a rational being containing rational needs; and in order to satisfy these needs, the organization develops and pursues rationally determined objectives. "Probably the most basic property of formal organization is its logical foundation or, as it has been called by students of administration, its essential rationality." Activities and relationships are judged chiefly by their effectiveness in promoting organizational rather than personal goals. The emphasis upon science and technology

---


result in organizational relationships that are definite and specific.⁶

Ultimate objectives of the rational organization include growth, stability, and synergy. Historically, organizations have exhibited a tendency to grow, stability is necessary because of the complexity of the relationships of its subsystems, and some predictability is necessary for future planning and coordination of effort. Finally, members of the organization must combine their efforts in such a way as to allow greater productivity than the individuals would be able to accomplish individually; otherwise, there would be no justification for any social organization.

The overall objectives can be divided into six major subobjectives of work specialization, chain of command, span of control, role expectations, impersonality, and a system of rules. The organization as a problem-solving system factors general, complex problems into simpler, specific sets of activities. This involves the process of specialization.⁷ In most complex organizations, work


⁷Ibid., p. 83.
specialization has proceeded to a very minute level with results of over emphasis on conformity and routine caused by a logical organization determining the best way for the specialized tasks to be performed and forcing this method upon the individual. Such a high degree of specialization has been achieved only in recent years with the advent of complex organizations. Specialization assumes that concentration of effort on a narrow scope of work increases output.

An organizational hierarchy exists because of human limitations resulting in problems of coordination and communication. The hierarchy represents a linkage system whereby a few persons at the top control the remaining parts of the entire system. In an effort to further increase coordination, the unity of direction principle has come to dominate most complex organizations. This principle states that each individual is required to accept orders of only one designated person in the organization. Each unit has a specialized set of activities controlled by one leader, and the worker is unable to determine his work goals.

---


The pyramidal distribution of organizational rights also results in superior-subordinate groups, and the organization tends to be divided into management and labor. Because of status, interaction between the two groups becomes very difficult. Some writers refer to this as social distance. In summary, superiors have the right to issue orders to their subordinates, and subordinates have the responsibility to carry out their assignments. Each lower office is under the control of a higher one.

Graicunas' span of control maintains that superiors can control only a limited number of subordinates. Urwick has been a modern advocate of this principle, in the face of much criticism. The belief that a manager is effectively able to supervise only a very limited number of employees whose work interlocks, increases red tape, communication problems and, most important, close supervision.

The major role expectation created by the rational organization is the role of the organization specialist, commonly referred to as a staff specialist. Separation of

10 Thompson, op. cit., p. 106.
11 Blau, op. cit., p. 29.
the two roles paves the way for numerous potential conflict situations between the two.\textsuperscript{12}

The complex organization takes an impersonal view toward people \textit{per se} and focuses on roles and logically determined role relationships.\textsuperscript{13} Structure emphasizes impersonality in relationships, and any substitution of personal for impersonal treatment is met with disapproval and characterized as graft, favoritism, and apple-polishing.\textsuperscript{14} The ideal official conducts his office without hatred, passion, affection, or enthusiasm. Such aloofness is necessary for equitable treatment of all persons in the organization.\textsuperscript{15}

Lastly, organizational operations require a system of standards designed to guarantee uniformity of performance and to enhance coordination between units.\textsuperscript{16}

\textbf{Human Needs.} Individuals have many needs, goals, abilities, values, and prejudices, some of which are

\textsuperscript{12}Thompson, \textit{op. cit.}, p. 100.

\textsuperscript{13}Dimock, \textit{op. cit.}, p. 102.


\textsuperscript{16}Ibid., p. 330.
necessary for life and some of which are peripheral.\textsuperscript{17} Needs include those things that an individual must have as well as things that he wants.\textsuperscript{18}

Human needs—especially social-type needs of pride, power, esteem, and affection—are highly influenced by the individual's culture. As the individual matures, he integrates his needs, values, abilities, and prejudices into a pattern that is meaningful to him; this represents his personality or self.\textsuperscript{19} Personality is more than the sum of its parts; it is the "organization" of the parts. All parts of the personality stick together because each part exists by using one or more of the other parts. When the parts of an individual's personality are internally and externally balanced, he is said to be both "adjusted" and "adapted." When the internal parts are balanced with external parts, he is integrated.\textsuperscript{20} When the "self" is

\begin{itemize}
\item [\textsuperscript{19}]Argyris, \textit{Integrating the Individual and the Organization}, \textit{op. cit.}, p. 23.
\end{itemize}
threatened, it can be changed or it can deny or distort the threatening agent through the use of defense mechanisms.

The stimulus to behave comes from need systems. A need may be viewed as a tension which exists in the personality of a person. Tension originates and guides behavior until a goal is reached which destroys the tension (satisfies the need) or until the tension is in some other way reduced.  

The human personality is a developing or maturing entity, and some basic growth trends appear. To illustrate, it is assumed that healthy individuals move from left to right on the following continua: (1) passivity—activity, (2) dependence—independence, (3) limited behavior potential—capable of many potential behavior patterns, (4) shallow interests—deeper interests, (5) short time perspective—long time perspective, (6) subordinate position—aspiring to superior position, and (7) lack of awareness over one's self—control over self.  

21 Ibid., p. 31.

It is impossible for one to obtain maximum expression of these developmental trends because, in an organized society, all individuals cannot be maximally independent and active; and the individual's own personality sets finite limits on his expression. Some persons do not have the abilities necessary to achieve full maturity, and different people require different amounts of independence, activity, self-control and the like. A psychologically healthy person would operate toward the freedom and independence ends of the continuua, but he would not necessarily exist at the extreme.  

Conflict. By comparing the characteristics of humans with a complex organization, one can point out potential incongruities that exist between the demands of the rational B-Model and the healthy individual.

Many conflicts stem from the fact that organizational objectives are rationally determined. Individual aspirations of security, recognition, self-realization, power, and esteem are regarded as wandering deviations that necessarily subvert the rational organization's means and ends. The B-Model is concerned almost solely with formal

---

23Argyris, Personality and Organization, op. cit., p. 52.

24Presthus, op. cit., p. 6.
organizational goals, and the individual, as a passive instrument, is expected to submerge his desires to those of the organization. According to Moore, executives apparently want money, power, prestige, and interesting work; but the organization wants its members to work toward the organizational objectives and to put the company above personal ambition, jealousies, and office politics.

More specifically, rational demands of the B-Model dictate work division and specialization causing individuals to be considered as functional resources. They are assigned to minute roles, and they are expected to participate in segments of the cooperative system. This is in direct conflict with the individual's propensity to strive for dependency and full utilization of abilities. Human personality is continuously attempting to actualize its unique arrangement of mutually dependent parts in the growth process, but specialization requires that the individual use only a few of his abilities. Self-actualization is inhibited, and the individual is not

---


permitted to progress to deeper interests.\textsuperscript{28} Placing such
great emphasis on physical ability makes what one can do
more important than who he is.\textsuperscript{29}

The division of work segments necessitates a chain of
command which requires that delegations be made to official
positions; but individuals must be assigned to positions,
and they necessarily become involved with delegations.
Because the delegation focuses only on part of the
individual, he tends to resist some of the organization's
demands. In accord with the logic of specialization, the
organization is divided into parts which must be controlled,
directed, and coordinated. Individuals operating in these
specialized parts must accept the control, direction, and
coordinating efforts of his superior. The growth continuua
of passive to active, subordinate to superior, short time
perspective to long time perspective, and little control
to much control tend to be inhibited.\textsuperscript{30}

Specialization also necessitates that each unit contain
a homogeneous set of activities which is planned and

\textsuperscript{28}Argyris, \textit{Personality and Organization}, \textit{op. cit.},
p. 59.

\textsuperscript{29}Harold L. Wilensky and Charles N. Lebeaux, \textit{Industrial
Society and Social Welfare}, Russell Sage Foundation, New
York, 1958, p. 43.

\textsuperscript{30}Argyris, \textit{Personality and Organization}, \textit{op. cit.},
p. 61.
directed by a superior. Psychological success is thwarted because each individual is unable to fix his own goals in relation to his needs and exercise control over his destiny. The hierarchy of authority and influence inevitably creates a dependency between subordinate and superior.

Some studies show that companies do adhere rather closely to the span of control principle. This principle, by increasing the distance between administrators and workers, causes many communication problems, and it tends to decrease the amount of control and time perspective of those toward the bottom of the hierarchy. Additionally, emphasis is placed upon close supervision which causes subordinates to increase their feelings of dependence, submissiveness, and passivity.

Staff specialists upset status expectations and resist functional interests of the traditional line officers. Low-status and high-status positions become

---

31 Ibid., p. 64.
33 Argyris, Personality and Organization, op. cit., p. 65.
34 Ibid., p. 66.
proximate, causing interdependent relationships. Such a situation encourages low-status people to compare their advancement and growth to individuals in more advanced stages of growth. Since the growth trends represent continuua, permitting one person to view himself as progressing only in relation to others, the interdependency of two vastly different subsystems produces inevitable conflict.

The impersonal nature of the rational organization submerges individuals' desires and treats them as passive instruments; thus, a conflict develops with the needs of individuals for independency and aspirations for superior positions.

Finally, the organization's rigid rules closely direct and control the behavior of the individual. This inhibits independence, activity, capabilities of many behavior patterns, and aspiring to superior positions. Conflict is perpetuated because individuals become alienated by rules, and they react detrimentally to the efficiency of the organization. As a result, additional rules are imposed setting up a cycle of worsening relationships.  

---

35 Thompson, *op. cit.*, p. 100.

Proponents of the rational B-Model construe the organization as possessing certain needs that are necessary for the accomplishment of its ultimate goals, and these organizational needs are met only at the expense of preventing healthy individuals from fulfilling their personal needs.

**Empirical Evidence**

Many studies have emphasized employee frustration, immaturity, conflict, failure, and short time perspective.

Guest studied 18 assembly line workers who had left their jobs after twelve to fifteen years experience. Some of the most frequently mentioned reasons for leaving were: lack of variety, requirements of minimum skills, and lack of a challenge. Thus, it is reasoned that organizational specialization tends to block the expression of self-control, use of important abilities, and relative independence.\(^{37}\)

In a second study of 382 workers, the majority agreed that if they could quit it would be for the reasons listed above.\(^{38}\) Dubin's study of 491 workers revealed that 75 per

---


cent of the respondents did not perceive their jobs as central life interests for themselves.39

In a study of 400 employees, in three different organizations, Argyris found that first-line supervisors and workers expressed only 22 different needs, and only 2 needs were ranked by as many as 40 per cent of the employees as being extremely high in importance. From this survey, he inferred that factors of apathy and non-involvement are related to the organizational structure and job.40 Among other conclusions, Farris reported in a study of 513 scientists that 60 per cent of the subjects preferred to have more opportunities for satisfying motives of self-actualization and status than the organization provided.41

Causes of Conflict—I-Model

In the B-Model, there exists an inherent and significant conflict between individual needs, as defined by many


40Argyris, Personality and Organization, op. cit., pp. 92-93.

psychologists, and the needs of the organizational entity. While conflict is not eliminated in the I-Model, it takes on different dimensions. The logic of the I-Model, by examining micro relationships (individual relationships), suggests that conflict between personal and organizational objectives arises from person-to-person conflict. All conflict occurs between individuals rather than between individuals and an organizational entity.

Interpersonal Conflict Within Organizations

Any theory of organizational goals must deal with the potential for internal goal conflict inherent in a coalition of diverse individuals. It has been shown that organizational or group goals do exist, and these goals may be different from the personal needs of many or all of the members in the group. Members may continue to participate in the attainment of the organizational goal even though the goal may conflict with few or many of their personal needs because refusing may bear a greater negative reward than consenting. However, some degree of


compatibility must exist or else individuals would not pursue the organizational goals.

The fact that the organizational goals represent the manifestation of the needs of two or more individuals, as the I-Model conceives, results in some degree of conflict because no two individuals have exactly the same set of needs. The group goal is likely to be a compromise, and some aspects of the group goal may contribute nothing to a particular individual's set of needs while other parts of the group goal may actually conflict with some of the needs of a particular person. 44

Organizational goals may conflict with individual needs because of: (1) the nature of individual needs, (2) distortions in the goal formation process, and (3) the necessity of individual interactions.

**Individual Needs.** Need conflict is based upon four important assumptions: (1) needs are numerous, (2) emotional and rational aspects of the nervous system are not mutually exclusive, (3) all individual needs are interdependent, and (4) individual needs are dynamic.

Conflict occurs within an individual when opposing needs exist at the same time. The conflict may be due to wanting to do two or more things at the same time which cannot be done simultaneously, the inexistence of an acceptable alternative, or uncertainty of outcomes resulting from alternative behavior choices. In the first situation, the individual conceives two or more needs within a given time period both of which cannot be satisfied during the required period. The inexistence of unacceptable alternatives implies that an individual has one or more needs which demand some range of behavior, but other needs prohibit the acceptance of any of the available ranges of behavior. Lastly, the situation of uncertainty of outcomes assumes that an individual's need for security opposes other needs which could be satisfied provided that the predicted outcome materializes.

The internally inconsistent needs of an individual will influence the perceived group goal of the individual. Since group goals evolve from internal needs of two or


more persons, it follows that the individual in internal conflict must experience some conflict between his personal needs and the group goal which grew out of his and other individuals' personal needs.

An individual's nervous system is not divided dichotomously into emotional and rational aspects. Most people are largely unaware of the assumptions and value judgements that underlie their set of needs.\(^{47}\) Values represent one's conception of good and bad, they are formed early in life, and they are usually taken for granted until challenged. Further, there is a tendency for individuals to assume their goals are "normal" and others should adopt them. In one company, four top executives were presented with three possible strategies for the future. An attempt was made to achieve a consensus, but this proved impossible because each individual chose a different alternative as being the only "objectively" feasible goal. The chief executive examined the personal value system of each executive and suggested a modification of one alternative,

and a consensus was obtained.\textsuperscript{48} The nature of an individual's needs results in goals that are subjectively arrived at, and they differ significantly between individuals.\textsuperscript{49} The greater the differences between two or more persons' past experiences, culture, and mental and physical capacities, the more likely conflicting goals will arise.

All of an individual's needs are interdependent. Interdependency of needs is illustrated in an organization when some of an individual's social and cultural distinctions which are irrelevant to the organization become active in the form of nepotism, patronage, and favoritism.\textsuperscript{50} This, in turn, fosters organizational conflict between individuals.

Finally, individuals' need systems are dynamic. They are constantly in process, ever evolving, emerging, changing, and demising. Because of dynamics, much conflict can be attributed to probabilities, alone. Consider two individuals, each with a set of multitudinous and ever changing needs. If these individuals interact over a given


\textsuperscript{49} Bernthal, op. cit., p. 191.

period of time, it would be highly probable that some of the needs of one of the individuals would eventually conflict with some of the needs of the other.

**Distortions in Goal Formation.** Distortions in goal formation occur primarily through perceptual difficulties in selection of members and bargaining, communication difficulties, and incorrect assessment of expected payoff.

Perception has to do with the way individuals interpret reality. Individuals perceive the outside world in varying degrees. Persons may interpret different situations in similar fashions, or they may interpret similar situations in different ways. Perceptual differences occur because of the differences in the background and inherited characteristics of two or more individuals. Stagner suggests that four major factors influence perception: (1) biological qualities, e.g., color blindness; (2) past history; (3) purposes of the organism--persons ascribe importance to different things because of their needs; and (4) attitudes--products of motives, emotions, and past experiences.51 Two men may be in the same physical

---

environment, yet have vastly different psychological environments. For example, a study showed that interaction-oriented personality types perceived more conflict in similar situations than did task-oriented individuals.  

Generally, the greater the differentiation of individuals' sets of needs, the greater the number of independent information sources, and the more limited the number of members who receive a bit of information, the greater will be the differentiation of individual perceptions within an organization.  

Perceptual differences occur both during the goal formation process and after the goal has been formulated, and they obviously lead to interpreted disparities and individual conflict.

Communicated expressions between two or more individuals also serve to discolor reality in goal formation and goal acceptance.  

Goal formation necessarily involves

---


53 March and Simon, op. cit., pp. 127-129.

communication; and since meaning is internal, it is impossible to directly transpose meaning from one mind to another. Symbols must be used in an attempt to identify one's values, attitudes, and needs to others. Due to many potential distortions in the communication process, the intended meaning is rarely if ever accurately evoked in the mind of the receiver.

Communication distortions occur because of interpersonal barriers of semantics, the tendency to evaluate, status differences, and fear. People often fail to communicate because they attach different meanings to the same symbol. This semantics barrier is caused by the fact that meanings occur in the minds of individuals and these meanings are influenced by the totality of an individual's past experiences. The tendency to evaluate occurs when individuals evaluate utterances within their particular frame of reference. Where feelings and emotions are involved, this barrier is likely to be heightened. Status differences hinder effective communications in two ways. One, because the communicator is skeptical of using words which might be beneath his economic and social station, he fails to communicate accurately; and two, superior subordinate relationships in a formal structure inhibit
free flows of communication. The subordinate tends to tell the superior what the latter is interested in, to conceal what he does not want to hear, and to cover up problems and mistakes which may reflect on himself. The fear barrier includes fear of misinterpretation, fear of distortion, fear of exposing a lack of knowledge, and fear of reprisal; and fear causes one to be inhibited in the communication process.  

An important subprocess of goal formation involves expectation of future payoff. It is very possible for two or more participants to formulate conflicting expectations about the future payoff, or an individual may incorrectly evaluate the degree to which his personal needs will be satisfied as a result of achieving the organizational goal. Thus, goal conflict may occur during and after the formation process.

of the organizational goal.

**Necessity of Interactions.** A social organization, by definition, requires interaction (and interdependence) of two or more individuals. Interaction refers to the interconnected nature of two or more individuals' physical or mental activities, and interdependence includes the extent to which a person in one position depends on a person in another position for information and premises.

In goal formation and goal alteration, some individuals experience a "felt need for joint activity" with other individuals because both believe that they will gain mutual payoffs through interaction. However, people may inaccurately judge the necessary intensity of interdependence, i.e., their "felt need for joint activity" may be greater than the situation requires. Disagreement and conflict over issues of mutual concern tend to increase with increasing interdependence of organizational relationships because role interdependence allows opportunities for friendliness among individuals, and increased friendliness tends to increase the "felt need for joint activity." In turn, "felt need for joint activity" increases interdependence. Both enforce each other. Two or more individuals may conceive similar needs because of exposure to similar external and internal environments. But if they perceive
highly interdependent roles, the increased awareness resulting from their close relationship increases the chance of disagreement and conflict. 56

Organizational and Personal Goal Conflict

The incongruency between organizational demands and personal needs can now be recast in a different setting. Organizational goals are determined by individuals through coalition and bargaining processes. The ability of a single person to influence the nature of organizational goals is determined by the power of the individual; but in any case, many potential distortion areas are present in any goal formation process. Numerous coalitions exist in complex organizations, and one coalition may come to be the dominant group. Through the interactive coalition process, a certain set of goals may be chosen as the optimum set. These goals may include synergy and continuity with sub-goals of specialization, chain of command, span of control, and so on. If enough individuals with enough power believe these goals to be optimum, they will set these goals and strive to reach them. Individuals who have some needs in

conflict with the selected set of goals and subgoals are actually in conflict with individuals of the dominant coalition and with members in other coalitions, including his own, who supported the selected goals. The individual in conflict, bargains consciously or unconsciously with individuals in his and other coalitions in an effort to arrive at an optimum solution relative to his respective power. But the conflict remains individual between one person and another, and the intensity of conflict varies. To illustrate, assume there are five rather stable members in a dominant coalition. A particular individual may experience extreme conflict with two members of another coalition while experiencing only mild conflict with two other members and little or no conflict with the fifth member.

The organizational set of objectives tends to become fixed because of factors discussed in Chapter 4, but individuals' personal objectives change continuously; therefore, there exists an eternal state of tension between any given individual and the group objective. Some individuals' needs change very slowly, and it may take some time before any significant amount of tension exists between their present needs and their coalition agreements.
One may speak of conflict between individual needs and organizational objectives, but this occurs at the second level of abstraction. At a lower level of abstraction, it can be seen that this is really referring to conflict between individuals.

**Conflict of Goals Between Groups**

Conflict may be viewed in terms of three levels of abstraction. Proceeding from lower to higher levels of abstraction, the levels are: (1) conflict between one person and another, (2) conflict between one person and a group, and (3) conflict between two or more groups.

Even group to group conflict involves conflicts between an individual in one group and individual in another group. Consider two groups with three members each. A very extreme case of intergroup conflict occurs when all three members in Group One experience conflict with all three members in Group Two and vise versa, each member in Group One experiences conflict with the other members in his group and with himself, and each member in Group Two experiences conflict with the other members in his group and with himself. A less extreme case of intergroup conflict is recognizable when only one individual in Group One experiences conflict with only one individual in Group Two. In
this case, Member One is in harmony with Members Two and Three of Group Two and with the other two members of his group. Members Two and Three of Group One are in harmony with all three members of Group Two, and all three members of Group Two consider themselves in harmony with all three members of Group One and with each other. Between the two extremes, numerous degrees of intergroup conflict exist. This picture is somewhat oversimplified because it does not consider the intensity of conflict between two individuals.

Organizational goals and departmental subgoals represent a series of more or less independent constraints imposed on the organization's members through processes of bargaining among coalitions. This occurs because the organization is composed of a group of participants with differing demands, changing attention, and limited ability.\(^{57}\)

**Empirical Analysis**

To gauge the extent of conflict between job requirements and what the organizational participants expected to get from their jobs, the respondents of the researcher's

\(^{57}\)Cyert and March, *op. cit.*, p. 43.
survey were asked if they experienced conflict with their job, what was the cause of it, how did they react, what do they think should be done about it, and if the conflict was related primarily toward the company in general, toward specific individuals, or neither. (See Question 9 in Appendix A.)

Seventy-four participants (22 per cent) in the survey replied that they did experience a conflict as indicated in the question. This percentage is probably understated for the following four reasons. One, the question was open-end, and surveys have shown that people are hesitant to take the time and effort to compose and record any answer to open-end questions. Two, individuals appear to feel somewhat constrained to write anything that could possibly be construed as being derogatory toward their superiors, or others in their work place, when communicating with a researcher. Three, respondents in general tend to be suspicious of a researcher's motive concerning what they do or do not like about their work. During the course of this study, the researcher was approached in person and by phone by worried subjects who were concerned and somewhat suspicious about why they received a questionnaire and why such information was sought. Four, some individuals may not expect to get too much from their
job; they may even expect conflict. The question was concerned with the discrepancy between what they expected to get from their job and what they actually did receive. Thus, perceived conflict, as revealed by the question, is a function of expectations and job requirements. Individuals with low expectations may report no conflict, even though they do experience it, because they expected to experience conflict on their job. With these limitations in mind, the following results are offered.

Table 6 pictures the number of respondents who perceived conflict and classifies them by management level. Of the 74 respondents who perceived conflict between expectations and benefits received from their jobs, 12 (16.7 per cent) were top managers, 25 (24.0 per cent) were middle managers, 28 (23.9 per cent) were supervisors, and 9 (22.5 per cent) were workers. Other than top management, the hierarchical level did not appear to be a factor in whether or not perceived conflict was reported.

In Table 7, the data are classified according to three major causes of conflict which appeared rather consistently in the open-end answers. The classification labeled "inadequacy of people" includes problems resulting from individuals in the organization such as, disagreement with superior or subordinate, improper authority delegation, red
tape, and poor planning. The "routine" classification counts responses that indicated factors inherent in the job such as boring, dull, routine work. The third category, "pressure of time" records responses that include lack of sufficient time to do all that one wished to do and overwork.

**TABLE 6**

Perceived Conflict Between Job Requirements and What One Expects to Get from His Job by Organizational Level

<table>
<thead>
<tr>
<th>Top Management</th>
<th>Middle Management</th>
<th>Supervisor</th>
<th>Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>12</td>
<td>16.7%</td>
<td>25</td>
<td>24.0%</td>
</tr>
<tr>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>28</td>
<td>23.9%</td>
<td>9</td>
<td>22.5%</td>
</tr>
</tbody>
</table>

*Represents percentage of respondents who perceived conflict.

**TABLE 7**

Causes of Conflict Between Job Requirements and What One Expects to Get from His Work

<table>
<thead>
<tr>
<th>Inadequacy of People</th>
<th>Routine</th>
<th>Pressure of Time</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>35</td>
<td>47%</td>
<td>12</td>
<td>16%</td>
</tr>
<tr>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>12</td>
<td>16%</td>
<td>12</td>
<td>16%</td>
</tr>
<tr>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>15</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Represents percentage of respondents who perceived conflict.
The B-Model suggests that conflict results from the nature of the job and organization structure, and the I-Model contends that conflict reflects problems in human interactions. In accord with the I-Model, 35 (47 per cent) of the reported conflict instances resulted from interpersonal relationships with other people in the organization. By contrast, only 12 (16 per cent) of those who perceived conflict replied that their conflict was caused by routine work as the B-Model suggests. An additional 16 per cent indicated that factors of time and overwork were the causal variables while 20 per cent indicated a variety of reasons, some of which were related to union demands.

When the data are cross classified by management level and cause of conflict, as in Table 8, they reveal that a significantly larger percentage of members at all levels perceived inadequacies of people rather than routine work to be the cause of conflict. At the top management level, 6.9 per cent of the top managers in the survey believed that conflict was caused primarily by inadequacies of other people and only 1.4 per cent attributed the conflict to routine work. At other levels, the comparisons are: middle management—12.5 per cent for inadequacies, 4.8 per cent, routine work; supervisors—8.5 per cent,
inadequacies and 4.3 per cent, routine work; and workers—17.5 per cent, inadequacies and 2.5 per cent, routine work. (The percentages in the above discussion are based on total respondents in the study.)

TABLE 8
Causes of Conflict by Organizational Level

<table>
<thead>
<tr>
<th>Cause of Conflict</th>
<th>Management Level</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Top Management</td>
<td>Middle Management</td>
<td>Supervisors</td>
<td>Workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>Inadequacy of People</td>
<td>5</td>
<td>6.9%</td>
<td>13</td>
<td>12.5%</td>
<td>10</td>
<td>8.5%</td>
</tr>
<tr>
<td>Routine</td>
<td>1</td>
<td>1.4%</td>
<td>5</td>
<td>4.8%</td>
<td>5</td>
<td>4.3%</td>
</tr>
<tr>
<td>Pressure of Time</td>
<td>3</td>
<td>4.2%</td>
<td>4</td>
<td>3.8%</td>
<td>4</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

*Represents percentage of total respondents at this particular level.

The data offer support for the hypothesis that organizational members observe conflict between personal needs and job requirements as being caused primarily by other individuals in the organization rather than by some abstract entity. If structure or job arrangement was the source of conflict, this was perceived as poor authority delegations, improper supervision, and inefficient personnel.
The point remains: conflict was associated with specific individuals to a significantly greater degree than it was associated with the company in general.

**Evaluation of the Models**

By focusing upon the aggregate organizational entity, the B-Model leads to a deemphasis of the whole individual personality. Personal versus organizational conflict analysis becomes a comparison of the human aspect of the functionally—conceived individual with little regard to those human elements that are primarily oriented toward proclivities outside the realm of the organization under scrutiny. The organization becomes the center of the frame of reference as depicted in Figure 5. The aggregate entity exists as a force which, in varying degrees, competes or collaborates with other forces in a dynamic set of circumstances. One of these forces includes the physical and psychological ramifications of the individual member which, from a rational view, are associated with the achievement of organizational goals; but those aspects of the individual which are not associated with the achievement of organizational goals tend to be ignored. Woodrow Wilson exemplified this philosophy when he proclaimed that men in the past were related to one another as individuals,
but modern relationships occur between men and great impersonal organizations.  

The human entity may be elevated to a proportionately larger role by focusing on the individual as the relevant entity. This frame of reference is diagramatically illustrated in Figure 6. Now, it becomes pertinent to view the situation within a broader scope in order see the relationships between the "extra-organizational" activities of the individual and the organization under concern. Conflict exists between organization and family, other organizations, friends, childhood experiences, ideals,  

and so on as conceived and interpreted by the individual himself. As Barnard stated, many individual acts are outside any cooperative system while other acts are distributed among several systems. Additionally, organizations are not mutually exclusive for a single act may be a part of two or more organizations concurrently.  

The result of "outside" influences upon organizational behavior can be illustrated with a few incidents. Form, et. al., found that social influences outside the job are

---

very influential in determining a worker's degree of satisfaction on the job. From 545 interviews with male manual workers, he concluded that manual workers use their peers as social references in evaluating their occupational position. The greater the worker's mobility relative to his social references, the greater his job satisfaction; but dissatisfaction did not necessarily occur when mobility was not experienced. The relevant variable in determining job satisfaction was the worker's position relative to his outside group. In concurrence, psychologists relate that antipathy may be inherent in the make-up of some individuals. For example, the child may experience an historically frustrating relationship with his parents; and in adulthood, he may project despotism and sadism of his childhood to the organizational setting. Finally, organizational participants are members of many groups, and some elements of the goals of one or more groups may conflict with elements of the goals of another group. A subordinate may view conformity with professional peers as being important, and he may choose to use only "approved" technical

---

procedures. This increases the probability of tensions between the superior's pressure for results and the subordinate's insistence upon expertise.61 Hughes refers to this as "client emergency" versus "professional routine."

In the view of the B-Model, the conflict between individual and organizational goals is very similar to conflict between any two individuals. The organizational being cooperates or competes against individuals just as persons compete against or cooperate with each other for satisfactions. By contrast, according to the I-Model, a conflict situation must be analyzed in terms of specific human beings, managers, workers, and union leaders. "It is completely fallacious to say that 'The Union wants this' or 'The Company demands that.'"62 Union demands must take into account specific individuals' seniority, skill, and security. Stagner continues:

In the same way, the Company as an abstraction does not want anything. Anyone who has ever participated in planning for contract negotiations knows that production supervisors want different provisions,

---


the personnel staff may have its own proposals, public relations may introduce new ideas, and so on.63

Litterer defines conflict as, "... a type of behavior which occurs when two or more parties are in opposition or in battle as a result of a perceived relative deprivation from the activities of interacting with another person or group."64 It is an interpersonal clash and it occurs when one person perceives the possibility of deprivation because of actions of or interactions with others.65 The conflict between personal and organizational objectives is, in actuality, behavior by one member (or members) which is expended in opposition to another member (or members).66

The I-Model is similar to the position taken by the social psychologist. The worker offers his whole self rather than a homogeneous product called labor. If the individual can identify with the group, individual and group goals will become more compatible causing each

63 Ibid., pp. 1-2.


65 Loc. cit.

individual to contribute to and receive more from the cooperative effort. In the B-Model, conflict is observed when the individual had rather be doing something other than what he is presently occupied with. The organization is able to secure the worker's efforts by offering money as a utility in return for the disutility that the member experiences in his job.67

Summary

Conflict occurs when two or more forces are in opposition with each other. Advocates of the B-Model and the I-Model agree that goals exist at the organizational level and that organizational goals may contain some elements that are in conflict with one or more particular individuals in the organization.

Those who support the B-Model maintain that the organization, with its power independent of individual members, is rational and impersonal and makes such demands as specialization, hierarchy, span of control, and unity of direction. These demands are not compatible with the needs of healthy individuals because they inhibit a person's

usage of most of his abilities which prohibits him from developing and maturing as he should.

**B-Model Contention 6.1.** The conflict between individual needs and organizational goals can be analyzed as if the organization were an opposing force independent of individuals.

Supporters of the I-Model contend that an organization exists only as a high order abstraction, and it is not an independent entity which has needs in and of itself. Rather, organizational needs represent manifestations of individual needs. Still, conflict may be observed between individual and organizational objectives because of the diverse nature of individual needs and problems occurring in the goal formation process. Nevertheless, what is recorded as individual versus organizational conflict is really conflict between individuals. This has important implications concerning consequences and solutions to conflict between personal and organizational objectives.

**I-Model Contention 6.1.** Conflict between personal needs and organizational goals results from the nature of individual needs and distortions in the goal formation process. Meaningful conflict analysis must concentrate on individual to individual relationships.
CHAPTER 7

CONSEQUENCES OF CONFLICT BETWEEN INDIVIDUAL 
AND ORGANIZATIONAL GOALS

The B-Model and the I-Model differ somewhat with 
regard to the consequences of conflict between individual 
and organizational goals. The B-Model emphasizes individual 
adjustment while the I-Model explores organizational 
adjustment as the primary mode of adaptation.

Consequences of Conflict—B-Model

Proponents of the B-Model view the organization as a 
separate entity with powers independent of its members; 
there is an inherent incongruency between the demands of 
the organization and the needs of healthy individuals; 
the organization is powerful enough to force its needs 
upon individuals; therefore, primary adjustment occurs 
on the part of individual members rather than on the part 
of the organization. The first two points were developed 
previously, and the remaining two ideas are presented in 
the following paragraphs.

173
Forces Structure

The position of the B-Model with regard to adjustment to conflict between personal and organizational needs is examplified rather clearly by the following quote: "All organizations possess laws of their own being which they impose upon their members, laws which may not be consistent with the purposes of these members."\(^1\) In accord with this belief, Bakke maintains that the organization attempts to make all of its members conform to the demands of the organization—to make an agent of the individual for the realization of organizational objectives—and simultaneously, the individual seeks self-expression—attempts to make an agency of the organization for the realization of personal objectives.\(^2\) Finally, Presthus says, ". . . bureaucratic organizations often seem less concerned with the self-realization of their members than with the relevance of such individuals for organizational goals of size, power, and survival."\(^3\)

---


\(^2\) E. Wright Bakke, Organization and the Individual, Yale Labor and Management Center, New Haven, 1952, pp. 14, 17-21

\(^3\) Robert Presthus, The Organizational Society, Alfred A. Knopf, New York, 1962, p. 3.
The organization's demands are forced upon the individual through a complex psychological transference by which organizational values become instilled into the minds of individual members. Because of its rational nature, the organization exerts pressure on the individual to be prudent, methodical, and disciplined. It is necessary for group members to be infused with appropriate attitudes and sentiments in order to insure the high degree of reliability of behavior and conformity with predetermined patterns of action that are necessary for efficiency in terms of the B-Model. To guarantee discipline, a margin of safety may be included by making the sentiments more intense than is technically necessary. This emphasis leads to a transference of sentiments from the aims of the organization to details of behavior prescribed by the structure. This has been referred to as the process of goal displacement whereby an instrumental value becomes an end in it itself.  

Prethus analyzes this phenomenon as an influence of society in general. The rationality of the big organization is instilled into its members because society tends

---

to produce individuals who possess its dominant characteristics. Individuals become animated instruments and regulations are developed to cover every situation. People learn the rules and then, they develop a vested interest in preserving the rules against change.  

Barnard explains the agency relationship between the individual and the organization by postulating that organizational decisions are removed from personal factors. He writes that individuals, while they are members of an organization, make decisions that are different from their personal decisions. Personal factors are relevant when the individual decides whether he should participate; but if he makes a decision to participate, personal considerations will not determine the mode of his behavior. When boards, committees, and management determine action, the act of decision is part of the organization itself.

The force of the "organizational will" can be seen in Simon's assumption that the organization takes some of the individual's decisional autonomy and substitutes the

---

5 Presthus, op. cit., p. 52.
7 Ibid., pp. 187-188.
organizational decision-making process for it. The decisions which the organization makes for the individual usually specify his function, determine who in the organization has power to make further decisions for the individual, and set other limits needed to coordinate his activities with the organization.\textsuperscript{8} Organizational objectives serve as values to guide individual decisions in an organization. At first, these are imposed upon individuals by authority; but after awhile, they become incorporated into his attitudes and psychology. The individual gradually absorbs the organizational goals and acquires an "organizational personality" different from his individual personality. The organization assigns a role to the individual and specifies certain values, facts, and alternatives upon which his decisions within the organization are to be based. Once the system of values of the organization has been delineated, the decision is determined by organizational values and not personal motives.\textsuperscript{9} Institutions largely determine the mental sets of the participants, and human rationality gets its goals


\textsuperscript{9}\textit{Ibid.}, pp. 198-204.
from the institutional setting in which it operates and by which it is molded. The organizational member gains knowledge, skill, and identifications that allow him to make individual decisions; but the decisions are made as the organization would like him to decide.10

**Individual Adjustment**

Supporters of the B-Model believe that the ideal organizational structure is an end in itself. If conflict persists between the individual and the rational organization, the individual must be remade or eliminated because conflict challenges the legitimacy of the system.11

The fitting or adjusting process is often viewed with great pessimism so far as the individual is concerned.

A healthy individual is one who finds opportunity for self-realization, but the organization creates states of dependency at all levels. Argyris reasons that people must work to satisfy certain needs; and today, they must associate with large business organizations which dictate their future. As a result organizational members become

10 Ibid., pp. 100-103.

hostile, frustrated, and apathetic.\textsuperscript{12} Merton agrees that Weber's bureaucratic organization exerts pressures on the individual to be prudent, disciplined, and effective. This, plus depersonalization elements and separation of personal and official roles tend to create domineering, arrogant, and haughty attitudes within individuals.\textsuperscript{13}

The individual may adjust to this state of immaturity by leaving the organization, by becoming upwardly mobile, by becoming ambivalent, by employing defense mechanisms, or by developing informal groups.

\textbf{Adjustment by Leaving.} Studies by Guest,\textsuperscript{14} Mann and Baumgartel,\textsuperscript{15} and Segerstedt and Lundquist\textsuperscript{16} indicate that many individuals who leave the organization do so because certain aspects of the organization's demands, e.g., task specialization, do not allow the individual

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{13}Merton, \textit{op. cit.}, pp. 195-206.
\item \textsuperscript{16}Torgny T. Segerstedt and Agne Lundquist, \textit{Man In Industrialized Society}, in \textit{Ibid.}, pp. 80-81.
\end{itemize}
\end{footnotesize}
to achieve the necessary expression of important personality needs. Persons become stifled in their attempts to acquire control over their lives, use their important abilities, gain relative independence, and they adjust by leaving the organization.\textsuperscript{17}

\textbf{Upwardly Mobile.} The upwardly mobile employee adjusts to the conflicting situation by climbing the organizational ladder. He identifies with the organization and becomes an instrument of its values. The "organization" is accepted as the dominant role in his life, and he views competing individuals with little regard. His committal to organizational conformity causes him to become very impatient with others in the organization who are not in mutual agreement with him.\textsuperscript{18}

Although there are very few studies that deal directly with upward mobility as an adaptive mechanism, Argyris documents this theme through indirect reference to empirical data. First, he assumes that upward mobiles should have such needs as activity, directiveness, independence, need for power, use of many important abilities, ego involvement, and control over self. Second, he quotes numerous studies

\textsuperscript{17}Argyris, \textit{op. cit.}, pp. 80-81.

\textsuperscript{18}Presthus, \textit{op. cit.}, p. 140.
to show that executives do indeed manifest these needs; and conversely, they become highly frustrated in situations that require them to act passively, dependently, submissively, and subordinately. Third, the conclusion follows that executives advance to their positions to escape the incongruences between personal and organizational needs, which exist more so at lower than at higher levels in the organization.19

Ambivalent. The ambivalent organizational member is one who cannot adapt to the roles required of the formal organization; but at the same time, he aspires to success and power which the organization rewards to those who comply with its demands.20 He is truly a "man in the middle" struggling for reconciliation of two simultaneously opposing forces.

Defense Mechanisms. A defense reaction is a process whereby one distorts or denies certain aspects of reality in order to maintain equilibrium with himself and with his environment. Persons rationalize, pretend that they do not care, suppress their feelings, or become apathetic in order

19 Argyris, op. cit., pp. 81-86.
continue to live in their conflicting state.  

Moore maintains that one-third of the American workers are apathetic and indifferent about their relations with their company and their work. The worker, after experiencing conflict, frustration, and failure, may decide to reduce the psychological importance of the work situation by ignoring his need for self-actualization while he is on the job. Evidence suggests that there is a strong correlation between employee indifference and the degree of job standardization. Further, employee work stoppages appear to be partly a function of the nature of the job.

The indifferent transfers his aims elsewhere and rejects the status and prestige factors associated with organizational success. Presthus says that he is frequently the most satisfied member of the organization because his level of aspirations is based on a realistic appraisal.

---


of existing opportunities. His satisfactions include privacy, tranquility, and self-realization through extra-vocational orientation.\textsuperscript{25}

Members who are not able to employ defense mechanisms properly suffer very dire consequences. The impersonality, conformity, and routine of large organizations may lead to self-centeredness, stratification, and avoidance of responsibility, or sadistic, and aggressive tendencies.\textsuperscript{26}

\textbf{Informal Groups.} Individuals develop informal work groups to reduce dependency upon management. These groups exist to support the individual's adaptive behavior; thus, adaptive acts are enforced through group sanctions which result in quota restrictions, goldbricking, and slowdowns. However, employees want to reinforce and perpetuate their informal groups so they formalize them into a union. But the union organizes in a similar fashion as the formal organization; and in turn, union members come to experience the same conflicts as those which they intend to overcome by organizing.\textsuperscript{27}

\textsuperscript{25}Presthus, \textit{op. cit.}, p. 218.

\textsuperscript{26}Marshall E. Dimock, \textit{Administrative Vitality}, Harper and Brothers, New York, 1959, p. 117.

\textsuperscript{27}Argyris, \textit{op. cit.}, pp. 95-96.
Consequences of Conflict—I-Model

Proponents of the I-Model view the organization as an extension of man's capabilities, and the role of adjustment is largely felt in organizational rather than individual changes. The individual does adjust to conflict, but it is an adjustment to other individuals rather than to an abstract omnipotent organizational being.

Organization as an Extension of Man

The I-Model is in agreement with Aristotle who wrote, "The city comes into existence in order that men may live; it persists they they may live well." Aristotle was referring to a governmental body, but it is clear that his "city" represents a complex organization.

Organizations exist to fulfill the needs of man and to allow him to overcome certain limitations. The individual has some intrinsic worth, and he is created with certain "inalienable" rights. Social systems represent the summation of individuals, and their goals represent the summation of individuals' goals. This contrasts with the B-Model which perceives the individual as an end to society's
means.  

Human entities represent the focal point of the organization, and the organization comes into being only through the conscious design of persons. Persons create an organization whenever two or more people recognize that a particular cooperative action will have a synergistic effect. That is, the organization will allow the individuals to satisfy needs that they cannot satisfy working independently; or else, it will provide the individuals a more efficient means of need satisfaction than would independent action.

It is postulated that an individual will join a previously formed organization because he perceives that the organization will permit him to satisfy his personal needs. Participation in an organization is a function of expectation of need satisfaction. Likewise, organizational members will be willing to accept an additional member if they perceive the marginal contribution of the incoming member to be greater than reduction in efficiency (marginal cost). The social organization provides a system whereby

---


29 Ibid., p. 29.
its members are able to exchange psychological and physiological tangibles and intangibles in such a way as to receive mutual benefits.

Organizational Adjustment

The I-Model contends that organizational goals represent a manifestation of the goals of its individual members. This section argues that organizational goals are very influential in determining the structure of the organization. The causal relationship proceeds from individual needs to organizational goals to organizational structure through conscious individual design and control. Therefore, when individuals conflict with organizational goals they will exert influences to alter the coalition agreements which support the goals with which they are in conflict. To the extent that one or more members are successful in changing the goals of the organization depends upon the relative power positions of the individuals.

Janowitz agrees that changes in goals have significant effects upon the structure and functioning of complex social systems. A study by Grusky showed that formal

---

goals are often crucial in determining relationships in the organization. Bales says that informal leaders get their power because of their skill in helping accomplish group goals or in maintaining harmonious relations. In Grusky's study, formal leadership of a prison changed from a treatment-oriented official to a more custodially-oriented official. During the tenure of the treatment-oriented official, there existed a pattern of cooperation between leaders, structure was established that promoted treatment, and the inmate culture was organized around the most cooperative offenders. With the transition to a more custodially-oriented official, a series of violent reactions occurred. When enough organizational members were no longer able to fulfill their satisfactions they set motions into force to alter the organization.

**Individual Conflict and Adjustment**

Conflict between organizational goals and personal needs results from intra- and interindividual interactions and interdependencies. If one or more members of

---


a coalition arrangement have a relatively insignificant amount of power, they may not be capable of inserting enough pressure into the goal formation process to originate a group goal that would allow them to satisfy their personal needs. Of course, they may leave the organization; but there is no guarantee that they will be able to substantially influence members of an alternate group.

In some social situations, it seems that there is no refuge from conflict situations. This may lead to frustration; but even during frustration, most people do not lose their goal orientation, and in attempting to discover a way out, they may act in such a way as to defeat their purposes.\textsuperscript{34} Individuals may adjust to intra- or interindividual conflict in the same ways as indicated by the B-Model. Obviously, apathy, indifference, repression, rationalization, and other states of immaturity are present in modern society, but the models differ with regard to cause.

Empirical Analysis

From the empirical data, the responses to Question 9 b in Appendix A were tabulated to determine the reactions to conflict between personal needs and job requirements. The open-end answers were classified in three categories that include "personal improvement," indifferent acceptance," and "negative reaction." Personal improvement includes answers which indicate the respondents were trying to do something personally that would help them to resolve the difficulty, such as work harder, work more efficiently, strive to meet the challenge, and additional preparation. The category of indifferent acceptance includes answers that suggest the members accepted the conflict as being inevitable and did not worry about it too much one way or the other. Sample replies were: "It is normal," "I expected it," "Live with it," and "It is no problem."

The negative reaction classification groups the replies that indicate that the respondents were suffering personally from the conflict situation. Some answers were: "bored," "loss of interest," "complain to management," "it is a bitter pill," and "loss of efficiency."

Of the 74 respondents who reported some conflict, the largest single number, 29 (39.2 per cent) indicated a harmful
personal reaction; 16 (21.6 per cent) did not seem to mind, 18 (24.3 per cent) were actively trying to improve themselves in an effort to meet the challenge, and 11 (14.9 per cent) either did not answer or their answers could not be classified into these categories. These data appear in Table 9.

TABLE 9
Consequences of Conflict Between Expectations and Job Requirements

<table>
<thead>
<tr>
<th>Personal Improvement</th>
<th>Indifferent Acceptance</th>
<th>Negative Reaction</th>
<th>Others or No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>%*</td>
<td>No.</td>
<td>%*</td>
</tr>
<tr>
<td>18</td>
<td>24.3%</td>
<td>16</td>
<td>21.6%</td>
</tr>
</tbody>
</table>

*Represents percentage of respondents who perceived conflict.

Since the management levels are not equally represented in the sample, it is meaningful to classify the data by management level, as in Table 10. When this is done, a significant trend is noted. As one moves up the organizational hierarchy, the reaction to conflict changes from mostly negative at the lower levels, to a combination of negative, indifferent acceptance, and improvement at the middle levels to mostly personal improvement at the top level. Seventy-seven and eight-tenths per cent of the
workers and 71.4 per cent of the supervisors reacted negatively while 33.3 per cent of the middle managers and none of the top managers reacted negatively. Thirty-three and three-tenths per cent of the top managers and a like number of middle managers were indifferent to the conflict while 14.3 per cent of the supervisors and 22.2 per cent of the workers fitted this classification.

Sixty-seven and seven-tenths per cent of the top managers and 33.3 per cent of the middle managers perceived personal improvement as a way to resolve the conflict situation, but only 14.3 per cent of the supervisors and none of the workers suggested personal improvements.

**TABLE 10**

Consequences of Conflict Between Expectations and Job Requirements by Management Level

<table>
<thead>
<tr>
<th>Consequences</th>
<th>Managerial Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Top Management</td>
</tr>
<tr>
<td></td>
<td>No.</td>
</tr>
<tr>
<td>Personal Improvement</td>
<td>8</td>
</tr>
<tr>
<td>Indifferent Acceptance</td>
<td>4</td>
</tr>
<tr>
<td>Negative Reaction</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
</tr>
</tbody>
</table>
The data tend to agree with the contentions of the B-Model that most organizational members react to conflict negatively or by not worrying about it while only a few see it as a personal challenge, and these few are those at the top of the hierarchy. However, negative and indifferent reactions are probably not as prevalent as the B-Model implies since only 45 respondents (13 per cent) out of a total of 336 reported indifferent or negative reactions associated with their jobs. At any rate, the data do not disagree with the I-Model because the same reactions can result from interpersonal conflict.

Summary

In the B-Model, when individual and organizational demands conflict, as they inevitably do, the major adjustment occurs on the part of the individual. This is not to say that organizational structure never changes; but structural changes respond to the logic of a rational superorganic mind, and the human mind does not necessarily employ this same reasoning process. The most common types of individual adjustment include leaving the organization, becoming upwardly mobile, becoming ambivalent, employing defense mechanisms, and developing informal groups.
B-Model Contention 7.1. Because the organization as an independent entity is capable of forcing its demands upon its members through mystical social and psychological processes, adjustment to organizational versus individual conflict occurs mostly on the part of individuals; and such adjustment is usually harmful to the individual.

According to the I-Model, the social organization is an extension of the powers and the will of its members; therefore, when adjustment is necessary, the organization itself is the changeable variable. There is no disputing the fact that there are many examples of undesirable individual adjustment in present society, but this results from intra- and inter-individual conflict rather than conflict between the individual and an organizational entity.

I-Model Contention 7.1. The social organization represents an extension of the powers and abilities of man. Intraorganizational conflict is realistically analyzed as conflict within an individual or between two or more individuals, and this intra- and interpersonal conflict results in changes in both the individual and organizational design.
CHAPTER 8

SOLUTIONS TO CONFLICT BETWEEN INDIVIDUAL
AND ORGANIZATIONAL GOALS

All conflict can never be eliminated, nor would it be desirable to do so. It is extremely difficult to draw the line between pathological and nonpathological conflict. Conceptually, it is reasonable to assume that there exists some boundary beyond which conflict becomes unhealthy to individuals, but any given act may contain both healthy and unhealthy conflict ramifications, and the degrees to which a particular situation exhibits pathological tendencies varies infinitely according to the particular individual. Nevertheless, it is assumed that individual adjustment to a less mature state represents an effect of pathological conflict and is, therefore, undesirable.

Concentration on the aggregate by the B-Model has led to suggested structural changes in an effort to modify

---

organizational elements with which the individual is in conflict. At the micro level, the tools for combating this conflict reside in intra- and interpersonal relations, and especially to distortions in the goal formation process. This chapter presents a comparison and evaluation of suggested means for resolving conflict between individual needs and organizational demands.

**Solutions to Conflict—B-Model**

Many writers have made rather definite suggestions for reducing the conflict between organizational and personal objectives. Three of the most popular and widely implemented solutions include job enlargement, increased employee participation in decision-making, and increased freedom through decentralization. Each of these suggestions represents an attempt to change that part of the rational organization structure that is reputed to be in conflict with human needs. (This is internally inconsistent with the logic of the B-Model because it proports that the organizational structure cannot be significantly modified by the efforts of man.) The solutions are similar to each other in that they provide more potential opportunities for the individual to use his important abilities and to otherwise exercise control over his destiny.
Job Enlargement

As discussed earlier, job specialization appears to be an organizational demand that is inconsistent with the needs of individuals; thus, job enlargement is recommended as a way of bettering the situation. Job enlargement includes broadening opportunities for allowing members to use special skills as well as increased emotional involvement. Increasing the number of tasks to be performed is not sufficient in itself; the individual must be able to use more of his creative and other mental abilities if he is to mature into a healthy person.  

Benefits. Many studies apparently indicate that job enlargement has led to employee benefits of increased satisfaction, increased self-responsibility, and increased self-control without sacrificing either planning or effective performance. In fact, job enlargement provides

---


positive company benefits of reduced costs, simplified work relations, greater flexibility, less idle time, and reduced number of autonomous units whose work must be integrated into a flow.

Implementation. There are four suggested ways of enlarging jobs in industry. One, employees may be allowed to elect employee representatives for the purpose of representing the employees in discussions with management. Two, increase the number of tasks to allow employees to make as much of the product as possible. This encourages the organizational member to take pride in the completion of the whole product. Three, feedback even at the employee level may be a way to increase job enlargement. For example, an employee may be given the opportunity to explain to a customer why he may have trouble with a particular product. Four, permit employees to participate in designing jobs, rates, quality standards, and so on.

---


8 Argyris, op. cit., pp. 231-234.
Criticism. However, job enlargement, even with such credentials as reported above, has not been universally accepted as a panacea for organizational conflict. It is questioned on grounds that it is not always practical, all workers in routine jobs are not dissatisfied, and job dissatisfaction may not be a function of the job itself. Golembiewski stated that programs of job enlargement are not applicable to all jobs, they are not appropriate under all conditions, they are not an all-purpose managerial tool, and they are only one phase of a complex situational setting.\(^9\)

The assumption that all workers in routine jobs are dissatisfied is incorrect. Musterberg indicated in 1913 that people are always available who are satisfied and challenged by the routine jobs that are so prevalent in American industry. He generalized from his observations that workers usually find various ways of making routine work interesting while many workers who occupy apparently interesting jobs frequently offer vociferous complaints about the monotony and boredom of their work.\(^{10}\) In support, 

\(^9\)Golembiewski, op. cit., p. 140.

\(^{10}\)Hugo Musterberg, Psychology and Industrial Efficiency, Houghton Mifflin Co., Boston, 1913, pp. 195-197.
Lipman, in 1928, pointed out that a worker is often able to perceive interesting aspects of a task that an outside worker might completely ignore. Robinson concluded that only 13 per cent of the workers in the United States, Great Britain, Germany, and the Netherlands are generally dissatisfied with their jobs; and the ratio has remained rather stable for the past few years. The research conducted by this student further supports this hypothesis, as only 22 per cent of the respondents reported a conflict between their expectations and job requirements. Refer to Table 6 in Chapter 5.

In cases where conflict and dissatisfaction do exist, evidence has emerged to suggest that this discontent is not significantly correlated to the job in a causal relationship. MacKinney, Wernimont, and Galitz, in their survey of the literature, quote studies to support this postulate. Hoppock found no evidence that technology


and the factory system necessarily led to dissatisfaction in mills in Pennsylvania.\textsuperscript{14} Smith concluded that monotony was related to characteristics of the individual himself and not solely to the repetitive nature of the task.\textsuperscript{15} In a study of workers in an automobile assembly plant, Kennedy and O'Neill stated that their survey did not indicate that job content was a major factor in determining how favorably workers view their job situations.\textsuperscript{16} Other possible determinants of job satisfaction as perceived by the member include adequacy of wages to cover living costs and the individual's perception of the degree of fair treatment received from managers.\textsuperscript{17}

**Evaluation.** From this cursory examination, it appears that job specialization hinders the psychological development to some, but not all, individuals. The alternative of job enlargement, however, does not necessarily remove


the obstacles that stymie psychological growth. The case
against job specialization, or for job enlargement, has not
been scientifically proven. Other relevant variables need
to be studied. A more realistic conclusion is that job
satisfaction is a function of man and the job; and job
enlargement does not necessarily make workers happy, nor
does specialization necessarily make them dissatisfied.

Employee Participation

Participation programs are in many respects similar
to job enlargement schemes. Participation includes the
physical, mental, and emotional involvement of individuals
in the affairs of the organization. It is the means by
which superiors and subordinates collaborate in solving
organizational problems, setting objectives, and making
other decisions within the organizational framework. A
job enlargement program that induces an employee to become
more active in influencing organizational decisions is
also an example of increased participation. But while
job enlargement stresses broadening both the physiological
and psychological components of the job, participation
emphasizes the personal involvement in organizational

18Dale S. Beach, Personnel: The Management of People
affairs primarily through the decision-making subsystem. Job enlargement might be originated by a top management decision without solicitation of employee opinions, but a participation program would be in effect when the employees themselves collaborated with managers in deciding whether their jobs should be broadened.

**Pros.** Many writers suggest that employee participation is a way of allowing organizational members opportunities for the achievement of self-actualization, increased feelings of freedom, increased job satisfaction and morale, broader time perspective, as well as reduced hostility, frustration, apathy, submissiveness, and aggression. Additionally, participation has led to such company benefits as increased production, improved morale, better decisions, and better training opportunities.¹⁹

The literature of organizational theory abounds with empirical data that lend support to these healthful claims. For example, Guest concluded, from a study of managerial succession, that the new manager's methods of group

---

representation were largely responsible for the reduction of interpersonal conflict and improved performance that accompanied the change.\textsuperscript{20} In one of the Institute of Social Research experiments, four divisions were studied, two of which operated in a participative climate and two of which operated in a nonparticipative climate. Productivity increased by 25 per cent in the nonparticipative division; however, negative reactions with regard to loyalty, attitude, interest, and involvement accompanied the increase. The participative divisions increased production by about 20 per cent, and feelings of greater responsibility chaperoned the increase.\textsuperscript{21} Baumgartel disclosed, in a study of research administration, that participative laboratories ranked higher than directive or "laissez faire" laboratories in: (1) motivation toward organizational goals, (2) sense of progress toward goals, (3) attitudes toward the supervisor, and (4) member satisfaction.\textsuperscript{22} Argyris quotes studies by Preston and


Heintz, Laurence and Smith, Lippitt and White, and many others to show that a democratic leader permits much more self-actualization, increased feelings of freedom, increased job satisfaction and morale, broader time perspective, decreased dependence, and reduced hostility, frustration, and aggression than does a nondemocratic leader.

Criticisms. Many of the earlier studies in participation exhibited so much "success" that the participation hypothesis is rather widely accepted in business and public organizations. Other studies, however, have been more pessimistic about participation. Like many other ideas in human affairs, participation is usually either ecstatically accepted or wholly rejected.

---


French, et. al.'s, experiment on participation in a Norwegian factory revealed no significant difference in production between the participative and nonparticipative groups and only very moderate support of improved general satisfaction as a result of participation. Foa related employee satisfaction to expectations. He indicated that employees with prevailing authoritative expectations tend to be more satisfied than employees with permissive expectations no matter what behavior the superior might adopt. Riecken and Homans observed that while group-centered instruction at the college level was more satisfying to the students, the satisfactions are inconsistent with effectiveness when compared to leader-centered groups. Corey described one case of participation as leading to division of the labor force, and allowing managers to maintain just as much of their control as previous to


participation. Golembiewski reported an experiment in which low participation units had higher rates of output than did high participation groups.

There are some writers who agree with the idealistic virtues of equal opportunity and participation but declare that it is not operational at all organizational levels. McMurry, for example, lists five reasons why democratic participation will not work in a business organization: (1) the business climate is unfavorable for democratic management, (2) unproductive workers are encouraged by a democratic environment, (3) democratic leadership is incompatible with bureaucratic organization, (4) some workers prefer being directed, and (5) group decision-making is not practical in large organizations. He asserts that a benevolent autocracy is the most practical form of management in a complex organization.33 According to Herzberg, Mausner, and Synderman, several critics have stated that autocratic leaders in American Industry will 

---


32 Golembiewski, op. cit., p. 229.

continue to persist despite the propaganda for more democratic participation. "This is inevitable since, in a large and complex institution, true participation at every level in setting goals is clearly impossible." 34 There is too great a need for coordination between different organizational units. It is unrealistic to expect lower level workers, especially, to have anything more than rather narrowly defined participation. 35

Another criticism is that participation can also lead to employee manipulation. It is sometimes used merely as a device to engineer acceptance, involvement, and shared responsibility in group goals. 36

Finally, the power structure inhibits the participative process even when true participation is attempted. Because of status, role differences, and certain formal sanctions that the superior has, subordinates are often hesitant to communicate their true feelings. 37


37 Beach, op. cit., p. 513.
Evaluation. The major reasons for inconsistencies in results from participation studies lie in the fact that they are microscopic. Two few variables are controlled. Subject and structural variables may significantly influence the findings, yet these have remained outside the parameters of the majority of such studies. Any consistent leadership style may be mal-adaptive to a certain extent, different group phases and different group goals may require differing degrees of participation, and groups need to be classified according to dominant or participation atmospheres.

Proponents of participation agree that some studies have shown participation to increase frustration and conflict, but they contend that this is true because the worker has learned to be dependent and submissive and a transition period is needed. Other reasons for participation failures include nonbelief and distrust resulting from the "human relations climate."


40 Argyris, Personality and Organization, op. cit., pp. 204-205.
Perhaps true participation does help to reduce dissatisfaction and conflict, but the writer suggests that this result is felt through the goal formation process. Put differently, it is hypothesized that true participation increases the potential for organizational members to influence the group goal, i.e., it increases the probability of formulating a goal that is optimum for all members of the group. (The data from Questions 3 and 5 in Appendix A were combined to test this hypothesis.) In Question 3, the respondents were requested to select from the following statements the method which best described the manner in which objectives of their department were set: "No one consciously works toward setting the objectives of my department;" "Higher management sets the objectives of my department;" "Management allows the members of my department to participate in setting our objectives, but they pay little or no attention to what we say;" "Management allows members of my department to make suggestions in setting our objectives, and they honestly consider our suggestions;" or "I do not know how the objectives of my department are set." In Question 5, the respondents were asked how much say or influence they had in setting or changing the objectives of their department. They were
instructed to check the following alternative which best described their perception of their influence in setting or altering objectives: "a great deal of influence," "quite a bit of influence," "some influence," or "little or no influence."

The answers to Question 3 were divided into "participation" and "nonparticipation," and they were cross-classified with the responses of perceived influence of Question 5. It was postulated that people who are permitted true participation will also have a greater influence on setting or changing the department objectives than those members who are not allowed to participate. The data in Table 11 support this hypothesis. Of those respondents who perceived that they had a great deal of influence in setting or changing organizational objectives, 98.5 per cent were allowed to participate. Proceeding down the influence scale, of those who perceived quite a bit of influence, 83.3 per cent were allowed to participate; of those who perceived some influence, 64.9 per cent were allowed to participate; and of those who perceived

41Response Number 4 to Question 3 was classified as "participation" and all other responses were classified as "nonparticipation."
little or no influence, only 13.3 per cent were allowed to participate.

**TABLE 11**

The Effect of Participation Upon Influence in Setting of Changing Organizational Objectives

<table>
<thead>
<tr>
<th></th>
<th>Amount of Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Great Deal</td>
</tr>
<tr>
<td>Participation</td>
<td></td>
</tr>
<tr>
<td>Participation</td>
<td>64  98.5%</td>
</tr>
<tr>
<td>Nonparticipation</td>
<td>1  1.5%</td>
</tr>
</tbody>
</table>

Generally, the greater the opportunities for participation, the more individuals will be able to influence their departmental objectives. However, participation does not alleviate the problem of some people being unable to influence others to set goals that are compatible with their personal needs. In true participation, one or more persons may have enough influence to set a goal that conflicts to some degree with many of the needs of many other individual members.

**Increased Freedom Through Decentralization**

A third popular attempt to encourage organizational members to utilize and develop more of their characteristics
that lead to maturity is decentralization of authority. Increased freedom in the form of decentralization differs slightly from increased participation in decision-making. In most participation schemes, authority and responsibility remain in the hands of the superior manager; and the authority and responsibility of the other participants is not significantly increased. But decentralization, or greater dispersion of authority to the parts, is accompanied by a greater obligation in the part of the individuals who receive the additional authority.

Prerequisites. Freedom is a matter of degree, and the true test occurs when a superior will support a subordinate's actions even though the superior does not agree with him. In order for freedom through decentralization to work, five necessary prerequisites must exist. One, the superior must be willing and able to substitute confidence, understanding, and stimulation for control direction, and discipline. Two, a system of comprehensive rules to insure maximum discretion while achieving coordinated effort and efficient behavior is necessary. Three, knowledge must flow freely between superior and subordinate. Four, it is vital that the subordinate be willing to assume responsibility and exert self-discipline in lieu of discipline
from a higher source. Five, an atmosphere of freedom must permeate the entire organization.\textsuperscript{42}

**Benefits.** Millions of Americans believe that they live in a free society while, at the same time, spending most of their working hours in authoritarian organizations. It has been argued that organizational life is contradictory to the vital American ideal of freedom. Wood, former chairman of the board of Sears, Roebuck and Company, thought that the totalitarian system in industry prevented freedom of expression and initiative and the conflict between discipline and efficiency on the one hand and freedom on the other hand loomed as one of the greatest problems facing industrial organizations.\textsuperscript{43}

Increased freedom through decentralization is purported to permit organizational members greater opportunities for personal development, while adding challenge and interest to the job, decreasing, top management's load, and


speeding the managerial process. In one writer's words, "Where there is freedom, there is individual growth; creativity and innovation are natural, perhaps, inevitable." There are studies to show that increased power and freedom leads to psychological maturity. Likert showed that workers are more productive when they have more freedom in setting their work pace; Man and Hoffman found that more equality between management and workers brought about more job satisfaction; Melman observed that diffused decision-making resulted in a more efficient and effective organization; and Indik, et al., illustrated, among other things, that a high degree of local influence


45 Kline and Martin, op. cit., p. 349.


and autonomy was positively associated with performance.\textsuperscript{49} American Telephone and Telegraph Company emphasizes decentralization as a basic policy for it provides opportunity and helps people prepare for more of it. Responsibility and authority are pushed out as far as they will go, and they believe that this helps people to increase their understanding and skill.\textsuperscript{50}

\textbf{Criticisms.} Increased freedom through decentralization offers many of the same problems and disadvantages as are incurred with job enlargement and increased employee participation. In addition, there is the difficulty of finding people who possess both the will and the capacity to assume increased responsibility and lack of uniformity.\textsuperscript{51} It is extremely difficult to discover a situation in the business world that includes all five of the prerequisites for success in decentralization.


\textsuperscript{50}American Telephone and Telegraph Company, \textit{Annual Report}, 1957.

Increased freedom is not always a desired end in itself, nor does it always evoke greater efficiency. Highly educated and highly creative employees are assumed to seek more freedom and autonomy than less educated, less creative people. Yet, Pelz and Andrews found, in a study of 1300 scientists and engineers, that individuals with a great deal of autonomy were only average or below in performance. The scientists apparently withdrew from outer stimulation, which might have enhanced their performance. Extreme autonomy may encourage complacency rather than self-fulfillment even in highly self-actualizing individuals. Maslow agrees that unrestricted limits may lead to irresponsibility, psychopathic personality, and inability to bear stress. Strauss likewise indicates that individuals who accept relatively unlimited freedom in some areas seek and demand restrictions in others.

---


importance of defining boundaries for behavior of developing children so that they may interpret life in a meaningful and secure fashion.

**Evaluation.** Just as with job enlargement and employee participation, centralization versus decentralization is still in the experimental stages. The pertinent question in each case is how much of each rather than unilaterally arguing for more or less. In short, increased participation and freedom and job enlargement programs apparently help to reduce some incongruences between some individual and organizational goals, but they place too little emphasis upon other dimensions of the individual such as the present state of his true set of needs, his interrelationships with others, and variables external to the organization. The writer hypothesizes that reduction in conflict can best be accomplished by making the above programs more comprehensive through the inclusion of programs to increase understanding of the goal formation process, to reduce distortions in goal formulation, and by analyzing relative power positions of each member.

**Solutions to Conflict—** I-Model

The emphasis of the B-Model is upon resolution of conflict through an exogenous change in organizational
structure; whereas, the I-Model emphasizes individual therapy and understanding of cooperative endeavors as a means of reducing conflict.

Shepard has developed a continuum for conflict resolution in organizations, ranging from suppression on the extreme left to limited war bargaining toward the center to problem-solving on the extreme right. It is possible to superimpose the B-Model over the left end of the continuum and to synchronize the I-Model with the right end. In the extreme B-Model, the organization resolves conflict by forcing its demands upon its members. This is similar to suppression at the extreme left of Shepard's continuum.

Limited war refers to two competitive groups attempting to solve their differences through traditional countercourt procedures. The groups compete as units and their case is adjudicated by a neutral member or group. Such conflict tends to sharpen the uniqueness of one's own group while reducing the cognizance of commonalities. Elements of proposed solutions that are actually common to both groups are perceived as unique to each group.

\[55\] Herbert A. Shepard, "Responses to Situations of Competition and Conflict," in Boulding and Kahn, \textit{op. cit.}, pp. 128-130.
Even though a judgement may be made, conflict is not really resolved because the winners are trapped by their rigid structure of leader-follower situations which won, and the losers attempt to regroup and build a unit that will emerge as winners next time. This position resembles the B-Model more than the I-Model because one group with given goals is competing with another within a complex organizational setting. The goals of one group are seen to be incompatible with the goals of the other group.

At the right extreme of the continuum, true bargaining and problem-solving exists. Each member gives away something but gains more in return. The right end of the continuum proffers solutions that would originate from the I-Model frame of reference. A major part of personal versus organizational conflict results from difficulties in inter-individual bargaining during the goal formation process. The I-Model solutions to personal versus organizational conflict dwell upon improving individual interactions, and they recognize the inevitability of conflict which results from diverse individual needs.

**Reduction of Distortions in Goal Formation**

The most significant means of reducing conflict between individual and organization is embodied in the goal
formation process. This can be accomplished by helping individuals improve their empathic, perceptual, and communicative abilities, and by gaining a better understanding of the catalytic role of a leader in conflict resolution within a group.

**Empathy and Acceptance.** Empathy is the ability to understand and accept the value systems of others. It is the process by which Individual A is able to interpret a situation or set of circumstances from the vantage point of Individual B. There are indications that understanding and appreciation of the viewpoint of others can be consciously encouraged. Group therapy has been used to clarify irrational sources of interpersonal conflict. Jaques reported on a method of solving organizational conflict through group therapy initiated by professional consultants. Other companies have used T-Group training whereby individuals are removed from the organizational setting and allowed to probe at each other's personality traits under the direction of a skilled leader.

---


individuals to enumerate their feelings about one another and then exchange this information. This has led individuals to develop a positive change toward altering their behavior to make it more consonant with their desired self image. Other companies including General Electric, Union Carbide, and Esso operate similar internal programs in an effort to increase mutual understanding and acceptance of others.58

Perhaps the best organizational lubricant lies in the ability of each individual to accept the value systems and proclivities of others as they are. Many tensions and difficulties become exceedingly more manageable in an environment of mutual acceptance and emotional security.59

**Accuracy in Perception.** In order to reduce conflict resulting from perception distortions, both parties to the disagreement must first be aware of their perceptual differences. It would be nice indeed if there were some formula which, if applied, would significantly improve an individual's accuracy in perception. Although no such formula is available, there are a few things that can be done to increase accuracy in perception.

59Ibid., p. 149.
One practical application is for schools and training directors to stress the fundamental similarity of all the organizational members. Many managers have inaccurately stereotyped all employees as irresponsible, lazy and malicious, while workers think of all superiors as strict, rigid, overbearing, cold, and unfair. Second, in the organizational setting, it would be helpful if members would recognize and accept the attitudes of each other without suspicion. Education with emphasis upon understanding one's self and others could possibly help to create the desired condition of mutual trust. Third, the search for facts in any conflict situation is almost sure to increase the accuracy of an individual's perception. To get the individuals involved in the situation may be a first step toward creating an atmosphere of openness, confidence, and trust. However, group involvement is not a panacea as seen in the discussion on participation. Each individual must develop a realistic awareness and understanding of his own situation.

---


Communication. Communication is absolutely essential to the goal formation process, and disturbances in interpersonal communication no doubt contribute measurably to distortions in goal formation.

There are several techniques which individuals may easily employ in an effort to improve their communicative abilities. The first area of improvement concerns agreement on meanings of vital words. Such agreement is enhanced by understanding that meanings are learned and they occur only in the minds of individuals. (Refer to the theory of meaning presented in Chapter 2.) When an individual receives any symbol, the meaning which he attaches to that symbol is influenced by the totality of his past experiences. The word is filtered through his education, biases, prejudices, attitudes, and experiences as meaning emerges in the mind of the receiver. Since an individual's "filter" is constantly changing and since no two persons have exactly the same filter, a word can never mean exactly the same thing to any two people, nor can it have precisely the same meaning to the same individual twice. Ambiguities in word meanings can be reduced through: (1) awareness of

---

potential dangers, (2) substitution of other terms for the word in doubt, (3) defining troublesome words operationally when possible, i.e., to define a term to an individual, a person will tell him what to do to experience the meaning, and (4) have the receiving person repeat, in his own terms, what he thinks the sending person is attempting to convey.

Communication mistakes are made due to incorrect inferences—statements or thoughts about the unknown based on known facts. An example of an inference occurs when a listener judges from a speaker's tone of voice that the speaker is angry. Such inferences may be made carefully or carelessly, and they may be based on few or many facts. Haney says that the individual making the inference should calculate the probability of the inference being correct in an effort to distinguish between inference and fact. Granted, it is impossible to do this accurately, but the mental exercise causes the observer to consciously consider

---


his conclusions as inferences. Inferences are inevitable, but they should not be confused with fact.

A third difficulty lies in the process of abstracting or omitting. Abstracting causes people to focus on some details while ignoring others. In turn, this leads to classifications based on a few similarities even though there are generally many more disparities than similarities. In a communication situation involving highly abstract symbols, both the sender and the receiver should be cognizant of the abstraction; and they should consciously attempt to recognize the uniqueness of the object, concept, or idea being referred to.

Lastly, people have a proclivity toward thinking in terms of polar opposites by mentally marking off continuua into discrete units meanings. The nature of language contributes to this because there are not enough words to sufficiently enumerate degrees between many extremes. To illustrate, there are few terms to describe degrees between "honest" and "dishonest." By viewing the world as a series of infinite continuua, the organizational member can curtail his tendency to separate symbol meanings into dichotomous categories.

Leadership. The perceived leader is able to have important influences upon group members if he provides
certain conditions. Condition one, the leader should be congruent in his relationship, i.e., the leader's interpretation of his own experience in the relationship must be accurate. If the leader is experiencing discomfort, he is not congruent in the relationship. It is important that the leader be "himself" whatever the self at that moment may be. This is not to say, however, that the leader will be congruent at all times. Condition two, the leader must experience unconditional positive regard toward other members. This means to value the other person regardless of the differing values the leader might place on certain of his behaviors. If the leader "prizes" the whole person in this way, he accepts experiences which the follower is ashamed of as well as those which he is pleased with. Condition three, the leader must experience empathic understanding of the follower's internal frame of reference.\(^6^6\)

If the above conditions are met, the following phenomena will likely occur: members of the group will be more accurate in their perceptions, members will provide more differential data, thinking will become more consistent

with external reality, self-responsibility will increase, a greater degree of distributive leadership will develop, and there will be more effective long-range problem solving. Rogers contended that studies by Roethlisberger and Dickson,\textsuperscript{67} Couch and French,\textsuperscript{68} Radke and Klisurich,\textsuperscript{69} and others lend empirical support to this theory.

A congruent leader serves as a catalyst to reduce interpersonal conflict through an extended complex interaction process. If one person in the group fully accepts each of the other members, if he is able to understand their internal frame of reference; and if the other members perceive this, the stage is set for reducing conflict within the group. Members 2, 3, and 4 will feel more freedom in expressing their feelings, which leads to differentiated perceptions. They discriminate the objects of their feelings more accurately and become more extensionally oriented. Threat is reduced between Members 2, 3, and 4.


\textsuperscript{69} Marian Radke and Dayna Klisurich, "Experiments in Changing Food Habits," in Rogers, \textit{op. cit.}, p. 242.
because each one begins to reorganize the concept of self to include elements which were once distorted or denied because they were undesirable to him. Defensiveness is decreased, and fewer perceptual distortions occur because each individual makes fewer denials and he is more aware. Each individual then begins to react to himself more in terms of a valuing process rather than in terms of worth. Relations between the individuals improve because each is able to perceive the facts more accurately, and each is able to exercise more empathy with the internal frame of reference of the other. Thus, communication becomes more extensionally oriented between the members. In other words, each member becomes more aware of facts and levels of abstraction, each member is able to evaluate in multiple ways, and each member tests his inferences against reality.\textsuperscript{70}

\textbf{Unavoidable Conflict}

It is unrealistic and even undesirable to think in terms of eliminating all conflict. This would lead to a static, complacent situation in which little if any advancement would thrive. Two examples of unavoidable conflict are: (1) some cases of intraindividual conflict, and

\textsuperscript{70}Rogers, \textit{op. cit.}, pp. 242-243.
conflict resulting from the nature of diverse and dynamic individual needs. Since much intraindividual conflict is manifested only at the unconscious level, initiative for resolving such conflict may have to originate from a second person. Extreme intraindividual conflict is beyond the scope of this paper as it is so exceedingly complex that its treatment is generally reserved for psychoanalysts or other psychotherapists. Perhaps managers and other organizational members should be more aware of the symptoms of a disturbed individual so that they may recognize when and how to suggest that the individual seek professional assistance.

A worthy approach to conflict resulting from the nature of individual needs in a cooperative system is to learn to live with it. Due to diverse and dynamic individual needs, such conflict is inevitable. It may be reduced, however, if individuals become more aware of their needs and how they influence their behavior as well as developing a greater understanding and tolerance for the nature of other individuals' needs. Fortunately, understanding of one's self and others usually results from the same suggestions presented previously in connection with improving the goal formation process.
Implementation

Implementation of the I-Model solutions requires an alteration in contemporary management philosophy. Owners and managers must accept and appreciate the role of all organizational members in setting organizational objectives, participating in the achievement of organizational objectives, and satisfaction of individual needs. The once popular prerogative that it is the task of top management and owners to establish the objectives of the enterprise is out-moded. Other organizational members are capable of exerting too much influence in setting and changing organizational goals through informal arrangements, unions, social codes, and conscious participation. In most organizations, top managers and owners will likely be able to exert more influence upon organizational goals than other members; but this results from their increased amount of relative power rather than some accepted mythical prerogative. In all likelihood, top managers and owners are in their positions because of their ability to influence others.

To fully appreciate the nature of organizational goals, it is necessary to understand how and why they are derived. The purposes and dynamic interactions of
organizational behavior must emerge as a more popular and more widely accepted discipline for analysis. Additional efforts must be devoted to the development and empirical validation of a workable theory of cooperate action, and what is known about these processes must be dispersed to organizational practitioners who have sufficient power to implement them.

The understanding of goal formation in a group can be taught, and at present, it would appear that the suggested solutions to conflict as perceived by the I-Model can be taught. Colleges and universities should pave the way in teaching knowledge that is presently accepted, and company training directors will have to alter and expand their programs in an attempt to encourage individuals to improve their empathic, perceptual, communicative, and leadership abilities. Fortunately, each of these areas are iterative; improvement in one leads to improvement in all of the others.

Programs of job enlargement, increased participation, and increased freedom are, perhaps, a step in the right direction; but they do not include enough dimensions of the complex individual-organizational setting. It is necessary that these programs be expanded to include procedures for encouraging individuals to improve their skills in interacting with others.
Dominant coalition members should appreciate the role of the congruent leader who is capable of accepting and interacting with other members as "prized" human beings. The prolificacy of literature dealing with leadership, by in large, ignores this point.

Summary

According to the logic of the B-Model, the individual is in conflict with the organization; therefore, to remove this conflict, the organization should be changed. Actual implementation of these changes is largely unexplained, but the impetus must come from forces outside of the system.

B-Model Contention 8.1. Some aspects of the aggregate organizational entity inhibit the maturation of human beings; these inhibiting elements can be reduced or eliminated by changing them through programs of job enlargement, increased participation, greater decentralization, and otherwise allowing members greater freedom and control over their destiny.

Programs of increased freedom have been implemented by many companies, and numerous results have been encouraging. However, there is enough evidence that questions the value of the programs to encourage analysts to look deeper.

As the I-Model focuses on individual interactions, solutions to conflict which emerge from this frame of reference include suggestions for improving individual empathic, perceptual, and communicative abilities.
I-Model Contention 8.1. Since all individual-organization conflict results from individual interactions, the proposed solutions for such conflict should be based in the dynamic subprocesses of individual interaction, such as perception, empathy, and communication and other subprocesses which, at present, are not even known.
CHAPTER 9

SUMMARY AND CONCLUSIONS

In the process of recapitulation, the analysis of the two models is summarized and compared in the following paragraphs. When difficulties and merits of the two models are enumerated, the I-Model emerges as the most logical of the two.

Summary of the B-Model

There is an accepted idea in the literature of organizational theory that social organizations can be viewed as if they were something above and apart from the individuals in the system. When all of the human and other ingredients are summed, an additional, independent, enigmatic source of power emerges. The following five B-Model contentions summarize this frame of reference with regard to organizational and individual goals.

B-Model Contention 2.1. The social organization can be analyzed as if it contained many of the physical, mental, psychological, and spiritual qualities of a human being.
B-Model Contention 5.1. The process of organizational goal formation can be analyzed as if it represented a response to an underlying order in nature which is non-dependent upon the presence or activities of human beings.

B-Model Contention 6.1. The conflict between individual needs and organizational needs can be analyzed as if the organization were an opposing force independent of individuals.

B-Model Contention 7.1. Because the organization as an independent entity is capable of forcing its demands upon its members through mystical social and psychological processes, adjustment to organizational versus individual conflict occurs mostly on the part of individuals; and such adjustment is usually harmful to the individual.

B-Model Contention 8.1. Some aspects of the aggregate organizational entity inhibit the maturation of human beings; these inhibiting elements can be reduced or eliminated by changing them through programs of job enlargement, increased participation, greater decentralization, and otherwise allowing members greater freedom and control over their destiny.

The Being Model of an organization pictures the social organization as possessing physical characteristics of structure, growth, communication systems, coordinative systems, and the like that are very similar to the so-called physical components of a human body that perform these same functions; mental capacities that allow it to think, make decisions, originate needs, and otherwise perform in fashions similar to the human mind; and personality characteristics that are independent of the personalities of the humans included in its membership.
The B-Model of social organizations apparently originated in the minds of early philosophers who conceived the idea that all of nature behaved according to some set of universal laws and the extension of knowledge included discovering and codifying these laws. Some thinkers, observing the similarities between biological and social organisms, began to think in terms of connecting all social behaviors to nature's universal laws. Philosopher Hobbs was very influential in propagating the personification of a social organization and went so far as to diagram society as a man composed of other men. Personification also spilled over into the corporate business form of organization and led to a law that describes the organization as a legal entity with powers and rights of humans. Modern forces that tend to reinforce the B-Model include static models, computers and automation, cybernetics and systems analysis, and organization policies.

The process of personification may be explained as a psychological phenomenon occurring in the nervous system of a being. Meaning occurs within the nervous system, and individuals have a tendency to project their attributes into other entities by associating the image of their
perceived "selves" with their image of other entities that exist in internal or external reality.

Organizational goal formation in the B-Model is generally taken as a given. Members are unaware of organizational objectives, and they do not consciously concern themselves with the intricate process of setting goals and communicating them to other members. They merely assume that goals have already been determined and everyone is aware of them. An extension of this extreme position occurs when goal-setting is reserved for top managers who act as agents of the organization to make decisions and set policy in an effort to achieve the objectives of the rational organizational being. This logic is consistent with the natural systems approach which accepts the underlying universal law theorem and believes that when all people act in such a way as to maximize their personal satisfactions, everyone will automatically be better off. Given these assumptions, conscious goal-setting is not vital to cooperative action.

The organizational being is capable of creating its own particular goals and demands. Rational needs result in a structure that demands specialization of labor, a system of rules, an organizational hierarchy, a chain of
command, a span of control, role expectations, and impersonality. On the other hand, humans have needs of independence, autonomy, activity, control over self, and others that lead to self-actualization. Conflict occurs between the organization and the individual because these sets of needs are contradictory—to the extent that one set is satisfied, the other set is inhibited.

In terms of the B-Model, individual-organizational conflict inevitably results in a pessimistic set of circumstances so far as the individual is concerned. The organization, as an independent power, is capable of forcing its demands on its members regardless of whether the members wish to accept them. Individual adjustment patterns, none of which are very successful, include leaving the organization, becoming upwardly mobile, becoming ambivalent, using psychological defense mechanisms, and forming informal groups.

In an effort to avoid individual-organizational conflict and the resulting maladjustment patterns, writers have suggested, and practitioners have implemented, ways of amending, by exogenous means, the organizational demands that inhibit the individual maturation process without loss of efficiency in the organizational system.
Popular amendments include programs of job enlargement, employee participation, and increased freedom through greater decentralization of authority. These programs have been vehemently accepted by many who are quite vociferous in their claims concerning the success to both the organization and the individual. Closer examination, however, reveals enough prerequisites for success and cases of failure to indicate that schemes of increased freedom and opportunities to utilize more of one's important abilities are too narrow in their approach to conflict resolution.

**Summary of the I-Model**

The Individual-Focused model of a social organization concentrates upon the individual as the core element in cooperative action. Within this framework, the concept of a social organization is an abstraction which, in reality, denotes individuals with needs interacting in a cooperative endeavor and motivated by the expectation of mutual benefit. The five contentions enumerated below provide a concise description of the I-Model ramifications of individual and organizational goals.
I-Model Contention 3.1. It is legitimate to analyze a social organization as a process of interacting individuals. From this interaction, individuals develop a structure to pursue joint objectives for mutual benefit.

I-Model Contention 5.1. Organizational goals are the result of a conglomeration of many individual needs, and they are formulated through a series of individual interactions solely for the purpose of satisfying individually created needs.

I-Model Contention 6.1. Conflict between personal needs and organizational goals results from the nature of individual needs and distortions in the goal formation process. Meaningful conflict analysis must concentrate on individual to individual relationships.

I-Model Contention 7.1. The social organization represents an extension of the powers and abilities of man. Intraorganizational conflict is realistically analyzed as conflict within an individual or between two or more individuals, and this intra- and interpersonal conflict results in changes in both the individual and organizational structure.

I-Model Contention 8.1. Since all individual-organizational conflict results from individual interactions, the proposed solutions for such conflict should be based in the dynamic subprocesses of individual interaction—perception, empathy, communication, and others which, at present, are yet to be developed and discovered.

Goal formation in the I-Model constitutes a process of individual interactions resulting in the formulation of a group goal derived from the needs of the members of the group. The prerequisites of an organizational goal are: two or more individuals attempting to maximize need satisfactions, no single available alternative that will maximize payoff to all participants, no participant with
dictatorial or veto power, and the necessity of a decision to be made. Each individual in the organization, with his needs ranked in order of preference, agrees to attempt to combine with other individuals in an effort to develop and pursue a cooperative endeavor which will lead to the satisfaction of their personal needs. Through a bargaining process, in which influence upon the organizational goal is a function of individual power, the members originate a group goal that, if accomplished, will lead to individual satisfactions. If an individual does not perceive that the attainment of the group goal will lead to the satisfaction of at least some of his personal needs, and if he does not possess the power that is necessary to alter the goal, he will seek other alternatives of behavior. The selected goal may not be the optimum goal for any particular member, but it should provide more satisfaction for some of the members than would otherwise be possible.

Individual-organization conflict, in actuality, is nothing more than individual-individual conflict, and it results from the nature of individual needs and especially from distortions in the goal formation process. Individuals' needs are diverse and oftentimes opposing, and at least two persons are involved in the development of an
organizational goal; therefore, it is only logical that the set of organizational goals will to some degree conflict with some of the needs of some of the individuals. Distortions in the formation process provide additional conflict potential due to mistakes which occur through inaccuracies in perception, communication, expectations, and the like. These inaccuracies result in the setting of a goal that does not meet or fulfill expectations.

The organizational system is an extension of the abilities of man; therefore, when there is a conflict between individual and organizational goals, individuals through endogenous means are able to initiate forces that apply pressures to alter those parts of the organization with which the individual is in conflict. If enough individuals with enough power perceive the conflict, and if the tension created by the perceived conflict is strong enough, the individuals will be able to alter the organizational goals. Individuals do adjust, and in much the same way as they do in the B-Model, but individual adjustment occurs in response to conflict with other individuals rather than in response to conflict with some abstract organizational being.
The I-Model solutions to unnecessary conflict between individual and organizational goals originate from an individual interaction frame of reference. One of the most important means of reducing distortions in the goal formation process is to impress upon the members the importance of empathetic understanding and acceptance of the values of others. This may be encouraged through education programs that teach an understanding and appreciation of the needs of others. Perceptual distortions may also be reduced through training and emphasis upon facts. Improvements in communication are expected when individuals are made aware of the nature of meaning, the problem of inferences, abstractions, and the tendency to dichotomize. The role of a congruent leader in reducing conflict resulting from intra- and interindividual interactions has largely been ignored. The leader who is willing and capable of prizing and respecting the whole person serves as an excellent source of therapy over an extended period of time.

Since an organizational goal results from numerous forces of varying strengths, a certain amount of conflict is unavoidable. Knowing that this is inevitable often makes it possible to live with it. Discrepancies between
the dynamic need systems of individuals and cooperative schemes of action also provide a stimulus for change and improvements.

Implementation of the I-Model solutions requires an alteration in management philosophy to allow for greater appreciation and acceptance of the role of all organizational members in setting and changing the group objectives of the organization. A better understanding of goal formation and more concentration on the importance of skills employed in individual interactions are also necessary for successful implementation.

**Comparison of the Two Models**

The B-Model and the I-Model differ with regard to macro versus micro approach, living entity concept, reality, and the place of the individual. The B-Model considers the aggregate organization as the focal point of analysis, it analyzes the organization as if it were a living entity, it concentrates on internal reality and makes this consistent with external reality by positing certain supernatural forces in nature, and it assumes that the purpose of the individual is to serve the goals of society and that society is of a higher order than individuals. Contrastingly, the I-Model examines the
individual as the core element of an organization, it accepts the organizational entity only as an abstract representation of a complex set of interpersonal relationships, it accepts the possibility of the B-Model as an internal reality but avows that this is not consistent with external reality, and it assumes that all social processes are for the sole benefit of satisfying the needs of individual human beings.

An examination of the literature supports the general hypothesis that writers and practitioners do indeed differ in acceptance of the B-Model and the I-Model. Some state explicitly that they accept the B-Model propositions as the most accurate in explaining a social organization while others state openly that an organization can be analyzed only in terms of specific individuals—it does not represent an independent entity. Others, in their writings and practices, behave in such a way as to reflect the propositions of the B-Model or the propositions of the I-Model without really being consciously aware of either. Still others vacillate back and forth between the two models, sometimes explaining behaviors according to the assumptions of one model and sometimes explaining occurrences according to the assumptions of the other model. It is
plausible to assume that individuals are capable of harboring contradicting aspects of both models simultaneously, but this writer interprets the models as opposing forces which lead to opposing conclusions when they are scrutinized. It follows, then, that one model is better than the other for analyzing purposes, dynamics, and consequences of cooperative actions.

**Choice of Model**

A difficult but necessary task facing educators and practitioners is to determine which of the models is the better of the two, i.e., which will lead to greater improvements in cooperative actions. This task becomes almost unmanageable because of the differences with regard to what is good. This writer will attempt to traverse this difficulty by assuming that there is an external reality, by comparing the models to this external reality, and concluding that the model most consistent with external reality is the one that most accurately describes the organizational process. Internal reality is true reality for the particular person experiencing a given image, but when compared to reality outside of the nervous system, internal images may range from highly inconsistent to highly consistent.
As documented in Chapter 2, the B-Model does exist in the minds of many writers; and they show some evidence to suggest that it also exists in the minds of organizational managers and workers. In order for this force to be consistent with external reality, a force must be posited in nature that gives order and meaning to all of the universe, including social behavior. Everything, whether it be social, physical, or spiritual, behaves according to these laws; and the search for knowledge concerns codifying these laws. Obviously, the question has not been resolved; but the writer can report that the majority of the present philosophers seem to be skeptical in accepting the contention that all social behavior is predetermined by a universal set of underlying supernatural laws over which man has little or no control.

In an effort to identify the extent to which the B-Model exists in the minds of organizational practitioners and employees, a questionnaire was distributed to 700 subjects. There are limitations in any method of examining the perceptive image of another; nevertheless, it is assumed that reported data via questionnaire responses are to some degree meaningful. It is further assumed that the I-Model or the B-Model can be identified indirectly through
Questions 1, 2, 3, 5, and 9 a in Appendix A. As indicated in Chapter 3, 45 per cent of the respondents identified strongly with individuals and 14 per cent identified moderately with individuals as compared to 15 per cent who related incidents to the company in general, thus, giving support to the individual-individual relations of the I-Model. In Table 3, it was revealed that 71 per cent of the respondents reported that they participated to some extent in setting or changing the goals of their department. This is contradictory to the B-Model which, at the extreme, hints that people are not consciously concerned with formulating objectives and, at a lesser extreme, reserves this task for top management. The data in Tables 4 and 5 strengthen the position of the I-Model because they showed that 88 per cent of the respondents perceived that they had at least some influence or more in setting or changing the objectives of their departments. Tables 6, 7, and 8 reveal that only 22 per cent of the respondents reported a conflict between the requirements of their jobs and the things which they personally expected to receive from their jobs. Additionally, 47 per cent of the respondents who reported conflict attributed the conflict primarily to inadequateness of people and only 16 per cent blamed the
routine nature of the job. Again, this tends to contradict the B-Model which suggests that boredom caused by job specialization is a major cause of individual-organization conflict. Finally, Tables 9 and 10 show that 39.2 per cent of the people who reported conflict reacted negatively as suggested by the B-Model. However, these same reactions can be attributed to individual conflict, and the negative reactors included less than 9 per cent of the sample which is a much lower figure than the B-Model seems to propose. While these data cannot be taken as conclusive evidence, they offer tentative support for the hypothesis that the majority of organizational practitioners and employees react in ways that are described by the assumptions of the I-Model rather than the B-Model. As a result, the researcher concludes that the B-Model, as described in this paper, does not provide a completely sound basis for organizational analysis.

**Difficulties of the B-Model**

A major difficulty resulting from the acceptance of the rational B-Model is the tendency to accept goals as a given and to concentrate upon evaluating other variables in their relationship to the other components in the system and to the given goals. Traditionally, little
emphasis has been given to the dynamics associated with goal formation, acceptance, and alteration; and this has impeded organizational analysis.

A second difficulty resulting from the B-Model framework is the myth of the top management extension whereby goals are the inherent prerogative and sole responsibility of top managers in the organization. If lower level managers are given the right to set goals, it is only because top management allows it and the subordinates' efforts are confined always within the boundaries delineated by top managers. This concept resides in the very heart of classical management theory. From the empirical and theoretical analysis of Chapter 4, a more realistic approach would seem to include a wider recognition of all organizational members' influence in goal formation and alteration.

Third, concentration at the aggregate level has led to incomplete solutions to conflict between organizational and personal goals. The herculean attempts to resolve the so-called inherent conflict between the rational organization and the psycho-physiological human being have included assorted programs, all designed to increase a workers' freedom and degree of control over his "self."
The increased freedom may make it easier for members to reduce individual-organization conflict, but this is so only because the programs encourage more accurate inter-individual interactions.

Finally, continuous reference to the all powerful organizational entity has led to a plethora of books, articles, and laws that criticize the big organization as an evil monster on the one hand or praise it as a big brother on the other hand, capable of taking care of everything and everyone.

The investigator is not suggesting that it is incorrect to examine a social organization on an aggregate basis. The danger occurs when it is examined as if it were an independent entity containing numerous and assorted powers independent of the members who make it up. Another, rather subtle, problem occurs at the macro level when investigators fail to recognize that their findings might differ when micro relationships are accounted for.

**Merits of the I-Model**

To overcome the shortcomings offered by the rational being model, the writer suggests a more extensionally oriented framework. The social organization should be considered at a lower level of abstraction than what the
term implies. When the complex organization is studied from the framework of individual interactions, it is believed that further advancements will accrue.

Additional emphasis upon perceptual, interpersonal communication, empathetic problems, and other yet to be developed, interpersonal phenomena would appear to strengthen the present body of knowledge categorized as organizational theory.

The role of the individual in the I-Model stresses more of a need for individual creativity and innovation. The area of creativity is noticeably absent from classical literature, which relies on the B-Model.

However, it is not enough to understand and appreciate these intra- and interindividual reactions in a social organization. Programs of education and training; first, at the college level; and second, at the company training program level are necessary for improvement through implementation of I-Model solutions. It is hoped that this study provides some impetus in this direction.
BIBLIOGRAPHY

Books


Periodicals


Essays and Articles in Collections


APPENDIX A

QUESTIONNAIRE
May 3, 1967

I am presently serving as an Instructor in the Management and Marketing Department at Louisiana State University.

The enclosed questionnaire represents a portion of a study that I am doing concerning organizational and personal objectives. Will you complete this questionnaire for me and return it in the self-addressed envelope? The questionnaire is being distributed to many people such as yourself, and there is no way for anyone to identify your answers. Notice, I did not request your name and there are no numbers on the form. I am interested only in the totals which I will get by adding all of the answers together.

I will be very grateful to you for this favor because, with your help, it will be possible for me to complete this study.

Sincerely yours,

Gerald H. Graham, Instructor
Department of Management and Marketing

Encl.
QUESTIONNAIRE

Directions. Please read the following questions carefully, and place a check mark (✓) in the blank that indicates your answer to the question. Feel free to write in any comments that you might have either in the margins or on the back of the questionnaire.

1. Think of the most recent instance when something pleasing happened to you on your job. Was this instance caused mostly by a specific person (or persons) in the company or by the company in general? (Check one)
   _____mostly by a specific person (or persons)
   _____mostly by the company in general
   _____neither of the above

2. Think of the most recent instance when something bad or unfair happened to you on your job. Was this instance caused mostly by a specific person (or persons) in the company or by the company in general? (Check one)
   _____mostly by a specific person (or persons)
   _____mostly by the company in general
   _____neither of the above

3. Check the following statement which best describes the way in which the objectives of your department are set. (Check one)
   (For purposes of this study, objectives mean the things which your department as a whole is trying to accomplish. Objectives are sometimes called goals, aims, or purposes.)
   _____No one consciously works toward setting the objectives of my department.
   _____Higher management sets the objectives of my department.

274
Management allows the members of my department to participate in setting our objectives, but they pay little or no attention to what we say.

Management allows members of my department to make suggestions in setting our objectives, and they honestly consider our suggestions.

I do not know how the objectives of my department are set.

4. How important are the objectives of your department to the efficiency of operations within your department? (Check one)

Objectives are absolutely necessary
Objectives are very helpful
Objectives offer some help
Objectives offer little or no help

5. How much influence or say do you have in setting or changing the objectives in your department? (Check one)

a great deal of influence
quite a bit of influence
some influence
little or no influence

6. How much information do you have about the objectives of your department? (Check one)

a great deal of information
quite a bit of information
some information
little or no information

7. How do you feel about your opportunities for participation in setting or changing objectives of your department? (Check one)

I would like to participate more.
I am satisfied with my opportunities for participation.
I would like to participate less.
8. How do you feel about the amount of freedom you have in performing your job? (Check one)

_____ I need more freedom.
_____ I am satisfied with my amount of freedom.
_____ I need less freedom.

9. Do any of the requirements of your present job conflict with any of the things you personally wish to get from your work?

_____ YES  ____ NO

(If the answer to Number 9 is "YES", answer parts (a), (b), (c), and (d); if the answer to Number 9 is "NO", go on to Number 10.)

(a) In the space below, briefly explain what causes this conflict.

(b) How do you react to this conflict?

(c) What do you think should be done about this conflict?

(d) Is this conflict caused mostly by a specific person (or persons) in the company or by the company in general? (Check one)

_____ a specific person (or persons) in the company
_____ the company in general
_____ neither of the above
10. How many organizations do you belong to other than your company?

(For purposes of this question, an organization is defined as any group of two or more people that meet together on some regular basis. Consider yourself a member of the organization if you attend approximately one-third or more of the organization's functions. Examples of organizations include: companies, unions, social groups, family, bridge clubs, bowling teams, religious groups, professional groups, and so on.)

_____0-3  ____7-10
_____4-6  ____more than 10

11. Check the following classification which contains your age.

_____20 or below  ____between 41 and 60
_____between 21 and 30  ____over 60
_____between 31 and 40

12. How many years have you been working with your present company?

_____5 or less  ____between 21 and 30
_____between 6 and 10  ____31 or more
_____between 11 and 20

13. Check the following which indicates your amount of formal education.

_____some elementary or high school  ____college degree
_____high school diploma  ____post-graduate education
_____some college

14. Check the following which best describes your position in the company.

_____top management
_____middle management (between top management and supervisor or foreman)
_____supervisor or foreman
_____worker (non-management, non-supervisory position)
VITA

Gerald Hugh Graham, the son of Oscar V. Graham and Lou B. Graham, was born in Converse, Louisiana on June 6, 1937 and was graduated from Converse High School in 1955. The writer enrolled in Panola Junior College in Carthage, Texas in September, 1955 and was graduated with honors in May, 1957. He then enrolled in Northwestern State College in Natchitoches, Louisiana in the Fall of 1957 and received his Bachelor of Science Degree in Business Education as an honor graduate in January, 1959. He entered the graduate program in business education at Northwestern State College in January, 1959. From September, 1959 to May, 1960, he taught in the public high school system of Cameron Parish and then returned to Northwestern State College in the Summer of 1960 to receive a Master of Science Degree in Business Education.

The following two years were spent in teaching business subjects in the public school system of Lafourche Parish. During this time, the student began pursuing a doctoral degree in Management at Louisiana State University.

278
in Baton Rouge, Louisiana. From September, 1962 to May, 1963, the writer served as an Instructor of Business Administration at Northeast Louisiana State College in Monroe, Louisiana; and from September, 1963 to August, 1965 he was an Assistant Professor of Business Administration at Nicholls State College in Thibodaux, Louisiana.

During the 1965-1966 school year, the writer completed his doctoral coursework at Louisiana State University while serving as a half-time teaching assistant. He was appointed as an Instructor of Management and Marketing at Louisiana State University for the 1966-1967 academic year and is presently a candidate for the Doctor of Philosophy Degree in Management.
Candidate: Gerald Hugh Graham

Major Field: Management

Title of Thesis: "An Analytical Comparison of Two Organizational Models with Special Emphasis on Personal and Organizational Objectives"

Approved:

[Signatures]

Major Professor and Chairman
Dean of the Graduate School

EXAMINING COMMITTEE:

[Signatures]

Date of Examination:

August 1, 1967