

Contemporary Approach to Administrative Decision Making

Leonard A. Hampton and Fremont A. Shull, Jr.,
University of Georgia

Decision making in Extension administration, as in other organizations and institutions, has undergone many changes. The authors discuss the evolution of decision-making theory from the authoritarian style in the early days to the current trend toward the participative approach. They suggest functional analysis as one method applicable to such a highly complex, decentralized organization as Extension. Where do you stand on this issue?

Concepts of managerial behavior have changed significantly during the last 50 years. This has affected all levels of management personnel. Extension is just one organization facing new challenges and goals. Three situations in particular have made a new management approach necessary—compliance with the Civil Rights Act of 1964, leadership development emphasis, and the popular concept of “management by objectives.” These have created new concerns for administrators and supervisors already preoccupied with the sweeping economic, technological, and social changes that have so significantly affected Extension work.

A critical need for rational decision making at all levels of management focuses the effective administrator’s attention squarely on these situations. He must educate himself and his peers to the concepts and skills necessary to deal with today’s problems of efficient management and service delivery. A functional analysis—a systematic approach to rational decision making—can be a major key.

In the 1920s and 30s, the management style was predominately one of directing a relatively unskilled work force by means of a vigorous and often “hard-nosed” approach to subordinates. Methods of supervision such as human rela-

tions and motivation were scarcely used by managers. This was partly because they believed that people didn't like to work or, if so, the only reason for working was to make money. Whatever the case, an authoritarian approach seemed effective for the time. But, it eventually gave way to a new style of management near the end of World War II.

Also, traditionally management had centralized decision making and instructed subordinates unilaterally on how these decisions were to be carried out. As the effectiveness of earlier organizations testifies, this structural specialization between planning and executing seems to have been successful. Now, however, there's evidence that decentralization and democratic leadership are more appropriate to most kinds of organizations. At the least, new patterns of participative management are in fashion today.

This article: (1) traces selected changes that have brought about new behavioral patterns of management and organizational structure, (2) describes functional analysis as an administrative tool that Extension administrators may use in making rational decisions, and (3) describes the implications of functional analysis of Extension administrators.

Historical Transition

The style of management that evolved during the 40s focused on the social concerns of employees. The Hawthorne studies, conducted

by social scientists during the late 20s and early 30s, were largely responsible for this movement. Applying these findings often meant just "making the employee happy." In doing so, the manager became adept at pleasing the employee, keeping morale high, and understanding human behavior.

But, this state of euphoria didn't necessarily increase productivity among these "contented" employees. Moreover, inflation set in, and managers had to search for ways to increase production.

Managers in the 50s were under tremendous stress because sales volume was going up, while profits were going down. Pressure was exerted, especially on financial centers where costs were out of line. Yet labor shortages were felt in some areas, requiring delicate handling of employee morale. The leadership style became one of exerting influence—but through human relations methods developed during the 40s. Still, to many observers, these methods appeared manipulative, were opened to humanistic criticisms, or ineffective in the long run.

As an outgrowth of these trends, the style of the 60s was one of "managing situations" to get the maximum mileage out of key personnel. Production was still a major concern, but how it was achieved was a focal point—a difference from older styles of management.

The "manager of situations" was characterized by a number of factors that distinguished his behavior from earlier styles.

1. His effectiveness was based on the quality of his followers. His accomplishments were judged as essentially those of his subordinates.
2. Traits such as loyalty and judgment couldn't characterize him as successful, and their absence no longer implied he'd be unsuccessful.
3. He made things happen by knowing and predicting the results of subordinates' behavior rather than watching what was going on.
4. He was more of a generalist than operative supervisor, more flexible and more of an expert in decision making.
5. He worked more through organizational structure than personal effort by using team projects, task forces, and delegation.
6. He was likely to become a leader by focusing on output and responsibilities while at the same time remaining ethical, fair, and concerned about the employee.¹

Let's summarize these involvements. The manager has found that his subordinates want to participate in decision making and that they have valuable contributions to make to the organization's success. Participative management and the feedback from subordinates to the managerial decision maker is one way to increase rational decision making. In effect, through participating, the manager is tracing the functional consequences of his decisions into the subordinate, implementation arena.

Accordingly, a critical task of the manager is to create an environment in which subordinates can make effective decisions. This means he must understand more than he did in the past about the nature and problems associated with the process of decision making itself.

Role of Decision Making in Administration

In 1958, Griffiths said that decision making is the central function of administration, that

. . . it is not only central in the sense that it is more important than other functions . . . but it is central in that all other functions of administration can best be interpreted in terms of the decision-making process.²

This supports management's emphasis on decision making today. It shows the position taken by most authorities about the major function of executive roles.

Early in World War II, Drucker observed that some managers succeeded, while others with comparable experience and similar qualifications failed. From these observations, he formulated what constitutes the effective and ineffective executive and concluded that the decision-making process could be learned. He also believes that decision making is a major key to effective administration.³

If decision making can be learned, the process can be opera-

tionally conceptualized. Drucker views decision making as having rather distinct elements:

1. A clear realization that the problem is generic and can be solved only through a decision which eventually established a rule or principle (or precedent) in some way.
2. Specification of the variables which the answer to the problem has to satisfy—that is, the “boundary conditions.”
3. The thinking through of what’s “right” in some logical order—that is, defining the solution that will fully satisfy these specifications before giving attention to the compromises, adaptations, and concessions needed to make the decision feasible.
4. Building into the decision details of the actions necessary to carry out the feasible solutions.
5. Preparing mechanisms for “feedback” that tests the validity and effectiveness of the decision against the actual course of events.⁴

While an important task of a manager is one of decision making and encouraging subordinates to participate in these decisions, most effective managers don’t concentrate on making a multitude of decisions but on making fewer, more important ones. The manager’s more important decisions may affect company policy, procedures, or philosophy (that is, those that result in a general rule or principle).

Decision making for Johnson and Haver is a process that may be

divided into a sequence of stages with a different type of activity occurring during each phase. They have classified the elements of decision making as: (1) observing the problem, (2) making an analysis of it, (3) defining the available courses of action, (4) selecting one course of action, and (5) evaluating the consequences of that choice.⁵

Whatever the course of action chosen by the manager, effective decision making isn’t incidental. It’s the result of an unfolding, sequential progression of professional judgments.

Decision making is the course of action chosen and its consequences. A decision, by definition, means a course of action for the future. A truly important step in any decision-making process is to rationalize the decision in terms of its intended consequences . . . not ignoring its undesirable consequences.

Whatever impact the decision may have, an effective manager must realize that unintended consequences of his decision may overshadow the importance of its intended consequences. Thus, an effective manager tries to rationalize his decisions by ferreting out possible unintended consequences. It’s the relationship of the decision to its intended effects or rationalized functions that’s of major concern to the manager.

Functional Analysis

The word “function” has many definitions. But here’s one that gives the concept of functional analysis its

significance in understanding decision making in organizational settings: “function” refers to those observed consequences of social phenomena that help a social system adapt or adjust to its own internal tendencies.

Malinowski explains the significance of functional analysis, in sociological terms, as the study of “the part which social and cultural items (for example, decisions and artifacts) play in a society.”⁶ His theory examines facts and decisions in all stages of development by their function, by the part they play within a social system, and by the way they’re related to each other within that system. If a decision promotes undesirable consequences, it’s dysfunctional.

In any organization, a decision may have a set of functional, dysfunctional, and nonfunctional consequences. This makes it difficult for the manager to assess the aggregate or net effect of all its consequences. Thus, a functional analysis must be made, based on instrumental predictions. Functional analysis is critically important to the manager forming and enacting organizational policy and procedures . . . indeed, in the evaluative “chaining” of any particular decision.

In summary, functional analysis is a method of analyzing the relationships of vital social phenomena to each other and to their contributions to maintain that social system. The substance of the social phenomena is decision making, the climate is the organization in which these decisions are made, and the ultimate effects

of such decisions are evaluated in terms of the organization’s survival.

Manifest and Latent Functions

Merton, in referring to the concept of functional analysis, describes “unintended consequences” and the possible presence of “latent” functions. He defines latent functions as effects that are neither intended nor recognized.

Correlatively, “manifest” functions are objective consequences contributing to the adjustment or adaptation of the system, such as decisions that make it possible to attain organizational goals—both intended and recognized by decision makers in the system. He then classifies consequences into the following three categories:

1. *Functional* for a designated system (for example: contribution to agricultural economic development).
2. *Dysfunctional* for a designated system (for example: creating farm surplus). The possibility of these dysfunctional consequences may not be recognized by the decision maker because certain organizational ills may be only latent but then are activated by the selected course of action.
3. *Irrelevant* to the system and therefore affect the organization neither functionally nor dysfunctionally (for example: using state cars for travel).⁷

An example of the importance of latent functions and dysfunctions is

found in the history of Extension. Fifty years ago, during the beginning phases of Cooperative Extension, the focus of Extension's programs was on increased production of farm commodities. Yet, today, as farm products leave the farm, over 11 million nonfarm workers transport, process, store, and sell the products to more than 200 million consumers.⁸ The hundreds of Extension professionals involved in its mass effort originally were concerned with its manifest function—helping farmers maximize crop production.

Today, however, the latent functions and dysfunctions involved in getting food from the farmer to the consumer are recognized results of the previous concentrated effort. The market and society are now influenced by the highly mechanized farmer who through large-scale farming has created agricultural surpluses.

Latent functions have been disclosed as a result of farm surplus and other factors such as a national migration of farm families to urbanized areas. Possible dysfunctions related, for example, to farm surpluses have made expensive crop controls necessary on certain commodities in an attempt to regulate and maintain prices for producers and consumers.

Extension then is one societal example where dysfunctions did occur. But, as a result, certain organizational shifts were made that may have been socially beneficial in the long run. Extension administrators have had to look to the future and envision what the social role of Ex-

tension will become. This has meant designing new programs to more fully meet the people's needs. Agricultural managers have found they must have conceptual tools sophisticated enough to keep up with technological innovations taking place in every facet of agribusiness.

The identification of latent functions represents a significant advance in Extension's organizational knowledge, for new dimensions in Extension's role have emerged with the farm surplus problem.⁹

While every organization must evaluate its own situation, considering alternative consequences, Falling suggests that:

There may be times when a functional arrangement can be judged bad and a dysfunctional one good—just as ill health is sometimes recalled with gratitude because it put one in the way of great fortune at a later time.¹⁰

Implications for the Manager

It's important the manager anticipate multiple consequences of a decision before making his choice. His decisions may have different effects on different units of his organization as well as varied unintended consequences. Hartley uses this example of a school superintendent's decision:

A decision will have certain consequences for an individual teacher (which implies the concept of psychological function), the informal group (group function), the individual school with-

in a district (societal function), and the entire school district (cultural function).¹¹

Hartley implies that the decision maker must carefully analyze the need and structural content of each of the individual groups affected by the decision. Concomitantly, the decision maker must consider other factors, such as the sequence of activities, the timing of change, and the responsibility for executing the final decision.

In essence, to ensure sound decisions, the manager should try to anticipate the possibilities of unintended consequences, some of which could result in organizational dysfunctions.

A second implication for the administrator relates to someone who has become accustomed to solving certain types of problems according to "routine" methods of decision making and traditionally held values. He may be faced with a problem because a certain organizational goal wasn't met, largely because the objectives are currently undesirable and should be changed.

An example of this can be related to the purpose of Extension, as outlined by the 1914 Smith Lever Act. Its purpose is "to aid in diffusing among the people of the United States useful and practical information. . . ."

This act didn't specify any particular group of people as Extension's clients. Yet, the propensity of Extension, as well as other service organizations, to work with the middle-class has essentially excluded

two major groups of people in the nation—the disadvantaged and the affluent. The problems in working with the middle-class are perhaps minimized because the group readily responds to educational offerings.

Another consideration is the difference between why the problem occurred (cause of the disorder) and what happened because of it (its symptoms). This distinction can be illustrated by the nation's multitudes who suffer from hunger and malnutrition. A search must be made for the cause of the real problem. Perhaps through education, these people can be taught to make the most of the resources they have.

However, merely providing food assistance and food stamp programs won't solve the real problem. The question is *why* these people suffer from hunger and malnutrition. Yet, symptoms must be treated, for these individuals may not live long enough for the real, deep-seated problem to be solved. Decision makers must consider both parts of a problem—its symptoms and its causal factors.

Organizational Climate for Decision Making

Since organizations involve both people and structure, dysfunctions may occur because the manager places too much emphasis on the structural makeup of his organization. In a formal organization, rules and regulations are largely made at the top administrative level and are designed to be followed by other members of the organization.

Yet, the structure of an organization consists of several lines of communication, such as line-staff relationships or the use of committees and task forces. Moreover, since, people aren't totally molded by these organizational demands, the overall form of the structure and the ways it affects its membership are significant in determining the types of problems related to the manager's decisions.

Some forms of organizations are likely to be more efficient in making technically correct decisions. Weber contends that bureaucracy is the most efficient form of organizational structure. He says the best way to ensure technically correct decision making is to put a person in a job that best uses his experience and expertise. Moreover, disciplined performance is governed best by an explicit set of rules and regulations. These should be administered by a bureaucratic hierarchy that fosters a rational and consistent pursuit of organizational objectives.¹²

Simon, in describing bureaucracy, presents a similar view by suggesting that the scope of decisions in an organization should be limited by the capacity of each of its members. By doing so, the responsibilities of each are well defined, giving him manageable goals to guide his decisions. Further, bureaucracy establishes definite chains of command and training programs designed to narrow the range of alternatives the manager must consider before making his decisions.¹³

In essence, this form of organizational structure is designed to less-

en the chances of a manager making decisions that could have unintended consequences because he only makes decisions whose outcomes are already anticipated in the form of policy.

As organizations become more complex, their entire structures change, especially in superior-subordinate relationships. This change is best characterized by the delegation process . . . historically a unilateral organizational exchange from superior to subordinate. But, the administrator must provide a climate that encourages subordinates to take part in the decision-making process.

Traditionally, through principles of bureaucracy, managers have routinely delegated certain areas for decision making to their subordinates who routinized the decisions and then practiced the "exception principle"—fed nonroutine problems back to their superiors. Thus, with a simple chain of command and a single point of accountability, the major task of the manager was decision making.

Subordinate Decision Making

With the knowledge explosion and with increased specialization and professionalism of subordinates, a manager can't expect to practice such focused decision making. In fact, most organizations are now delegating more and more planning and control to even routine, operative tasks. In these less tightly knit, decentralized organizations, where decisions are made throughout the en-

ture hierarchy, decision making is more democratic and participative than it was when the process evolved from a standardized bureaucratic system.

A growing management policy relates more to supporting subordinate choices and supervising their decision making than to the making of decisions themselves.

For reasons like these, the manager may be better characterized as a risk bearer than as a decision maker. Certainly, the likelihood of non-functional and dysfunctional consequences of decision making under these conditions is greater than under the conditions described for a bureaucratic system. Thus, two types of risks are associated with a managerial role:

1. Risks associated with the manager's discretion in role (that is, the opportunity for him to make poor choices). As the span of discretion increases in a role, the possibility of error without corrective action grows.
2. Risks associated with subordinates' decisions. The manager is subject to error over which he has no immediate control because of the discretion he permits subordinates in decision making.

In many ways, the salaries of managers are positively related to this composite risk.¹⁴ Indeed, risk making may be the major function of managers.

Democratic structures with delegated decision making are current

happenings and offer increased effectiveness to organizational behavior. Subordinates are closer to the implementation of the decision and may have more specific facts about the problem. Therefore, they're often in a better position to make organizationally rational decisions than their manager. Nonetheless, in the modern complex organization, a subordinate is subject to high ambiguity and conflict.

A major source of conflict encountered by subordinates stems from incompatible demands of different authorities in the organization, for example, between close quality inspection and high production quotas.

The manager must realize that he's often one of the conflict sources himself. He must also realize that he influences the nature and resolution of these conflicts over time in these ways:

1. In the initial selection process, in his attempts to choose subordinates with a personality (decision strategy) that meets his own attitudes.
2. In introducing and training subordinates in terms of his own stance as well as organizational requirements and relationships.
3. In coaching subordinates about current pressures and penalties and the legitimacy of their different options.
4. In ratifying decisions appropriately made and by protecting subordinates from undue pressures and illegitimate demands

from other parts of the organization.

In the case of organizational conflict, Lee and Galloway state that the manager should

. . . articulate the objective differences of opinion, enable both sides to be heard, promote honest discussion, set ground rules, make sure that all the facts are presented, help the opponents to arrive at a decision, and evaluate the entire process after the fact.¹⁵

Thus, while the history of management shows change, administrative behavior remains about the same—but perhaps with a different perspective.

Summary

Functional analysis is a method an administrator can use to logically analyze his decisions and their possible consequences. It also helps create a better environment for participative decision making.

In a highly complex, decentralized organization like Extension, functional analysis may particularly apply because of the many levels of decision making and consequently the greater risks of unintended consequences.

If an administrator wants to reduce the number of unintended consequences from decisions, he should examine not only the areas where their frequency is greatest, but also where they're most significant to the organization. Efforts to minimize the possibility of dysfunctional conse-

quences in delegated decision making will help promote effective organizational choice.

Footnotes

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