

WHAT ARE YOUR ORGANIZATION'S OBJECTIVES

by Phaibul Changrien*

This is an analysis of Dr. Gross's paper on "What are Your Organization's Objectives"¹. The writer tries to lead and mix up Thai situation in the discussion as well. In the latter part, the writing of Kusum Nair's Blossoms in the Dust will be elaborated as the comparative analysis of Dr. Gross's paper.

A Question like "What are your organization's purposes or objectives?" cannot find a pertinent answer because formal definitions of management invariably give central emphasis to the formulation in attainment of objectives.

Prof. Bertram M. Gross introduces a model of social system at the national level in his article entitled "The State of the Nation". According to this model, the state of any nation at any period of time (past, present or future) can be analyzed in terms of two interrelated, multi-dimensional elements: system structure and system performance.

By recapitulating the assigned readings, The State of a Nation will be analyzed in terms of the performance - structure model. The paper emphasized social system performance, consequently, this will be dealt with the output and input concepts.

Two kinds of performance are:

1. Satisfy the varying interests of people and groups
2. Producing outputs of services or goods

There is a three-way breakdown in applying the input concept.

3. Making efficient use of inputs relative to outputs
4. Investing in the system
5. Acquiring resources

Organization performance also further includes:

6. Doing all these things in a manner that conforms with various codes of behavior and
7. Varying conceptions of technical and administrative rationality.

It has been emphasized that information relating to system performance plays a more vital social role than that bearing on system structure and performance goals are usually far more specific than structural goals. Moreover, performance itself is usually the only way to bring about any changes in social structure and the most accessible and the most frequently collected statistics relate to past and present performance.

Before elaborating organization performance, it would be wise to know that there is interrelationship among its subsistence for output and investment goals can be achieved only through efforts to mobilize resources and use them efficiently. To attain goals, it is necessary to

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¹Bertram M. Gross, *What are Your Organization's Objectives*, A paper presented to Syracuse University, Spring 1966.

conform to certain behavioral codes and to devise rational courses of action. Nevertheless, some conflicts arise as the aim of satisfying human interests through producing output for immediate consumption after conflicts with the aim of using more resources to invest in system capacity.

Social system performance may be elaborated as follows:

1. Satisfying interests

The interests of the people and groups are the highest purposes of any society. These interests may range from simple survival and security to the needs for belonging, affection and love, for status, self-respect and power, and for self-development and self-fulfilment.

Interest - satisfaction objectives are said to be the most difficult to formulate.

2. Producing Output

The "Output Mix" of any society is comprised of a great variety of activities, services or assets brought into being to satisfy the interests of various clientele networks, mostly internal. Although output production objectives are much easier to formulate but some problems may arise concerning dimensions of output quality or the identification of intangible services.

3. Investing in system capacity

Investment planning is regarded as the heart of economic planning against poverty in underdeveloped countries. The leaders of those countries assume a large burden of government responsibility for the guidance of investment seen by their large programs of public investment. The investment objectives of an organization, as stated in "What are Your Organization's Objectives", involve the expansion, replacement, conservation, or development of assets. They are essential not only for survival, but to prevent decline and promote growth. In the revised "The State of the Nation", this article speaks in terms of national economic accounting, that investment is calculated by annual increments to the stock of "hard goods".

4. Acquiring Resources

Mobilization of resources may be done by transferring resources from some subsystems to others-by allocation, expropriation, taxation, borrowing or inflation.

5. Using Resources Efficiently

Profitability measurement is regarded as the best way of calculating the relationship between input and output.

6. Observing Codes

The "right" way in doing things is set forth in external codes, laws regulations, moral and ethical prohibitions and prescriptions, professional principles.

7. Behaving Rationally

Performance pattern of society's rational behavior aims at desirability, feasibility and consistency.

In this section, I will briefly discuss some of the major elements of social system performance in Thailand within the last 40 years. The reason I have this period of time in mind is because

in 1932 Thailand experienced the coup d'état by a military group which called themselves The People's Commission since then, the social system performance in the country has been drastically changing. By going deeply into each unit of system performance, national planning process will also be handled.

Satisfy the Varying Interest of People and Groups.

It has been cited that the development policy of underdeveloped countries aim at providing certain minimum standards of living. All aim at providing certain basic protections of the modern "Welfare State."² This is also true as in the planning process of Thailand for it involves a broadening and deepening of the practice of annual budgeting in the sense that the Plan covers more than one year and it attempts to consider, not just Central Government's Financial budget but those of public enterprises and local government authorities as well.

The purpose of satisfying interests is variously described in "The State of The Nation."³ One of them is the declining in "Moonlighting". In "Moonlighting" I do not believe that it is a widespread phenomenon in industrializing societies because they provide enough wages of salaries to satisfy *ambitious* workers and professionals. In Thailand, however, Many government officials work extra hours apart from their day-to-day work to support their families. Their salary only cannot help maintain their subsistence. Some other officials who do not work extra hours try to gain their extra revenue through bribery, graft and other forms of corruption.

Producing Outputs of Services or Goods.

Poor countries today are aiming at annual growth rates at least 100 per cent higher than those characterizing economic development in Europe.⁴ National Planning in Thailand aims at increasing the average annual rate of growth of the nation's Gross National Product from four percent to five percent. With the expected increase in population at an annual rate of over three percent, per capita income was expected to grow at an average annual rate of three percent.⁵

The annual growth rate is not overestimated because the economy had undergone a rapid process of diversifying the structure of production and exports. Local private capital and initiative, augmented by the inflow of complementary foreign resources, have increased the tempo of industrialization within the country.

Making Efficient Use of Inputs Relative to Outputs.

This has been stressed in increasing attention to efficiency in terms of utilizing potentials and improving the quality of output.⁶ Underdeveloped countries also aim at full employment in urban areas. Serious problems arise when more men are being trained than the government can absorb. This has produced a class of underemployed intellectuals.⁷

²Bertram M. Gross, *Planning Against Poverty: Guided Development in Poor Nations*, January 18, 1965, p. 27.

³Bertram M. Gross, *The State of The Nation*, Revised on November 1965, p. 154.

⁴Bertram M. Gross, *op. cit.*, p. 29.

⁵Snob Unakul, *Development Planning and Long-Term Projections for Thailand*, July 7, 1964, p. 2.

⁶Bertram M. Gross, *The State of the Nation*, *op. cit.*, p. 155.

⁷Almond and Coleman, *The Politics of The Developing Areas* (New Jersey: Princeton University Press, 1960), p. 103.

It is hoped that in the future private enterprises in Thailand can absorb some underemployed intellectuals if the Government provide adequate stability.

Investing in the System

The theoretical concepts of investing system lie in labor saving, but with more conscious and explicit attention to investment in people, subsystems, internal and external relations, values and the guidance system. The "century-skippers" in underdeveloped countries also aim at both accelerated investment activities and at sustained rather than cyclical investment patterns. This has been stated in the "Planning Against Poverty." Thailand's investment planning should be regarded as a "century-skipper" for her attempt at ordering investments of public funds in accordance with development policies and priorities. This is a definite improvement compared with the rather haphazard method of project formulation and allocation of public funds in the past.⁸

By looking at input and output aspects, Fred W. Riggs defined the administrative system as both "input" and "output" for which goals and demands are the "inputs" result in an "output" of related goods and services.⁹ He further suggested that if we consider administration as a subsystem, one of its "output" such as maintaining peace is an "input" for the whole social order by serving the survival needs of the society.

The social system performance in underdeveloped countries has been carried out by the government. Karl Deutsch looks upon government as less a problem of power and as more a problem of steering; and he tries to show that steering is decisively a matter of communication.¹⁰

Acquiring Resources

This aims at producing greater foreign trade and international capital flows and higher domestic taxes. Planning in Thailand was financed by approximately 3 million baht by grants out of the total development expenditure during 1961-1963 of 10.5 billion baht. Some corrective measures have to be seriously taken to prevent anykind of leakage in domestic taxes.

Observing Codes and Behaving Rationally

It is not my propose in this paper to elaborate upon the existing phenomena of bribery, corruption and nepotism within the Thai government. The government is trying in every way to reduce it. The effectiveness of development planning in Thailand with respect to observing codes and behaving rationally depends mainly on the attitudes and the will of present and future political leadership. If this continues to maintain its high standard of integrity, all central guidance clusters will undoubtedly try to observe codes and procedures and behave rationally for the fulfilment of the national goals.

The objectives of an organization have been the significant topic of discussion of planning. Many managers adhere to a single purpose model such as profitability in the case of many business executives. Nevertheless, multi-purpose models have been sought and thus far the most systematic

⁸Snoh Unakul, *op. cit.*, p. 4.

⁹Fred W. Riggs, *Administration in Developing Countries* (Boston: Houghton Mifflin Company, 1964), p. 19.

¹⁰Karl W. Deutsch, *The Nerves of Government* (New York: The Press, 1963), p. IX (a).

approach to organization purposes is provided by budget experts and accountants. This is far from perfect because concentration upon budgets has led many organizations to neglect technological and other problems that cannot be expressed in budgetary terms.

A "general-systems model" of an organization is being interpreted that can bring together in an ordered fashion information on all dimensions of an organization. It integrates concepts from all relevant disciplines. It can help to expand financial planning to full-bodied planning in as many dimensions as may be relevant.

By skillful use of a performance-structure model, errors caused by executives might be avoided such as:

- 1) planning for major improvements in performance without given attention to the structural prerequisites, and
- 2) planning for major changes in structure without considering their presumed connection with performance

Professor Gross states that almost any aspect of system performance will have some effect on system structure. Any important plans for future performance inevitably require significant changes in system structure. Changes in system structure, in turn, are invariably dependent upon some types of system performance.

This abstract emphasizes structure objectives. In considering system structure, we have to be aware of many things such as images derived from the 'non-human' structure of a building, informal as well as formal aspects, internal conflicts and inconsistencies.

Objectives for structural change has been broken down as follows:

1. People
2. Physical Resources
3. Subsystems
4. Internal Relations
5. External Relations

The relations between an organization and this immediate environment may be expressed in terms of the roles played by such individuals and groups.

- (a) clients and suppliers
- (b) controllers and controlled
- (c) associates and adversaries

6. Values

Some of the most important elements in the value structure may be defined in terms of the continual conflicts between

- (a) internal and external orientation
- (b) conformity and individualism
- (c) passivity and activism

7. Guidance Subsystem or System Coordination

In Section II of "Toward a System of National Social Accounts", Professor Gross gives a significant remark that the other five elements of system structure are merely ways of elaborating on certain stable characteristics of, and interrelations among, people.

As for this part onward I will try to summarize all major elements of social system structure in India after going through a book by Kusum Nair, *Blossoms in the Dust* with some references on

1. Fred W. Riggs, *Administration in Developing Countries*
2. Almond and Coleman, *The Politics of Developing Areas*

The model of National Structure can be broken down into 3 parts:

1. Pre-Industrial
2. Industrial
3. Post-Industrial

The Indian structure, nevertheless, emphasizes only Pre-Industrial and Industrial parts. It is not exaggerate to say that the structure of India is in Pre-Industrial aspect owing to its low standard of living and low per capita income. The Post-industrial aspect is her hope. The National Planning aims at reaching the Pre-Industrial goal. Indian system structure can be compared with 'Fused' society in Riggs' *Administration in Developing Countries*. By interpreting Riggs' book there is no society which is really 'Fused' or 'Pre-Industrial'. Any society is composed of 'Fused', 'Prismatic' and 'Diffracted' to a certain degree. Kusum Nair, an expert in national planning, spent one whole year travelling through villages in all parts of the country, recording her discussions with everyone she met young and old, their conditions of life, their hopes, aspirations, and fears. She came to the conclusion that there are significant differences in respect of traits and aptitudes, such as thrift, industry, mobility and readiness to exploit economic opportunity, which makes the problem of planning more complicated. The problem of material resources is only one of several factors that must be taken into consideration. Nevertheless, the basic problem of how to bring about rapid change in the people's social and economic values within the framework of democratic planning is not hopeless and insolvable. An essential condition of finding a solution is that the problem be recognized, understood and faced squarely in all its aspects and implications.

From this I will go deeply into analyzing each elements of system structure as follows:

1. People.

Population density on arable land is high. Two-thirds of the people live directly from the soil, and cultivated area is under one acre for each rural dweller. It has been estimated that every minute the population of India increases by ten. India's rate of annual growth by 1956 was 1.3 percent. Illiteracy is ubiquitous. Literacy rate in India (1951) from the United Nations' Statistical yearbook 1957 was only 16.6; and average annual per capita income (1952-1954) was only \$60. Kusum Nair gave a sophisticated point on education that the sons didn't want to become farmers like their fathers. If they go to school up to a certain grade, (7th or 8th class) they will try to become white-collar workers. Owing to the limited number of white-collar jobs, the number of competitive applicants in each job is surprisingly high. The worst point is that the sons always look down upon their parents who are farmers.

2. Non-human resources

Large areas are unsuitable for cultivation and irregular water supply in other areas makes production irregular. Land is the greatest natural resource and upon its future development and use depends much of the economic growth of the region. Natural resources are abundant but its development is trivial. India ranks seventh among the coal producers of the world, and her reserves are substantial. India's high-grade iron ore reserves are among the world's largest and she is rich in manganese, mica, and many other minerals.

3. Subsystems

Low agricultural productivity per man and per acre is the most dominant feature of the Indian economy. Japanese method of cultivation has been introduced to some parts of the country. Still, less enthusiasm follows though Japanese style gives high yield of production in using fertilizer. Tractors have been introduced. This has also been proved unsuccessful in India because it requires a driver and gasoline is expensive.

The other aspect of subsystem such as 'extended' family is similar to other countries in South and Southeast Asia.

The efforts are made to reconstruct community life through 'community development' or 'village development' such as Panchayat.

4. Internal Relations

An element in internal relations, which is cooperation or intergration among and within the subsystem based upon certain commonly accepted values or some degree of perceived interdependence, if not mutually acceptable objectives, should be regarded as caste system. The lower class and the higher one still cause a lot of tremendous problems in present India. Higher class like Brahmin looked down upon manual work. Lower class sometimes want to be lower to gain advantage of some privileges offered by the government. These practices retard economic development. Discrimination spread everywhere although the constitution of the Republic of India (Article 15, 16, 17) prohibits discrimination and untouchability. The government and the court have been struggling for centuries to maintain this provision. Discriminatory barriers are so strong that upward mobility to higher caste is almost impossible. Lower classes like untouchables tried to change faith from Hindu to Buddhist to avoid discrimination.

5. External Relations

India had long struggled for independence from the British rule until she had been given full autonomy on August 14, 1947. The striking nationalists were Ranade, Gokhale, Tilak, Rai, Gandhi, Nehru, Radhakrishnan. What British left behind can bring India to Industrial and Post-Industrial position. Those are rationalized administrative and judicial systems, westernized educational system, a framework in which the government operated according to a rational-legal system, an expanded government, achievement criteria in job recruitment and promotion, and civil liberties.

6. Values

This is a major element in Indian system structure. This has also been visibly pointed out in the Sala Model (Prismatic Society) in Rigg's Administration of Developing Countries such as:

- corruption
 - men are chosen for public office with a view to their power potential and their loyalty to superiors rather than to their profession
 - Those who cannot gain access to official position lack access to power.
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Kusum Nair's view on Indian values, based primarily on traditional aspects which are bounded by culture, custom and religion. India's progress, undoubtedly, depends upon revolutionary transformation.

7. Guidance System

Various organizations and agencies, which are members of central guidance cluster in India such as the Planning Commission, Ministers of States, play various roles in decision making and communication with respect to formulating and reformulating objectives.
